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**STANDING COMMITTEE ON
COAL, MINES AND STEEL (2025-2026)**

EIGHTEENTH LOK SABHA

MINISTRY OF STEEL

**'ORGANISATIONAL STRUCTURE AND
PERFORMANCE OF STEEL AUTHORITY OF INDIA
LIMITED (SAIL)- A REVIEW'**

TWENTY-FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2026/CHAITRA 1948 (Saka)**

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Presented to Lok Sabha on 27.03.2026

Laid in Rajya Sabha on 27.03.2026



LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2026/CHAITRA 1948 (Saka)

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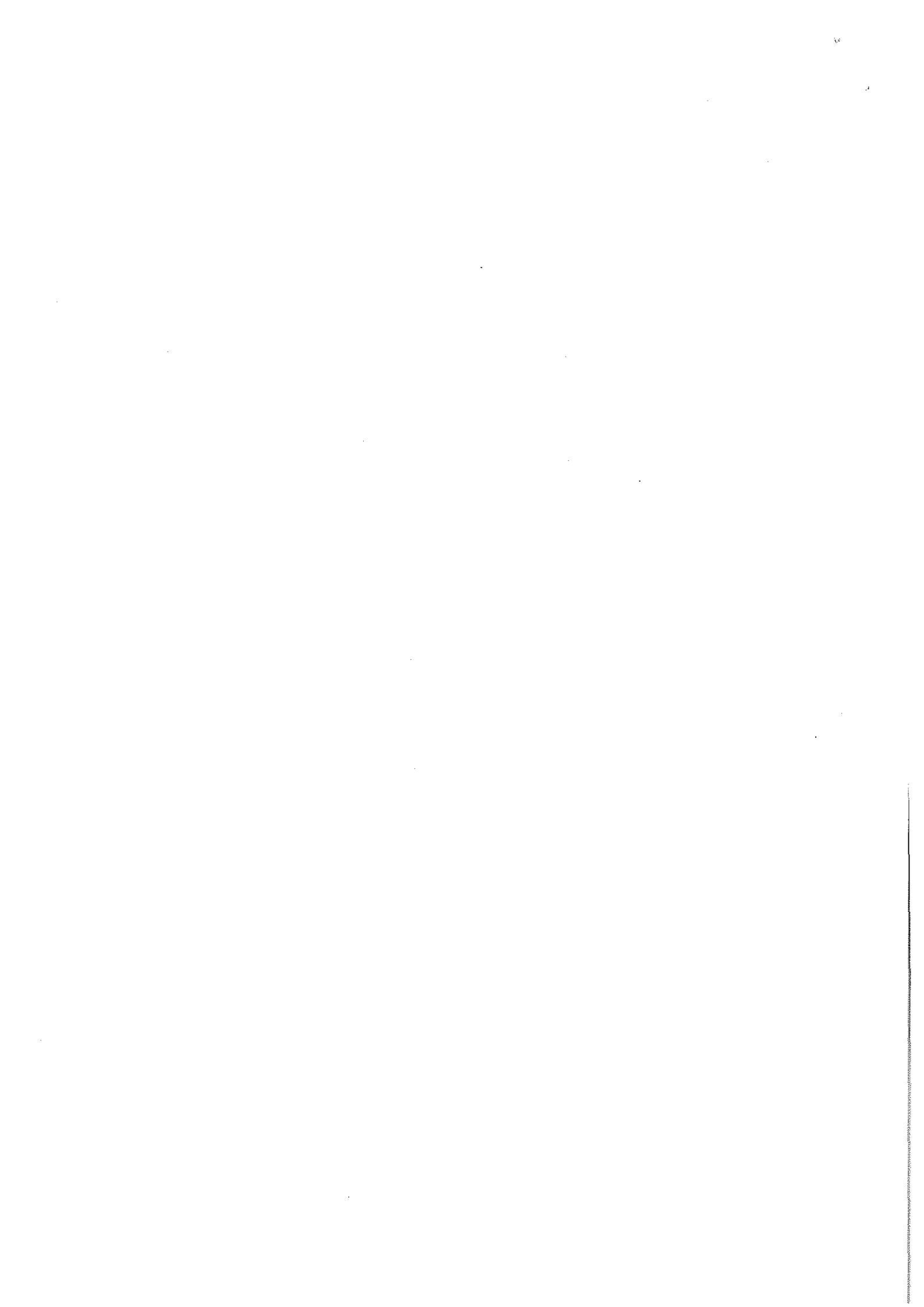
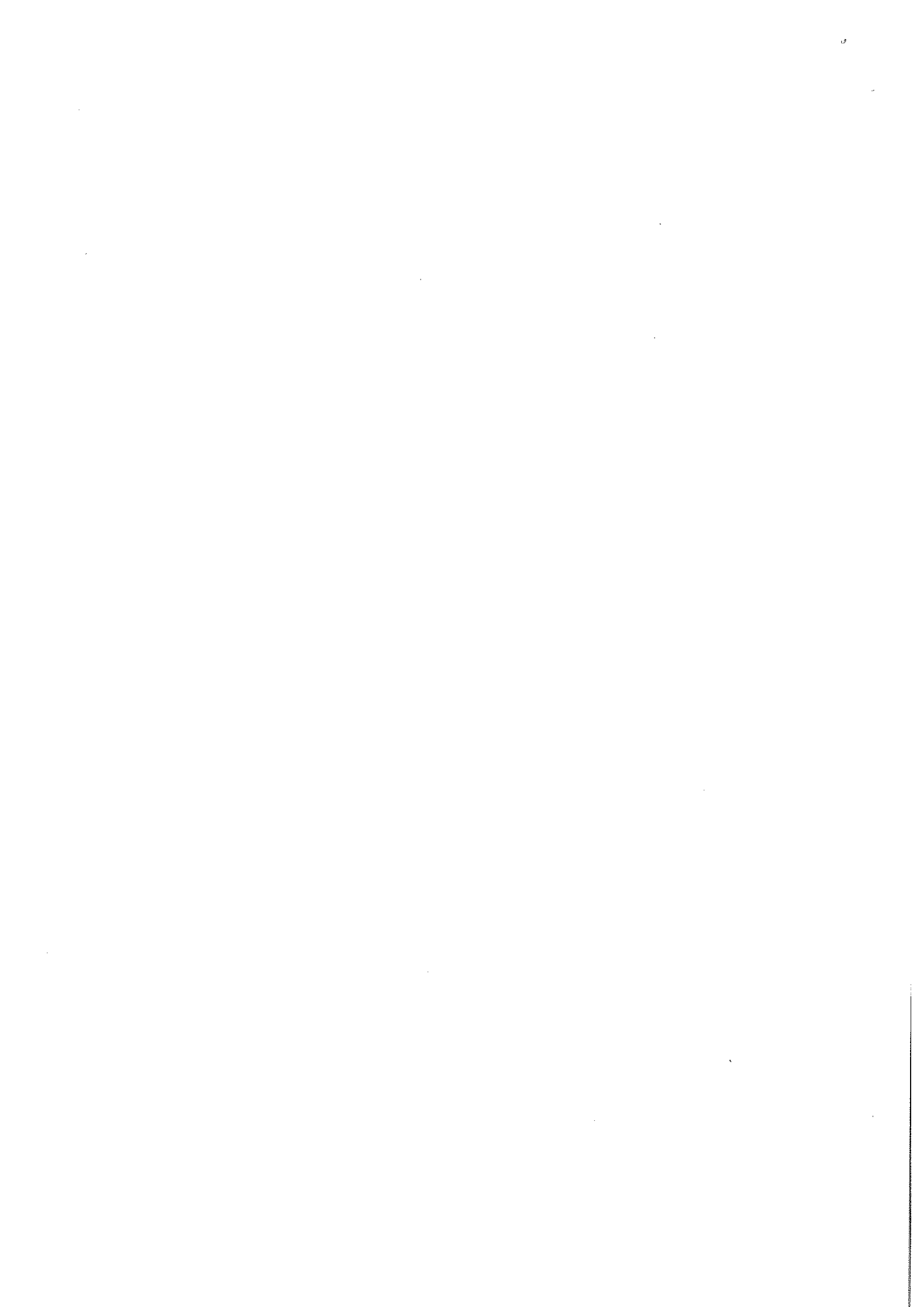


TABLE OF CONTENTS

COMPOSITION OF THE COMMITTEE (2024-25)		
COMPOSITION OF THE COMMITTEE (2025-26)		
INTRODUCTION		
PART I		
CHAPTER I	A-Introductory	1
	B-Role and Strategic position of SAIL	2
	C-Organisational Structure of SAIL	4
	D-Integrated Value Chain (Mining to Steel)	7
	E-Power and Energy Security	9
	F-Procurement and Inventory	11
CHAPTER II	Physical performance	13
	A-Capacity and Utilisation	13
	B-Production Performance	15
	C-Labour Productivity	17
	D-Techno-Economic Performance	18
CHAPTER III	Financial Performance	20
	A-Overall Financial Performance	20
	B-Plant wise Profit and Loss	21
	C-Borrowings and Debt Position	22
CHAPTER IV	Captive Mines and Raw Materials	24
	A-Mines operated by SAIL	24
	B-Sale of Iron Ore from Captive Mines	25
	C-Raw materials and logistics	26
	D-Strategic Expansion and Global Positioning	28
CHAPTER V	Modernization and Marketing	29
	A-Technology, Modernization and Expansion	29
	B-Product Mix and Sales	31
	C-Marketing and Branding	34
	D-Export Strategy	36
	E-Green Steel Initiatives	38
CHAPTER VI	Manpower, Productivity and HR Practices	41
	A-Human Resource	41
	B-Safety Infrastructure and Risk	43
	C-Corporate Social Responsibility (CSR)	44
PART II		
OBSERVATIONS AND RECOMMENDATIONS		46-59
ANNEXURE I	Minutes of the Thirtieth sitting of the Standing Committee on Coal, Mines and Steel (2024-2025) held on 18.09.2025	60
ANNEXURE II	Minutes of the Fourth sitting of the Standing Committee on Coal, Mines and Steel (2025-2026) held on 24.11.2025	62
ANNEXURE III	Minutes of the Nineteenth sitting of the Standing Committee on Coal, Mines and Steel (2024-2025) held on 24.03.2026	64



COMPOSITION OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL
(2024-2025)

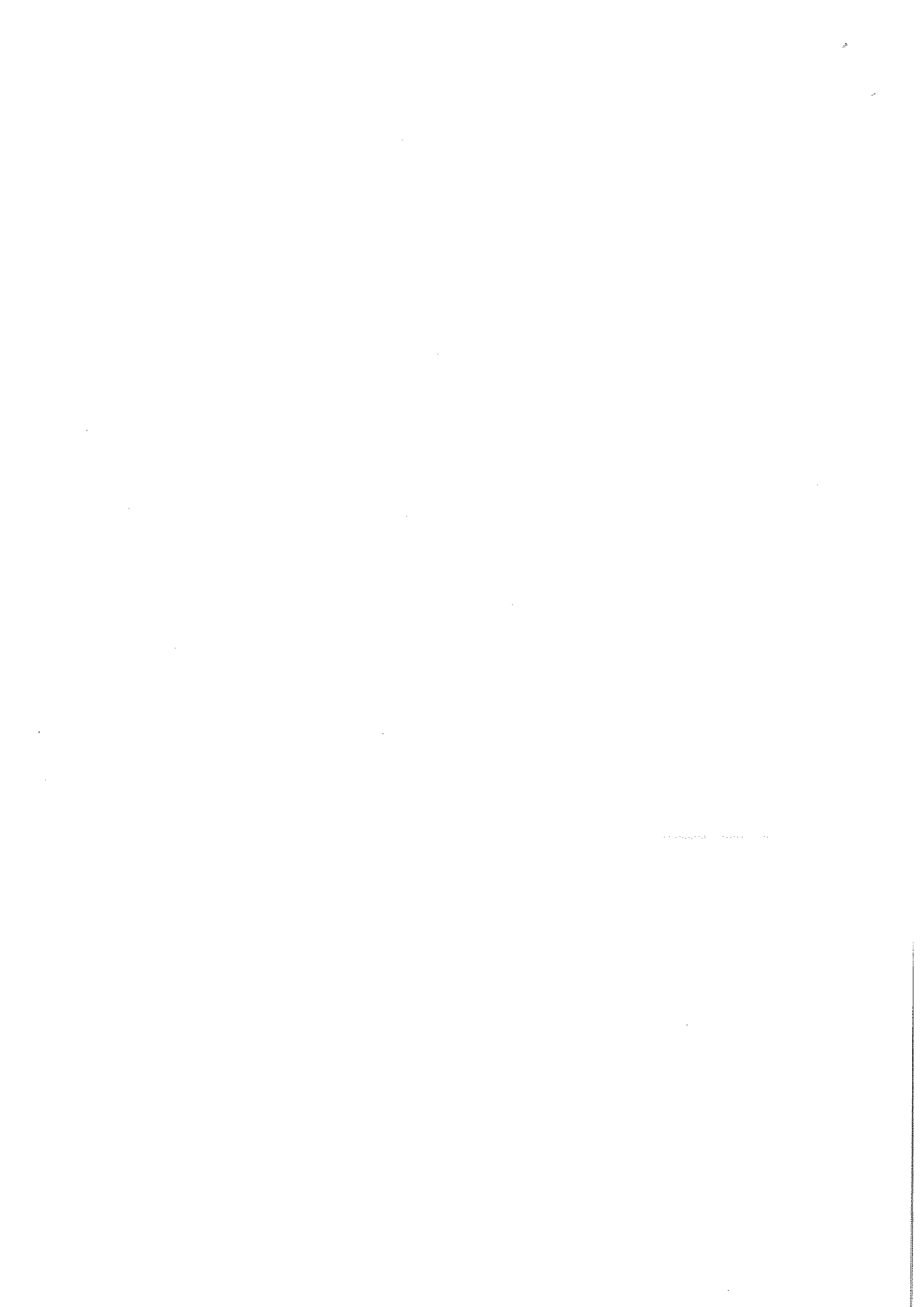
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Lok Sabha

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30. Shri Pradip Kumar Varma
31. Dr. Fauzia Khan[#]



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27. Shri Aditya Prasad
28. Shri Devendra Pratap Singh
29. Shri Pradip Kumar Varma
30. Shri Milind Murli Deora*
31. Shri Sajjad Ahmad Kichloo#

*nominated w.e.f. 16.10.2025 vide Bulletin – Part-II, Para No. 3329 dated 17.10.2025

nominated w.e.f. 05.12.2025 vide Bulletin – Part-II, Para No. 3767 dated 08.12.2025

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| 2. | Smt. Reena Gopalakrishnan | - | Director |
| 3. | Smt. Sunanda Chatterjee | - | Deputy Secretary |
| 4. | Smt. Huma Iqbal | - | Under Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel (2025-26) having been authorized by the Committee to submit the Report on their behalf, present this Twenty first Report (Eighteenth Lok Sabha) on the subject 'Organisational Structure and Performance of Steel Authority of India Limited (SAIL)- A Review' pertaining to the Ministry of Steel.

2. The Committee selected the subject for detailed examination during 2024-25. The Committee were briefed by the representatives of the Ministry of Steel on 18.9.2025. The Committee, thereafter, undertook oral evidence of the Ministry of Steel on 24.11.2025. Based on the oral and written testimonies submitted to the Committee, a report on the subject was prepared.

3. The Report was considered and adopted by the Committee at their sitting held on 24.3.2026. The Minutes of the sittings of the Committee are appended to the Report.

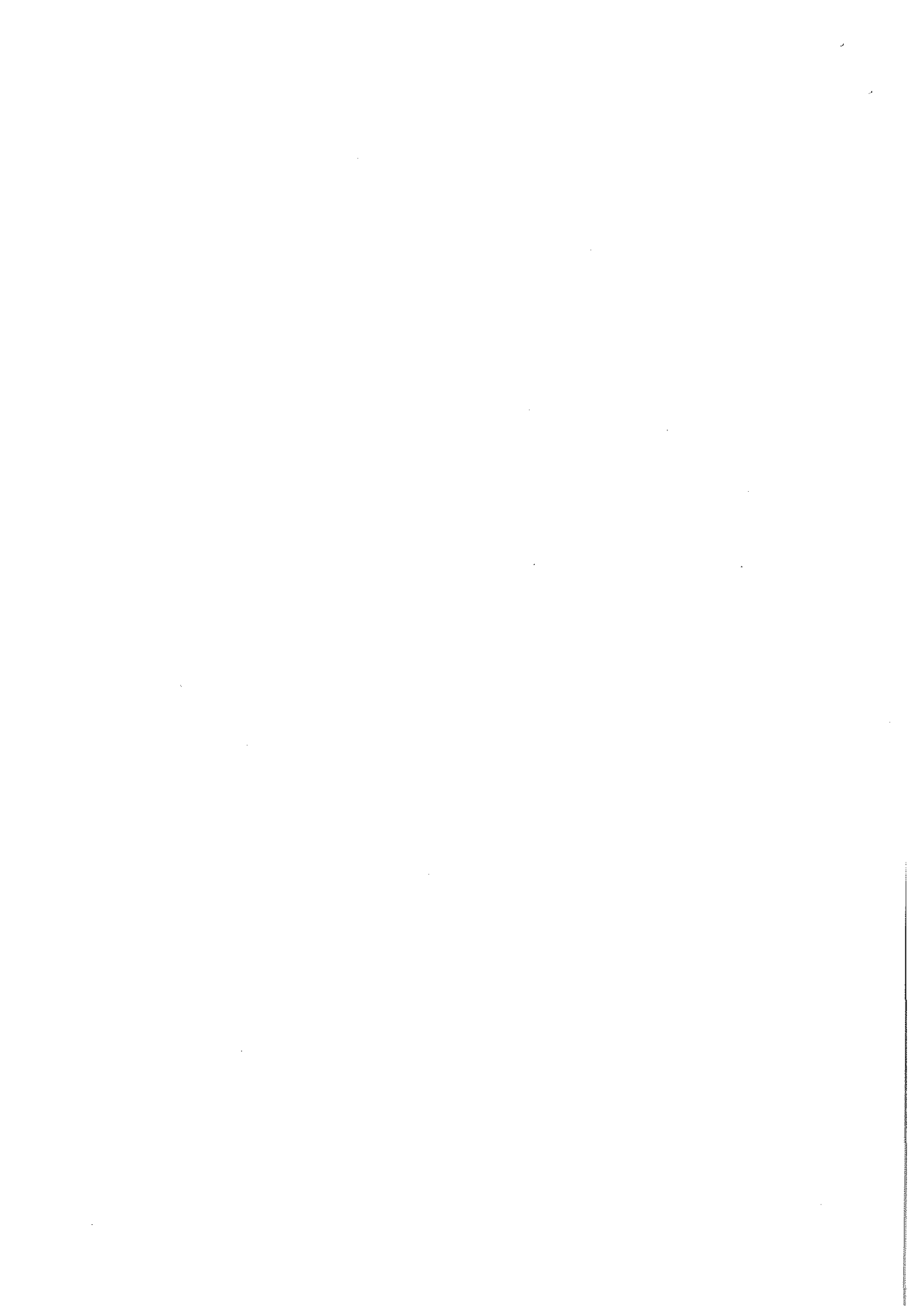
4. The Committee wish to express their gratitude to the Ministry of Steel and the Steel Authority of India Limited (SAIL) for placing material information as well as tendering evidence and views before the Committee.

5. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For the facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
24 March, 2026
03 Chaitra, 1948(Saka)

ANURAG SINGH THAKUR
Chairperson
Standing Committee on Coal,
Mines and Steel



**PART I
REPORT**

CHAPTER I

ORGANISATIONAL STRUCTURE & GOVERNANCE

A. INTRODUCTORY

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilisation. The level of per capita consumption of steel is treated as one of the important indices of the level of socio-economic development and living standard of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterised by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

- 1.2 Some significant trends and developments in the Steel Sector are as under:
- During calendar year 2024, India was the 2nd largest producer of Crude Steel as per data released by the World Steel Association.
 - Crude Steel production expanded from 109.137 Million Tonnes (MT) in 2019-20 to 144.299 MT in 2023-24. Crude steel production in 2023-24 registering a growth of 13.4% over 127.197 MT in 2022-23.
 - Capacity for domestic crude steel expanded from 142.299 MTPA in 2019-20 to 179.515 MTPA in 2023-24.
- 1.3 The Key Functions of the Ministry of Steel in the Steel Sector are as under:
- -Promoting the development of infrastructure required for enhancing domestic steel production.
 - -To facilitate adequate availability of raw materials for steel industry from domestic and overseas sources.
 - -Creating and updating a comprehensive data base for various segments of the steel industry.

- -To monitor the physical and financial performance of CPSEs and capital expenditure on projects.
- -Monitoring performance of commitments made in the MOUs and modernization and expansion programme of CPSEs.
- -Facilitate improvement in performance of Iron and Steel industry through R&D and technology intervention, Quality Control and improvements in techno-economic parameters.
- Boosting domestic demand for steel through promotional efforts

1.4 Steel sector being a core driver of industrial growth and infrastructure development, with linkages to construction, railways, defence production, power, automobiles and capital goods contributes around 2% of the country's GDP and employs a large workforce in steel and allied sectors. Since steel production and consumption reflect economic activity and industrial growth, steel has to play a vital role in the overall development of the national economy. The performance of major domestic producers therefore has a direct bearing on national economic growth and strategic capability.

B. ROLE AND STRATEGIC POSITION OF SAIL

1.5 Steel Authority of India Limited (SAIL) is one of the largest steel making Company in India and one of the Maharatna of the Country's Central Public Sector Enterprises (CPSEs). It is a fully integrated iron and steel maker, producing both basic and special steels for domestic and export markets and offers a wide array of steel products.

1.6 SAIL is an institution whose contribution and commitment towards building the Nation has been relentless. SAIL is at the epicentre of Nation's infrastructure development & an important player for key sectors like defense, railways, oil & gas, construction, power and shipping. SAIL manufactures critical items such as rails & wheels/ axles for Indian Railways and wide plates to service several niche markets

1.7 During the sitting of the Committee, it was specifically stated as under:

"Vikrant was our first indigenous aircraft carrier and was supplied by 100 per cent SAIL steel... steel for new corvettes and submarines is going from our plants."

1.8 SAIL has been fulfilling the entire demand of steel tracks from Indian Railways for decades. A total of 11.55 lakh tonnes of Rails were supplied to Indian Railways in FY 2024-25, the 260m long-rail welded-panel component in the total rail supply being about 86%. It may be mentioned that 100% of the 60 kg Rail supplied to railways during FY 2024-25 comprised the newly developed R-260 grade in 60E-1 profile. In addition to this about 8000 T of Long Rail Panels in R350 HT Grade has been supplied in FY 2024-25 as per railway's requirement for higher axles Load (25t) routes

1.9 SAIL has been the pioneer and the only domestic producer catering to the forged steel wheel requirements of Indian Railways. In addition to being the largest domestic producer of Loco Wheels for Indian Railways, over the years, a number of wheel profiles have been developed by SAIL. SAIL presence has continued to be important for critical areas of defence. First commercial supplies were made of DMR249A Certified Grade Plates from Bhilai and Rourkela, as well as of Billets from ASP Durgapur.

1.10 The Committee were also informed that Rourkela Steel Plant has the facility for production of Cold Rolled Non-Oriented (CRNO) electrical steel, a specialised grade.

1.11 During the oral evidence before the Committee, the Secretary, Ministry of Steel informed as under:

"The present capacity of SAIL is about 20 million tonnes. They are the biggest steel producer in the public sector and one of the biggest in the total steel sector. They have plans to expand the capacity from present 20 million tonnes to 35 million tonnes in the next about seven years"

1.12 The Committee, however, observed that despite strategic importance, SAIL's performance over the last ten years, compared to private companies, is not promising. The growth of the country's steel industry is 12.52%, while SAIL's growth is only 10.62%.

1.13 During the sitting of the Committee, Chairman, SAIL, briefed the Committee regarding performance of SAIL as under:-

“On comparison with other steel producers in India JSW has the highest production of 34 million tonnes, TATA Steel with 27 million tonnes is second while SAIL is third with 20 Million Tonnes.”

C. ORGANISATIONAL STRUCTURE OF SAIL

1.14 In pursuance of the decision taken by the Government of India in December 1972 to set up a Holding Company for steel and associated input industries, the “Steel Authority of India Limited” (SAIL) was registered as a Company under the provisions of the Companies Act, 1956 on 24th January, 1973.

(i) Corporate Structure

1.15 As informed by the Ministry of Steel, SAIL being a Government Company, Directors on its Board are nominated/ appointed by the Government of India and fixation of terms and conditions for their appointment are also made by the Government of India. The Board is constituted in terms of the provisions of the Companies Act, 2013, SEBI Regulations, DPE Guidelines and Articles of Association of the Company.

1.16 As per the Articles of Association of the Company, the number of Directors of the Company shall not be less than 6 and not more than 24. The present strength of Board of Director of SAIL includes one CMD, three Functional Director, two Government Nominee Director and four Non-official Directors. In addition SAIL is having three Directors at present who are in charge of respective Integrated Steel Plant.

1.17 The Committee have been apprised that the Government of India initially held 100% equity in SAIL but gradually disinvested its stake through multiple phases since 1992, including GDR issuance in 1996 and further divestments in 2013, 2014, and 2021. As of March 31, 2025, the Government holds 65% of SAIL's paid-up capital amounting to ₹2,684.71 crore out of a total of ₹4,130.53 crore. The remaining 35% is held by institutional investors, GDR holders, and over 20 lakh public shareholders. On

being asked as to what governance challenges and opportunities arise from the mixed ownership / shareholding pattern of SAIL wherein the Government is holding 65 % stake and the remaining being held by Institutional and public investors, the Ministry has replied as under:

"Since Government is holding 65% ownership and the balance 35% is held by Institution and Public Investors, SAIL has become a listed Company and is bound to comply with the Regulations and Guidelines under the SEBI Act. With this the Company is under higher level of Scrutiny from the Stakeholders in terms of Governance, Compliances, Accountability, transparency and timely dissemination of information in the Public Domain. Further, Performance of the Company is reflected in Market Capitalisation directly by its shareholders and a better performing Company has its advantages of access to various sources of funds in the Market Place at lower rate. However, with 65% GoI holding the Company is still a Government Company and all additional Compliances, rules and regulations which are applicable to Government Company equally apply, which would not be applicable to a listed Non-Government Company

(ii) Plant & Operational Structure

1.18 At present, SAIL has five integrated Steel Plants, three Special Steel Plants & one Ferro Alloys Plant located principally in the Eastern and Central regions of India and situated close to domestic sources of raw materials (captive mines), mainly iron ore.

Integrated Steel Plants

- i) Bhilai Steel Plant (BSP), Chhattisgarh
- ii) Durgapur Steel Plant (DSP), West Bengal
- iii) Rourkela Steel Plant (RSP), Odisha
- iv) Bokaro Steel Limited (BSL), Jharkhand
- v) IISCO Steel Plant (ISP), West Bengal

Special Steel Plant

- i) Alloy Steels Plant (ASP), West Bengal
- ii) Salem Steel Plant (SSP), Tamil Nadu
- iii) Visvesvaraya Iron and Steel Plant (VISP), Karnataka

1.19 SAIL has other units viz. Research & Development Centre for Iron & Steel (RDCIS), Centre for Engineering & Technology (CET) and Management Training Institute (MTI) all located at Ranchi; Colliery Division, Central Coal Supply

Organization located at Dhanbad; Environment Management Division located at Kolkata; SAIL Refractory Unit (SRU) with Headquarter at Bokaro; Growth Division & SAIL Growth Works at Kulti as well as Chandrapur Ferro Alloys Plant and some subsidiaries. In addition, Central Marketing Organisation, with its Headquarters at Kolkata, co-ordinates the country-wide marketing and distribution network

1.20 Presently, SAIL has two subsidiary companies, SAIL Refractory Company Limited and Chhattisgarh Mega Steel Ltd (CMSL). Out of these, SAIL Refractory Company Limited is operational. With respect to Chhattisgarh Mega Steel Ltd (CMSL), a decision has been taken by CMSL Board and SAIL Board for its closure

1.21 Regarding Mines (Iron-ore and others) being operated by SAIL, the Ministry has stated that currently, SAIL operates 15 iron ore mines across Jharkhand, Odisha, and Chhattisgarh, with a total installed capacity of approximately 48 million tonnes per annum. In addition to the above, SAIL is currently operating two coking coal mines, one non-coking coal mine, and one coal washery across the states of Jharkhand and West Bengal. These operations collectively produce approximately 0.6 million tonnes of raw coking coal and 0.8 million tonnes per annum (MTPA) of non-coking coal, including middlings.

(iii) Marketing & Distribution Structure

1.22 The Sales & Marketing of all prime products produced by SAIL is undertaken by Central Marketing Organization (CMO), except for Stainless Steel produced by Salem Steel Plant (SSP) which is directly dealt by SSP. However, Mild Steel Hot Rolled Coils produced at Salem Steel Plant are sold through CMO. CMO handles prime products of the 5 Integrated Steel Plants & 2 Special Steel Plants, located across the Country in the states of West Bengal, Jharkhand, Odisha, and Chhattisgarh & Karnataka. Total Sales during FY 2024-25 was about 18 Million Tonnes (MT), including 0.11 MT in exports.

1.23 SAIL has the largest marketing network among all steel producers in the Country. As on 31st March, 2025, SAIL's functional network of marketing offices consists of 35 Branch Sales offices, 4 Customer Contact offices and 35 Stockyards (20

having handling operations on SAIL land and 15 Consignment Agency Yards). Marketing efforts are further supplemented through SAIL's Retail Channel that reaches quality products to remote corners of India.

1.24 The CMO Head Quarter is located at Kolkata. In addition to sale of steel products, other activities performed by CMO include Warehousing & Logistics, Branding & Brand Promotion, Market Analysis and Research, Development of New Products, Creation and Management of New Distribution Channels etc. SAIL exports steel products through its International Trade Division (ITD)".

D. INTEGRATED VALUE CHAIN (MINING TO STEEL)

1.25 As per information furnished by the Ministry of Steel, SAIL has been designed to operate as an integrated value chain (from mining → raw materials → steel production → downstream products) with a geographically spread structure that enables overall integration, alignment, complementarity and resilience.

1.26 SAIL's operations are spread across India, with its key facilities strategically located to ensure a smooth flow of raw materials, production processes, and distribution of finished products. The mining operations are located in mineral-rich areas like Jharkhand, Odisha, and Chhattisgarh, ensuring a consistent supply of essential raw materials

1.27 The Committee were apprised that SAIL is fully integrated in ore but dependent on imports for coking coal and some minerals. During the oral evidence before the Committee, the Secretary, Ministry of Steel informed as under:

"They are also the second biggest iron ore miner in the country, after NMDC. Last year they produced about 34 million tonnes of iron ore, as compared to about 45 of NMDC. Most of the iron ore is used by them for captive consumption, but this year the Government has also directed them to increase the iron ore production and also sell it in the market, so that the availability of iron ore for smaller steel producers is increased. So, they have ambitious plans to increase the iron ore production in the next two to three years.

They have iron ore of their own, so that is not a problem for them, but coking coal in the country per se is not available of steel grade. Last year, about 90 per cent of coking coal which was used in the steel sector was imported. We are

working with Coal Ministry to increase the number of washeries, so that the availability of domestic coking coal increases.

But as the steel capacity is increasing very fast, it is likely that the import of coking coal in medium-term will increase further because the domestic coking coal of steel grade is unlikely to keep pace with the steel sector demand.

Another important raw material is limestone and dolomite which is imported from the Middle East to a large extent.”

1.28 On being asked whether the production through the iron ore mines operated by SAIL are sufficient to meet the current and projected raw material requirements arising from SAIL's enhanced plant capacities, it was submitted as below:

“SAIL operates 15 iron ore mines across Jharkhand, Odisha and Chhattisgarh, which together meet the entire iron ore requirement of its steel plants. In line with the National Steel Policy 2017, SAIL has formulated a phased expansion plan to increase its crude steel capacity. Accordingly, SAIL has planned to increase its crude steel capacity to about 35 MTPA in first phase. To ensure sufficient raw material availability for this enhanced capacity, SAIL is augmenting the iron ore production capacities of its iron ore mines”.

1.29 On a specific query whether iron ore is imported by SAIL for its plants, it was categorically stated that SAIL does not import iron ore for its plants.

With respect to raw material security, in a written reply, it has, *inter-alia*, been informed as under:

“ SAIL recognizes that volatility in global markets isn't just on the demand side but also for inputs, especially around imported coking coal due to concentration of vendors and geopolitical risk. To hedge the same, SAIL has started diversifying coal sourcing through expanding its vendor base and exploring new coal-producing geographies. Simultaneously, SAIL is pushing for higher use of indigenous coal (a blended coal mix), to reduce reliance on more volatile and potentially expensive imports”.

1.30 Regarding the expected impact on coking coal demand, SAIL has stated in a written reply as under:

“Considering the abundant availability of iron ore (58–65% Fe) in India, most of the upcoming steel production capacity expansion is expected to follow the Blast Furnace–Basic Oxygen Furnace (BF–BOF) route. Consequently, in the short to medium term, the demand for coking coal is likely to continue rising in line with the increase in hot metal production.

In the long term, however, with further advancements in iron ore beneficiation technologies and greater adoption of Electric Arc Furnace (EAF)-based steelmaking—utilizing scrap and DRI—the overall specific consumption of coking coal per tonne of steel is expected to gradually decline”.

1.31 Non availability and poor quality of indigenous coking coal leading to huge cost and quality fluctuations is stated among Top Risks of SAIL based on Q1 2025-26 Risk Reports . which is elaborated as under:

“ The risk of non-availability and poor quality of indigenous coking coal is being mitigated through close coordination with CIL and continuous monitoring of supply and washery performance. During Q1 (2025-26), disruptions in longwall mines and heavy rainfall impacted supplies, leading to a shortfall at Munidih washery. However, proactive engagement with CIL officials and improved washery operations have resulted in higher yield, with 4.82 LT of washed coking coal supplied against the ABP of 4.65 LT (104% fulfilment). These efforts ensure better availability, stabilize quality, and reduce cost fluctuations despite external challenges.”

E. POWER AND ENERGY SECURITY

1.32 As regards meeting its power requirements, the Committee have been apprised that the Steel Authority of India Limited (SAIL) is heavily reliant on its own captive power plants (CPPs) to meet its operational energy demands, utilizing a combination of blast furnace gas, coal, and, increasingly, renewable energy sources. SAIL operates a significant captive power network across its integrated steel plants (Bhilai, Bokaro, Rourkela, Durgapur, and Burnpur) to meet a major portion of its power requirements.

1.33 In reply to a specific query on the quantum of captive power generation of SAIL and the share of the company's requirements met by captive power generation, it was submitted as under:

“The captive power generation of SAIL is 1039.06 MW i.e. 71.47 % of Company's total requirement of 1453.78 MW is met by captive power generation.”

1.34 Regarding the steps to bridge the gap between its current captive power generation capacity and the requirement, it was submitted:

“The decline in SAIL's overall profitability during FY 2024–25, as compared to the corresponding previous year, was mainly due to lower Net Sales Realisation (NSR) of saleable steel, reduced sale of coal chemicals and by-products, lower impact of rail price revisions, lower production levels, higher usage of power and indigenous coal, increased burden, lower stock valuation rates, and higher expenditure on repairs and maintenance, water charges and pollution cess, insurance and security expenses. Profitability was also impacted by losses on account of foreign exchange fluctuations and higher interest charges and depreciation.

These adverse factors were partially offset by lower imported coal and coke prices, improvement in techno-economic parameters such as blast furnace productivity, coke rate and specific energy consumption, reduced usage of imported coal and limestone, lower expenditure on stores and spares, salary and wages, reduced royalty rates, income from trading activities, higher dividend income, and favourable impact of exceptional items.

Regarding the gap between SAIL's captive power generation capacity of 1039.06 MW and the required capacity of 1453.76 MW, the shortfall is primarily met through power drawn from the grid via respective DISCOMs at individual plants and units, based on approved contract demand. In addition, a marginal quantum of power (around 6–7 MW) is sourced through power exchanges as per suitability.

1.35 On aligning its plant operations and expansions with the Government's decarbonisation agenda, viz., reduction in CO₂ emissions, energy consumption, adoption of hydrogen, carbon capture, EAFs, etc., it was informed as below:

"The iron and steel industry is highly energy-intensive and heavily reliant on fossil fuels, especially coal, making it a major source of CO₂ emissions. In line with India's Net Zero 2070 goal, the Ministry of Steel is advancing a multi-pronged strategy to promote green steel.

SAIL is committed to transforming its traditional steelmaking processes through sustainable technologies. It has reduced specific CO₂ emissions by 18%, from 3.10 t/tcs in 2005–06 to 2.55 t/tcs in 2024–25, and aims for a further 14% reduction by 2030–31. The company is actively pursuing decarbonisation and transitioning to low-carbon steel production.

SAIL's strategy is shaped by its existing infrastructure, technology base, product mix, expansion plans, emerging green technologies, government policies, carbon sequestration potential, and its social responsibility.

Key decarbonisation initiatives at SAIL are outlined below:

1. *Energy-Efficient Technologies*

- Modernised and Tall Coke Oven Batteries (COB) with Dry Cooling for better coke quality.
- Large volume (>4000 m³) Blast Furnaces (BF) with TRT, CDI, and WHR systems.
- Slag Granulation Units in BFs for full slag utilization.
- Torpedo Ladles to conserve heat during hot metal transfer from BF to SMS.
- Upgraded Sinter Plants and Continuous Casting for process efficiency.
- Walking Beam Reheating Furnaces in Rolling Mills and gas-fired boilers in Power Plants for energy savings.
- Efficient drives, motors, and pumps for reduced power consumption.

2. *Renewable Energy Integration*

- 17.595 MWp solar installed across facilities; 7 MW bagasse-based sourcing.
- DSP & ISP sourcing 50% of their grid power intake as green power.
- Targeting 384 MWp RE by FY 2028–29 via rooftop, floating solar, hydropower, and RTC RE.

3. *LED Transition*

- Over 1.3 million LED lights installed under UJALA; now standard in all new projects.

4. *Hydrogen in Steelmaking*

- Pilot project is being taken up under NGHM for hydrogen injection in BF at BSL.
 - Memorandum of Agreement (MoA) has been entered into with IIT-KGP for green hydrogen DRI pilot project at RDCIS.
 - Centre of Excellence [CoE] for Green Hydrogen set up with DVC, JU & HURL.
 - 5. *Biomass & Coke Oven Gas (COG) Innovations*
 - India's first bamboo biochar trial conducted at DSP; trial for COG use in sinter making.
 - Biochar co-injection trial in BF at RSP to cut fossil fuel use.
 - 6. *Strategic Collaborations & Decarbonisation Initiatives*
 - BHP & SAIL-RDCIS (Jun 2024): Exploring decarbonisation pathways for BF-BOF steelmaking.
 - SMS Group & BSP (Aug 2023): Implementing COG injection in BFs.
 - Primetals & RSP (Feb 2024): Advancing H₂-based steel production, CCUS, gas treatment, and digitalisation.
 - IOCL & SAIL-RDCIS (Aug 2024): Developing fluid to reduce moisture in wet-quenched coke, enhancing BF fuel efficiency.
 - GIZ-SCOPE MOU: Techno-commercial feasibility study at BSP and mines for tailings beneficiation, steel scrap usage, fines agglomeration, and green hydrogen integration.
 - SAIL & LeadIT (Jun 2024): Pursuing low-carbon pathways under five themes toward net-zero goals like Hydrogen DRI, CCUS, BF excellence, dry beneficiation, and biomass.
 - 7. *Carbon Capture, Utilisation and Storage (CCUS) Initiatives*
 - ISP-IIT Bombay-GEECL (Mar 2024): Tripartite pact to deploy CCUS technologies.
 - All five Integrated Steel Plants of SAIL entered into MoUs separately with M/s Ram Charan Company Pvt. Ltd. (RCPL), Chennai, to set up pilot project at the respective plant site for flue gas carbon capture and convert emissions into value-added products like ethanol, methanol, acetates, and urea.
- SAIL's Decarbonisation Roadmap is subject to regular review by top management and is publicly disclosed through the company's Annual Report, available on its official website for stakeholder reference. This document also serves as a key input for Environmental, Social, and Governance (ESG) assessments conducted by both national and international rating agencies"

F. PROCUREMENT AND INVENTORY

(i) Procurement

1.36 Regarding procurement aspects, in a written reply SAIL has stated that they are trying to indigenize critical components through a drive to onboard domestic suppliers for spare parts and capex items via tenders and vendor-development.

1.37 During the meeting with the representatives of Ministry of Steel and SAIL, the Committee drew attention towards some recent tenders which are restrictive and observed that the eligibility criteria were set in a way that limited companies are given opportunity to qualify.

(ii) Inventory management

1.38 The Committee noted that C&AG has flagged serious lapses in inventory management of SAIL, causing production lapses and excess procurement blocking the capital worth of Rs. 12,743 crore. On being queried regarding the reasons behind such kind of significant financial losses, the Ministry have replied as under:

“SAIL plans its production as per the approved Annual Budget Plan (ABP) and accordingly, the raw materials, Stores and Spares, etc. are procured as per the extant guidelines. Efforts are made to ensure the envisaged production levels while maintaining efficiency and cost – effectiveness .

Stock of Iron Ore could not be maintained at the desired level in few situations due to insufficient supply from Captive mines.

Unit-wise norms for maintaining stock level of major Raw material is being reviewed periodically during the production review meetings. Close coordination is being maintained with mines, railways and logistics departments to minimise any potential disruption. Likewise the status of non-moving inventory is reviewed periodically and special inventory drive are undertaken for identifying obsolete, surplus and non-moving items. Continuous efforts are taken for system improvements to reduce the lead time and a rolling plan based approach is being adopted to anticipate material requirements and trigger timely tendering actions for critical material.

In order to convert the semis to finished products, currently SAIL is in the process of finalising additional conversion arrangements to increase the finished product and substantially reduce the semis. Further, to increase the dispatches of finished products, SAIL has increased the Road dispatches which would help in reducing the finished goods inventory.

SAIL has been consuming Sub Grade Fines (SGF) internally in sinter making process and sales are also being done on regular basis . Projects at Plants/Mines are under progress for beneficiation and Pelletisation , on completion , the SGF stock will come down significantly.

The above steps to liquidate inventory and to maximise production have helped SAIL in unlocking the funds. Further steps are being taken on a regular basis to have better control on inventory by optimising the inventories”.

1.39 In this regard, the Ministry also informed that C&AG Report No. 10 of 2025 (Performance Audit – Commercial) on *'Inventory Management in Steel Authority of India Limited'* tabled in Parliament on 29.07.2025 recommended that the Company may fix norms for holding stock of inventory and devise a formula for determining a benchmark for its inventory carrying cost per tonne of raw material, semi-finished material and finished material for better cost control. A study is being undertaken by SAIL in this regard.

CHAPTER II PHYSICAL PERFORMANCE

A. CAPACITY & UTILISATION

(i) Installed capacity vs Actual Production

2.1 The installed capacity of crude steel, hot metal and saleable steel of all steel plants under SAIL during the last 3 years are as under:

Crude Steel	–	20.31 million tonnes
Hot Metal	–	22.3 million tonnes
Saleable Steel	–	19.7 million tonnes"

2.2 The Plant-wise details of capacities, products and input materials of SAIL plants are as under:-

SAIL PLANT-WISE CAPACITIES, PRODUCT & INPUT MATERIAL				
Plant	Capacity (MTPA)	Products	Units	Products
BSP	6.8	Rails, Wire Rods, Structural, TMT Rebars, Plate Mill Plates	Chandrapur Ferro Alloy Plant,	Silico-Manganese, Medium
DSP	2.2	Wheels & Axles for Railways, TMT, Structural, Billets, Blooms	Chandrapur, Maharashtra	Carbon Ferro Manganese
RSP	3.8	HR Coils & Plates, PM Plates, CR Coils/Sheets, GP/ GC Sheets, ERW & SW Pipes, Electrical Steel	SAIL Refractory Unit, Bokaro	Basic Bricks for ladle & converter lining, Silica bricks for coke oven, Castables, etc.
BSL	4.6	HR Coils & Sheets, Hot Rolled Plates, CR Coils & Sheets, GP/ GC Coils & Sheets		
ISP	2.5	Wire Rods, TMT Rebars, Structural, Billets, Blooms		
SAIL 5 ISPs	19.9			
SSP	0.18	HR & SS products, HR carbon steel products, coin blanks	SAIL Refractory Company Limited, Salem	Magnesia Carbon Bricks, Fired bricks, Ramming Mass, Dunite
ASP	0.23	Alloy steel blooms, plates, forged products and stainless steel armour grade slabs		
VISL	Steelmaking Closed since Jan'17	Bars, rounds, billets, blooms, and forged alloy & special steel products		

(ii) Capacity Utilisation plant-wise

2.3 On being asked about the current capacity utilization across different plants and the plants that are underperforming relative to their installed capacity, the Ministry of Steel replied as follows:

Plant-wise capacity utilization of crude steel during FY 24-25 -

Plants	Capacity Utilization (%)	Remarks
BSP	83	Crude Steel capacity was at 6.8 Mtpa. However, BF's were shut down during the fiscal as given below resulting to low Hot Metal availability: Less Blast furnace was in operation as Closure of old and inefficient BF#1 from Jun'24 onwards. Capital repair of BF#6 till Dec'24 Shutdown of BF#5 after metal leakage from hearth from Jan'25 onwards.
DSP	103	
RSP	106	
BSL	98	Operational issues at converters and casters (Hood leakages, nurturing jobs etc.)
ISP	97	Less availability of Hot Metal due to major capital repair of BF-5 during Nov'24
ASP	48	Production restricted through concast route due to low demand.
SSP	81	Production was regulated as per market demand.
VISL		The operation of Blast furnace and Steel Melting shop had to be stopped since Jan' 2017. However, finishing facilities such as mills and forge shop are still in operation, as per requirement , with semi-finished steel supplied by sister plants/units of SAIL.

2.4 The current (Apr-Aug'25) capacity utilization of Crude Steel across different plants is as follows: -

Plants	Capacity Utilization (%)	Remarks
BSP	84	Crude Steel was as per Hot Metal availability. Crude Steel capacity is at 6.8 Mtpa. However, BF#5 is under shutdown after metal leakage from hearth from Jan'25 onwards. BF-7 was down from 10.4.25 after slag ingress in tuyeres due to Power tripped from MSDS-2 132kV Line. Thereafter, the furnace was under revival and under stabilization till 28.4.25. BF-8 was under repairs for axial cyclone bottom cone repair from 15.8.25 to 19.8.25 and thereafter stabilization till 25.8.25
DSP	99	
RSP	104	
BSL	90	Operational issues at converters and casters (Hood leakages, nurturing jobs etc.)
ISP	112	
ASP	55	Production restricted through concast route due to low demand.
SSP	91	Production was regulated as per market demand.
VISL		The operation of Blast furnace and Steel Melting shop had to be stopped since Jan' 2017. However, finishing facilities such as mills and forge shop are in still in operation, as per requirement, with semi-finished steel supplied by sister plants/units of SAIL.

2.5 Regarding the vision 2047 and envisaged augmentation of the capacities of its plants, it has been submitted, in a written reply as under:

" Increase in the Crude Steel capacity to around 50 MTPA is envisaged through augmentation of its existing facilities as well as through Brownfield/Greenfield expansion of its Integrated Steel Plants at Bhilai Steel Plant, IISCO Steel Plant, Rourkela steel Plant, Durgapur Steel Plant and Bokaro Steel Plant.

However, the expansion is subject to following: -

- i. Demand Growth for finished steel to absorb the enhanced level of steel production in the sector.
- ii. Resource availability to finance CAPEX with sustainable Debt: Equity ratio.
- iii. Captive iron ore sources for supporting the enhanced capacity.
- iv. Availability of Land

2.6 Increase in the Crude Steel Capacity of Integrated Steel Plants of SAIL is envisaged as under: -

Steel Plant	Crude Steel Capacity (MTPA) Current	Envisaged Crude Steel Capacity (MTPA)(FY 2047)
Bhilai Steel Plant (BSP)	6.80	12.00
Durgapur Steel Plant (DSP)	2.20	7.50
Rourkela Steel Plant (RSP)	3.80	8.80
Bokaro Steel Plant (BSL)	4.60	14.0
IISCO Steel Plant (ISP)	2.50	7.30
SAIL (5 ISPs)*	19.90	49.60

* The capacities of Special Steel Plants of SAIL have not been included in these figures. The exact/final plant-wise capacity for 2047 will be finalised during DPR preparation.

2.7 The implementation of the expansion projects at different Plants are proposed to be taken up in a phased manner with a view to keep the CAPEX and the borrowings within manageable limits. Various alternatives are being explored to optimize the investments for capacity enhancement in each Plant. Focus is also on undertaking projects for reduction of Carbon Footprint".

B. PRODUCTION PERFORMANCE

2.8 During the last 5 years (2020-21 to 2024-25), Hot Metal production has increased by 22%, Crude Steel production by 26%, Saleable Steel production by 23% and Production of Iron and Steel has increased by 21%.

Unit: Million Tonnes(MT)

ITEMS	2020-21	2021-22	2022-23	2023-24	2024-25	% growth in last 5 years
Hot Metal	16.582	18.733	19.409	20.496	20.306	22
Crude Steel	15.215	17.366	18.291	19.240	19.174	26
Saleable Steel	14.602	16.896	17.246	18.437	17.940	23
Production of Iron & Steel	15.186	17.459	17.614	18.863	18.350	21

(BN -page 3)

2.9 In reply to a query on SAIL's production growth in comparison with the overall domestic steel industry growth and the main thrust areas of SAIL in the last 10 year, the Ministry of Steel replied as under:

"In last ten years, SAIL Crude Steel production witnessed a growth of 34%, where as domestic steel industry including secondary steel producers registered growth of about 69% (as per JPC report). The main thrust areas of SAIL in the last 10 years are:

- Commissioning and ramping up of new, state of art units such as 3 large blast furnaces, steel melting shops, rolling mills and allied upstream and downstream units.
- Improvement in iron ore quality through upgradation of beneficiation and sizing facilities at mines.
- Improvement in productivity at plants through use of pellets and higher CDI, oxygen enrichment, HBT in BFs etc.
- Closure of small, inefficient Blast Furnaces for iron making and also closure of energy intensive ingot route for steel making."

Factors affecting Production Performance

2.10 During the examination of the subject, the Committee have been informed that plant level constraints, especially, the size of blast furnaces remain a major factor affecting production.

While briefing the Committee, the Secretary, Ministry of Steel informed as under:

"SAIL is lagging behind private players in its performance on account of the lesser efficiency of its plants, ie.the blast furnaces of SAIL plants is of around 2000 cubic metre capacity while the latest furnaces of private players are of 5000 cubic metre capacity. Only three plants capacity have been upgraded while 12 plants still remain with a capacity of 1400-2000 cubic metres which remain a challenge".

2.11 Further, the representative of SAIL added as below:

"We have three furnaces of 4,000 cubic meters each in Bhilai, Rourkela, and Bokaro. We compared them with Tata Steel and JSW. Our furnace productivity ranges from 2.4 to 2.57. Tata Steel's is 2.66, and JSW's is 2.97. Our COP rate is lower than theirs, and our CDI rate is higher. We have planned to increase our CDI in our furnaces and reduce our COP rate, and we are working on this. One difference we make between our seven-size furnaces and those of Tata Steel and JSW is that we can't say there's no technology; the technology is the same. Our iron ore mines have low-grade iron ore. Ours is 60 to 62 percent, while Tata Steel and JSW have slightly higher-quality iron ore. Furthermore, to increase our oxygen enrichment, we've installed new oxygen plants at each plant. These have already been commissioned in Bokaro and are about to be commissioned in Rourkela, Durgapur, and Bhilai. This will also help us match their efficiency. The cheap coal we've been able to use in our furnaces is thanks to stamp-charged battery technology. Projects have already been commissioned in Burnpur and Rourkela. It is going to start in Bokaro, Bhilai."

2.12 During their presentation before the Committee, SAIL acknowledged that a key constraint is legacy infrastructure and stated as under:

"Most of the plants are quite old, from 60s, and they have to be upgraded as per latest standards, both on the digital front as well as process front".

C. LABOUR PRODUCTIVITY

2.13 SAIL's manpower strength as on 01.04.2025 is 53159 consisting of 10606 Executives and 42553 Non-Executives. Contribution of manpower in productivity is measured indicatively in terms of Labour Productivity (LP). SAIL has achieved labour productivity of 615 TCS/Man/Year during 2024-25 and 579 TCS/Man/Year during 2023-24.

2.14 On being asked regarding the average Labour Productivity of SAIL during the last three years the Ministry gave the following figures:-

Financial Year	Labour Productivity (Unit: Tonne Crude Steel/ Man / Year)
2024-25	615
2023-24	579
2022-23	521
Average	572

2.15 Regarding SAIL's target for labour productivity improvement over the next 3-5 years, the Ministry stated that:-

"Company has been continuously making efforts to improve Labour productivity through rationalisation of manpower and improvements in technology and

operational efficiencies. Driven by initiatives towards capability development of employees and judicious recruitments against statutory and critical positions, SAIL has registered nearly 95% improvement in Labour Productivity—from 315 TCS/Man/Year in FY 2015-16 to 615 TCS/Man/Year in FY 2024-25.

Continuous initiatives in process optimization, digital monitoring, and equipment reliability are being undertaken to improve productivity and operational efficiency further.”

2.16 In this regard, during their presentation before the Committee, SAIL submitted as under:

“We calculate labour productivity – tonnes of crude steel per man per year. Consequently, our manpower has decreased, while production has also increased. Productivity for Quarter One of this year is 643 tonnes of crude steel per man per year. If we try to benchmark it against other companies, both domestic and foreign, it is more than a thousand times higher. We also have the ambition to reduce manpower costs and increase labor productivity over the next five years.”

D. TECHNO-ECONOMIC PERFORMANCE

2.17 During the examination of the subject, the Committee have been informed that during the last 5 years (2020-21 to 2024-25), Coke rate has improved by 6%, BF productivity has improved by 12% and Specific Energy Consumption has improved by 3%.

ITEMS	2020-21	2021-22	2022-23	2023-24	2024-25	% impr.in last 5 years
BF Productivity (t/m3/day)	1.81	1.79	1.84	1.88	2.02	12
Coke Rate (kg/thm)	448	445	444	440	421	6
Specific Energy Consumption(Gcal/tcs)	6.48	6.36	6.35	6.30	6.26	3

2.18 Achievements in 2024-25:

Best ever Annual Performance was achieved for following parameters: -

- Coke Rate @ 421 kg/thm (Previous best was 440 kg/thm during FY 23-24).
- CDI Rate @ 113 kg/thm (Previous best was 106 kg/thm during FY 23-24).
- BF Productivity @ 2.02 t/m3/day (Previous best was 1.88 t/m3/day during FY 23-24).
- Specific energy consumption @ 6.26 G.Cal./tcs (Previous best was 6.30 G.Cal./tcs during FY 23-24).

2.19 On being asked how does SAIL's productivity, cost of production, and techno-economic performance (e.g., energy consumption, coke rate, blast furnace productivity) compare with that of leading private sector steel companies, and what steps are being taken to bridge existing efficiency gaps, the information furnished is as under:

"The comparative data particularly relating to productivity indicators, cost of production, and detailed techno-economic parameters such as energy consumption, coke rate, and blast furnace productivity are highly sensitive and competitively significant in the steel industry. Such information is not disclosed by private sector steel producers in the public domain, nor shared with SAIL. As a result, a like-to-like comparison based on authenticated data is not feasible. However, SAIL continuously undertakes internal benchmarking and implements efficiency-improvement measures — including energy optimisation, digital process control, raw-mix improvement, and technology upgradation — to progressively enhance performance and align with industry best practices. These include improving Blast Furnace permeability through greater pellet usage, installation of Pellet Plants, enhancing oxygen enrichment with new Oxygen Plants at BSL, RSP, and DSP strengthening CDI grinding units, improving hot blast temperatures through additional stoves and COG-based stove heating, expanding waste-heat recovery systems and phasing out smaller, inefficient Blast Furnaces to maximise hot-metal production from large units".

2.20 Further it was added in a written submission:

"SAIL's techno-economic parameters—energy consumption, specific water use, and raw-material efficiency—are comparable with other major integrated steel producers globally and are reviewed regularly for alignment with best industry standards.

Company aims to undertake similar interventions towards improvement in production capacity and selective recruitments to further enhance its Labour Productivity in line with similarly placed industry peers."

CHAPTER III FINANCIAL PERFORMANCE

A. Overall Financial Performance

3.1 Regarding performance during the Financial Year 2024-25, as per information furnished by the Ministry of Steel, SAIL achieved the turnover at ₹1,01,716 crore which is lower by 3% as compared to last year, mainly due to reduction in Mild Steel NSR by 7% whereas sales volume has been increased by 3%. During the current Financial Year Profit before Tax and Profit after Tax are ₹ 3008.82 crore and ₹ 2147.96 crore respectively as compared to CPLY Profit before Tax of ₹ 3687.67 crore and Profit after Tax of ₹ 2733.11 crore .

3.2 With regard to the reasons for SAIL's Profit After Tax(PAT) decrease from ₹2,733 crores (FY 2023-24) to ₹2,148 crores (FY 2024-25) and the specific measures being taken to reverse this declining trend, the Ministry has stated as under:

“Decline in FY 2024–25 profits was primarily due to lower net sales realization, lower stock valuation, loss on account of foreign exchange fluctuation and higher interest charges and depreciation, etc. Global steel oversupply, price volatility, dumping, protectionist measures by some economies, disruption in supply of critical inputs like coking coal etc. have also contributed to the decline in profits

To address this, SAIL is focusing on:

- i. Increasing sales, such as expanding into new markets, introducing new products or services putting more marketing efforts
- ii. Cost reduction in areas like raw materials consumption, manpower, etc.
- iii. Improving efficiency parameters and
- iv. Exploring options to potentially lower interest rates and reducing borrowings” .

3.3 As informed by the Ministry, there is also a decline in SAIL's overall profit before tax and profit after tax during the last five years as under:

Years	2024-25	2023-24	2022-23	2021-22	2020-21
Profit/(Loss) before tax (PBT)	3009	3688	2637	16039	6879
Profit/(Loss) after tax (PAT)	2148	2733	1903	12015	3850

The data given above shows a fluctuation in Profit Before Tax (PBT) and Profit After Tax (PAT) during the last 5 years.

3.4 About the PBT of major private player,, the Committee were informed during the briefing by the representatives of the Ministry and SAIL, that :

“The PBT of JSW steel for the last financial year is 10,000 crore, for TATA steel its 6-7000 crore while its only 3000 crore for SAIL.”

B. Plant-wise profit loss

3.5 The Plant-wise/Unit-wise Profit (+)/Loss (-) before tax is as under:

(Rs. Crore)

Plant /Unit	2020-21	21-22	22-23	23-24	24-25
BSP	1096	2273	376	2343	3482
DSP	733	1071	639	352	238
RSP	2106	5609	521	653	20
BSL	2252	6064	841	823	-621
ISP	67	636	340	109	521
ASP	-101	-88	-140	-103	-48
SSP	-127	58	-241	-286	-383
VISL	-51	-36	-51	-49	-38
SRU	25	26	26	11	38
CFP	-47	37	-92	-137	-60
RMD & Central Units	928	389	418	-29	-140
SAIL Profit (+)/Loss (-) Before Tax	6879	16039	2637	3688	3009
Tax	3029	4024	734	955	861
SAIL Profit (+)/Loss (-) After Tax	3850	12015	1903	2733	2148

3.6 On being pointed out that Rourkela Steel Plant (RSP) had a profit of Rs. 560 crore at the end of financial year 2022; whereas, it has come down to only Rs. 20 crore by the end of financial year 2025 and the reasons therefor, the Ministry has replied that the major reasons for decrease in profitability of RSP from FY 2022-23 to 2024-25 are as follows: -

- Reduction in NSR by 17%
- Increase in Interest burden by 25%
- Increase in Iron Ore Price (Royalty Impact) by 9%

However, there is reduction in coal rate by 28% and improvement in operational efficiency (Coal to Hot Metal) by 7% has given a positive impact.

3.7 On being asked that Bokaro Steel Plant (BSL) showed a loss of ₹621 crores in FY 2024-25 compared to a profit of ₹823 crores in FY 2023-24 and Salem Steel Plant (SSP) has been consistently loss-making with losses of ₹286 crores (FY 2023-24) and ₹383 crores (FY 2024-25) and reasons thereof and what is SAIL's strategy to turnaround this plants, the Ministry furnished the following information:

“BSL:- The decrease in the profitability as compared to CPLY is mainly on account of lower Net Sales Realisation of flat products and decrease in production due to modernization at the Hot Strip Mill (HSM) and for the stabilization process post-modernization took longer than anticipated time, which adversely affected the overall production in the first quarter of FY 2024-25.

SSP:- SSP Improvement Plan is guided by i) Full utilization of inherent capacities ii) Increase in production iii) Reduction in cost of production iv) Achieve better shape of Finished Product, increase yield v) Improving technical capability to produce high contribution grades like Ti- bearing grades, Duplex, SSBS etc. There is need to focus on niche segments vi) Enable plant to remain profitable in normal market. vii) Sourcing of Stainless Steel Slabs through Global tender is being done”.

3.8 The Committee observed during the examination of the subject that out of total 11 Steel plants under SAIL , 6 have recorded losses in the last financial year and although SAIL is incurring overall profits, the financial health of plants is a disturbing factor. When asked about the manner in which these issues are going to be addressed and the measures proposed to reverse this declining trend, it was submitted:-

- i) “Focus on increasing sales, such as expanding into new markets, introducing new products or services putting more marketing efforts
- ii) Cost reduction in areas like raw materials consumption, manpower, etc.
- iii) Improving efficiency parameters
- iv) Exploring options to potentially lower interest rates and reducing borrowings”.

C. Borrowings & Debt Position

3.9 As per information furnished to the Committee, the overall Borrowings level, Net-worth and Debt/Equity ratio of SAIL in the last few years is as under:

(Rs. In crore)

AS ON	Total Borrowings	Net-worth	Debt/equity Ratio
31.03.25	29811	55656	0.54:1
31.12.24	33907	54623	0.62:1
30.09.24	35596	54496	0.65:1
30.06.24	35659	54075	0.66:1
31.03.24	30593	54131	0.57:1
31.03.23	25662	52139	0.49:1
31.03.22	13386	52017	0.26:1
31.03.21	35350	43495	0.81:1
31.03.20	51481	39777	1.29:1

(BN pg 6)

3.10 The Committee were informed that the total borrowing is Rs.29811 crore as on 31.03.2025 as compared to Rs.30593 crore as on 31.03.2024.

3.11 In reply to a query that SAIL's debt-equity ratio improved from 0.57 (March 2024) to 0.54 (March 2025) and what is the target debt-equity ratio, and how will expansion plans impact this metric, the Ministry replied as under:

"The capital expenditure of the Company is largely funded through a mix of internal accruals and borrowings. The borrowings have been done as and when required in the form of long term rupee loans, bonds, external commercial borrowings (ECB) and any other instruments available in the capital & money market. As per delegation of power to Maharatna CPSEs, the Board has full powers to raise debt from domestic capital markets and international market. The ease of availment of funds is dependent upon several factors as below: -

- a. Operational Performance of the Company
- b. Financial Performance of the Company
- c. Credit Rating of the Company
- d. Liquidity in Money and Capital Market
- e. Timely repayment of loans
- f. Debt : Equity ratio

The expansion activities are planned at 1:1 Debt : Equity funding'.

3.12 During their sitting, the Committee expressed concern over rising debt and desired to know how this issue is going to be addressed. To this, the representatives of the Ministry briefed as under:-

"In 2021-22, which was a good year, our borrowings fell to around ₹13,500 crore. In the last two or three years, it increased again and crossed ₹30,000 crore. Our endeavor is to reduce this. Based on our current results, borrowings have fallen to ₹26,000. We have begun an expansion project, but funding for it will begin next year. By the end of this year, we will strive to reduce this to ₹23,000 crore. Our debt-to-equity ratio, which reflects a company's financial health, was 1.2921 in 2018-19 and 2019-20, but has now declined to 0.47/1. We are striving to keep it within 1/1. Our current net worth is around ₹56,000 crore, so our borrowing capacity will be determined accordingly.

3.13 Further, the representatives have pointed out that :

"There's also the issue of regulatory support. We have permission for iron and steel, but an extra royalty is charged under Schedule 5 and Schedule 6 of the MMDR Act. This results in a very high royalty percentage. 80 percent of the total price is spent on royalties. Consequently, our sales are somewhat limited. We have requested the government to rationalize this". (Page 18 proceedings dt 24.11.2025)

3.14 On being inquired whether it was more profitable to sell iron ore than produce Steel, the Ministry stated that

" In the last three years, it is more profitable to only sell iron ore than make steel and sell steel."

CHAPTER IV
CAPTIVE MINES & RAW MATERIALS

A. Mines Operated by SAIL

4.1 The Committee note that currently, SAIL operates 15 iron ore mines across Jharkhand, Odisha, and Chhattisgarh, with a total installed capacity of approximately 48 million tonnes per annum. State-wise details of these mines, along with their individual capacities, are provided below: -

S. No.	Mine	Present Installed Capacity in MTPA (Product)	Production 2024-25 in Million Tonne
JHARKHAND			
1	Kiriburu Iron Ore Mines	5.50	3.81
2	Meghahatuburu Iron Ore Mines	6.00	2.50
3	Gua Ore Mines	5.50	4.02
4	Manoharpur Ore Mines	0.75	0.41
JHARKHAND TOTAL		17.75	10.74
ODISHA			
5	Bolani Ore Mines	10.00	7.41
6	Barsua Iron Mines	3.00	1.85
7	Kalta Iron Mines	4.00	3.37
8	Taldih Iron Mines	2.00	1.76
ODISHA TOTAL		19.00	14.39
CHHATTISGARH			
9	Rajhara Mechanical	8.70	6.93
10	Mahamaya		
11	Dulki		
12	Dalli Mechanical,		
13	Jharandalli		
14	Rowghat Iron Project	1.50	1.01
15	Kalwar	0.80	0.71
CHHATTISGARH TOTAL		11.00	8.65
SAIL TOTAL		~48	33.78

4.2 In addition to the above, SAIL is currently operating two coking coal mines, one non-coking coal mine, and one coal washery across the states of Jharkhand and West Bengal. These operations collectively produce approximately 0.6 million tonnes of raw coking coal and 0.8 million tonnes per annum (MTPA) of non-coking coal, including middlings.

SAIL is also operating two limestone mines presently - one located at Kuteshwar in Madhya Pradesh and the other at Nandini in Chhattisgarh. Additionally, a dolomite mine at Hirri in Chhattisgarh is also under operation.

4.3 On being asked regarding the factors that have contributed to the shortfall in actual iron ore production compared to installed mining capacity the Ministry replied as under:-

“The shortfall between installed mine capacity and actual production is mainly due to delays in statutory clearances, logistical constraints, electrical and mechanical breakdowns at ore processing plants, and operational disruptions caused by heavy rainfall, fog, and related climatic conditions.”

4.4 Further, as informed by the Ministry, during FY 2024–25, SAIL produced 33.79 MT of iron ore and during the same period about 0.75 MT was sold in domestic market, comprising dump fines/tailings and fresh production. The sale of iron ore/fines from its captive mines has been done after fulfilling the domestic requirements of plants and SAIL does not import iron ore for its plants. Also, during the FY 2024-25, Rs 229.43 Cr revenue was generated by selling iron ore which has helped in increasing the bottom line of SAIL.

B. Sale of Iron Ore from Captive Mines

4.5 Regarding policy framework for PSU steel companies regarding captive use and commercial sale of extracted minerals, the Ministry of SAIL has informed as under:

“PSU steel companies are governed by the policy framework under the Mines and Minerals (Development and Regulation) Act (MMDR), as amended in 2021 and 2025, which allows lessees using minerals for captive purposes to sell the balance output after meeting their end-use plant requirements.

In pursuance of these amendments, SAIL may sell up to 100 percent of mineral output remaining after captive consumption, ensuring both efficient utilization and revenue generation. The Ministry of Steel monitors this through periodic review of raw-material balances and production-sale data from SAIL's captive mines.”

4.6 For coordination on mining-related issues, the Ministries of Steel and Mines hold regular inter-ministerial consultations to address matters relating to lease reservation, environmental and forest clearances, and resource development critical for SAIL's expansion and operational continuity. In pursuance of these provisions, from FY 2019–20 up to August 2025–26, SAIL has sold a total of 10.41 Million Tonnes of

iron ore in the open market. For FY 2025–26, SAIL has signed a MoU to sell 5 Million Tonnes on iron ore in the open market”.

4.7 However, during the sitting held with the Committee, SAIL highlighted the regulatory burden as follows:-

“if you sell through captive, you will have to pay 150%, and this applies to both the private and public sectors..... we have also requested the Ministry of Mines, and there have been three or four discussions at the high level to remove one of the two. As he explained, 80% will go towards royalties, the government has issued a directive to maximize production so that it can be sold in the market. Now the focus is on not only captive production but also market sales. The Ministry of Mines also agrees that one of the two should be removed, and work is underway on this.”

4.8 Further, in reply to a query that given SAIL’s plan to sell iron ore in the open market (per MMDR amendment), what are the Ministry’s safeguards to ensure captive plants’ raw material security while allowing market sales and whether any policy clarifications and any directives issued to SAIL, the Ministry has replied as under:

“The Ministry of Steel, in line with the Government’s focus on augmenting domestic iron ore production, has directed Central Public Sector Enterprises (CPSEs), including SAIL, to enhance iron ore output and strive to operate their mines at full capacity. In pursuance of these directions, and to support its planned capacity expansion to 35 MTPA of crude steel by FY 2031–32, SAIL will require approximately 60 MTPA of iron ore for captive consumption. This demand will be met primarily by optimizing production from existing mining leases through higher percentage utilization and improved operational efficiency.

Surplus production after meeting captive requirements will be sold in the open market to cater to the needs of the secondary steel industry, as permitted under the MMDR Amendment Acts of 2021 and 2025. To ensure long-term raw material security, the Ministry has mandated that captive requirements be fully met before any market sales. Additionally, SAIL has also sought reservation of new iron ore deposits under Section 17(A) of the MMDR Act. The Ministry of Steel, vide OM dated 18 August 2025, has requested the Ministry of Mines to consider these reservations. This policy framework maintains a balanced approach between captive consumption and calibrated commercial sales. Pursuant to these provisions, from FY 2019-20 up to August 2025, SAIL sold 10.41 million tonnes of iron ore in the open market. For FY 2025-26, an MoU has been signed to sell 5 million tonnes”

C. Raw Materials and Logistics

4.9 The Ministry has informed that SAIL does not import iron ore for its plants and the captive power generation of SAIL is 71.47 % of Company's total

requirement.(final reply to LOP dt 21.11.25 reply no 15). On being asked regarding the dedicated captive coking coal allocations to SAIL for planned expansions, the Ministry replied as under:-

"SAIL operates two captive coking-coal mines Chasnalla and Tasra (Jharkhand) and also sources coal through FSAs with BCCL and CCL. About 85% of its coking coal is imported. To improve self-reliance, Tasra Mine (4 MTPA) was developed and started producing 0.5 MT in FY 2024-25. SAIL has sought fresh coking-coal block allotments from the Ministry of Coal to replace surrendered Sitanala and Parbatpur blocks, as recommended by NITI Aayog; the matter is under consideration."

4.10 Regarding Raw Material Security, especially with regard to coking coal, SAIL has informed that :

- "SAIL recognizes that volatility in global markets isn't just on the demand side but also for inputs, especially around imported coking coal due to concentration of vendors and geopolitical risk. To hedge the same, SAIL has started diversifying coal sourcing through expanding its vendor base and exploring new coal-producing geographies. Simultaneously, SAIL is pushing for higher use of indigenous coal (a blended coal mix), to reduce reliance on more volatile and potentially expensive imports".
- "On the procurement side more broadly, SAIL is trying to indigenize critical components through a drive to onboard domestic suppliers for spare parts and capex items via tenders and vendor-development."

4.11 In this regard, during the meeting with the representatives of the Ministry and SAIL, the Committee were informed that volatility in markets and logistics were risk factors as under:

"About 90 per cent of coking coal which was used in the steel sector was imported. We are working with Coal Ministry to increase the number of washeries, so that the availability of domestic coking coal increases. But as the steel capacity is increasing very fast, it is likely that the import of coking coal in medium-term will increase further because the domestic coking coal of steel grade is unlikely to keep pace with the steel sector demand. The main problem is the ash content which is high in Indian coal, which discourages the use in the steel sector. So, that is one challenge."

4.12 On logistics, the Secretary, M/o Steel during the oral evidence informed as under:

"One major challenge for steel sector in general and also for SAIL is the logistical issue. While the iron ore, coal and steel movement increases as we increase our production, most of it is moved by rail. This is because it is concentrated in the eastern part of India and to some extent in the South, logistics becomes a challenge and because of that the logistic costs increase

and because of congestion, time also increases. They are already working on having slurry pipelines so that at least the load of iron ore on the rail network is reduced” .

4.13 On being asked as to why SAIL did not participate in the auction of iron ore blocks in Karauli district, Rajasthan, the Ministry replied as under:-

“SAIL did not participate in the auction of iron ore blocks in Karauli district, Rajasthan, due to high logistics costs and distance from its steel plants, making such mines economically unviable” .

4.14 Logistics cost is a significant component of cost of raw material. Since large quantity of iron ore is required per tonne of crude steel produced, the cost of iron ore has a direct impact on the cost of saleable steel and, consequently, on price competitiveness.

“Operating a mine in Rajasthan — far from SAIL’s steel production centres— would have resulted in high freight cost per tonne, eroding margins and competitiveness.”

D. Strategic Expansion and Global Positioning

4.15 During the meeting with the representatives of the Ministry and SAIL, the Committee Members urged international resource acquisition and aggressive global strategy. In this regard, SAIL informed during the sitting that:-

“We have a mine in Tamil Nadu, which is owned by SAIL Refractory Company Limited. It is the only magnesite mine in the country. Magnesite is a mineral used to make magnesium carbon bricks. It is very vital. Today, China is the only source of magnesia in the world. Since we do not purchase anything from China under the Land Border Sharing Agreement, as per government instructions, we want to restart this mine so that we can move forward.....
Another important raw material is limestone and dolomite which is imported from the Middle East to a large extent. We have asked them to look at asset acquisition, that is buying mines in the other countries so that there is long-term resource sustainability and there is assurance.”

CHAPTER V
MODERNISATION & MARKETING

A. TECHNOLOGY, MODERNISATION AND EXPANSION

5.1 Regarding Modernisation and Expansion plans of SAIL, the Committee were informed as under:

“In order to maintain market competitiveness and to meet the challenging needs of its customers, SAIL is undertaking capital investment projects from time-to-time. This is being done by way of Technological Upgradation, Addition/ Modification/ Replacement of its capital assets, overcoming of production bottlenecks, improving the productivity of various units, quality of products, improving health of plant & equipment, improving yield, conserving energy, effecting economy in the cost of production & better techno-economics and abating environmental pollution. Presently, SAIL is also increasing its focus on undertaking projects for reduction of Carbon Footprint.

SAIL is presently having Crude Steel operating capacity of 19.90 MTPA through its five Integrated Steel Plants located at Bhilai, Bokaro, Durgapur, Rourkela and Burnpur. Apart from these five Integrated Steel Plants, at present, SAIL has two Special Steel Plants located at Durgapur and Salem having Crude Steel operating capacity of 0.41 MTPA.

Increase in the Crude Steel capacity to around 50 MTPA is envisaged through augmentation of its existing facilities as well as through Brownfield/Greenfield expansion of its Integrated Steel Plants at Bhilai Steel Plant, IISCO Steel Plant, Rourkela steel Plant, Durgapur Steel Plant and Bokaro Steel Plant.

However, the expansion is subject to following: -

- i. Demand Growth for finished steel to absorb the enhanced level of steel production in the sector.
- ii. Resource availability to finance CAPEX with sustainable Debt: Equity ratio.
- iii. Captive iron ore sources for supporting the enhanced capacity.
- iv. Availability of Land

Increase in the Crude Steel Capacity of Integrated Steel Plants of SAIL is envisaged as under: -

Steel Plant	Crude Steel Capacity (MTPA) - Current	Envisaged Crude Steel Capacity (MTPA)(FY 2047)
Bhilai Steel Plant (BSP)	6.80	12.00
Durgapur Steel Plant (DSP)	2.20	7.50
Rourkela Steel Plant (RSP)	3.80	8.80
Bokaro Steel Plant (BSL)	4.60	14.0
IISCO Steel Plant (ISP)	2.50	7.30
SAIL (5 ISPs)*	19.90	49.60

* The capacities of Special Steel Plants of SAIL have not been included in these figures.

The implementation of the expansion projects at different Plants are proposed to be taken up in a phased manner with a view to keep the CAPEX and the borrowings within manageable limits. Various alternatives are being explored to optimize the investments for capacity enhancement in each Plant. Focus is also on undertaking projects for reduction of Carbon Footprint”.

5.2 Further, SAIL has implemented following technologies under the modernization projects for improved energy performance:

- Tall Coke Oven Batteries (COBs) with Coke Dry Cooling Plants (CDCPs) for superior coke quality
- Large volume (>4000 m³) Blast Furnaces (BFs) equipped with Top Recovery Turbine (TRT), Coal Dust Injection (CDI), and Waste Heat Recovery (WHR) system
- Slag Granulation Units with BF for complete slag utilization
- Torpedo Ladles to conserve thermal energy during hot metal transfer from BF to Steel Melting Shop (SMS)
- Upgraded Sinter Plants with advanced ignition and WHR systems
- Continuous Casting plants for casting liquid steel and Walking Beam Reheating Furnaces in Rolling Mills for energy savings
- By-product Gas-fired Boilers for captive power
VVVF Drives, IE3 Motors & Efficient Pumps for reduced energy use.

5.3 During the sitting of the Committee, SAIL explained as under:

“We have three furnaces of 4,000 cubic meters each in Bhilai, Rourkela, and Bokaro. We compared them with Tata Steel and JSW. Our furnace productivity ranges from 2.4 to 2.57. Tata Steel's is 2.66, and JSW's is 2.97. Our COP rate is lower than ours, and our CDI rate is higher. We have planned to increase our CDI in our furnaces and reduce our COP rate, and we are working on this.

One difference we make between our seven-size furnaces and those of Tata Steel and JSW is that we can't say there's no technology; the technology is the same. Our iron ore mines have low-grade iron ore. Ours is 60 to 62 percent, while Tata Steel and JSW have slightly higher-quality iron ore. Furthermore, to increase our oxygen enrichment, we've installed new oxygen plants at each plant. These have already been commissioned in Bokaro and are about to be commissioned in Rourkela, Durgapur, and Bhilai. This will also help us match their efficiency. The cheap coal we've been able to use in our furnaces is thanks to stamp-charged battery technology. Projects have already been commissioned in Burnpur and Rourkela. It is going to start in Bokaro, Bhilai”.

5.4 Considering the faster adoption of digitalization, automation, and sustainability initiatives by private companies, the Committee desired to know how SAIL is positioning itself to remain competitive, particularly, in areas of R&D innovation, and customer responsiveness, it was responded , inert-alia, in a written reply:

“SAIL has launched an extensive end-to-end digital transformation initiative, with McKinsey engaged as the strategic partner for the first three years. The program, titled PRAVARTANAM, is structured to deliver measurable value through focused KPI improvements and systematic capability enhancement across the organization. Key focus areas include yield, energy efficiency, quality, and throughput.

The program aims to establish a next-generation operational backbone that will enable a smart, seamlessly connected digital enterprise; upgrade the technology and data infrastructure to drive scalable growth and long-term operational excellence; and embed sustainability through robust change management and a culture of continuous improvement. Capability development will be strengthened through an integrated approach combining classroom instruction with practical, hands-on learning.

Digital initiatives under PRAVARTANAM encompass the entire steel value chain—from mining to marketing—and are geared toward reducing Scope 2 and Scope 3 emissions through the adoption of advanced AI/ML-based process optimization technologies.”

SAIL has initiated various projects on green steel production and provided impetus to R&D innovation to remain competitive in the steel industry. Some of such efforts include use of hydrogen or hydrogen rich fuels like bio-char and coke oven gas in blast furnaces and sinter plants, utilization of steel plant and mining wastes in different processes of steel plants and for converting some of them to useful products. Increased usage of domestic coal and other raw materials through R&D innovations, simulation of steel making process, decarbonization initiatives and development of newer steel products to decrease import dependence are some other initiatives in these directions.

To stay competitive and support climate goals, SAIL is focusing on digitalization, automation, and reducing carbon emissions. A major part of this plan is producing green steel in a cleaner, more sustainable way.”

B. PRODUCT MIX & SALES

5.5 On being asked regarding the volume of Sales for SAIL during the last year and the measures taken to improve its product outreach, the Committee were informed as under:-

- “Sales of SAIL during FY 2024-25 was about 18 Million Tonnes (MT), including 0.11 MT in exports. Sales during April-Sept’ 2025 (H1FY’26) has been 9.5 million tonne which is increase of 16% over CPLY figure of 8.2 million tonne.

Export during this period was 0.19 MT. Sales Volume growth during H1 FY'26 was due to company's increased outreach to retail and other consumers despite the volatility in global steel markets. This was coupled with the drive towards efficiency improvement and cost rationalization. This translated into robust financial performance with revenue from operations crossing Rs.52,600 crores driven by higher sales volume despite challenges on the pricing front.

- In order to increase steel usage, SAIL has taken steps to increase the reach and availability of its own products across the country especially in the hinterland through its channel network” .

5.6 The Committee observed that SAIL is still unable to produce automated grade steel and high grade steel. On being asked the reasons for this, the SAIL informed as under:

A. Automotive-Grade Steels

- SAIL presently manufactures several hot and cold rolled grades suitable for high-strength automotive structural components, such as chassis, cross beams, pillars, and side rails.
 - Hot rolled grades: ISH500LA, ISH600LA, ISH490R, ISH540R (IS 5986:2017)
 - Cold rolled grades: ISC390W, ISC440W, ISC410LA (IS 513 Parts 1 & 2)
- SAIL also produces drawing and deep drawing quality cold rolled steels under IS 513 (Part 1) for general forming applications.

B. Technological Gaps

- The Extra Deep Drawing (EDD) and Interstitial Free (IF) grades — critical for lightweight passenger vehicle body panels — are not yet part of SAIL's regular product portfolio.
- These specialized steels require:
 - High-purity steelmaking with extremely low interstitials (carbon, nitrogen),
 - Precise process control in sequential hot and cold rolling, and
 - Sophisticated annealing technologies to achieve the texture and formability standards used in modern auto bodies.
- Development work is ongoing to bridge this technology gap through process refinement and R&D collaboration.

C. CRGO Electrical Steel

- SAIL does not currently produce CRGO (Cold Rolled Grain Oriented) electrical steels used in transformer cores.
- CRGO manufacturing involves proprietary, closely guarded technologies unique to a few global producers (e.g., Nippon Steel, POSCO, AK Steel).
- Establishing CRGO capability would require:
 - Technology transfer or joint venture with global leaders, and
 - Large-scale capital investment in precision rolling, decarburization, and laser-scribing lines.

D. CRNO (Cold Rolled Non-Oriented) Electrical Steels

- SAIL does produce CRNO grades for electric motor lamination cores — specifically 50C530, 50C570, 50C600, and 50C700 — which meet standard industrial requirements.
- For advanced CRNO grades (used in EVs or high-efficiency transformers), SAIL would need further technological upgradation and knowledge partnerships with research institutions.

5.7 The Committee observed that in the past few years, steel companies have been unable to gain an edge over private steel companies and SAIL should develop new products. In 2022, private companies had 67 products, while SAIL didn't even having 17. On being asked how SAIL will compete with them in the market and the reason for this, the Ministry has stated that Private players' higher product counts reflect greater flexibility, faster processing cycles and niche-segment targeting. SAIL is also making efforts towards increasing its production level and product portfolio. Further, Continuous activities in respect of product development in SAIL have led to development of

- 23 new Steel Products during FY 2024-25
- 25 new Steel Products, including development of new sections, during FY 2023-24
- 12 new Steel Products during FY 2022-23

SAIL's marketing and product-promotion efforts include:

- Launching at least six new products per quarter,
- Expanding distribution and dealership networks,
- Online and retail-outlet sales through SAIL portal and e-commerce platforms (e.g., Amazon).

C. MARKETING AND BRANDING

(i) Marketing

5.8 In reply to a query regarding the Marketing network of SAIL the Ministry furnished as follows:

"Sales and marketing of all prime products produced by SAIL are managed through its Central Marketing Organization (CMO), headquartered in Kolkata. CMO handles all products except stainless steel from Salem Steel Plant (SSP), which manages its own marketing. However, the mild steel hot rolled coils produced at SSP are sold through CMO. CMO's scope extends beyond sales to include warehousing and logistics, branding and promotion, market research, product development, and expansion of distribution channels. SAIL's exports are handled by its International Trade Division (ITD), based in Kolkata, with offices in Nepal and a newly established overseas office in Dubai. The Dubai office has been opened to explore new markets, identify business opportunities, and strengthen coordination with suppliers and project authorities at both corporate and government levels.

As of 1st October 2025, SAIL's domestic marketing network comprises: -

- 35 Branch Sales Offices
- 4 Customer Contact Offices
- 20 Departmental Warehouses, including 10 Consignment-cum-Handling Agency Yards
- 15 functional Consignment Agency Yards

In addition, SAIL has entered into a Contract Manufacturing arrangement with NMDC Steel Ltd. (November 2024) for sale of HR products. This initiative is expected to diversify SAIL's product range, cater to a broader customer base, and enhance its market reach.

SAIL's marketing strength is further supported by its Retail Distribution Channel, ensuring product availability even in remote regions. As of 31st March 2025, the retail structure includes: -

- 64 Tier-1 Distributors
- 59 Tier-2 Distributors
- 4768 Dealers

Sales through this network reached 15.54 lakh tonnes under Tier-1 and 13.27 lakh tonnes of TMT under the Tier-2 structure, reflecting a growth of 40% over the previous year.

Overall, SAIL possesses a strong and extensive marketing network, both in India and overseas. The organization continues to expand strategically in line with emerging market opportunities to strengthen its presence and enhance customer outreach".

(ii) Branding

5.9 Regarding efforts to increase reach and brand awareness, SAIL is fulfilling its responsibility to build and nurture a strategic orientation towards strengthening and deepening the relationship with customers & prospects, upgrading products and services basket through branding, promotions, customized services, research, process improvements, digitalization, etc. In order to increase steel usage, SAIL has

taken steps to increase the reach and availability of its own products across the Country especially in the hinterland through its channel network. Some of the developments and outcomes are given below.

5.10 Around 13.27 lakh tonnes of TMT Retail sales was achieved in the 2-tier during FY 2024-25 with a growth of about 40% over previous year. SAIL also has Tier-I distributor system for sales of Hot Rolled Products, Cold Rolled Products, Galvanized Products, Electrical Steels, PM Plates, Structural's, Wire Rods and Pipes to improve the system of servicing demand of small consumers, B2B industrial segments and to provide single window servicing of small customers including value added services. SAIL Tier 1 distribution network comprised of 64 distributors as on 31st March, 2025. This Channel contributed to enhance SAIL's distribution footprint, widen the base and engagement levels with customers, improve knowledge of markets and bring more consistency in sales. Sales through tier-1 distributors during the Financial Year 2024-25 was 15.54 lakh tonne.

5.11 In order to help build awareness and acceptance of steel usage in rural areas, SAIL has an ongoing rural outreach programme "Gaon Ki Ore". These programs lead to promotion of the brand for enhanced sales. Under the campaign, more than 400 workshops have been conducted during the financial year 2024-25 across the Country with focus on small consumers, etc. Goanki Ore programs offer a sound platform to reach out to various masons in that area with the purpose of creating awareness of SAIL SeQR TMT. It is latest innovation, offering superior strength, durability, and performance to meet India's evolving infrastructure need.

5.12 The Committee however, during the meeting with the representatives of Ministry of Steel and SAIL observed that branding and messaging are such a huge part of communication, but SAIL's branding doesn't reflect their selling. Members also noted poor retail availability of SAIL products in markets.

5.13 Further, in reply to a query on SAIL's performance benchmark against private steel producers, in market share and value-added products the Ministry has furnished the following information:

“Sales in value added segment is comparable to the other major private players. For SAIL, apprx 55% sales in Fy 24-25 is in value added segment against an average of around 62-63% by other players (63% TATA , 62% JSW and 66% JSPL). SAIL is focusing in the high value segments for more business by introducing newer products and increasing sales of high value products with major focus on Infrastructure” .

5.14 SAIL market share for last five years is as follows:

Producer wise overall Market Share						
Producer	2024-25		23-24	22-23	21-22	20-21
	Quantity ('000 T)	% Share	% Share	% Share	% Share	% Share
SAIL	16121	10.6	11.1	12.3	12.4	12.3
Tata	20624	13.6	14.2	14.6	15.6	11.3
JSW Steel	21064	13.9	14.3	14.8	11.3	11.5
RINL	3215	2.1	2.7	2.9	3.5	3.0
AMNS	6767	4.5	4.8	4.9	5.4	5.9
JSPL	7040	4.6	4.0	4.4	4.4	4.8
Other Producers	67618	44.5	42.9	41.1	43.1	47.6
Imports	9550	6.3	6.0	5.0	4.3	3.7
Total	152000					

D. EXPORT STRATEGY

5.15 When the Committee desired to know the export strategy for the next 5–10 years, including target markets, product segments, infrastructure support and compliance measures along with the expected share of exports in total production, it was submitted as under: :

“SAIL’s export performance in FY 2024–25 remained volatile due to subdued global steel demand, aggressive price competition from low-cost imports—particularly from China—and a strategic prioritisation of the robust domestic market. In addition, the global trade environment became increasingly protectionist, with multiple countries initiating anti-dumping and safeguard investigations, including against Indian steel, which led to cautious buying behaviour. These factors affected not only SAIL but the entire Indian steel industry, during which India also turned a net importer of steel.

However, export momentum has improved significantly in FY 2025–26. SAIL exceeded its total exports of FY 2024–25 within the first quarter itself and recorded a growth of 258% over CPLY up to November 2025, reflecting improved market traction and proactive export initiatives.

Export Strategy (Next 5–10 Years)

1. Target Export Share:

SAIL's medium-term strategy envisages exports forming a calibrated share of total production, primarily to balance domestic market priorities while leveraging opportunities in niche and value-added segments in select overseas markets.

2. Target Markets and Product Segments:

- HR Coils:
 - Traditional markets: Nepal, Europe and the Middle East
 - Strategic focus: Aggressive penetration in Vietnam and Middle East
 - Product differentiation: Wider coils up to 2000 mm
- PM Plates:
 - Target markets: Europe and Middle East
 - Product strategy:
 - 100% heat-treated (HT) component as per export market requirements
 - Expansion of HT size range from 12–50 mm to 10–80 mm
 - CE marking beyond 63 mm to enhance product basket and net sales realisation
- Wire Rods:
 - Target markets: Nepal, Thailand and Sri Lanka
 - Focus on export of special quality wire rods to Nepal
 - Gradual market development in Thailand and Sri Lanka

3. Compliance and Sustainability Measures:

To strengthen acceptance in regulated and premium markets, SAIL has appointed consultants for preparation and publication of Environmental Product Declarations (EPDs) and Carbon Border Adjustment Mechanism (CBAM) reports for export products. In addition, SAIL's flat and structural steel products are EN-certified, meeting mandatory European requirements.

4. Export Infrastructure Support:

SAIL currently exports through Paradip, Visakhapatnam and Haldia ports. Containerized exports have been initiated to service small-lot and specialised export orders. The feasibility of utilising ports on the western coast is also being explored to enhance logistical flexibility and cost efficiency.

Overall, SAIL's export strategy is focused on selective market engagement, value-added products, regulatory compliance and logistics optimisation, with the objective of achieving stable, sustainable and strategically aligned export growth over the next decade".

5. 16 Further , in this regard it was added:

"SAIL's export strategy

The global market environment remained challenging, with subdued international prices and logistical constraints. SAIL is having overseas office in

Mozambique and has recently opened new overseas office in Dubai. It will help in expanding SAIL's interest by exploring the market, and assess business opportunities, approaching projects at Project Authority level including Government level, facilitate close co-ordination with existing suppliers and help to identify new resources. SAIL has exported its products to locations like Indonesia, Italy, Seychelles, Denmark etc. and is in talks with customers from Europe and East Asia for further orders. To cater to the high realization market of Nepal, SAIL has one office in Nepal as well.

To meet international product standards, SAIL has various international certifications like CE marking (mandatory for exports to Europe) and is in the process of obtaining CBAM and EPD certifications. SAIL's products have improved over the years to meet TDCs (Technical Delivery Conditions) demanded by international customers.

During April-Sept 2025 SAIL has exported about 1,47,000 tonne showing a growth of 229% against CPLY figure of about 44,600 tonne “.

E. GREEN STEEL INITIATIVES

5.17 SAIL's plants generate significant carbon emissions. Regarding long-term plans to reduce this, Ministry and SAIL have informed that Steel Authority of India Limited (SAIL) recognises its responsibility to lead India's steel sector towards a low-carbon and sustainable future. The Company's efforts are closely aligned with the Government of India's commitment to achieve Net-Zero emissions by 2070, under the Ministry of Steel's (MoS) "Green Steel" initiative. SAIL has already reduced its specific carbon dioxide (CO₂) emissions by about 18%, from 3.10 tonnes of CO₂ per tonne of crude steel (tCO₂/tcs) in 2005-06 to 2.55 tCO₂/tcs in 2024-25, and has targeted a further 14% reduction by 2030-31

5.18 On being asked that considering India's commitment to achieve net-zero emissions by 2070, how is SAIL aligning its operations and modernization plans with national green-steel and circular-economy objectives, including initiatives in slag utilization, water conservation, waste recycling, and afforestation around its plants and mines, the Ministry replied as under:

"The Ministry of Steel (MoS) is actively promoting a Green Steel Mission to decarbonize the steel industry and achieve net-zero emissions by 2070. This mission involves various initiatives like the Green Hydrogen Mission and the development of a Green Steel Taxonomy. The goal is to transition to sustainable steel production methods, reduce carbon emissions, and promote the use of renewable energy and green hydrogen. Green Steel Taxonomy issued by Ministry of Steel establishes a benchmark by defining "green steel" based on its carbon emissions intensity and aims to reduce Indian steel sector's carbon footprint aligned to its net-zero goals.

SAIL is committed to pursue its operations aligned with India's NDC for Net Zero by 2070 and already started several important steps to reduce its carbon footprint:

- Phasing out outdated, small and energy-intensive blast furnaces and replacing them with bigger ones with state-of-the-art technologies.
- Using Renewable Energy, solar energy in particular.
- Collaborating with experts from India and abroad:
 - Undertaking a pilot project for use of hydrogen in steelmaking,
 - Exploring Capturing Carbon through carbon capture and utilisation methods,
- R&D initiatives on utilisation of biochar and coke oven gas in Sinter Plant and Blast Furnace.

By following the National Green Mission and making the above changes, SAIL is showing its commitment to cleaner steel production and a more sustainable future.

Efforts towards Circular Economy

Steel is ideal for a circular economy because it can be reused and recycled endlessly. Using steel scrap in production reduces energy use, lowers CO₂ emissions, and improves sustainability. SAIL promotes circular economy through the Principle of 4Rs—Reduce, Reuse, Recycle, and Recover and actively recycles scrap from its steel plants. Its Alloy Steels Plant (Durgapur) and Salem Steel Plant use scrap to produce special-grade steels, with efforts to increase scrap recovery and use in BOF process.

Pelletizing in the iron and steel industry supports the circular economy by using resources efficiently, cutting waste, lowering carbon emissions, saving energy, and making ironmaking cleaner and sustainable. SAIL is setting up pelletizing units at its plants and mines to make use of iron ore micro-fines.

Steelmaking generates various solid wastes like Blast Furnace (BF) slag, flue dust, sludge, BOF slag, lime/dolomite fines, refractory waste, and mill scale. These wastes are reused within the plant or in other industries, replacing natural resources and boosting resource efficiency.

SAIL uses Cast House Slag Granulation Plants to process BF slag, which is then supplied to cement manufacturers, saving limestone and cutting CO₂ emissions. BOF slag is processed to extract metal and reused in steelmaking, road construction, and eco-friendly paver blocks. Due to its high phosphorus and sulfur content, its reuse in steelmaking is limited.

To unlock more value from BOF slag, SAIL has worked with ICAR-IARI to develop eco-friendly fertilizers from slag-based products, showing promise for sustainable agriculture. Other wastes like flue dust and mill scale are also recycled or sold to secondary market.

Through innovation and collaboration, SAIL is moving toward zero solid waste to landfill, strengthening its commitment to sustainable steel production.

Efforts towards Water Conservation

Water is essential for life and industry. The iron and steel industry is a highly water-intensive sector and SAIL is committed to using it wisely.

Water conservation is a key part of SAIL's sustainability efforts, guided by its Corporate Environmental Policy and the principles of reduce, recover, recycle, and reuse.

SAIL goes beyond just following rules—it sets specific water-saving targets for each plant and tracks progress through regular reviews. This helps protect water-stressed areas and ensures long-term resource availability.

To manage water efficiently, SAIL has installed Effluent Treatment Plants (ETPs) in all production units to treat and reuse industrial wastewater. Sewage Treatment Plants (STPs) are also in place to handle domestic wastewater in townships and plant areas.

SAIL is replacing traditional coke quenching methods with Coke Dry Cooling Plants (CDCPs), which save water, reduce pollution, and generate power from waste heat boosting both water and energy efficiency.

The company is working toward Zero Liquid Discharge (ZLD), ensuring all wastewater is treated and reused. Currently, about 128 million cubic metres of water are recycled annually.

SAIL also promotes rainwater harvesting (RWH) to recharge groundwater. RWH systems are installed based on local conditions and are now included in all new project plans, supporting the national 'Catch the Rain' campaign.

Over and above, SAIL regularly conducts water audits at its plants by engaging third-party experts to assess water usage and identify areas for improvement. These audits help monitor water conservation efforts, detect inefficiencies, and guide corrective actions. By implementing the recommendations from these audits, SAIL enhances water efficiency, reduces wastage and strengthens its commitment to sustainable resource management”.

5.19 It is added in this regard:

“SAIL's stated 22% reduction in specific water consumption (SWC) refers to the period from FY 2015–16 to FY 2024–25, during which SWC declined from 3.83 m³/tcs to 3.00 m³/tcs.

In FY 2022–23, SAIL's SWC was 3.06 m³/tcs, which further improved to 3.00 m³/tcs in FY 2024–25, reflecting a 2.0% reduction during this recent period. Additionally, during April–November 2025, SWC declined further to 2.89 m³/tcs, though it remained marginally above the target of 2.85 m³/tcs.

Accordingly, the 22% reduction has been achieved with reference to the FY 2015–16 baseline, not solely since FY 2022–23. The more recent reductions indicate incremental improvement rather than a large percentage decline.

Based on the current trajectory of SWC, specific water consumption at a projected production level of 35 MTPA is expected to remain at similar levels, and the absolute annual freshwater requirement for crude steel production is expected to remain within 100 million cubic metres.

Water conservation measures across SAIL plants include installation of Effluent Treatment Plants (ETPs) in individual shops, Sewage Treatment Plants (STPs) in townships and plant premises, progressive replacement of wet coke quenching with Coke Dry Cooling Plants (CDCP), and implementation of Zero Liquid Discharge (ZLD) projects. At present, SAIL treats and recirculates about 128 million cubic metres of wastewater annually, thereby limiting freshwater intake and supporting sustainable water management during modernization and expansion”.

CHAPTER VI
MANPOWER, PRODUCTIVITY & HR PRACTICES

A. Human Resources

6.1 SAIL's manpower strength as on 01.04.2025 is 53159 consisting of 10606 Executives and 42553 Non-Executives .

The details regarding manpower vis a vis capacity utilization is furnished below: -

Manpower as on	Executives	Non-Executives
01/04/2021	10782	54782
01/04/2022	10504	51677
01/04/2023	9990	49196
01/04/2024	10289	45700
01/04/2025	10606	42553

Financial Year	Crude Steel Capacity Utilization as %
2020-21	78
2021-22	89
2022-23	94
2023-24	99
2024-25	94

6.2 During the sitting with the representatives of the Ministry, the Secretary informed that

“One of their challenges is the manpower because as compared to private sector, they have excess manpower. Just to give you a sort of comparison, their manpower cost is roughly 11 per cent of the production cost, while the best in the power sector have two per cent to three per cent production cost. So, manpower cost reduction is one of their targets, which the Ministry has asked them to focus on. They are reducing the number of contractual people they are working with, which are very high, and also rationalizing the regular manpower”

6.3 Further, Chairman, SAIL informed about labour productivity as under:

“We calculate labor productivity – tonnes of crude steel per man per year. Consequently, our manpower has decreased, while production has also increased. Productivity for Quarter One of this year is 643 tonnes of crude steel per man per year. If we try to benchmark it against other companies, both domestic and foreign, it is more than a thousand times higher. We also have the ambition to reduce manpower costs and increase labor productivity over the next five years.”

6.4 On being asked about the action taken to stop corruption in SAIL, it has been responded as under:

“The SAIL Vigilance Department functions under the overall ambit and supervision of the Central Vigilance Commission (CVC) and is committed to promoting transparency, integrity, and accountability within the organization.

SAIL has institutionalized extensive measures to prevent and detect corruption:-

Measure	Description / Purpose
ISO 37001:2016 (Anti-Bribery Management System)	Implemented across SAIL — first Maharatna PSU to do so.
Surprise checks & file scrutiny	Regular field and departmental inspections.
CTE-type intensive examinations	Annual technical scrutiny of works/projects/procurement for systemic and procedural lapses.
System Improvement Projects	Regular reviews of rules and procedures to remove corruption opportunities.
Training & awareness programs	To sensitize employees against misconduct and promote ethical behavior.
Vigilance Journal & communication	Published periodically to spread vigilance awareness.
Job rotation in sensitive areas	To prevent entrenched interests and collusion.
AIPR scrutiny (20% executives annually)	Annual Property Return verification.
List of Officers of Doubtful Integrity / Agreed List	Maintained and monitored.
E-tendering & E-payment	Technology-driven transparency in procurement and payments.
Preventive & administrative recommendations	Issued on a case-to-case basis for process improvement.
Regular interaction with CMD / CEOs	CVO and ACVOs hold direct reviews at plants and units.

In cases of gross negligence or malafide intent, SAIL Vigilance advises Regular Departmental Action (RDA) against the concerned employees.

Based on CBI requests under Prevention of Corruption Act, 1988 (amended 2018), during last 3 years, Competent Authority has provided sanction for prosecution against various SAIL employees, details of the same are given below:-

Year	Employees sanctioned for prosecution (CBI)
2022	Nil
2023	Nil
2024	02
2025 (till Sep)	01

6.5 On a specific query regarding the steps to maintain amicable relationship with employees, it has been submitted, inter-alia, as under:

"The management of SAIL maintains continuous engagement with officers' associations, employees' unions, and recognized federations through established consultative forums. In SAIL, issues relating to executives as well as developments impacting steel sector are discussed with Officers' Association at Plant/Unit level and with Steel Executives Federation of India (SEFI). SEFI functions as an apex body for professional development of executives across Steel Plants/Units. The last such SAIL-SEFI meeting was held on 24.10.2025.

Similarly for non-executives, issues are discussed with Unions at each Plant/Unit level and in a National level apex bipartite forum, namely, National Joint Committee for the Steel Industry (NJCS). Regular interaction is held between Workers' Representatives (of NJCS) and senior management to discuss issues relating to non-executive employees. Besides, formal and informal interaction, two meetings were held with Workers' Representatives (of NJCS) during the period October to December'25. With regard to contractual labour and non-executive employees, SAIL continues to adhere to all statutory provisions, wage agreements, and social security obligations.

The management remains committed to maintaining harmonious industrial relations and has been consistently emphasizing transparent communication, timely grievance redressal, and constructive engagement with all stakeholders and has been making concerted efforts in this direction. Efforts are ongoing to further strengthen internal communication mechanisms, build mutual trust, and balance employee welfare with organizational imperatives in the larger interest of the company and its workforce".

B. Safety Infrastructure & Risk

6.6 As informed by the Ministry, SAIL's goal is "zero harm" along with adoption of standards like ISO 45001 and a Corporate Safety Policy coordinated via the SAIL Safety Organisation (SSO). On being asked what measurable targets have been set by SAIL for the next 3 years, and how will performance against those targets be reviewed, the Ministry replied as under:

"To achieve the goal of 'zero harm', various kinds of systems are in place such as ISO-45001, Corporate Safety Policy, Standard Working Procedures, Safety

Audits & Inspections, Safety Training of the Working Personnel etc. In addition to that, Initiatives & measures are taken on regular basis to bring continual improvement in safety.

The Safety Training has been identified as key area and taken as the parameter under MoU with Ministry of Steel for 2025-26. Under this, a target of increasing Safety Training of employees by 10 % over previous year has been identified. The targets for the next 3 years will be to cover 100 % employees in the Safety Training.

The performance is reported on weekly basis to SSO by all plants and analysed. The overall safety performance is monitored & reviewed at CMD level, in the plants at DIC & ED(Works) level and periodic meetings of Heads of Safety of plants & units by SSO. All safety efforts in the company are directed towards achieving the target of Zero RLTIFR by different Plants & Units.

6.7 During the sitting with the Ministry, the Committee observed that incidents in Steel Plants have taken place since last year. In reply to a query as to what major safety incidents or root causes emerged in the last two financial years and what corrective actions have been rolled out to address them, the Ministry replied as under:

“Although SAIL has a structured safety organization across all its units and major plants have engaged reputed safety consultants to strengthen safety standards and enhance employee awareness, some major incidents still occurred during the last two years. Analysis of these incidents indicates that the primary causes were falls from height, hit/pressed injuries involving moving equipment, burn injuries from hot-metal or oxygen-enriched environments, and electrical or operational failures. These incidents occurred despite the existing systems due to gaps in hazard identification, procedural non-compliance, and communication lapses”.

C. Corporate Social Responsibility (CSR)

6.8 As informed by the Ministry, SAIL CSR Expenditure Year-wise/Sector-wise is as under:-

(Rs. Lakh)

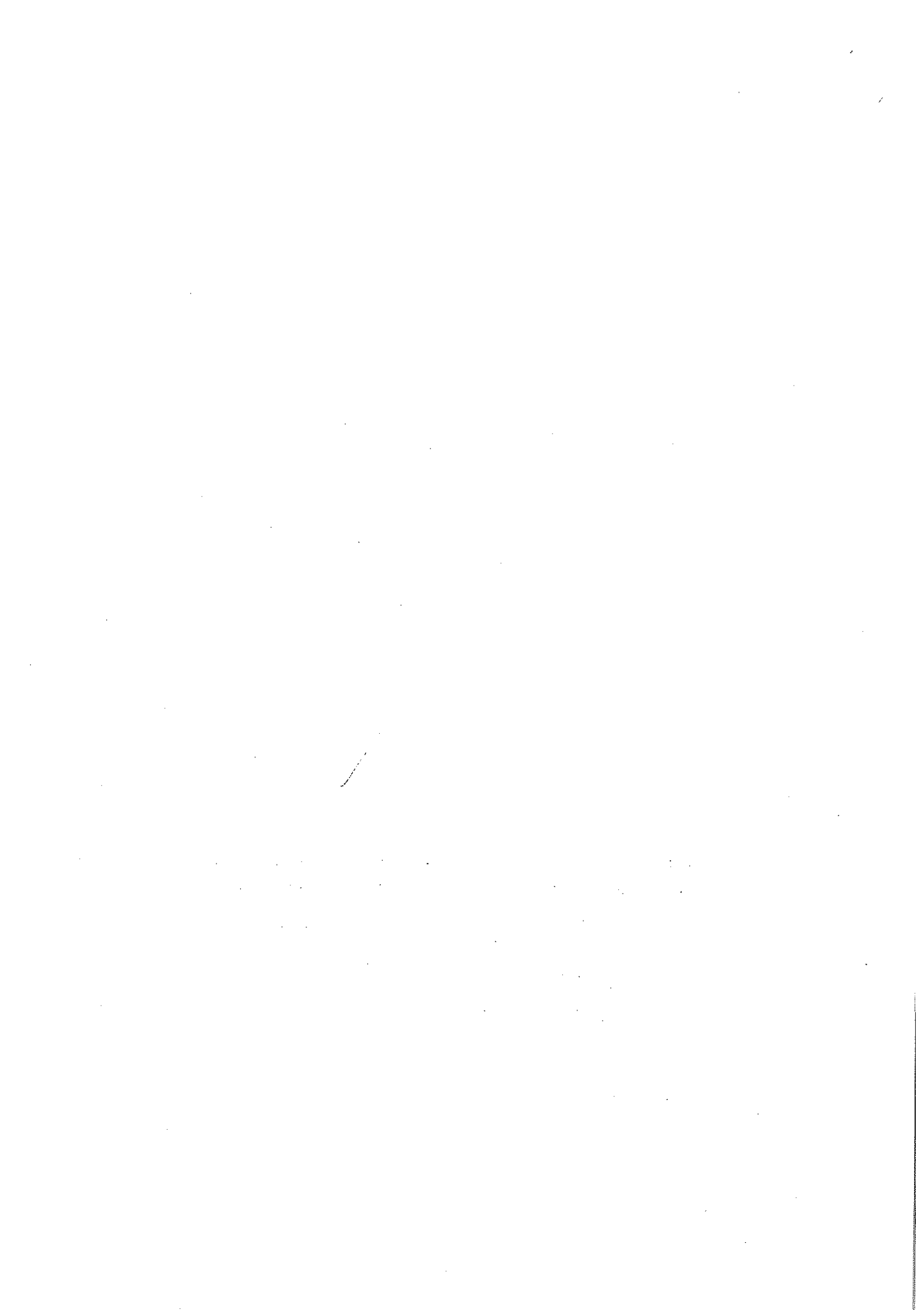
SN	CSR Sectors	21-22	22-23*	23-24*	24-25*
1	Healthcare, Drinking Water, Sanitation & Social Security (Sr. Citizens & PwDs)	6648	4676	3592	3907
2	Education	850	3041	4398	4955
3	Livelihood Gen/Skills Development and Women Empowerment	333	1574	1739	1927
4	Sports, Art & Culture	213	2695	3288	1334
5	Rural Development & Environment Sustenance	1211	3616	2885	1445
6	Administrative Overheads, etc.	169	644	291	240.5
	Total	9424	16246	16193	13809

* includes an amount of Rs. 5173 Lakh pertaining to FY 22-23, Rs. 7826 Lakh wrt FY 23-24 and Rs. 5178 Lakh wrt FY 24-25 Ongoing projects.

6.9 In reply to a query about CSR expenditures in 2024-25, it has been stated that:-

"CSR expenditure for FY 2024-25 was ₹138.09 crore, marginally exceeding the statutory obligation of ₹137.63 crore. Hence, there is no shortfall in CSR expenditure.

CSR activities were implemented in accordance with the provisions of the Companies Act, 2013 and were aligned with national priorities and local community development goals. The expenditure focused on key thrust areas, including health, education, sanitation, drinking water, skill development, environment protection, and rural infrastructure in and around SAIL's operational areas."



PART-II
RECOMMENDATIONS/ OBSERVATIONS

STRATEGIC ROLE OF SAIL

1. The Committee observe that the Steel Authority of India Limited (SAIL) is one of the largest steel making companies in India and a leading Maharatna among the country's Central Public Sector Enterprises (CPSEs). It is a fully integrated iron and steel producer, manufacturing both basic steel and speciality steel for domestic as well as export markets and producing a diversified range of quality steel products. SAIL also produces critical items such as rails, wheels and axles for Indian Railways and wide plates for several niche markets. The Committee acknowledge that SAIL plays a strategic role in nation building and remains a key supplier of steel to vital sectors like defence, railways, oil & gas, construction, power and shipping. The Company contributes significantly to national development through high-quality production, modernization initiatives, and its commitment towards achieving net-zero emissions. Its strategic importance stems from its massive production capacity, supply of specialized materials for sensitive sectors, and long-term alignment with national priorities relating to infrastructure development, raw material security and operational efficiency. The Committee further note that SAIL's alignment with the National Steel Policy (NSP) 2017 and the Viksit Bharat 2047 goals positions it as a cornerstone of India's self-reliance in steel. The Committee hope that SAIL will continue to meet the growing demand for steel across key sectors of the economy, thereby supporting the country's infrastructure development, advancing the vision of self-reliance under *Atmanirbhar Bharat* initiative, facilitating transition to green technologies, and strengthening the nation's raw material security.

(Recommendation No. 1)

OWNERSHIP PATTERN OF SAIL

2. The Committee are informed that the Steel Authority of India Limited (SAIL) was registered as a Company under the provisions of the Companies Act, 1956 on 24th January, 1973. SAIL functions as a CPSE under the Ministry of Steel with a mixed ownership pattern, wherein the Government of India

holds 65% equity, while the remaining 35% is held by institutional and public investors. The Committee note that SAIL thus operates under a dual compliance framework, combining public sector procedures with market-based accountability, resulting in a hybrid operating model. While this structure enables a balance between state-driven developmental objectives and market-driven commercial efficiency, it may, at times, also affect the pace of decision-making in comparison with private steel producers. The Committee further note that SAIL's AA long-term credit rating from CARE provides significant advantages in terms of lower borrowing costs and better access to capital markets. The Committee hope that within the framework of the company's ownership structure and applicable rules and regulations, decision-making will continue to be guided by sound managerial practices and operational efficiency, enabling SAIL to remain competitive while fulfilling its broader public sector mandate.

(Recommendation No. 2)

MARKETING AND DISTRIBUTION STRUCTURE

3. The Committee note that the Sales & Marketing of all prime products produced by SAIL are undertaken by its Central Marketing Organization, except for stainless steel produced by Salem Steel Plant which is marketed directly by the plant. The Committee further observe that SAIL has one of the largest marketing networks among steel producers in the Country. As on 31 March 2025, SAIL's functional marketing network consists of 35 Branch Sales offices, 4 Customer Contact offices and 35 Stockyards spread across various regions, in addition to 64 Tier-1 and 59 Tier-2 distributors and over 4,700 dealers. The Committee note with appreciation the strong growth achieved in retail sales of SAIL products, which have nearly tripled from 0.46 MT in FY 2020-21 to 1.33 MT in FY 2024-25, and the significant 51% growth in SAIL SeQR TMT brand sales. The Committee understands that while such a geographically aligned and vertically integrated operational structure provides inherent advantages in terms of raw material linkage, production coordination and market reach, it also requires strong inter-plant synergy, logistics optimisation, marketing alignment for efficiency across units. The Committee, therefore, urge that SAIL may further strengthen its sales and marketing

network so as to ensure seamless movement of raw materials and efficient distribution of finished products, thereby enabling wider availability of SAIL products across the country and may also consider expanding enhancing its digital sales platforms, deepening the Key Account Management programme, and increasing the share of value-added and high-margin products in its overall sales mix, so as to improve both revenue realisation and market competitiveness.

(Recommendation No. 3)

RAW MATERIALS

4. The Committee note that SAIL is largely self-sufficient in iron ore but remains dependent on imports for coking coal and certain other minerals. It is understood that nearly 90 per cent of the coking coal used in the steel sector during the last year was imported. The non-availability of low-ash indigenous coking coal has resulted in significant costs and quality fluctuations and has been identified as one of the major operational risks for SAIL. Another important set of raw materials - limestone and dolomite- are also imported to a considerable extent, particularly from the Middle East. The Committee observe that although SAIL is self-sufficient in iron ore through its captive mines, heavy dependence on imported low-ash coking coal and fluxes remains a challenge. The Committee hope that the Ministry of Steel and SAIL will work towards reducing its import dependence through close coordination with the Ministry of Mines and Coal India Limited, especially by greater utilization of coal washeries and beneficiation plants. The Committee also hope that SAIL would actively pursue the exploration and acquisition of new coking coal blocks in order to progressively reduce dependence on imports and strengthen long-term raw material security. Further, the Committee hope that SAIL would expedite the process of securing statutory clearances for mine capacity expansion and implement a structured plan to achieve over 80% mine capacity utilisation across all captive iron ore mines, so as to ensure long-term raw material security for its planned capacity expansion to 35 MTPA.

(Recommendation No. 4)

INVENTORY MANAGEMENT

5. The Committee are informed that SAIL plans its production in accordance with the approved Annual Budget Plan (ABP) and accordingly, the raw materials, Stores and Spares, etc. are procured as per the extant guidelines. The Committee note that in the inventory management of SAIL, there have been instances of excess procurement and production disruptions due to non-availability of critical raw materials on time. The Committee, therefore, suggest that SAIL review its procurement norms, inventory control systems and consultant engagement frameworks to maintain cost efficiency. The Committee further desire that norms for maintaining stock levels of major raw materials be periodically reviewed. In addition, close coordination may be ensured among the Company's mining units, railways and logistics departments so as to facilitate timely supply of raw materials and minimise the risk of any potential disruption in production. The Committee also suggests that SAIL may implement a rolling plan-based procurement approach and may consider setting unit-wise inventory norms and carrying cost benchmarks, to bring about sustained improvements in inventory management and working capital efficiency.

(Recommendation No. 5)

CAPACITY OF STEEL PLANTS

6. The Committee note that during the last ten years, crude steel production of SAIL witnessed a growth of about 34% whereas the domestic steel industry, including secondary steel producers, have registered a growth of about 69% during the same period. The Committee have been informed that plant level constraints, especially the relatively smaller size of some blast furnaces, ageing equipment and delays in modernisation, remain major factors affecting productivity and cost competitiveness. While many modern blast furnaces installed by private players have capacities of around 5000 cubic metres, several furnaces in SAIL plants are of about 2,000 cubic metres only. The Committee observe that SAIL has envisaged substantial augmentation of the capacities of its Integrated Steel Plants to approximately 35 MTPA by FY 2030-31 in Phase I, and further to around 50 MTPA by FY 2047 in Phase II, through a phased mix of brownfield and greenfield expansion. The Committee

note that while Board approvals have been accorded for expansion projects at ISP, DSP and BSL, the tendering and execution stages have experienced delays. The Committee hope that SAIL may prepare a time-bound, phase-wise roadmap for modernisation and capacity expansion, with clearly defined milestones and accountability mechanisms. The Committee further recommend that the PRAVARTANAM digital transformation programme may be accelerated across all plants to improve yield, energy efficiency, quality and throughput, and that SAIL may regularly benchmark its operational parameters against global best practices to progressively compete with leading private sector producers and international steel majors.

(Recommendation No. 6)

LABOUR PRODUCTIVITY

7. The Committee note that SAIL has been making sustained efforts to improve labour productivity through improvements in manpower, technology and operational efficiencies. The Committee appreciate that, driven by initiatives towards capability development of employees and judicious recruitments against statutory and critical positions, SAIL has registered nearly 95% improvement in labour productivity, from 315 TCS/Man/Year in FY 2015-16 to 615 TCS/Man/Year in FY 2024-25. Further, labour productivity for the first quarter of the current year is 643 tonnes of crude steel per man per year, but manpower cost remains relatively high in relation to production. The Committee, therefore, hope that SAIL will continue with its initiatives towards optimising manpower costs and further enhance labour productivity through skill development, training, reskilling, automation and redeployment of workforce. The Committee also suggests that SAIL may explore the possibility of developing a structured succession planning framework and deploying advanced digital tools such as AI/ML-based process optimisation to systematically drive productivity improvements, particularly in the context of planned capacity expansion.

(Recommendation No. 7)

FINANCIAL PERFORMANCE

8. The Committee note that SAIL recorded a turnover of Rs.1,01,716 crore during the financial year 2024-25 which is about 3% lower than the previous year, mainly due to 7% decline in Mild Steel Net Steel Realisation despite a 3% increase in sales volume. During the current Financial Year Profit before Tax and Profit after Tax are Rs. 3008.82 crore and Rs. 2147.96 crore respectively as compared to the corresponding previous year's Profit Before Tax of Rs. 3687.67 crore and Profit After Tax of Rs. 2733.11 crore. The Committee further note a decline in SAIL's overall profit before tax and profit after tax during the last five years. The Committee observe that out of total 11 Steel plants under SAIL, 6 have recorded losses in the last financial year. While the company continues to register overall profits, there is a need to improve the financial health of individual plants. The Committee observe a decline in Net Sales Realisation on account of adverse global market conditions and competitive pressure from imports. The Committee, therefore, suggest that SAIL may prepare and implement time-bound, unit-wise turnaround plans for loss-making plants, with specific performance milestones, performance-linked incentives and consideration of appropriate strategic partnerships where needed. The Committee also suggest that SAIL may explore measures to structurally improve its Net Sales Realisation by expanding the share of high-value, niche and value-added products, improving direct customer engagement and reducing dependence on commodity-grade steel, so as to build greater resilience against global steel price volatility and ensure sustained improvement in profitability across all units.

(Recommendation No. 8)

DEBT-EQUITY RATIO

9. The Committee were informed that the total borrowing of SAIL is Rs.29811 crore as on 31.03.2025 as compared to Rs.30593 crore on 31.03.2024. The Committee further note that the debt-equity ratio of SAIL improved from 0.57 to 0.54 during the same period. The Committee also note that although SAIL sells excess iron ores from its captive mines, nearly 80 percent of the total price realised is spent on royalties. The high borrowings of SAIL can,

inter-alia, be attributed to high cost incurred on import of raw material like coking coal, high cost of transportation and logistics costs. The Committee take note of the fact that the royalty issue under MMDR Act impacts economic viability of external sale of iron ore by SAIL. The Committee, therefore, feel that the Ministry of Steel may take up with the Ministry of Mines the issue of high royalty on sale of iron ore by captive mine holders, so that the bottlenecks associated with these regulatory issues may be addressed and selling of iron ore in the open market may become more profitable. The Committee also hope that SAIL will continue its efforts to progressively reduce borrowings through better internal accruals, improved operational efficiency, and optimised capital expenditure phasing, so as to maintain the debt-equity ratio within sustainable limits even as it undertakes large-scale capacity expansion. The Committee also hope that steps will be taken to improve logistics and reduce energy costs to enhance the overall cost efficiency of the company.

(Recommendation No. 9)

MODERNISATION AND EXPANSION

10. The Committee appreciate that SAIL is undertaking modernisation and expansion of its steel plants through technological upgradation, addition, modification and replacement of its capital assets, overcoming of production bottlenecks, improvement in productivity of various units, enhancement of product quality, and improvement in the overall health of plants and equipment. SAIL is presently having crude steel operating capacity of 19.90 MTPA through its five Integrated Steel Plants located at Bhilai, Bokaro, Durgapur, Rourkela and Burnpur and 0.41 MTPA through two Special Steel Plants. Increase in the Crude Steel capacity to around 50 MTPA by FY 2047 is envisaged through augmentation of its existing facilities as well as through Brownfield and Greenfield expansion of its Integrated Steel Plants. The Committee are of the view that the pace of modernization could be increased to augment its production *vis-à-vis* private sector producers. The Committee note that while stamp-charged coke oven technology and installation of oxygen plants are expected to improve efficiency, the Committee emphasize that SAIL needs to make substantial investments towards upgrading its blast furnaces and installation of oxygen plants across its steel plants. The

Committee also hope that a plan for modernization of sub-scale blast furnaces and downstream finishing units may be prepared and monitored by SAIL. Further, the Committee hope that the brownfield and greenfield expansion projects of SAIL's Steel Plants are implemented in a time bound manner.

(Recommendation No. 10)

RESEARCH AND DEVELOPMENT

11. The Committee observe that SAIL is making efforts towards increasing its production level and product portfolio, having introduced 23 new steel products in FY 2024-25, 25 in FY 2023-24 and 12 in FY 2022-23. While SAIL has made commendable progress in developing high-strength steel grades for automotive, LPG cylinders, solar, agricultural, defence and railway applications, the Committee note that certain key product categories such as automotive-grade Extra Deep Drawing (EDD) and Interstitial Free (IF) steel, Cold Rolled Grain Oriented (CRGO) electrical steel, and certain advanced alloy and speciality steel grades that are currently imported remain outside SAIL's regular product portfolio. The Committee, therefore, feel that SAIL should place greater emphasis on Research and Development for new steel grades and advanced process technologies and import substitution initiatives to keep pace with changing market scenarios. The Committee therefore are of the view that SAIL may consider strengthening institutional R&D collaboration with premier academic institutions, technology bodies and global steel research organisations, and may also explore technology transfer arrangements or joint ventures with leading international producers.

(Recommendation No. 11)

BRANDING

12. The Committee observe that SAIL has been strengthening and upgrading its products and services basket through branding, promotions, customized services, process improvements and digitization. The Committee note with appreciation the strong growth in SAIL SeQR TMT brand sales, which have grown by 51% to 12.85 lakh tonnes in FY 2024-25, and the significant expansion of the Gaon Ki Ore outreach programme. The Committee also note that SAIL has been actively engaged in large infrastructure and

defence projects, and has made pioneering contributions such as supplying special-grade steel for INS Arnala and Vande Bharat Express wheels. The Committee are of the view that there is scope of further enhancing SAIL's brand visibility in the premium and speciality segments, including defence steel, electrical steel and special grades, and that retail product availability may be further strengthened. The Committee, therefore, urge that SAIL may adopt a comprehensive branding strategy that distinctly highlights its high-end products, including defence steel, railway steel, electrical steel, and special grades, and develop a wider nationwide retail and distribution network. The Committee further suggests that evaluation of the Return on Marketing Investment of SAIL's branding initiatives may be conducted periodically, so as to ensure that marketing expenditure is optimally directed towards areas of maximum commercial impact and market penetration.

(Recommendation No. 12)

GREEN STEEL AND DECARBONISATION

13. The Committee appreciate the significant progress made by SAIL in reducing its CO₂ emission intensity by approximately 18%, from 3.10 t/tcs in 2005-06 to 2.55 t/tcs in 2024-25, and note the targeted further reduction of 14% by 2030-31. The Committee also appreciate SAIL's ongoing decarbonisation initiatives, including the hydrogen injection pilot at Bokaro Steel Plant, the hydrogen-based DRI R&D collaboration with IIT-Kharagpur, the CCUS pilot project in collaboration with IIT Bombay and GEECL, and the renewable energy target of 384 MWp by FY 2028-29. The Committee observe that India has become the first country to define a Green Steel Taxonomy, and that SAIL's participation in international collaborations such as LeadIT and its MoUs with BHP, Primetals and SMS Group for low-carbon steelmaking are commendable steps in the right direction. The Committee urge that SAIL adopt a comprehensive decarbonisation roadmap with specific, measurable targets for emission reduction for each intermediate milestone year up to 2047, clearly identifying the technologies, investment requirements and financing pathways for each phase.

(Recommendation No. 13)

SAFETY AND RISK MANAGEMENT

14. The Committee are informed that although SAIL has put in place a structured Safety Organisation across all its units and that major plants have engaged reputed safety consultants to strengthen safety standards and enhance employee awareness, yet some major incidents still occurred during last two years. The Committee are of the view that the Ministry may explore the possibility of infrastructure renewal and strengthening of safety systems, across SAIL plants to prevent recurring industrial incidents and to ensure the safety of workers and modernization activities supported by strengthened industrial safety protocols, regular maintenance and continuous worker training. The Committee also hope that SAIL will look at the possibility of establishing plant-level safety audit and compliance mechanism to monitor safety standards to prevent industrial incidents.

(Recommendation No. 14)

CSR

15. The Committee have been informed that the Corporate Social Responsibility (CSR) activities of SAIL are implemented in accordance with the provisions of the Companies Act, 2013 and are aligned with national priorities and local community development goals, with activities focused on health, education, women empowerment, skill development, rural infrastructure, environment and sports. The Committee note that SAIL's CSR expenditure during 2022-23, 2023-24 and 2024-25 at Rs. 162.46 crores, Rs. 161.93 crores and Rs. 138.09 crores respectively, with the FY 2024-25 expenditure only marginally exceeding the statutory obligation of Rs. 137.63 crore. The Committee appreciate that SAIL has continued CSR activities even during periods when the statutory CSR obligation was nil. The Committee, therefore, hope that SAIL will fully utilise its CSR funds, focusing on health, education, and welfare infrastructure in plant townships and surrounding areas, so as to make a positive impact on the lives of people in and around SAIL's operational areas.

(Recommendation No. 15)

DIGITAL TRANSFORMATION AND INDUSTRY 4.0 ADOPTION

16. The Committee note that SAIL has launched the PRAVARTANAM programme, a comprehensive end-to-end digital transformation initiative, covering the entire steel value chain from mining to marketing. The Committee observe that the programme aims to deliver measurable improvements in yield, energy efficiency, quality and throughput through AI/ML-based process optimisation, digital twin technologies, real-time monitoring systems and data analytics. The Committee further note that SAIL has also obtained the ISO-27001:2022 Certification for information security risk management at its Central Marketing Organisation, and has implemented digital systems for sales, logistics and customer engagement. The Committee appreciate these important steps towards digital transformation and recommend that SAIL may prepare a plant-wise digital roadmap with time-bound targets for adoption of Industry 4.0 technologies, including automated process control, predictive maintenance systems, smart logistics and AI-powered quality monitoring, at each of its Integrated Steel Plants. The Committee hope that the digital transformation programme would be extended beyond the initial partnership period into a sustained, institution-wide capability, so as to enable SAIL to progressively enhance its productivity *vis-à-vis* leading private sector producers, and to build a permanently digitally-enabled organisation for its next phase of growth.

(Recommendation No. 16)

EXPORT STRATEGY AND INTERNATIONAL PRESENCE

17. The Committee note that SAIL's export performance remained subdued during FY 2024-25, with total exports of only 0.11 MT, before recovering strongly in FY 2025-26 with exports growing by 258% over the corresponding previous period. The Committee observe that SAIL has taken commendable steps to expand its international presence. The Committee also note that SAIL has CE marking for European markets and is developing wider HR coils, heat-treated plates and special wire rods for targeted export segments. The Committee suggests that SAIL may prepare a structured export strategy, with specific market targets, product strategies and infrastructure requirements, so as to grow exports to a meaningful and stable share of total production. The

Committee further suggests that SAIL may prioritise attainment of international product certifications and carbon footprint documentation, strengthen port logistics and consider developing dedicated export service centres, so as to enhance its competitiveness in value-added export segments and reduce dependence on the domestic market during periods of price volatility.

(Recommendation No. 17)

POWER AND ENERGY SECURITY

18. The Committee note that SAIL's captive power generation capacity stands at 1,039.06 MW, which meets approximately 71.47% of the Company's total power requirement of 1,453.76 MW, with the remaining approximately 28.5% being drawn from grid DISCOMs and power exchanges. The Committee observe that dependence on purchased power at variable rates contributes to higher production costs, particularly during periods of high energy prices, and that high power costs were identified as one of the significant contributors to profit erosion in FY 2024-25. The Committee further note that SAIL has set an ambitious renewable energy target of 384 MWp by FY 2028-29 through rooftop, floating and land-based solar projects, hydropower, and round-the-clock renewable energy procurement. The Committee suggest that SAIL may prepare a comprehensive energy security roadmap to progressively close the gap between captive generation capacity and total power requirement, and to reduce power purchase costs through a combination of captive power plant expansion, coke dry quenching installations, top recovery turbines and enhanced waste heat recovery systems. The Committee further suggests that the renewable energy target of 384 MWp may be treated as a minimum threshold, and that SAIL may explore opportunities for green power procurement through Power Purchase Agreements (PPAs), open access and group captive arrangements so as to improve the renewable energy share in its overall energy mix and support its decarbonisation commitments.

(Recommendation No. 18)

GOVERNANCE, TRANSPARENCY AND VIGILANCE

19. The Committee note that SAIL has institutionalised several commendable transparency and anti-corruption measures, including becoming the first Maharatna PSU to implement ISO 37001:2016 Anti-Bribery Management System, mandatory e-tendering and e-payments, the CTE-type intensive examination of major procurements, and regular job rotation in sensitive areas. The Committee suggests that SAIL may strengthen its internal audit and vigilance systems, particularly in procurement, inventory management, project execution and contract award processes, to proactively prevent irregularities and ensure full compliance with applicable government guidelines and procurement norms. The Committee further suggests that SAIL may consider institutionalising a Concurrent Audit mechanism for large-value procurements and expansion projects, and ensure that the recommendations arising from CAG reports and other statutory audits are implemented with time-bound action-taken reports.

(Recommendation No. 19)

INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT

20. The Committee note that SAIL maintains continuous engagement with officers' associations and employee unions through established bipartite and tripartite forums, including the National Joint Committee for the Steel Industry (NJCS) for non-executives and Steel Executives Federation of India (SEFI) for executives, and that regular interaction at plant and corporate levels is maintained for addressing employee concerns. The Committee further note that SAIL has implemented comprehensive welfare measures for employees, including medical coverage through the SAIL Group Mediclaim Scheme, compassionate employment, provident fund trusts, and extended maternity and paternity leave provisions. The Committee suggests that SAIL may continue further strengthening its internal communication mechanisms, particularly during transformational changes for the welfare of all categories of employees. The Committee further suggest that SAIL may explore comprehensive multi-skilling, reskilling and leadership development programmes for its workforce, aligned with the technological requirements of its modernisation and expansion plans, so as to ensure that the Company's

human capital is well-prepared to support its ambitious growth objectives for the coming decades. (Recommendation No. 20)

WATER CONSERVATION AND ENVIRONMENTAL SUSTAINABILITY

21. The Committee observe that SAIL has made commendable progress in water conservation, achieving a 22% reduction in specific water consumption from 3.83 m³/tcs in FY 2015-16 to 3.00 m³/tcs in FY 2024-25, through installation of Effluent Treatment Plants, Sewage Treatment Plants, Coke Dry Cooling Plants, Zero Liquid Discharge systems and rainwater harvesting arrangements. The Committee further note that SAIL recycles approximately 128 million cubic metres of wastewater annually, and has implemented structured catchment area treatment plans and eco-restoration programmes at its mining locations. The Committee observe that absolute freshwater requirement will increase significantly as production capacity expands to 35 MTPA and beyond. The Committee, therefore, suggests that SAIL may prepare plant-wise, time-bound water conservation action plans with specific targets for reducing specific water consumption and increasing wastewater recycling ratios, particularly for high-consumption plants, and may accelerate the implementation of Zero Liquid Discharge systems across all plant and mine locations. The Committee further suggests that SAIL may ensure that all expansion and new capacity projects incorporate best-in-class water management systems, including closed-loop cooling systems, advanced effluent treatment and rainwater harvesting, from the design stage itself, so as to minimise freshwater intensity even as the Company's overall production footprint grows substantially in the coming years.

(Recommendation No. 21)

NEW DELHI;
24 March, 2026
03 Chaitra, 1948(Saka)

ANURAG SINGH THAKUR
Chairperson
Standing Committee on Coal,
Mines and Steel

**MINUTES OF THE THIRTIETH SITTING OF THE STANDING COMMITTEE
ON COAL, MINES AND STEEL HELD ON 18th SEPTEMBER, 2025 IN
COMMITTEE ROOM NO. 1, PARLIAMENT HOUSE ANNEXE, NEW
DELHI.**

The Committee sat from 1115 hrs to 1300hrs.

PRESENT

Shri Anurag Singh Thakur- Chairperson

Lok Sabha

2. Shri Sukhdeo Bhagat
3. Shri Vijay Kumar Hansdak
4. Smt. Kamlesh Jangde
5. Shri Harish Chandra Meena
6. Shri B.K. Parthasarathi
7. Dr. Manna Lal Rawat
8. Dr. Rajkumar Sangwan
9. Shri Kali Charan Singh
10. Shri Shatrughan Prasad Sinha

Rajya Sabha

10. Shri Manas Ranjan Mangraj
11. Shri Devendra Pratap Singh

SECRETARIAT

- | | | |
|------------------------------|---|------------------|
| 1. Shri Harish Chandra Bisht | - | Joint Secretary |
| 2. Smt. Jagriti Tewatia | - | Director |
| 3. Smt. Sunanda Chatterjee | - | Deputy Secretary |

WITNESSES

MINISTRY OF STEEL

STEEL PSUs

1. Shri Sandeep Poundrik- Secretary
2. Shri Amarendu Prakash-Chairman, SAIL

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Steel and SAIL to have briefing on the subject, "Organisational Structure and Performance of Steel Authority of India Ltd. (SAIL)-A review." The Chairperson outlined in brief the major issues on which the Committee would like to have a discussion and requested the representatives of the Ministry to present their points. The representatives of the Ministry presented a brief PPT on various issues of SAIL like production performance, commercial performance, growth statistics etc.

3. Thereafter, the Members of the Committee raised various queries regarding SAIL and pointed out various growth aspects which are ailing the PSU and comparative performance of SAIL vis a vis private steel companies. The Members pointed out how various Government and media reports have brought out the lapses in performance of SAIL viz consumption of imported coal beyond the permissible limit, inadequate inventory management and related issues of the company.

4. The representatives of the Ministry responded to some of the queries raised by the Members. The Chairperson then directed the representatives of the Ministry of Steel and SAIL to furnish written replies to the queries raised by the Members which remained unanswered during the Sitting of the Committee within fifteen days.

5. Hon'ble Chairperson thanked the Members of the Committee and officials of the Ministry and SAIL for their active participation in the sitting of the Committee and invited them to join for tea,

The Committee then adjourned.

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE ON COAL, MINES AND STEEL (2025-26) HELD ON 24 NOVEMBER 2025

The Committee sat on Monday, 24 November 2025 from 1100 hrs. to 1215hrs.in Committee Room No.1, Parliament Annexe Extension Building, New Delhi.

PRESENT

Shri Anurag Singh Thakur- Chairperson

Lok Sabha

2. Smt. Roopkumari Choudhary
3. Shri Vijay Kumar Hansdak
4. Smt. Kamlesh Jangde
5. Shri Harish Chandra Meena
6. Dr. Manna Lal Rawat
7. Shri Shatrugan Prasad Sinha
8. Shri S Venkatesan

Rajya Sabha

9. Shri Anil Kumar Yadav Mandadi
10. Shri Deepak Prakash
11. Shri Murli Milind Deora

Secretariat

- | | | |
|------------------------------|---|------------------|
| 1. Smt. Reena Gopalakrishnan | - | Director |
| 2. Smt. Sunanda Chatterjee | - | Deputy Secretary |

Witnesses

Ministry of Steel

1. Shri Sandeep Poundrik- Secretary
2. Shri Amarendu Prakash-Chairman, SAIL

1. At the outset, the Chairperson welcomed the Members, the representatives of the Ministry of Steel and Steel Authority of India (SAIL) to the sitting of the Committee convened to take oral evidence on the subject, 'Organisational Structure and Performance of Steel Authority of India Ltd. (SAIL)-A review'. The Chairperson outlined in brief the major issues on which the Committee would like to have a discussion and requested the representatives of the Ministry to present their points. The representatives of the Ministry made a PPT on various aspects of SAIL like production performance, commercial performance, growth statistics, etc.

2. The representatives of the Ministry briefed the Committee why SAIL is lagging behind in its physical and financial performance against the private steel making companies. They outlined the issues plaguing SAIL and how in the next seven years SAIL aspires to become the best steel making company in the country.
3. Thereafter, the Chairperson and the Members raised various queries based on the testimonies given by the Ministry and SAIL. The key issues highlighted relate to several structural and operational constraints that continue to hamper the growth trajectory of SAIL as a PSU. Members also noted that various Government assessments and media reports have highlighted several performance gaps in SAIL, including its limited brand presence in the market, weak advertising and outreach initiatives, and persistent shortcomings in inventory management and related operational areas.
4. The representatives of the Ministry responded to some of the queries raised by the Members. The Chairperson then directed the representatives of the Ministry of Steel and SAIL to furnish written replies to the queries which remained unanswered during the sitting to the Committee secretariat within fifteen days.
5. Hon'ble Chairperson thanked the Members of the Committee, officials of the Ministry and SAIL for their active participation in the sitting of the Committee.

The Committee then adjourned

(The witnesses then withdrew)

A verbatim record of the proceedings has been kept.

MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2025-26) HELD ON 24 MARCH, 2026 FROM 1700 HRS TO 1720 HRS IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI

PRESENT

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

2. Shri Sukhdeo Bhagat
3. Smt. Roopkumari Choudhary
4. Shri Vijay Kumar Hansdak
5. Smt. Kamlesh Jangde
6. Smt. Jyotsna Charandas Mahant
7. Shri Bidyut Baran Mahato
8. Shri Harish Chandra Meena
9. Smt. Bharti Pardhi
10. Shri B.K. Parthasarathi
11. Dr. Manna Lal Rawat
12. Dr. Rajkumar Sangwan
13. Shri Kali Charan Singh
14. Shri Shatrughan Prasad Sinha
15. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

16. Dr. Sarfraz Ahmad
17. Smt. Mahua Maji
18. Shri Anil Kumar Yadav Mandadi
19. Shri Aditya Prasad
20. Shri Pradip Kumar Varma
21. Shri Sajjad Ahmad Kichloo

SECRETARIAT

1. Shri Harish Chandra Bist - Joint Secretary
2. Smt. Reena Gopalakrishnan - Director
3. Smt. Sunanda Chatterjee - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee, thereafter, considered and adopted the following draft Reports without any amendments:

- (i) Consideration and adoption of the Draft Report on the subject 'Organisational Structure and Performance of Steel Authority of India Limited (SAIL)- A Review.';
- (ii) Consideration and adoption of the Draft Action Taken Report on Eighth Report on the subject 'Steel Scrap Recycling Policy.'

3. The Committee then authorized the Chairperson to finalise the Reports and present/lay the same in both the Houses of Parliament.

4. xxx xxx xxx xxx xxx.

The Committee, then, adjourned.

