

# CEO's Message



**We believe that, in the long run,  
a green economy helps in  
generating greater opportunities  
for employment, sustainable  
business practices and higher  
economic growth as compared to  
business as usual practices.**

It gives me great pleasure to present the Sustainability Report of Bhilai Steel Plant, the flagship unit of Steel Authority of India Limited, for the year 2011-12. We are committed to sustainable development of our business, not only from an economic standpoint but equally from a social and environmental perspective. Since our inception more than 5 decades ago, we have travelled a great journey to where we are today through consistent performance over the years. In order to survive and grow, a company must be flexible and respond to change. Adapting to new challenges & overcoming obstacles has been the hallmark of our success. We could achieve this because of our committed workforce, considered best in the industry and also due to famous Bhilai culture, now considered synonym to best work culture. BSP has won the Prime Minister's trophy for best Integrated Steel Plant in the country 10 times out of a total of 17 times since its inception. The latest being for the year 2009-10. This is a recognition of BSP's commitment and exceptional contribution to its customers, employees, business partners, environment and to the society at large.

India has set a vision to be an economically developed nation by 2020. The steel industry is expected to play a major role in India's economic development in the coming years. The steel industry of India has a very high growth potential and is expected to register significant growth in the

coming decades. India is expected to emerge as a strong force in the global steel market in coming years. National Steel Policy has pegged the country's steelmaking capacity in the range of 244 million tonnes to 281 million tonnes by 2025-26. However, with the recent slowing down of the growth due to economic and political challenges facing the major economies across the world, we seem to be entering a more complex and difficult to forecast phase of the economic cycle. The slowing of Chinese economy and the not so impressive Indian growth story which seems to be losing its steam is bound to have a strong impact on the steel industry.

Our performance in 11-12 remained strong despite obstacles & difficulties faced on internal & external fronts. We could overcome the severe shortage of coke & gas due to unforeseen problems in coke oven batteries and put up a commendable performance in all areas of our operation. Despite some major bottlenecks, we have been able to operate well above the rated capacity. The Plant recorded best ever annual performance since inception in some of the key areas like production of iron ore from mines, production of cast blooms and rails & structurals. In the current fiscal, we continue to focus on realistic cost cutting initiatives across the organization coupled with stepping-up production with increased attention on quality & value added





products. The focus during the immediate future will be on completing the ongoing Modernization & Expansion (MODEX) plan to give SAIL the readiness to meet the projected growth in steel demand during the 12th Five Year Plan period and beyond. All our projects are in different stages of execution and completion. The Modernization & expansion plan besides targeting higher production, also addresses the need for eliminating technological obsolescence, achieving energy savings, enriching product-mix, reducing pollution, developing Raughat mines, introducing customer centric processes and developing matching infrastructure facilities. We will be spending more than 17,500 Crores towards MODEX projects.

We also view climate change as an opportunity that will strengthen the organization and position us for future growth and success. It is widely accepted that, current business imperatives need to be reworked in order to deliver profits via conservation and sustainable use of resources. We believe that, in the long run, a green economy helps in generating greater opportunities for employment, sustainable business practices and higher economic growth as compared to business as usual practices. To improve the quality of life and environment inside the works and in the surrounding habitat, BSP has taken effective measures in the areas of resource conservation, pollution prevention, and compliance of legislative and regulatory requirements, waste reduction and conversion of waste to wealth. Plant has already targeted for zero discharge, reduction in specific energy consumption and improvement in solid waste utilization in line with the best in the steel industry. In 2011-12, BSP has reduced its specific water consumption to the level of 2.994 m<sup>3</sup>/tcs & achieved solid waste

utilization of 90.5%. BSP aims to bring down its CO<sub>2</sub> emissions to 2.4 t/tcs, energy rate to 5.9 Gcal/tcs and increase solid waste utilization to 98% after the completion of the ongoing Modernization & expansion.

BSP has been shouldering its social responsibilities on the foundation of strong economic performance and has made significant contributions in the development of society and overall development of the local economy. Bhilai Steel Plant has adopted corporate social responsibility as natural extension of its operations. Right from inception, BSP has been proactively involved in satisfying the social concerns of the region. **Winning the hearts** of the people has been our goal, perused over the years & it remained our **win-win strategy**.

Implementation of MODEX projects, ensuring raw material security through expediting the development of Raughat mines, rationalizing the manpower, withstanding the sustained increase in raw material prices mainly coking coal & other fuels will remain major challenges for the company.

The report represents a balanced and reasonable presentation of our organisation's economic, environmental and social performance for evaluation by our esteemed stakeholders. The content and data are based on Global Reporting Initiative (GRI) guidelines. We solicit feedback from all our stakeholders on this report.

With best compliments,

  
(S. Chandrasekaran)



