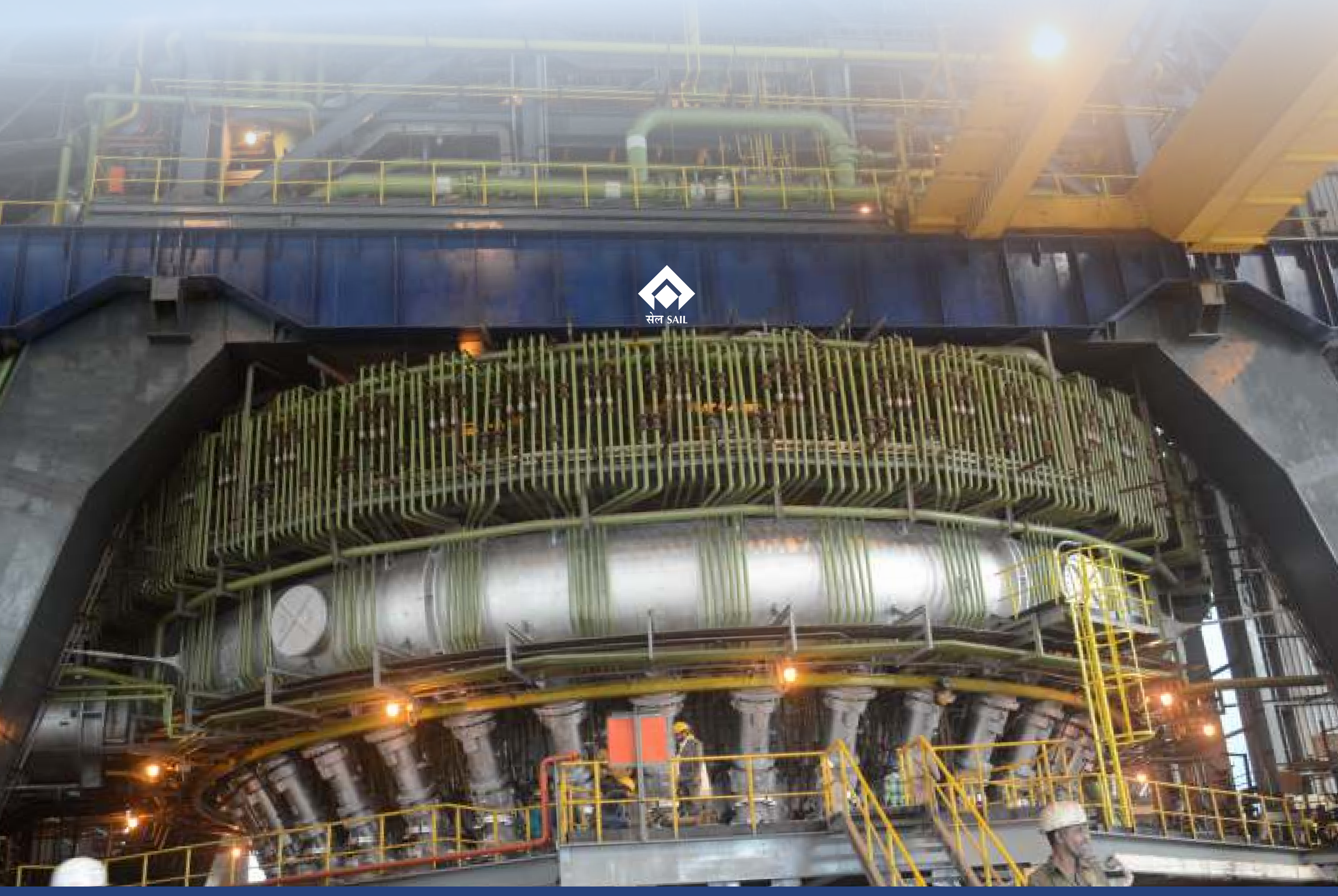
60TH YEAR OF PRODUCTION

सेल SAIL

SINCE 1959

SAILing towards a stronger future



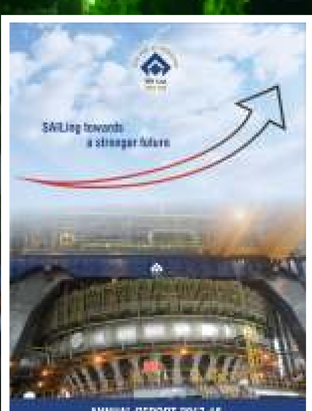
ANNUAL REPORT 2017-18

Vision

To be a respected world-class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction.

Credo

- We build lasting relationships with customers based on trust and mutual benefit.
- We uphold highest ethical standards in conduct of our business.
- We create and nurture a culture that supports flexibility, learning and is proactive to change.
- We chart a challenging career for employees with opportunities for advancement and rewards.
- We value the opportunity and responsibility to make a meaningful difference in people's lives.



Blast Furnace No. 8– Mahamaya of SAIL's Bhilai Steel Plant

Stainless Steel 'Tree of Prosperity' at Salem Steel Plant.

Contents

Letter to Shareholders

Dear Shareholders,

I am privileged to apprise you about the achievements of your Company during the Financial Year 2017-18.

The World growth outlook projected by IMF in January' 2018 reflects a positive forecast for both advanced and developing economies. At 3.8 percent, Global growth rate in 2017 was the fastest since 2011. With financial conditions still supportive, Global growth is expected to tick up to 3.9 percent in 2018 and 2019. Aggregate growth in emerging market and developing economies is projected to firm up further, with continued strong growth in emerging Asia and Europe. The long-term projections by World Bank also indicate that the prolonged period of weak growth expectations, characterized by systematic downgrading of long-term forecasts, seems to have come to an end.These healthy growth projections for World's economy indicate a steady growth prospect for the Global steel industry as well.

World Steel Association (WSA), in its April 2018 forecast, said that Global steel demand will reach 1,616 Million Tonnes (MT) in 2018, an increase of 1.8% over 2017. It is forecast that Global steel demand will grow by 0.7% to reach 1,627 MT in

Narrow Parallel Flange Beam manufactured at Universal Section Mill at SAIL's IISCO Steel Plant.

2019. WSA has further added that, in 2018, high confidence, strong investment levels and a recovery in commodity prices are generating a virtuous cycle for steel demand globally, both in developed and developing economies.

Reflecting on the domestic scenario, World Bank has forecast a growth rate of 7.3 per cent for India this year and 7.5 per cent for the next two years, making it the fastest growing economy among major emerging economies. This augurs well for the domestic steel industry. The growth in domestic steel consumption is strongly backed by robust development of India's infrastructure sector. It is further supported by 7.8% growth in domestic finished steel consumption during the FY 2017-18, as a result of growing activities of steel intensive sectors. India overtook Japan as World's second largest steel producing nation in the last quarter of the Financial Year 2017-18. It is likely that India may soon stake a permanent claim to be World's second largest steel producer after China. The 300 MTPA steel production capacity for India by 2030 as envisioned in "National Steel Policy 2017" is commensurate with this growth projection.

Your Company achieved sales turnover of Rs. 58,297 Crore during the Financial Year 2017-18, which is higher by 19% over previous year.However, the net sales turnover of ₹ 56,893 crore was higher by 30% over last year's net sales turnover of ₹ 43,866 crore. Slimming the losses by around 83%, your Company's Profit after Tax (PAT) on standalone basis improved to ₹ (-) 482 Crore in FY18 from ₹ (-) 2,833 Crore in FY17. The consolidated profit after tax of the Company stood at ₹ (-) 281 Crore for FY18 as against ₹ (-) 2,756 Crore in FY17. The persistent strategic approach to improve operational profitability assisted SAIL to improve the EBITDA in FY18 to ₹ 5,184 crore, a substantial increase over FY17.

The improvement in financial performance is backed by improved operational performance indicated by increase in Saleable Steel production, higher share of Concast production, improved product mix, improvement in BF Productivity, reduction in Coke Rate &, Specific Energy consumption, reduction in specific wage bill, etc. However, the same has been partially offset due to provisioning towards various mining related issues, increase in average coal prices, higher usage of imported coal in the blend due to lower availability of indigenous coal, increase in average rate of purchased power and increase in interest and depreciation costs.

On the production front, Financial Year 2017-18 witnessed several landmark achievements through ramping up of new facilities and surpassing all previous records in physical performance. Your Company achieved its highest ever production of Hot Metal of 15.983 MT, Crude Steel of 15.021 MT and Saleable Steel of 14.071 MT. It also clocked an all-time best performance of Continuous-Cast (CC) Steel production of 12.80 MT with a growth of 9% over previous best of 11.77 MT, achieved in 2016-17. Moving towards completing the balance modernization and expansion projects, Bhilai Steel Plant's new BF#8 'Mahamaya', having an annual Hot Metal production capacity of 2.8 MT, was blown-in on 2nd February, 2018. SMS-III of the Plant was also started on 31st March, 2018 with blowing of first heat from Converter-1.

On the back of various new initiatives to improve productivity and efficiency across all Plants, every Unit has registered improvement. The Financial Year 2017-18 witnessed substantial increase in supply of rails to Indian Railways, with commercial production from new Universal Rail Mill (URM) enabling a 39.0% growth in total UTS-90 Rails production (9.03 lakh tonnes) w.r.t previous year (6.49 lakh tonnes) coupled with record long rail dispatch of 3.17 MT. At Durgapur Steel Plant, Narrow Gauge Wheels from Wheel & Axle Plant and High Strength Structural E350 grade from Medium Structural Mill (MSM) were developed in-house. The initiative of casting and rolling of 125 sq. mm Billets at Durgapur will further increase the productivity. At Rourkela Steel Plant, the New Plate Mill recorded a growth of 48.1% over CPLY by rolling more than 8 lakh tonnes in FY18. The Mill exported 1,27,000 tonnes of CE marked plates to the European Market during the Financial Year 2017-18. The Hot Strip Mill recorded all-time best performance of producing 16.8 lakh tonnes of HR Coils during 2017-18, which is a rise of 8% over previous fiscal.With consistent efforts, Bokaro Steel Plant registered record production of Cast Slab at 3.276 MT (previous best: 2.990 MT), highest ever production of CR Coil for sale at 0.916 MT against previous best of 0.776 MT.In addition, the latest Unit of SAIL i.e. IISCO Steel Plant (ISP), Burnpur has made progress towards stabilization and has achieved positive PBT in 4th quarter of FY18. It is expected that in FY19, ISP will continue to make rapid progress and contribute a decent share in the overall profitability of your Company.

During the year, your Company's total requirement of iron ore was met from captive sources. SAIL's captive mines produced 26.83 million tonnes (MT) of iron ore.

It is a matter of great pride that your Company continues the tradition of being a trusted and valued partner in nation's development. In FY18, SAIL has supplied steel to projects of national importance like Dhola-Sadiya Bridge, Sardar Sarovar Project etc. contributing to India's growth story under the ambit of National Steel Policy 2017 and 'Make in India' movement. SAIL also supplied steel for various defence projects including indigenously built Anti-Submarine Warfare (ASW), Stealth Corvette INS-Kiltan and was associated with iconic projects of Chandrayan and Mangalyan missions.

On the marketing front, SAIL launched diverse initiatives to target defined market segments. During 2017-18, your Company achieved its best ever sales volume of 14.1 million tonnes (MT), registering a growth of 7.4% over CPLY. Continuing to maintain its presence in international markets, SAIL exported 0.7 MT of steel, a growth of 4% over CPLY. To tap the vast potential of steel consumption in rural India, your Company organized 114 "Gaon Ki Ore" workshops in 26 States/ Union Territories for increasing awareness on usage of steel. Small consumers continued to be a focus area and 0.8MT of steel was sold through the retail marketing channels. As part of the strategy of increasing sales of value added steel, BSL's Cold Rolling Mill #3 commenced supplies to consumers in the highly demanding, high value auto segment. Supply of long rail panels (260 meters) to Indian Railways from BSP's Universal Rail Mill registered a growth of around 112% in 2017-18. Your Company also supplied 50,000 tons of steel in customized sizes from its service centres in 2017-18, representing 53% growth over the previous financial year.

Realizing the importance of restoration and rehabilitation of degraded eco-system for maintaining and enhancing bio-diversity,your Company is taking appropriate steps including ecological restoration of mined out areas, fresh plantation, bio-sequestration of CO_2, enhancing utilization of wastes through application of 4Rs (Reduction, Reuse, Recycling and Recovery), environment friendly disposal of Poly Chlorinated Bi-Phenyls, utilization of renewable energy sources, etc. More than 20.1 million saplings have been planted across SAIL Plants and Mines till date since inception. Giving special thrust for plantation, more than 8.27 lakhs of saplings have been planted during 2017-18.

Under the Company-wide turnaround program 'SAIL Uday', initiated in 2016-17, a roadmap for improvement in the areas of Raw Materials, Operations, Sales & Marketing, Supply Chain & Logistics, Personnel and Human Resource has been developed and deployed. This program has yielded positive results as evidenced by the performance during the year.

Corporate Governance in your Company is reinforced by its vision and credos. SAIL has formulated policies to ensure transparency, accountability, disclosures and reporting to

Hot Metal being poured into Mixer of Steel Melting Shop-II at SAIL's Rourkela Steel Plant.

uphold highest ethical standards in conduct of business while complying with laws, regulations and guidelines including DPE guidelines. Ethical conduct throughout the Organization is promoted with the primary objective of enhancing shareholders value. SAIL's effort as a responsible corporate citizen and partner in Nation Building has been recognized in the form of awards and accolades by several forums.

Your Company believes that building trust will enhance its reputation and boost the confidence of its investors & stakeholders. In line with this, SAIL has been proactively and regularly sharing key information with all stakeholders through use of different communication channels.

At the end, I take this opportunity to thank all the shareholders for their continued trust and support. I also thank all our other stakeholders who have contributed internally and externally in the improved performance of the Company. I must specifically thank our valued Customers, trusted suppliers, the Central and State Governments and our talented employees, who have always stood by the Company and contributed in the progress of SAIL. I look forward to the continued support and unflinching trust they have placed in us.

Place: New Delhi
Dated: 3rd August, 2018

(Saraswati Prasad, IAS)
Chairman and Managing Director

BOARD OF DIRECTORS (As on 11.08.2018)

Chairman and Managing Director (Additional Charge)
Shri Saraswati Prasad
Special Secretary & Financial Advisor,
Ministry of Steel, Government of India.

Functional Directors

Finance
Shri Anil Kumar Chaudhary

Projects & Business Planning
Dr. G. Vishwakarma

Commercial
Ms. Soma Mondal

Personnel
Shri Atul Srivastava

Technical
Shri Harinand Rai

Government Directors

Shri Puneet Kansal
Joint Secretary, Ministry of Steel,
Government of India

Independent Directors

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Dr. Samar Singh

Shri Nilanjan Sanyal

CA K.S. Chauhan

Prof. N.K. Taneja

Chief Executive Officers (Permanent Invitees)

Rourkela Steel Plant
Shri Ashwini Kumar

Durgapur Steel Plant
Shri A.K. Rath

Bhilai Steel Plant
Shri M. Ravi

Bokaro Steel Plant
Shri P.K. Singh

IISCO Steel Plant
Shri Anirban Dasgupta

ED (F&A) and Secretary
Shri M.C. Jain

Bankers

Axis Bank Limited
Allahabad Bank
Bank of India
Bank of Baroda
Bank of Maharashtra MUFJ Bank
Barclays Bank PLC
Canara Bank
Corporation Bank
Deutsche Bank AG
Dena Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank limited
IDFC Bank Limited
IndusInd Bank Limited
Indian Bank
Jammu & Kashmir Bank Limited
Kotak Mahindra Bank Limited
Mizuho Bank Limited
Punjab National Bank
Punjab & Sind Bank
RBL Bank Limited
State Bank of India
Sumitomo Mitsui Banking Corporation
Syndicate Bank
United Bank of India
United Overseas Bank
Yes Bank Limited

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants

M/s. Chatterjee & Co.
Chartered Accountants

M/s. V.K. Dhingra & Co.
Chartered Accountants

M/s. A.K. Sabat & Co.
Chartered Accountants

Cost Auditors

M/s. R.J. Goel & Co.
Cost Accountants

M/s. Sanjay Gupta & Associates
Cost Accountants

M/s. Shome & Banerjee
Cost Accountants

Secretarial Auditor

M/s. Agarwal S. & Associates
Company Secretaries

Registered Office

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

Board of Director

Shri Saraswati Prasad

Shri Puneet Kansal

Shri Anil Kumar Chaudhary

Dr. G. Vishwakarma

Ms. Soma Mondal

Shri Atul Srivastava

Shri Harinand Rai

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Dr. Samar Singh

Shri Nilanjan Sanyal

CA K.S. Chauhan

Prof. N.K. Taneja

Ten Years at a Glance

FINANCIAL HIGHLIGHTS

(₹ crore)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Gross sales	58297	49180	43294	50627	51866	49350	50348	47041	43935	48738
Net sales	56893	43866	38471	45208	46189	43961	45654	42719	40551	43204
Earnings before depreciation, interest and tax (EBIDTA)	5184	672	(2204)	5586	4951	5621	7658	9030	11871	10946
Depreciation	3065	2680	2402	1773	1717	1403	1567	1486	1337	1288
Interest & Finance charges	2823	2528	2300	1454	968	748	678	475	402	259
Profit / (Loss) before exceptional items	(703)	(4536)	(6906)	2359	2266	3470	5413	7069	-	-
Exceptional items : Gain / (Loss)	(56)	(315)	(101)	-	959	(229)	(262)	125	-	-
Profit / (Loss) before tax (PBT)	(759)	(4851)	(7008)	2359	3225	3241	5151	7194	10132	9399
Provision for tax / Income Tax refund and deferred tax asset (-)	(277)	(2018)	(2986)	266	608	1070	1608	2289	3378	3228
Profit / (Loss) after tax (PAT)	(482)	(2833)	(4021)	2093	2616	2170	3543	4905	6754	6170
Dividends	-	-	-	826	834	826	826	991	1363	1074
Equity capital	4131	4131	4131	4131	4131	4131	4131	4130	4130	4130
Reserves & Surplus (net of DRE)	31583	31879	35065	39374	38536	36894	35680	32939	29186	24018
Net Worth (Equity Capital and Reserves & Surplus)	35714	36009	39196	43505	42666	41025	39811	37069	33317	28148
Total Loans	45409	41396	35141	29898	25281	21597	16320	19375	16511	7563
Net Fixed Assets	58612	50285	45926	36169	26771	16777	17127	15059	13615	12305
Capital work-in-progress	18395	23275	24927	29196	33651	35891	28205	22226	14953	6550
Current Assets (including short term deposits)	29638	25545	24304	28482	26891	27616	28431	36544	39154	34676
Current Liabilities & Provisions	24068	21486	18992	16338	15212	13012	12225	12172	11073	12277
Working Capital (Current Assets less Current Liabilities)	5570	4060	5312	12145	11679	14604	16206	24372	28081	22398
Capital Employed (Net Fixed Assets + Working Capital	64182	54345	51238	48314	38450	31381	32921	39431	41696	34704
Mkt price per share (In ₹) (As at the end of the period)	70.20	61.20	43.00	68.35	71.40	62.35	94.05	170.00	252.55	96.45
Key Financial Ratios										
EBIDTA to average capital employed (%)	8.7	1.3	(4.3)	12.9	14.2	17.5	21.0	21.7	31.1	34.7
PBT to net Sales (%)	(1.3)	(11.1)	(18.2)	5.2	7.0	7.4	11.3	16.8	25.0	21.8
PBT to average capital employed (%)	(1.3)	(9.2)	(13.6)	5.4	8.4	10.1	14.2	17.3	26.6	29.8
Return on average net worth (%)	(1.3)	(7.5)	(9.7)	4.9	6.1	5.4	9.2	13.9	22.0	24.1
Net worth per share of ₹10	86.5	87.2	94.9	105.3	103.3	99.3	96.4	89.7	80.7	68.1
Earnings per share of ₹10	(1.2)	(6.9)	(9.7)	5.1	6.3	5.3	8.6	11.9	16.4	14.9
Price-earning ratio (times)	(60.2)	(8.9)	(4.4)	13.5	11.3	11.9	11.0	14.3	15.4	6.5
Dividend per share of ?10	-	-	-	2.0	2.0	2.0	2.0	2.4	3.3	2.6
Effective dividend rate (%)	-	-	-	2.9	2.8	3.2	2.1	1.4	1.3	2.7
Debt - Equity (times)	1.3	1.1	0.9	0.7	0.6	0.5	0.4	0.5	0.5	0.3
Current ratio (times)	1.2	1.2	1.3	1.7	1.8	2.1	2.3	3.0	3.5	2.8
Capital employed to turnover ratio (times)	0.9	0.9	0.8	1.0	1.3	1.6	1.5	1.2	1.1	1.4
Working capital turnover ratio (times)	10.5	12.1	8.2	4.2	4.4	3.4	3.1	1.9	1.6	2.2
Interest coverage ratio (times)	0.6	(0.7)	(1.9)	1.8	2.3	2.6	3.8	7.1	14.4	29.0
Dividend payout ratio (%)	-	-	-	39.4	31.9	38.1	23.3	20.2	20.2	17.4

PRODUCTION

(Unit: '000T)

Item	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Hot Metal	15938	15726	15721	15413	14447	14266	14116	14888	14505	14442
Crude Steel	15021	14496	14279	13908	13579	13417	13350	13761	13506	13411
Pig Iron	270	495	642	`	223	214	106	261	323	267
Saleable Steel	14074	13867	12381	12842	12880	12385	12400	12887	12632	12494
- Semi Finished Steel	2609	3170	3054	3007	2760	2422	2527	2394	2392	2206
- Finished Steel	11465	10697	9327	9835	10120	9962	9872	10493	10240	10288

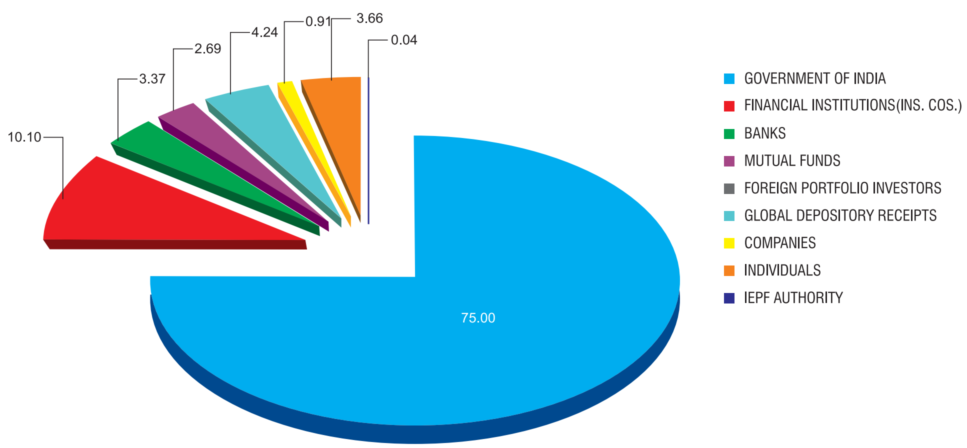
VALUE ADDED STATEMENT

(₹ crore)

For the year	2017-18		2016-17	
Value of own production	57636		49598	
Other Revenues	1059	58695	1080	50678
Less: Cost of Raw Materials	26679		21126	
Stores and Spares	2879		2835	
Power and Fuel	5810		5234	
Excise Duty	1404		5315	
Freight Outward	2242		1162	
Other Operating Cost	5703	44716	5702	41373
Total Value Added		13979		9305
Establishment Cost		8850		8948
Financing Cost		2823		2528
Dividend Provision		0		0
Corporate Income Tax		-277		-2018
Dividend Tax		0		0
Income Retained in Business				
Depreciation	3065		2680	
General Reserve	0		0	
Bonds Redemption Reserve	367		524	
Balance of Profit	-849		-3357	
Retained in Business	-482	2583	-2833	-153
Total Value Applied		13979		9305

SHAREHOLDING PATTERN
(AS ON 31.03.2018)

Category	Number of Holders	Number of Equity Shares	% of Equity
GOVERNMENT OF INDIA	1	3097767449	75.00
FINANCIAL INSTITUTIONS(INS. COS.)	11	417266678	10.10
BANKS	61	138990705	3.37
MUTUAL FUNDS	64	111011437	2.69
FOREIGN PORTFOLIO INVESTORS	125	175039973	4.24
GLOBAL DEPOSITORY RECEIPTS	2	117635	0.00
COMPANIES (including Trusts & Clearing Members)	2723	37501447	0.91
INDIVIDUALS (including NRI & Employees)	355860	151098256	3.66
IEPF AUTHORITY	1	1731709	0.04
TOTAL	**358848**	**4130525289**	**100.00**



BOARD'S REPORT

To,

The Members,
Steel Authority of India Limited,
New Delhi

The Board of Directors has the pleasure of presenting the 46th Annual Report of Steel Authority of India Limited (SAIL, the Company) together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2018.

A. FINANCIAL REVIEW

Your Company achieved sales turnover of ₹58,297 crore during the Financial Year 2017-18, which is higher by 19% over previous year due to increase in both sales volume (7%) as well as Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants by about 20%. However, the net sales turnover of ₹56,893 crore was higher by 30% over last year's net sales turnover of ₹43,866 crore. The loss after tax of your Company for the Financial Year 2017-18 was reduced to a level of ₹482 crore compared to loss after tax of ₹2,833 crore in the previous Financial Year.

The loss of your Company during Financial Year 2017-18 has reduced mainly on account of increase in Saleable Steel Production, Concast Production, Saleable Steel Sales & Net Sales Realization of 5 Integrated Steel Plants, improved product mix, higher usage of CDI in CDI furnaces, reduction in Coke Rate, improvement in BF Productivity, improvement in Specific Energy Consumption, reduction in salaries & wages, etc. However, the same has been partially offset due to provisions made towards various mining related issues, increase in average imported and indigenous coal prices, increase in stores & spares, repair & maintenance, security expenses, higher usage of imported coal in the blend due to lower availability of indigenous coal, increase in average rate of purchased power and increase in interest cost and depreciation, etc.

SAIL continued its thrust on judicious fund management by timely repayment of loans including interest, advance planning and action for future fund raising, etc. to meet its growth objectives. The Company had borrowings of ₹45,409 crore as on 31st March, 2018 vis-à-vis ₹41,396 crore as on 31st March, 2017. The Company has fully hedged the foreign currency risk on Buyers' Credit and repayment of External Commercial Borrowings. The debt equity ratio of the Company increased to1.27:1 as on 31st March, 2018 from 1.15:1 as on 31st March, 2017 due to increase in borrowings as well as reduction in net worth during the year. The net worth of Company declined from ₹36,009 crore as on 31st March, 2017 to ₹35,714 crore as on 31st March, 2018.

M/s. CARE Ratings, M/s. India Ratings and M/s. Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA- Outlook: Negative', 'India Ratings AA- Outlook: Negative' and 'BWR AA Outlook: Negative' ratings respectively for SAIL's long term-borrowing programme.

B. OPERATIONS REVIEW

Production Review

Financial Year 2017-18 witnessed several landmark achievements through ramping up of new facilities and surpassing all previous records in physical performance. Your Company achieved its highest ever production of Hot Metal of 15.982 million tonnes(MT), Crude Steel of 15.020 MT and Saleable Steel of 14.074 MT.

Your Company achieved an all-time best performance of Continuous-Cast (CC) Steel Production of 12.794 MT with a growth of 9% over previous best of 11.77 MT, achieved during 2016-17. The proportion of CC in Crude Steel

Hon'ble Prime Minister, Shri Narendra Modi dedicating modernized and expanded Bhilai Steel Plant to the Nation at Bhilai.

Shri Birender Singh, Union Minister of Steel, dedicating to the Nation the upgraded Blast Furnace-1-Parvati of SAIL's Rourkela Steel Plant.

increased to 85% in comparison to 81% achieved in the previous Financial Year. New records in operating efficiency parameters such as Coke Rate, BF Productivity and Specific Energy Consumption were also achieved.

Bhilai Steel Plant's new BF#8 'Mahamaya', having an annual Hot Metal production capacity of 2.8 MT, was blown-in on 2nd February, 2018. SMS-III was also started on 31st March, 2018 with blowing of first heat from Converter-1. The Financial Year 2017-18 has witnessed substantial increase in supply of rails to Indian Railways, with commercial production from new Universal Rail Mill(URM) enabling a 39.0% growth of total UTS-90 Rails Production (8.70 lakh ton) w.r.t. previous year (6.49 lakh ton) coupled with record long rail dispatch at 3.17 lakh ton.

Various new initiatives were undertaken at Durgapur Steel Plant to improve productivity and efficiency in process. During the Financial Year 17-18, Narrow Gauge wheels from Wheel & Axle Plant and high strength structural E350 grade from Medium Structural Mill (MSM) were developed in-house. New initiatives such as casting of 125 sq. mm. billets at Billet Caster m/c-1 and rolling of TMT bars with 125 sq. mm. billets at Merchant Mill will further increase the productivity.

At Rourkela Steel Plant, by rolling more than 8 lakh tonnes of plates, New Plate Mill recorded a growth of 48.1% over 2016-17. The Mill exported about 1,27,000 tonnes of CE marked plates to the European market during the Financial Year 2017-18. The Hot Strip Mill recorded all-time best performance of producing 16.8 lakh tonnes of HR coils during 2017-18, which is a rise of 8% over previous fiscal.

With consistent efforts, Bokaro Steel Plant registered record production of cast slab at 3.276 MT (previous best: 2.990 MT) and highest ever production of CR coil for sale at 0.916 MT (previous best: 0.776 MT). Major Techno-economic parameters at the Plant also recorded the best ever figures with Coke Rate at 470 kg/thm (previous best 480 kg/thm during 2016-17), Blast Furnace Productivity at 1.70 T/cum/day (previous best 1.68 T/cum/day during 2016-17) and Specific Energy Consumption at 6.68 Gcal/tcs (previous best 6.69 Gcal/tcs during 2014-15).

IISCO Steel Plant (ISP) achieved best annual production of Hot Metal at 2.055 MT (previous best 1.81 MT during 2016-17), Crude Steel at 1.801 MT (previous best 1.397 MT during 2016-17) and Saleable Steel at 1.687 MT (previous best 1.338 MT during 2016-17). ISP also achieved best ever Coke Rate, CDI, BF Productivity and Specific Energy Consumption for the year with Coke Rate at 412 kg/thm (previous best 446 kg/thm during 2016-17), CDI at 97 kg/thm (previous best 62 kg/thm during 2016-17), Blast Furnace Productivity at 1.62 T/cum/day (previous best 1.43 T/cum/day during 2016-17) and Specific Energy Consumption at 6.49 Gcal/tcs (previous best 7.20 Gcal/tcs during 2016-17).

Your Company renewed various initiatives to reduce environmental footprint and enhance operational efficiency and this has led to significant improvement in environmental parameters as well as techno-economic efficiency. This enabled SAIL to produce greener and more environmental friendly steel than ever before. SAIL recorded the best ever Coke Rate at 456 kg/thm, BF Productivity of 1.70 t/m^3/day, and Specific Energy Consumption at 6.49 Gcal/TCS. Your Company was able to achieve this as a result of higher volume of Hot Metal produced through new state of art large volume Blast Furnaces (30% of total Hot Metal, up by 5% over CPLY) and increased Crude Steel Production through the energy efficient CC route (85% of total Crude Steel, up by 9% over CPLY).

Your Company, by supplying steel, partnered with prestigious and projects of national importance like Dhola-Sadiya Bridge, Sardar Sarovar Project, etc. to be a part of Country's growth story under the ambit of National Steel Policy 2017 and 'Make in India' movement.

Your Company in addition to supplying steel for various defence projects including indigenously built Anti-Submarine Warfare (ASW), Stealth Corvette INS-Kiltan, was also associated with iconic projects such as Chandrayan and Mangalyan missions.

Power

Your Company has always strived to optimally utilize its captive power resources to ensure reliability of power supply as well as availability of power at an optimum cost. During the Financial Year 2017-18, about 65% of the total requirement of 10653 Million Units(MU) was met from the captive Power Plants. SAIL has been the pioneer in utilizing open access regulations to its advantage with one of the first enterprises in the Country to start inter-regional wheeling of captive power. Continuing the legacy, this year too, SAIL Plants procured about 435 MU of power through open access which is around 4% of total power requirement. This included purchase of about 201 MU from the power exchanges.

In order to further enhance the share of captive power and supply additional power required after completion of ongoing expansion, new captive power capacity of 290 MW is in advanced stage of installation by Joint Venture Companies viz. NTPC-SAIL Power Company Limited (NSPCL) and Bokaro Power Supply Company Pvt. Limited (BPSCL), which own and operate most of captive facilities of the Company.

Besides captive generation, the consumption of electricity in the processes is also being emphasized through various measures which will result in lower power consumption per tonne of saleable steel production after the full-fledged operation of expansion units.

As a responsible corporate house, your Company is committed for development and usage of renewable power sources. While, 2MWp capacity of Solar Plants have already been installed, actions are under way for installation of another 198MWp solar capacity in near future. Further, your Company has entered into a JV agreement with Green Energy Development Corporation of Odisha(GEDCOL) to set up 10 MW Hydel Power at Mandira dam of Rourkela Steel Plant, which will be utilizing the potential energy of the water being discharged from the dam for usage in the Steel Plant to generate electricity.

Raw Materials

During Financial Year 2017-18, total requirement of iron ore was met from captive sources. Your Company's captive mines produced about 26.83 million tonnes (MT) of iron ore. In case of coking coal, about 2MT was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (13.38 MT), the Company had to depend on imports due to limitation in availability within the Country. In the Financial Year 2017-18, production in captive collieries of the Company was about 0.97 MT, out of which 0.60 MT was raw coking coal and balance 0.37 MT of non-coking coal. In case of fluxes, around 1.33 MT of limestone and 0.72 MT of dolomite were produced, giving a production of 2.05 MT fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited except small quantity produced from captive mines.

The iron ore production at Barsua mine remained suspended since 17th May, 2014 on the direction of Hon'ble Supreme Court. For resumption of iron ore production, continual efforts were made to get the clearance from Hon'ble Supreme Court for starting the mining operations and after necessary clearances, the iron ore production from Barsua mine resumed on 20th May, 2018.

In order to expedite capacity expansion projects of mines, following Environment and Forest Clearances have been obtained during the Financial Year 2017-18:

- Environment Clearance for setting up of 2 million tonnes per annum capacity Dolomite Mine at Baraduar was recommended by Expert Appraisal Committee of Ministry of Environment, Forest and Climate Change (MoEFCC) on 22nd December, 2017.
- Stage-II Forest Clearance for ML-162 lease of Barsua was granted by MoEFCC on 23rd October, 2017.
- On 24th July, 2017, MoEFCC had modified the Stage-I Forest Clearance conditions of 6.9 Sq. Mile lease of Bolani Mine issued vide Order dated 24th February, 1999.

Iron Ore mining operation at Kiriburu Iron Ore Mine.

- Stage-I Forest Clearance for diversion of Sabik Kisam forest lands under 5.1 Sq. Mile lease and 6.9 Sq mile lease of **Boalni** Mine were granted by MoEFCC on 12th September, 2017.
- Stage-I Forest Clearance for Jhillingburu-I lease of Gua Iron Ore Mine was granted by MoEFCC on 25th September, 2017.

However, the Stage-II Forest Clearances for the capacity expansions of Gua and Chiria mines and opening of South-Central Blocks in Kiriburu-Meghahatuburu mines in Saranda forest in Jharkhand are yet to be granted by MoEFCC. In view of its criticality to the capacity expansion projects, the matter is being actively pursued with the Government.

Consequent to the approval of Ministry of Mines, Government of India on 26th February, 2018 under Section 6(1)(b) of MMDR Act in respect of 12 Iron Ore Leases of SAIL Mines in Jharkhand, Government of Jharkhand on 6th March, 2018 has extended the Lease period of Dhobil Mines upto 7th March, 2038. This will facilitate extension of 12 Iron Ore Leases of SAIL Mines in Jharkhand.

Government of Karnataka vide letter dated 10th November, 2017 has forwarded the proposal for reservation of 150 acres of iron ore area in Ramandurga area in favour of VISP/SAIL for approval of Ministry of Mines, Government of India.

Impact of Judgment passed by Hon'ble Supreme Court in Common Cause

Consequent to the judgement dated 2nd August, 2017 of the Hon'ble Supreme Court in the matter of Common Cause, States of Jharkhand and Odisha have issued demand notices for payment of compensation amounting to a total of ₹1963.60 crore (Odisha - ₹204.58 crore & Jharkhand - ₹1759.02 crore) under Section 21(5) of the MMDR Act, for EC violations related to iron ore, flux and coal mines till date. These notices were issued without giving any opportunity of being heard.

In order to mitigate the risk of closure of SAIL mines in Odisha and Jharkhand beyond 31st December, 2017 due to non-compliance of demand notices of respective State Government, SAIL has filed Writ Petitions before the Hon'ble High Courts challenging the demands (not for coal) issued by Governments of Odisha and Jharkhand. As no stay was provided by Hon'ble Jharkhand and Odisha High Courts on the notices of State Governments, therefore, to avoid closure of mines, SAIL under protest without prejudice to its rights and contentions raised in the writ petitions filed in respective High Courts, deposited a sum of ₹66.89 crore (Govt. of Odisha) and ₹200.00 crore (Govt. of Jharkhand) on 30th December, 2017.

The notices received for coal mines, were challenged by SAIL before the Revisional Authority (RA), Ministry of Coal(MoC), Government of India on 1st February, 2018. Vide Order dated 14th March, 2018, RA, MoC has stayed the execution of the notices till further orders and directed for no coercive action against SAIL.

Return of Parbatpur and Sitanala Coal Blocks

Due to reduction in coal mining lease area as well as coal reserves, the two recently allotted Coking Coal Blocks namely, Parbatpur and Sitanala have become unviable. Therefore, after due diligence, your Company has returned these Coal Blocks to Ministry of Coal(MoC) in March, 2018. SAIL has requested MoC to refund the amounts paid including bank guarantee, submitted at the time of allocation of these Blocks and also for allotment of potential Coking Coal Blocks in lieu of the returned Blocks in line with recommendations made by NITI Aayog.

Sales & Marketing

During the year 2017-18, your Company achieved its best ever sales volume of 14.1 million tonnes (MT), registering a growth of about 8% over CPLY. Continuing to maintain its presence in international markets, SAIL exported 0.7 MT of steel, a growth of about 4% over the previous financial year.

To tap the vast potential of rural India, your Company organized 114 **"Gaon Ki Ore"** workshops in 26 States/Union territories for increasing awareness of steel. Small consumers continued to be a focus area and 0.8MT of steel was sold through the retail marketing channels.

Your Company simultaneously continued its efforts towards selling value added steel. Supplies from the Cold Rolling Mill #3 at Bokaro have commenced to consumers in the highly demanding, high value auto segment.

With commencement of production at the Universal Rail Mill at Bhilai, supply of long rail panels (260 meters) to Indian Railways registered a growth of around 112% in 2017-18. This Mill produces the longest single rail in the World (130 meters).

Overall supplies of rails to the Indian Railways by your Company grew by 41% to reach the highest ever levels at 0.87 MT.

Customization of supply is an important avenue for maximizing customer satisfaction and revenue. Your Company supplied around 50,000 tons of steel in customized sizes from its service centres in 2017-18, which represents a growth of 53% over the previous Financial Year.

Your Company continues to be a major contributor to the infrastructure sector of the Nation. Sales of Plate Mill Plates, a major input, reached highest ever levels at 2.12 MT, a growth of 16% over the previous year. Large quantities of Plates were supplied to prestigious power and irrigation projects in the Financial Year 2017-18.

Public Procurement Policy for Micro and Small Enterprises

As required by the Public Procurement Policy of the Government of India, the information on procurement from Micro & Small Enterprises during Financial Years 2017-18 and 2016-17 is given below:

(₹ Crore)

Particulars	2017-18	2016-17
Total Amount of Procurement	4143.67	3246.42
Total Procurement from MSE	858.17	767.04
%age Procurement from MSE	20.71	23.63

Modernisation & Expansion Programme

Your Company is in the last leg of implementation of on-going Modernisation & Expansion Programme. During the Financial Year 2017-18, your Company has achieved many milestones. At Bhilai Steel Plant, New Blast Furnace has been blown in and is under regular operation. First Heat from Coverter-1 at New Steel Melting Shop has been taken and Hot trials are in progress. A capital expenditure of ₹5,130 crore has been incurred during Financial Year 2017-18 and capex planned for 2018-19 is ₹4,000 crore.

The details of Addition, Modification & Replacement (AMR) Schemes under implementation are given in the Management Discussion & Analysis (MD&A) Report.

C. HUMAN RESOURCE MANAGEMENT REVIEW

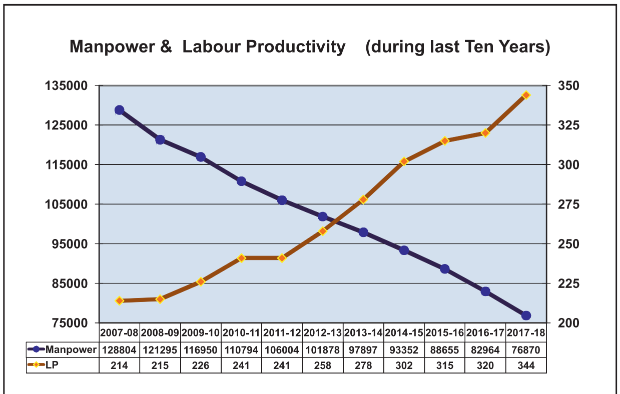
Your Company recognizes contribution of its Human Resources in providing it the competitive advantage. The Company has achieved its present level of excellence through investment in its human resource, where skill and knowledge constitute the basis of every initiative - be it technology or innovation. Developing skills and capabilities of employees to improve manpower utilization and labour productivity is the key thrust area of Human Resource Management (HRM) in the Company.

Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Human Resource initiatives in SAIL are focused on developing team spirit, employee empowerment and their involvement in various improvement activities. Strategic alignment of HRM to business priorities and objectives has facilitated smooth transition to state-of-the-art technology in the Modernization and Expansion Projects.

Enhanced Productivity with Rationalized Manpower

Your Company achieved the Labour Productivity (LP) of 344 TCS/Man/Year in 2017-18. The manpower strength of the Company was 76,870 nos. as on 31.3.2018 with manpower rationalization of 6,094 nos. achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitments, building competencies and infusing a sense of commitment and passion among employees to go beyond and excel. Trend of enhanced productivity and manpower rationalization since 2007-08 onwards is depicted below:

Developing Employee Capabilities & Competencies



Significant Enhancement in Productivity:
From 214 TCS/Man/Yr (2007-08) to 344 TCS/Man/Yr (2017-18)

Your Company believes that people's development is the key for overall growth and training facilitates the development of employee's knowledge and skills, so that the resultant advancement of competence contributes towards attainment of organisation's goals and objective. SAIL has been making sustained efforts through various training and development activities with focus on preservation, transfer and improvement of skills, knowledge and technology in collaboration with reputed organizations and development of effective managerial competencies in association with premier institutes.

Preparing employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities is being given a major thrust. Overall 41,355 employees were trained against target of 33,533 employees during the year on various contemporary technical and managerial modules.

Harmonious Employee Relations

SAIL has maintained its glorious tradition of building and maintaining a conducive and fulfilling employer-employee relations environment. The healthy practice of sorting out and settling issues through discussions with trade unions/workers' representatives enabled the Company in ensuring workers' participation at different levels and establishing a peaceful industrial relations climate. Some of the bi-partite forums are functioning since early seventies and are sufficiently empowered to address different issues related to wage, safety, and welfare of workers, arising from time to time, thus, helping in establishing a conducive work environment.

Bipartite forums like National Joint Committee for Steel Industry (NJCS), Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI), etc. with representation from major central Trade Unions as well as representative Unions of Plants/Units meet on periodic basis and jointly evolve recommendations/ action plans for ensuring a safe & harmonious work culture which gets substantiated from the harmonious Industrial Relations enjoyed over the years by SAIL Plant/Units, marked with diverse work culture at multi-locations.

In addition, Quality Circles, Suggestion Schemes, Shop Welfare Committees, Safety Committee, Canteen Management Committee, Productivity Committee, etc. also offer multiple avenues for enhanced workers' participation. Workers are also kept abreast of strategic business decisions and their views sought thereon through structured /interactive workshops.

Communication with employees at various levels on a wide range of issues impacting the Company's performance as well as those related to employees' welfare is done in a structured manner across the Company. Mass communication campaigns are undertaken at Chief Executive Officer / Senior Officers' level involving structured discussion with large group of employees. These interactive sessions help employees to align their working with the goals and objective of the Company leading to not only higher production and productivity but also enhance the sense of belongingness of the employees.

Grievance Redressal Mechanism

Effective internal grievances redressal machinery has been evolved and established in SAIL Plants and Units, separately for Executives and Non-executives. Joint grievance committees have been set up at Plant/Unit level for effective redressal of grievances.

Shri Saraswati Prasad, Chairman & Managing Director, SAIL visiting Cold Rolling Mill - 3 of Bokaro Steel Plant.

Inauguration of new premises of Deepika Ispat Sikshya Sadan, the free school for the underprivileged students set up by SAIL, Rourkela Steel Plant (RSP).

SAIL Plants/Units are maintaining 3 stage grievance handling mechanism and employees are given an opportunity at every stage to raise grievances relating to wage irregularities, working conditions, transfers, leave, work assignments and welfare amenities, etc. Majority of grievances are redressed informally in view of the participative nature of environment existing in the Steel Plants. The system is comprehensive, simple and flexible and has proved effective in promoting harmonious relationship between employees and management.

Against 376 staff grievances received during the Financial Year 2017-18 with 16 grievance pending from previous year, 366 staff grievances have been disposed of during the year, achieving 97.34% fulfilment.

Further, during Financial Year 2017-18, 856 grievances have been received under Centralised Public Grievance Redress and Monitoring System(CPGRAMS), a National level online system managed by Department of Administrative Reforms and Public Grievance (DARPG), Government of India and 23 grievances had been carried forward from the previous Financial Year. Total 864 grievances have been disposed of during Financial Year 2017-18, thereby achieving fulfilment rate of 98.20%. During the year, 92% grievances have been disposed within 0-15 days while only 8% were disposed within 16-30 days' time frame. Government of India has fixed a time limit of 30 days for disposal of the Public Grievances.

Remuneration Policy

In SAIL, pay and other benefits for executives are based on the Presidential Directives issued by Ministry of Steel, Government of India. The last pay revision effective from 1st January, 2007 was done in accordance with Presidential Directives dated 5th October, 2009. In case of Non-executive employees, the salaries and wages are finalized / revised in bipartite forum of National Joint Committee for Steel Industry (NJCS). The last NJCS agreement was finalized and signed on 1st July, 2014, effective from 1st January, 2012. In terms of notification dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of section 197 of the Companies Act, 2013 are not applicable to Government Companies. As such, the disclosures to be made in the Board's Report in respect of overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits are not included in this Report.

Initiatives for Socio-economic Development of SCs /STs & Other Weaker Sections of the Society

SAIL follows Presidential Directives on Reservation for Scheduled Castes and Scheduled Tribes in the matter of recruitments and promotions. As on 1.4.2018, out of total manpower of 76870, 12632 belong to SCs (16.43%) and 11309 belong to STs (14.71%).

SAIL Plants and Units including Mines are situated in economically backward regions of the Country with predominant SC/ST population. Therefore, SAIL has contributed to the overall development of civic, medical, educational and other facilities in these regions. Some of the contributions are:

- Recruitment of non-executive employees, which comprise close to 85 % of the total employees, is carried out mainly on regional level and hence, a large number of SCs/STs and other weaker section of the society get the benefit of employment in SAIL.
- Over the years, a large group of ancillary industries has also developed in the vicinity of Steel Plants. This has created opportunities for local unemployed persons for jobs and development of entrepreneurship.
- For jobs of temporary & intermittent nature, generally contractors deploy workmen from the local areas, which again provide an opportunity for employment of local candidates of economically weaker section.
- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities, thus, benefiting the support population providing different types of services.
- Steel Townships developed by SAIL have the best of medical, education and civic facilities and are like an oasis for the local Scheduled Castes, Scheduled Tribes and other population who share the fruits of prosperity along with SAIL.

SAIL has undertaken several initiatives for the socio-economic development of SCs/STs and other weaker sections of the society which are mainly as under:

- Special Schools have been started exclusively for poor, underprivileged children at five integrated steel plant locations. The facilities provided include free education, mid-day meals, uniforms including shoes, text books, stationary items, school bags, water bottles and transportation in some cases.

- No tuition fee is charged from SC/ST students studying in the Company run schools, whether they are SAIL employees' wards or non-employees' wards.
- Free medical health centres for poor have been set up at Bhilai, Durgapur, Rourkela, Bokaro and Burnpur providing free medical consultation, medicines, etc. to the peripheral population mainly comprising of SC/ST and weaker sections of society.
- SAIL Plants have adopted tribal children. They are being provided free education, uniforms, text books, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, Saranda Suvan Chhatravas, Gyanodaya Hostel and an exclusive Gyan Jyoti Yojana for nearly extinct Birhor Tribe.
- For Skill Development and better employability, tribal school passouts have been sponsored for coaching in premier institutes for IIT/JEE entrance examinations and for trainings along with monthly stipend, accommodation, transportation and fooding facility at various ITIs, Nursing and other vocational training institutes.

Implementation of Presidential Directives on Reservation for SC/ST

- Liaison Officers have been appointed as per Presidential Directives for due compliance of the Orders and instructions pertaining to reservation for SCs/STs/OBCs at Plants/Units of SAIL.
- SC/ST Cell is functioning in all of the main Plants/Units. A member belonging to SC/ST community is associated in all DPCs/Selection Committees. A sufficiently senior level officer of SC/ST category is nominated for the purpose as per the level of the Recruitment Board / Selection Committees/DPC.
- Internal workshops for Liaison Officers for SC/ST/OBC and other dealing officers of SAIL Plants/Units are conducted at regular intervals through an external expert to keep them updated on the reservation policy for SC/ST and other related matters.
- Plants/Units of SAIL have SC/ST Employees' Welfare Associations which conduct regular meetings with Liaison Officers on implementation of reservation policy & other issues. In addition, an Apex level umbrella body namely SAIL SC/ST Employees Federation also exists in SAIL to represent the issues of SC/ST Employees in a coordinated manner. A meeting with the Federation at the level of Director (Personnel) is organized on a regular basis.

Implementation of Right to Information Act, 2005

The provisions under the Right to Information Act, 2005(Act) are being complied by all the Plants and Units of SAIL. All statutory reports including Annual Report are being sent to Ministry of Steel and also being uploaded on the website of the Company-www.sail.co.in. Your Company has appointed Public Information Officers(PIO)/Asstt. Public Information Officers and Appellate Authorities and Transparency Officer under Sections 5 and 19(1) of the Act in each Plant and Unit for speedy redressal of the queries received under the Act. Under Sec.5(5), all the officers/ line managers responsible for providing information to the PIO are called Deemed PIO, and are made equally responsible as PIO, towards timely submission of information to the applicant.

An exclusive RTI Portal has been developed with link available on the website of the Company. All the Plants/Units have listed 17 manuals and details of Authorities under the Act are uploaded on the website of the Company. Quarterly Returns and Annual Returns on implementation of the Act are being submitted online through the CIC portal. Implementation of online request has already been introduced from 1st May, 2015. A compilation of Record Retention Policy of various functions of Corporate Office has also been uploaded on the website of the Company. In addition to this, compilations of important decisions of CIC, DOPT circulars and High Court cases are also available on the website of the Company.

Awareness Programs/Workshops on 'Obligation of Public Authorities under RTI' are being organised across Plants/Units and Information Commissioner has been present in most of these programs. Further, Awareness Programmes on the Act are held at Plant, Units and Corporate Office regularly.

SAIL received a total of 3,364 applications and 625 appeals under the Act during the Financial Year 2017-18, all of which have been disposed-off within the stipulated time frame under the Act. CIC has also taken up 70 cases and most of these cases were disposed-off in favour of the Company.

Since enactment of the Act, SAIL has received a total of 38,710 applications and 5,760 appeals upto 31st March, 2018, which were disposed-off within the stipulated time. Out of these, 736 cases were taken up by the CIC and most of these cases were disposed-off in favour of the Company.

Citizen Charter

Your Company is totally committed to excellence in public service delivery through good governance, by a laid down process of identifying citizens, our commitment to them in meeting their expectations and our communication to them of our key policies, in order to make the service delivery process more effective.

SAIL's Citizen Charter has outlined commitment of SAIL towards its stakeholders, thereby empowering them to demand better products and services. Objectives of the Citizen's Charter of SAIL may be summarized as below:

- Ensuring citizen-centric focus across all its processes by adopting Total Quality Management Principles for improvement of products and servicers.
- Ensuring effective citizen communication channels.
- Demonstrating transparency and openness of its business operations by hosting the Citizen's Charter on the Corporate website.
- Working towards delight of citizens, by fail-safe processes and in case of exigencies leveraging its service recovery processes, like Grievance Redressal, Handling Complaints, etc.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has set up Internal Complaints Committees in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed of during the year 2017-18 are as under:

Number of complaints received	:	2
Number of complaints disposed off	:	2

D. AWARDS & ACCOLADES WON DURING THE YEAR

Company Level

- Your Company has won 3 Prime Minister's Shram Awards (involving 18 employees) for the Performance Year 2015.
- Your Company has won 8 Vishwakarma Rashtriya Puraskar Awards (involving 34 employees) for the Performance Year 2015.
- Your Company has won Gold Trophy of "SCOPE Meritorious Award for Best Practices in Human Resource Management" for the Year 2014-15.
- Your Company has won Governance Now Award in the Turnaround (Financial) Category on 28th February, 2018.
- SAIL's "Ispat Bhasha Bharti" received first prize for the best in-house journal for the Year 2016-17 of Town Official Language Implementation Committee.

IISCO Steel Plant

- IISCO Steel Plant bagged the Best Performer Award in energy saving in the Iron & Steel sector under the PAT (Perform, Achieve & Trade) Scheme Cycle I of Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India at New Delhi on National Energy Conservation Day on December 14, 2017 in presence of the Hon'ble President of India.

Felicitation of proud recipients of Vishwakarma Rashtriya Puraskar Winners for the year 2015 (awarded in 2017).

Raw Materials Division

- Kiriburu Iron Ore Mines received 1st prize during 25th Mines Environment and Mineral Conservation (ME&MC) week celebration 2018 by Indian Bureau of Mines at Ranchi, for its overall commendable performance in Environment Protection and Sustainability Endeavour.

Alloy Steels Plant

- Alloy Steels Plant received the Best Performance Vendor 2017 Award from Ordnance Factory-Medak (OF-M) for indigenisation, development and supply of import substitute steel plates.

E. ENVIRONMENT MANAGEMENT

Within the ambit of notified environmental standards applicable for emission and discharge of pollutants into the environment and rules pertaining to eco-friendly management of various wastes, being generated inside the Plant Premises as well as in the townships, SAIL Plants and Mines operate their processes without disturbing the ecological balance. Your Company has also drawn its environmental vision in consonance with the Corporate Environmental Policy, which not only addresses the need for compliance of stipulated norms but also emphasises on striving to go beyond. Besides, your Company is committed to address the stakeholders' concerns and communicate its environmental philosophy to all the stake holders.

Improvement in Emissions and Discharges

SAIL Plants and Mines are efficiently operating the pollution control devices/ facilities and maintaining regularly through revamping/refurbishing/revitalization and also up-grading them as and when required, for the purpose of complying with the applicable environmental standards, which are becoming more and more stringent day by day.

The Particulate Matter (PM) emission load (kg/tcs) has reduced by around 14% in the last five years. During the expansion cum modernisation programs, state of the art technologies along with latest pollution control facilities have been installed, as a result of which the pollution level and CO_2 emission have also come down.

During the last five years, the specific CO_2 emission (T/tcs) has been reduced by around 5%. The specific effluent load in the discharged effluent has reduced by more than 25% in the last five years.

Adoption of Energy-Efficient Technologies and State-of-the-Art Pollution Control Equipment/Facilities

Some of the major best available technologies, adopted as steps towards implementation of clean technologies as well as latest pollution control facilities during expansion cum modernization programs of the company are as follows:

- Higher capacity (tall) coke oven batteries equipped with Land based Pushing Emission Control System, Coke Dry Cooling Plant, etc. at BSP, RSP & ISP.
- Sinter Plant equipped with improved ignition system (multi-slit burners), Waste Heat Recovery facility from sinter cooler, etc. at RSP & ISP.
- Blast Furnace of higher capacity equipped with Top Pressure Recovery Turbine (TRT), Waste Heat Recovery facility, Pulverised Coal Injection, Cast House De-dusting System, Cast House Slag Granulation Plant and torpedo ladle at BSP, RSP & ISP.
- Phasing out of energy-intensive ingot route across SAIL Plants.
- Walking Beam Reheating Furnace (RHF) in place of pusher type RHF at the Rolling Mill in reducing energy consumption as well as CO_2 emission at all the Plants.

New Initiatives

a. Environment friendly disposal of Poly Chlorinated Bi-Phenyls (PCBs) - a toxic environmental pollutant

Bhilai Steel Plant, in partnership with the MoEF&CC and UNIDO, has initiated a project for setting-up a disposal facility for Polychlorinated Biphenyls (PCBs), categorized as Persistent Organic Pollutants (POPs) at its site. The project is likely to be completed by December, 2018.

b. Bio-sequestration of CO_2

For the purpose of reduction of CO_2 emission and sequestration of the generated carbon back into the system, SAIL is assessing its carbon footprint in one hand and potential of sequestration of CO_2, through its existing biotic resources, on the other. A project on carbon sequestration through afforestation has been taken up at the site of Rourkela Steel Plant. M/s. Tropical Forest Research Institute, Jabalpur, has been engaged as the sequestration partner to carry out the project in February, 2014. The project will continue till March, 2019.

c. Enhancing utilization of wastes through application of 4Rs (Reduction, Reuse, Recycling and Recovery):

With a view to increase utilization of wastes being generated inside Plant boundary, in the recent years, some R&D based initiatives like steam maturing of BOF slag, dry granulation of BOF slag, use of BOF slag as rail track ballast, use of BF and BOF slag as substitutes to natural aggregates, use of BF/BOF slag in road making have been undertaken in the recent years.

d. Application of Renewable Energy towards a new era

Your Company has set a target of installation of 200 MW renewable energy Power Plants by 2019. Some of the major initiatives taken towards implementation of renewable energy projects are under consideration:

- 7 MW capacity Solar Power Plant at Bhilai.
- 20 MW capacity Solar Power Plant at Durgapur.
- 2 MW capacity roof top Solar Power Plant on the buildings of BSL.
- 20-25 MW capacity Solar Power Plant at Kulti.
- 17 MW capacity roof-top Solar Power Plants on various buildings of SAIL including warehouses.

e. A green initiative by Rourkela Steel Plant

Rourkela Steel Plant(RSP) has recently taken up a green initiative for using waste plastics in the hot mix of road making. As a pilot project, a stretch of one km road has been constructed successfully. More roads in RSP and other Plants are planned to be taken up.

Environmental Management System (EMS) linked with ISO-14001:2015

Environmental Management System (EMS) linked to ISO 14001 is a set of processes and practices that enable an organization to reduce its environmental impacts and increase its operating efficiency. Implementation of EMS has helped the Plants and Mines to ensure that their performance being always within the applicable regulatory requirements.

During the Financial Year 2017-18, implementation of EMS (ISO-14001:2015) has been taken up at the Gua Ore Mines and the Collieries, since this is a pre-requisite for implementation of Star Rating System by the Indian Bureau of Mines. This system is also under implementation at the CMO Warehouse at Kanpur. Further, 13 Warehouses under the Marketing Department have till date been certified to Environment Management System compliant to 14001:2015.

Sustainable Development Projects

Restoration and rehabilitation of degraded ecosystem is essential for maintaining and enhancing bio-diversity as well as replenishing the eco-system services. Mined out area and water body of mine voids of Purnapani Limestone Mines have been taken up for ecological restoration in association with Delhi University.

Plantation

Your Company realizes the role of plantation in overall environmental management initiatives. It is a well-known fact that plants play an important role in balancing the eco system and function as a carbon sink. Keeping the enormous contribution of the plants in mind, SAIL has long been adopting extensive afforestation program religiously in its Plants and Mines since its nascent stage. More than 20.1 million saplings have been planted across SAIL Plants and Mines till date. Giving special thrust for plantation, more than 8.27 lakhs of saplings have been planted during 2017-18.

F. STRATEGIC INITIATIVES OF THE COMPANY

Your Company has adopted a multi-pronged approach that includes organic growth, brown-field projects, technology leadership through strategic alliances, ensuring raw material security by developing new mines, diversifying in allied areas, etc. In line with the above approach, SAIL has formed Joint Venture Companies in different areas viz. power generation, rail wagon manufacturing, slag cement production, securing coking coal supplies from overseas sources, etc. New initiatives are currently being explored in areas such as outsourcing of power distribution and educational facilities in SAIL townships, etc. The status of Strategic Initiatives taken by your Company in the recent past includes the following:

In order to meet the challenges of adverse business environment, a Company-wide turnaround program was initiated during 2016-17. The program was

Lake garden at Kiriburu mine.

Under Make in India, SAIL's Durgapur Steel Plant despatched the first consignment of metro railway wheels for Kolkata Metro.

taken up with an aim to review and sharpen SAIL's business strategies and processes, build for sustained market leadership and drive the Company towards profitability. Towards this, your Company engaged M/s. Boston Consulting Group (BCG), a leading Global Management Consultant, to study the health of the Company, suggest suitable measures for its turnaround and provide hand holding support and assistance to SAIL for implementation of approved road map for turn around. The study phase of this program, named 'SAIL Uday', culminated in October, 2017 with the submission of the 'Comprehensive Turnaround Roadmap' Report by BCG. The Roadmap contains over 260 recommendations encompassing various functional areas of the Company including Raw Materials, Production, Sales & Marketing, Supply Chain & Logistics, Manpower & Productivity, etc. Your Company has now embarked upon the next phase of "SAIL Uday" program involving implementation of the recommendations which would contribute towards achieving the Company's turnaround.

Disinvestment of SAIL Plants: On 27th October, 2016, the Government of India (GoI) accorded 'in-principle' approval for Strategic Disinvestment of three Units of SAIL viz. Salem Steel Plant (SSP), Salem, Visvesvaraya Iron and Steel Plant (VISP), Bhadrawati and Alloy Steels Plant (ASP), Durgapur. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group(IMG) constituted by the Ministry of Steel(MoS) and chaired by the Secretary, Steel.

SAIL Board has accorded 'in-principle' approval for the Strategic Disinvestment of these Steel Plants. To carry out the process, the Company has appointed Transaction Advisor(TA), Legal Advisor (LA), Asset Valuer(AV) and Tax cum Accounting Consultant (TCA).

Upon receipt of approval of the GoI/MoS, Preliminary Information Memorandum (PIM)/Expression of Interest Request (EoI) for disinvestment of ASP on 1st Feb, 2018, Public Notice for inviting EoI for ASP, Durgapur was issued on 14th February, 2018. The EoIs received are under evaluation.

PIM/EoI Requests for Strategic Disinvestment of VISP and SSP have been sent to Ministry of Steel on 2nd May, 2018 and 9th May, 2018 respectively for obtaining approval of the GoI for issuance of Public Notice inviting EoI for Strategic Disinvestment. Clearance from GoI is awaited.

Outsourcing of the Company operated schools in townships of five Integrated Steel Plants.

Outsourcing Policy of SAIL lays down the objectives and framework for outsourcing of non-core activities. Based on the overall framework provided by the Outsourcing Policy, options for outsourcing of non-core activities like maintenance of townships, Company owned schools, power distribution in steel townships, coal handling plants, traffic systems, loco and wagon repairs are being evaluated. Actions are also being initiated towards rationalisation of contracts and identification of new areas for outsourcing.

Development of Rowghat - Jagdalpur Rail Corridor in the State of Chhattisgarh: With the aim of bringing about greater socio-economic development of the backward areas of Bastar region in Chhattisgarh and to further the industrial progress and mining activities of the region, an MoU was signed amongst SAIL, NMDC, IRCON International Ltd. and Government of Chhattisgarh in May 2015 for development of a rail corridor from Rowghat to Jagdalpur. This rail corridor shall be used for both freight and passenger services in the Southern part of Chhattisgarh. A Joint Venture Company under the name "Bastar Railway Private Limited" has been incorporated in May, 2016. Pre project activities are being undertaken by the Joint Venture Company.

JV with Arcelor Mittal for production of automotive steel: SAIL and Arcelor Mittal signed an MoU on May 22, 2015 to explore the possibility of setting up an automotive steel manufacturing facility under a Joint Venture (JV), in India. The proposed JV will construct a state-of-the-art cold rolling mill with a capacity of about 1.5 mtpa and other downstream finishing facilities in India that will offer technologically advanced steel products to India's rapidly growing automotive sector. The input material for the CRM shall be supplied from SAIL's upcoming Hot Strip Mill located at Rourkela Steel Plant. Thus, it would be a completely integrated indigenous supply chain for the Indian Automotive Sector. In this effect, a legally non-binding Term Sheet has been signed by SAIL and Arcelor Mittal, which lays down the fundamental principles based on which SAIL and AM agree to proceed with formation of the proposed JV Company.

Closure/Exit from non-operational and non-performing Joint Venture Companies.

SAIL has initiated actions for closure/exit from certain Joint Venture Companies which are either non-operational or non-performing. Further, options to monetize SAIL's investment in certain Joint Venture Companies are also being explored.

Business Excellence Initiatives

Implementation of Management Systems

Most of SAIL Plants/Units are certified to ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems. BSP was the latest addition to DSP and BSL which have implemented ISO 50000 (Energy Management System). BSP achieved ISO 27000 (Information Security System) certification also which was earlier achieved by DSP, BSL and RDCIS.

Certifications achieved during 2017-18:

- BSP achieved ISO 50000 EnMS and ISO : 27000 ISMS certification.
- ISP- Wire Rod Mill, Universal Section Mill, Bar Mill, Raw Material Handling Plant and Sinter Plant certified to ISO 9000 QMS.
- RSP - Entire Plant certified as per SA 8000: 2014 version.
- DSP - Medium Structural Mill certified to ISO 9000 QMS.

IT Related Initiative

Your Company has embarked upon various Information Technology (IT) initiatives within the organization for enabling SAIL's competitiveness in the market place.

Your Company is implementing and expanding the coverage of its business operations under the sphere of Enterprise Resource Planning (ERP). Four Integrated Steel Plants at Bhilai, Durgapur, Bokaro and Rourkela and Central Marketing Organization (CMO) have already implemented ERP and have been benefitted by this. ERP implementation at IISCO Steel Plant and at Corporate Office is under progress.

SAIL has also implemented Supplier Relation Management (SRM)/e-Procurement. This has resulted in greater transparency and better market reach. The online customer enquiry systems and CRM are providing better interface between customers and manufacturing processes, thereby transcending customer experience.

Manufacturing Execution Systems (MES) have benefitted your Company in achieving the market expectations by making the production and the associated processes cost, quality and delivery efficient.

Goods and Services Tax (GST) has been implemented across SAIL and IT applications have been made GST compliant. The process for filing GST returns has been automated through Application Service Provider (ASP) & GST Suvidha Provider (GSP).

In pursuit of implementing 'Digital India Initiative' of the Government of India, paperless office approach is being adopted by resorting to automated e-communications through sms/e-mail and usage of various mobile applications in business/employee welfare areas. Further, cashless transactions have been implemented, wherein almost all payments and receipts are being done through cashless digital mode, thereby, your Company has ensured full compliance of Government of India's Guidelines with regard to 'Promotion of Payments by Digital Means'. Measures are also being taken to maximize usage of e-Procurement and e-Tendering in the Company.

To ensure data protection and security, steps have been taken at all Plants/ Units for Information Security Management System (ISMS):ISO certification.

Your Company has upgraded to High Definition Video Conference System, which is used extensively and it has facilitated strategic planning and decision making and also has proved to be cost effective and time saving.

Corporate Communication

Your Company recognizing the need to evolve new and innovative ways to engage with its employees has conducted a series of large group interactions at its Plants and Units, wherein the top management comprising Chairman and Directors of the Company, held two-way communication with employees, apprising them of the challenges before the Company and encouraging them towards better performance. Apart from this, the Company following a comprehensive approach in its communication initiatives engaged in internal communication utilizing the mediums of the management's New Year message, Intranet, Newsletters, etc. SAIL's intranet enables employees to catch up on all important and valuable information pertaining to the Company, provides interactive forums to partake in various competitions/quizzes and let them share their feedback on various issues. SAIL News-our internal newsletter, with its informative, motivational, employee and product focused content, not only effectively communicates but also fosters a sense of pride in the employees for the Company.

In order to build your Company's brand image, promote its products and their applications, highlight its role in nation building, Make in India drive and to effectively communicate with external stakeholders, your Company participates in events and exhibitions, releases advertisements, maintains its website and presence on social media, sponsors various events, etc.

Your Company participated in a number of domestic exhibitions and fairs throughout the year including Vision Jammu & Kashmir 2018, International Engineering Sourcing Show 2018 (Chennai), Emerging North East 2018 held at Guwahati, Assam, exhibitions in Jaipur, Visakhapatnam), etc. SAIL has also been successfully participating in India International Trade Fair, regularly for over two decades. The 'SAIL Lion'-a figurine specially crafted out of SAIL Salem Stainless steel showcasing different products and applications of steel, was a major draw at IITF-2017. Your Company also took part in major international exhibitions namely INDEE (Indian Engineering Exposition)

Felicitation Ceremony of Prime Minister Shram Awardees for the year 2011 to 2016 (awarded in 2018).

Bangladesh, MSV International Engineering Fair (Czech Republic), India Sourcing Fair 2018 (Russia) and Hanover Messe 2018 in Germany. In addition, the Company has sponsored a number of sports, cultural and educational events that provided extensive visibility for SAIL.

Your Company has created visually appealing, crisp, trendy and emotional connect generating advertisements which were successful in conveying the meaning of 'Brand SAIL' to society at large while commemorating SAIL's 60th year of production. They provided visibility to your Company across different formats such as print, electronic, online, mobile, etc. SAIL advertisements with rural focus support the organization's rural marketing initiatives. SAIL website serves as an important source of information to our investors and other important stakeholders. Your Company has also created a number of films on a diverse range of subjects including steel making, safety, swachhta, vigilance, steel applications, environment conservation initiatives, etc., which have been showcased nationally and internationally at various events.

G. VIGILANCE ACTIVITIES

The objective of SAIL Vigilance is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To achieve this objective, the Vigilance Department carries out preventive, proactive and punitive actions with greater emphasis in the preventive and proactive functions. Following activities were undertaken during the Financial Year 2017-18:

- To increase vigilance awareness amongst employees, vigilance awareness sessions and workshops were regularly held at various Plants and Units of the Company. A total of 145 workshops involving 2838 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Purchase/Contract Procedures, RTI Act, Conduct & Discipline Rules, System and Procedures followed in SAIL, etc.
- Periodic surprise checks including Joint Checks were conducted regularly in vulnerable areas of the Company. A total of 2490 periodic checks including file scrutiny and Joint Checks were conducted at different Plants / Units. A saving of approx. ₹18.45 crores accrued from the preventive vigilance activities mainly on account of these surprise checks.
- Vigilance provides vital inputs to the operating authorities for improving the prevailing systems for bringing about more transparency. Accordingly, eight major System Improvement Projects (SIPs) were undertaken at different Plants/Units of SAIL.
- 13 cases were taken up for Intensive Examination at different Plants / Units. During these Intensive Examinations, high value procurement / contracts are scrutinized comprehensively and necessary recommendations are forwarded to concerned departments for implementing suggestions for improvement.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in SAIL during 30th October to 4th November, 2017. The week started with administrating the Integrity pledge and reading out of messages of dignitaries on 30th October 2017 at SAIL Corporate Office as well as all Plants/Units of SAIL. During the week, Workshops/ sensitization programmes, talks by eminent speakers like Ex-Secretary, Government of India, SP, CBI, etc., Customers meet, Anti-corruption March / Walkathon involving common people, events like quiz, essay, slogan & drawing/ poster, debate competition were organized for the employees and their families. The activities conducted during the week were posted on social media like twitter handle and facebook account of SAIL for wider publicity. During the week, employees, their families, students, customers, vendors, etc. were encouraged to take E-pledge.
- The following four (4) thrust areas were identified by SAIL Vigilance:
  - i) Surveillance in the areas of receipt, sampling & testing of high value raw materials.
  - ii) Use of analytics from Business Intelligence (BI)/ERP Central Component (ECC) Module while identifying areas of scrutiny of files and surprise checks at Bhilai, Bokaro, Rourkela, Durgapur and Central Marketing Organization.
  - iii) Scrutiny of projects w.r.t change orders.
  - iv) Scrutiny of Audit Reports.
- SAIL Vigilance team received an Excellence Award for the BEST CASE STUDY from Central Vigilance Commission (CVC) during the XIV anniversary celebrations of Vigilance Study Circle, Hyderabad held on 14th July 2017.

  SAIL Vigilance also received two VIGILANCE EXCELLENCE AWARDs, one each for 'Vigilance Innovation' and 'Excellence in Investigation' from the Hon'ble Vice President of India in the inaugural function of Vigilance Awareness Week organized by CVC on 30th October 2017 at Vigyan Bhawan, New Delhi.
- 'Inspiration- Prerna', an in-house publication of SAIL Vigilance is being published regularly. The above publication contains case studies, articles from eminent personalities, quiz on policy matters, etc. to enhance awareness of the readers.
- Summary of processing of vigilance cases during 2017-18 is as under:

Source	Complaints	
	Received	Disposed
CVC	5	5
MoS	39	34
Direct	732	704
Total	**776**	**743**

Type of Complaints disposed:	
Closed as found anonymous / pseudonymous (filed in line with CVC guidelines)	207
Closed as no vigilance angle / allegations not substantiated	398
Closed with preventive/administrative Recommendations	122
Regular Departmental Actions initiated	16 (6 cases of major penalty against 7 employees and 10 cases of Minor Penalty against 16 employees)
Total Disposed	**743**

Vigil Mechanism

The Company has adopted Vigil Mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company and Directors on the Board of the Company are covered under this Mechanism. This Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report covering the performance and outlook of the Company is attached and forms part of this Report.

AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2018 along with Management's replies thereon is placed at **Annexure-I** to this Report. The Comptroller & Auditor General of India (C&AG) vide its letter dated 31st July, 2018 has given "Nil" comments on the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018 under Section 143(6)(a) of the Companies Act, 2013. A copy of the above letter of C&AG is placed at Annexure-II.

The Comptroller & Auditor General of India (C&AG) vide its letter dated 31st July, 2018 has given "Nil" comments on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 under Section 143(6)(a) read with Section 129(4) of the Companies Act, 2013. A copy of the above letter of C&AG is placed at Annexure-V.

COST AUDITORS

Pursuant to the direction of the Central Government for Audit of Cost Accounts, the Company has appointed M/s. Sanjay Gupta & Associates, New Delhi, M/s. Shome & Banerjee, Kolkata and M/s. R.J. Goel & Co., New Delhi as Cost Auditor(s) for the Financial Year 2017-18.

SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended on 31st March, 2018. Secretarial Audit Report is placed at **Annexure-VI** to this Report.

With regard to the observation of the Secretarial Auditor, that composition of the Board of Directors of the Company was not as per requirements during a part of the Financial Year 2017-18, it is stated that appointment of Independent Directors on the Board of the Company is made by the Company based on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

In respect of observation regarding performance evaluation of the Directors not being carried out pursuant to the Regulation 17(10) & 25(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mentioned that Ministry of Corporate Affairs has vide its Notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

CORPORATE GOVERNANCE

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and Auditors' Certificate on compliance of conditions of Corporate Governance is placed at **Annexure-VII** to this Report.

In terms of the SEBI Regulations, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from Environmental, Social and Governance perspective forms part of this Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

IISCO-Ujjain Pipe and Foundry Company Limited, a wholly owned subsidiary of the erstwhile Indian Iron and Steel Company Limited (IISCO), was ordered to be wound up by BIFR. The Official Liquidator is continuing its liquidation process.

Your Company has four other subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL is operating the Salem Refractory Unit which was acquired by SAIL from Burn Standard Company Limited on 16th December, 2011. SAIL Jagdishpur Power Plant Limited, incorporated for setting up of Gas based power Plant at Jagdishpur and SAIL Sindri Projects Limited, incorporated for revival of Sindri Unit of Fertilizer Corporation of India Limited have not taken off. Under present situation, the objectives with which these Companies were incorporated are difficult to achieve, hence the Board of Directors of your Company has decided to close SAIL Jagadishpur Power Plant Limited and SAIL Sindri Projects Limited. Further actions for closure of these Companies are being taken. Chhattisgarh Mega Steel Limited which was incorporated as a Special Purpose Vehicle for setting up of an Ultra Mega Steel Plant of 6 Million Tonnes per annum as a green field steel project under Joint Venture is yet to commence operation.

The Annual Accounts of the subsidiary Companies and related detailed information shall be made available to the Shareholders of the holding and subsidiary companies, seeking such information at any point of time. Further, the Annual Accounts of the subsidiary companies are available for inspection by any Shareholder in the Registered Office of the Company and the Subsidiary Companies concerned between 11 AM to 1 PM on working days. A hard copy of the details of accounts of subsidiaries shall be furnished to the shareholders on receipt of written request.

Further, the statement containing salient features of the financial statements of the subsidiary, joint venture and associate companies in the prescribed Form AOC-1 is placed at **Annexure-VIII** to this Report.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rules prescribed therein is placed at **Annexure-IX** to this Report.

BOARD MEETINGS

During the year, 11 meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee of the Board was initially formed by the Company in 1998. The Audit Committee has been reconstituted from time to time in terms of the SEBI Regulations and Companies Act, 1956/2013. The minutes of the Audit Committee meetings are circulated to the Board, discussed, and taken note of. The composition and other details pertaining to the Audit Committee are given in the Corporate Governance Report.

INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

The Company has well established and documented policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to various policies and procedures for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. Further, the Company has adopted a corporate governance structure, various management processes, controls, policies and guidelines that drive the organization towards its business objective, while also satisfying various stakeholders' needs.

Some of your Company's robust protocols such as independent internal audit, well drafted and documented policies, guidelines, procedures, regular review by Audit Committee / Board, etc. helps in compliance of Internal Financial Controls under the Companies Act, 2013, SEBI (LODR) Regulations, 2015, etc. Your Company is committed to the highest standards of Corporate Governance where the Board is accountable to all stakeholders for reporting effectiveness of Internal Financial Control (IFC) and adequacy. Corporate Governance has been carried out in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, etc.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

(i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the Annual Accounts on a Going-Concern basis;

(v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDEPENDENT DIRECTORS' DECLARATION

In terms of section 149(7) of the Companies Act, 2013, necessary declaration has been given by each Independent Director stating that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

In terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2018 are given in **Annexure-X** to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

All the contracts / arrangements / transactions entered by the Company during the Financial Year 2017-18, with the related parties were in the ordinary course of business and on an arm's length basis. The transactions with the related parties have been disclosed in the financial statements. Therefore, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the Report.

DIVIDEND DISTRIBUTION POLICY

In terms of the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy which is uploaded on the website of the Company- https://sail.co.in/sites/default/files/Dividend_Distribution_Policy_2017.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure-XI** to this Report.

RISK MANAGEMENT POLICY

Enterprise Risk Management (ERM) is a strategic business discipline that supports the organization's objectives by addressing full spectrum of its risks and managing the combined impact of those risks as an inter-related risk portfolio. The Risk Management Policy of your Company was approved by the Board much before the same became a statutory requirement and since then, the risk management in SAIL has grown and developed in line with internal and external requirements. The Policy provides guidance for the management of the business risks across the organisation. It focuses on ensuring that the risks are identified, evaluated and mitigated within a given time frame on a regular basis.

Currently, the architecture of Enterprise Risk Management in SAIL comprises a well-designed multi-layered organization structure, with each Plant/Unit having its own perceived Risks which are under the constant monitoring by the Risk Owners / Risk Champions who frame and implement the mitigation strategy and take it to its logical conclusion. Risk Management Committee of the Plant/Unit Chaired by the Head of the Plant /Unit periodically reviews the risks and their mitigation status and reports the same to Chief Risk Officer (CRO) of SAIL. SAIL Risk Management Committee (SRMC) oversees the Risk Management function in the Company by addressing issues pertaining to the policy formulation as well as evaluation of risk management function to assess its continuing effectiveness. Risks identified by the Risk Champion/Risk Officer are deliberated in the Risk Management Committee, escalated and draw the mitigation strategy. Roles and responsibility of Board, Audit Committee, SAIL Risk Management Committee, Risk Management Steering Committee, CRO, Risk Officer/Risk Champion related to risk management are defined under the Policy and duly approved by the Board.

M/s. Grant Thornton India LLP has been appointed to review and update the existing ERM Policy in SAIL to meet the statutory requirements of Companies Act, 2013 and SEBI Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

SAIL's Social Objective is synonymous with Corporate Social Responsibility. Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins by being aware of the impact of its business on society. With the underlying philosophy and a credo to make a meaningful difference in people's lives, your Company has been structuring and implementing CSR initiatives right from the inception. These efforts have seen the obscure villages, where SAIL Plants are located, turn into large industrial hubs today.

The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act-2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and CSR Policy. SAIL carries out CSR projects in and around periphery of steel townships, mines and far flung location across the Country in the thrust areas falling in line with Schedule-VII of the Companies Act-2013, namely, education, medical and health care facilities, village development, access to water facilities, infrastructural development in peripheral rural areas, environment conservation, women empowerment, assistance to people with disabilities, sustainable income generation through self-help groups, promotion of sports, art, culture & heritage conservation, etc.

The details of various CSR initiatives taken by the Company along with the Report on CSR in prescribed format are placed at **Annexure XII** to this Report. The CSR Policy of the Company is available on the website of the Company- www.sail.co.in.

Healthcare: SAIL's extensive and specialised healthcare infrastructure provided specialized and basic healthcare to 1.70 crore people living in the vicinity of its Plants and Units during the period 2011-18. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps in various villages on fixed days are being organized for the people living in the periphery of Plants/Units, Mines and far-flung areas. During the Financial Year 2017-18, about 4,130 Health Camps have been organized benefitting over 76,000 villagers. 7 Mobile Medical Units (MMUs) running in the Plant's peripheries have benefitted 44,000 villagers at their doorsteps.

27 Primary Health centres at Plants exclusively provided free medical care and medicines to 3.43 lakh villagers during the Financial Year 2017-18.

Education: To develop the society through education, SAIL is supporting over 77 schools which are providing modern education to more than 40,000 children in the steel townships. 19 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting over 4,270 BPL category students at integrated steel plant locations with facilities of free education, mid-day meals, uniform including shoes, text books, stationary items, school bag, water bottles and transportation.

Your Company in association with Akshya Patra Foundation is providing mid-day meals to 68,000 students of over 630 Government schools in Bhilai and Rourkela.

Women Empowerment & Sustainable Income Generation: Vocational and specialised skill development training targeted towards sustainable income generation have been provided to 600 youths and 1,468 women of peripheral villages in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter & Electrician Training, Improved Agriculture, Mushroom Cultivation, Goatery, Poultry, Fishery, Piggery, Achar/Pappad/Agarbati/Candle Making, Screen Printing, Handicrafts, Sericulture, Yarn Weaving, Tailoring, Sewing & Embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Soap, Smokeless Chullah making, etc. 845 youths have been sponsored for ITI Training at ITCs Bolani, Bargaon, Baliapur, Bokaro Pvt. ITI and Rourkela, etc. and 31 youths in Plastic Engineering through CIPET at Bokaro.

Connectivity & Water facilities in Rural Areas: Over 79.03 lakh people across 450 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 8,100 water sources have been installed during last five years, thereby enabling easy access to drinking water to 50 lakh people living in far-flung areas.

Environment Conservation: Over 3 lakh trees have been planted and maintained at Bhilai, Bokaro, Rourkela & Mines areas. A 409 acres Bio-Diversity Environment Theme Park 'VASUNDHARA' with a water body and plantation of 400 varieties of trees, medicinal plants, rainwater harvesting, soil conservation for maintaining ecological balance has been developed at Durgapur. The park is enriching the environment for approx. 75,000 natives year on year.

Support to Differently Abled & Senior Citizens: Differently abled children/people are being supported through provision of equipments like- tricycle, motorized vehicles, calipers, hearing aids, artificial limbs, etc. Your Company supports various schemes and centres at Plants under CSR like "Sneh Sampada", "Prayas"and 'Muskaan" at Bhilai, "Schools for blind, deaf & mentally challenged children" and “Home and Hope" at Rourkela, "Ashalata Viklang Kendra" at Bokaro, various programs like "Handicapped Oriented Education Program" (Hope) and "Durgapur Handicapped Happy Home" at Durgapur, and "Cheshire Home" at Burnpur. Support has also been provided to NGOs working in this field like TAMANNA, Deepalaya, etc. Old age homes are being supported at different Plant townships like "Siyan Sadan" at Bhilai, Acharya Dham and Badshah at Durgapur, etc.

Sports, Art & Culture and Heritage Conservation: SAIL is regularly organizing inter-village sports tournaments, extending support to major national sports events & tournaments. Also, supporting and coaching aspiring sportsmen and women through its residential sports academies at Bokaro (Football), and Rourkela (Hockey)- with world class astro-turf ground, Bhilai (Atheletics for boys), Durgapur (Athletics for girls) and Kiriburu, Jharkhand (Archery). Cultural events like Chhattisgarh Lok Kala Mahotsav and Gramin Lokotsav are organised every year.

Disaster Relief: Your Company, as a responsible corporate citizen, supported the rehabilitation initiatives for the people affected by Natural Calamities, such as flood in Jammu & Kashmir, Phylin cyclone in Odisha, Flash Floods in Uttarakhand, etc. in the past.

Saranda Forest Development: In an effort to bring the marginalized masses to the mainstream of development, SAIL initially established an Integrated Development Centre (with 26 shops/offices) at Digha village. At the hostel facility setup viz. Saranda Suvan Chhatravas, 24 Tribal children have been adopted and accommodated and facilitated with free of cost education, accommodation, meals & uniforms, textbooks, etc. An Ambulance/MMU is running and providing healthcare at doorsteps of villagers in Saranda Forest. Ladies Cricket Coaching Club, Bolani has been set up by RMD. About 30 young tribal ladies who were daily wage-earners as 'load-lifters', devoid of basic amenities, have been motivated, counselled, provided free of cost healthy food, cricket coach and sports kits/tools and training/practice sessions, etc. Today, the Champions are representing Odisha & Jharkhand States in National, State and District level cricket tournaments, wherein, their performance has been adjudged as 'Women of the Tournament', etc.

SAIL has converged its CSR endeavours by developing sustainable tap water source and constructing useable toilets for each of the 1854 households in 19 villages of Kuarmunda Block, Rourkela in a comprehensive manner. Village level committees have been formed for long-term sustenance of the project.

Bolani Ore Mine is facilitating drinking water supply and sanitation facility for 300 natives of Barik Sahi (Kuni Sahi), Bolani connecting the village with Jhinkaria Springs through G.I. pipelines.

GENERAL DISCLOSURES

i. During the year, the Company has not accepted any deposits under the Companies Act, 2013.

ii. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, attention of Members is drawn to the statement on contingent liabilities in notes forming part of the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Dr. N. Mohapatra has ceased to be Director w.e.f. 30^{th} June, 2017(A/N).
- CA K.S. Chauhan and Prof. N.K. Taneja have been appointed as Independent Directors w.e.f. 22^{nd} September, 2017.
- Shri P.K. Dash has resigned from the Board w.e.f. 3^{rd} October, 2017(A/N).
- Shri Sunil Barthwal has ceased to be Director w.e.f. 11^{th} October, 2017 (A/N).
- Ms. Urvilla Khati was Director from 11^{th} October, 2017 to 28^{th} February, 2018.
- Shri Kalyan Maity has resigned from the Board w.e.f. 28^{th} February, 2018(A/N).
- Shri Atul Srivastava has been appointed as Director w.e.f. 12^{th} March, 2018(A/N).
- Shri P.K. Singh has ceased to Chairman and Managing Director of the Company w.e.f. 30^{th} June, 2018(A/N).
- Shri Raman has ceased to be Director w.e.f. 31^{st} July, 2018(A/N).
- Shri Harinand Rai has been appointed as Director w.e.f. 1^{st} August, 2018 (F/N).

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and value contributed by every member of the SAIL family. The Directors are thankful to the State Governments, Electricity Boards, Railways, Banks, Suppliers, Customers and Investors for their continued co-operation. The Directors also wish to acknowledge the continued support and guidance received from the different wings of the Government of India, particularly from the Ministry of Steel.

For and on behalf of the Board of Directors

(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi
Dated:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Steel Authority of India Limited (SAIL) presents its Analysis Report covering the performance and outlook of the Company.

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

Global economic output grew by 3.8% in 2017, as estimated by IMF in its April, 2018, World Economic Outlook update. The growth momentum increased in 2017, with growth in advanced economies (estimated 2.3% growth in 2017) as well as in emerging market and developing economies (estimated 4.8% growth in 2017).

The strong growth momentum is expected to continue in 2018 and 2019, driven mainly by growth in advanced economies, expectation of favourable financial conditions and acceleration in demand. Growth in emerging market and developing economies is also expected to strengthen further. Global economic activity is forecast to grow by 3.9% in 2018 as well as 2019.Overview of World Economic Outlook Projections is as under:

World Economic Outlook Projections (Percentage Change)

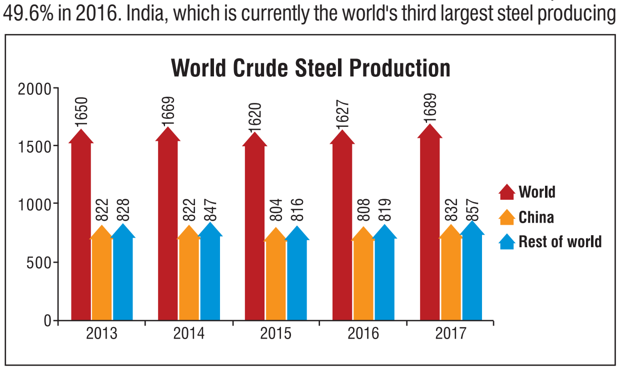
	Year Over Year			
	Estimate		Projections	
	2016	2017	2018	2019
World Output	**3.2**	**3.8**	**3.9**	**3.9**
Advanced Economies	**1.7**	**2.3**	**2.5**	**2.2**
United States	1.5	2.3	2.9	2.7
Euro Area	1.8	2.3	2.4	2.0
Japan	0.9	1.7	1.2	0.9
Emerging Market and Developing Economies	**4.4**	**4.8**	**4.9**	**5.1**
China	6.7	6.9	6.6	6.4
India	7.1	6.7	7.4	7.8
Brazil	-3.5	1.0	2.3	2.5
Russia	-0.2	1.5	1.7	1.5

Source: IMF World Economic Outlook Update, April 2018

World Steel Scenario

In 2017, Global Crude Steel production increased by 3.8% to reach 1689.4 million tonnes (MT) compared to 2016. All major steel production regions registered an increase in Crude Steel output, except Japan where output decreased marginally.

Asia accounted for 1152.2 MT of Crude Steel production in 2017, up by 3.5% vis-à-vis 2016. China continued to dominate World Crude Steel production with an output of 831.7 MT, at a growth of 3.0% over 2016. In 2017, China decreased its share of Global Crude Steel Production to 49.2% compared to 49.6% in 2016. India, which is currently the world's third largest steel producing nation, increased its annual Crude Steel Output by 6.2% to reach 101.4 MT in 2017. Japan produced 104.7 MT of Crude Steel in 2017, a marginal decline by 0.1% compared to 2016. South Korea's Output of Crude Steel stood at 71.0 MT in 2017 at a growth of 3.5%. Crude Steel Production in the US in 2017 stood at 81.6 MT, up by 3.9% over 2016. The EU (28) also saw growth in Crude Steel output by 3.9% to reach 168.4 MT in 2017.



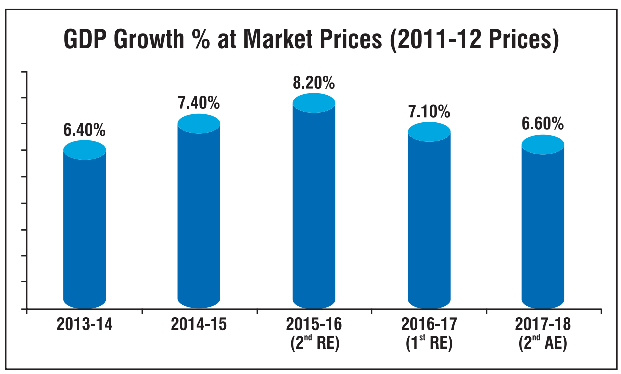
Top 10 Steel Producing Countries

Rank	Country	2017 (MT)	2016 (MT)	% Change
1	China	831.7	807.6	3.0%
2	Japan	104.7	104.8	-0.1%
3	India	101.4	95.5	6.2%
4	United States	81.6	78.5	3.9%
5	Russia	71.3	70.5	1.1%
6	South Korea	71.0	68.6	3.5%
7	Germany	43.4	42.1	3.1%
8	Turkey	37.5	33.2	13.0%
9	Brazil	34.4	31.3	9.9%
10	Italy	24.1	23.4	3.0%

World Steel Association has forecast that global steel demand will increase by 1.8% in 2018 and reach 1616.1 MT, compared to an estimated demand of 1587.4 MT in 2017. Steel demand in China is expected to remain stable in 2018 at 736.8 MT. In the emerging and developing economies excluding China, steel demand is forecast to grow by 4.9% in 2018.

Indian Economic Environment

GDP growth for the year 2017-18 has been estimated at 6.7% at constant market prices as per the provisional estimates of annual national income by the Central Statistics Office (CSO), compared to 7.1% in 2016-17. The advance estimates have pegged agriculture and allied sectors growth at 3.4%, industry sector at 5.5% and services sector at 7.9% for 2017-18. The estimated GDP growth rate during Q-4 of Financial Year 2017-18 was 7.7% compared to 6.1% in the corresponding quarter of the previous year, with growth in agriculture (4.5%), manufacturing (9.1%) and construction sectors(11.5%) contributing to overall growth in Q-4 of Financial Year 2017-18.



(RE: Revised Estimates, AE: Advance Estimates)

The Index of Industrial Production(IIP) growth during 2017-18 is estimated at 4.3% compared to 4.6% growth during same period last year. IIP growth rates for mining, manufacturing and electricity sectors for 2017-18 are at 2.3%, 4.5% and 5.4% respectively. In the same period, while consumer durables registered a modest growth of 0.7%, consumer non-durables registered a growth of 10.4%. Capital goods and Infrastructure/Construction goods registered growth of 3.9% and 5.6% respectively.

Fiscal deficit for the Financial Year 2017-18, as per revised estimates (RE) stood at 3.5% of GDP. The budget estimate of fiscal deficit for 2018-19 has been set at 3.3% of GDP.

Indian Steel Scenario

According to Word Steel Association, India produced 101.4 MT of Crude Steel during calendar year 2017, up by 6.2% over 2016. As per Joint Plant Committee (JPC), production of Crude Steel during Financial Year 2017-18 stood at 102.3 MT, at a growth of 4.5% over same period last year. Finished steel production (non alloy+alloy/stainless) also registered a growth of 3.1% to reach 105 MT during Financial Year 2017-18, compared to same period last year. Exports of total finished steel increased by 16.7% to 9.6 MT during Financial Year 2017-18 over last year, while imports increased by 3.5% to 7.5 MT.

Consumption of total finished steel in India stood at 90.7 MT in Financial Year 2017-18, up by 7.9% over same period of last year. Demand for finished steel in India is expected to grow at 5.5% in 2018, as projected by World Steel Association.

B. OPPORTUNITIES & THREATS FOR SAIL

Opportunities:

- India is one of the fastest growing steel consumers in the World and is all set to become the 2nd largest steel consumer in the World in the coming years.
- Options to outsource non-core activities viz. township, schools, hospitals, etc.
- Leveraging the benefits of Modernization and Expansion Plan to improve product quality and operational efficiency, and reduce cost of production.

Threats

- Stringent environment norms for Steel Plants and Mines.
- Naxalite affected mining areas.
- Increased competition from domestic as well as Global steel companies.
- Rake availability from the railways for inward and outward movement of raw materials and finished goods.

C. RISKS AND CONCERNS

- Internally, there have been deficiencies in the form of delays in the ramping up of production from the new Units due to initial stabilization factors. Further, higher capital related charges on account of incremental Depreciation and Interest of new facilities have also increased expenses.
- In order to determine Carrying Capacity of mining leases of such mines which are under operation in Saranda Forests in Jharkhand, Ministry of Environment, Forest and Climate Change (MoEFCC) is in the process of finalisation of report on Mining Plan for Sustainable Mining (MPSM). As per the draft MPSM, the leases of Manoharpur (Chiria) ore mines falls in Ankua Forest Block, the proposed Critical Biological Hot Spot, and thus, may restrict/ prohibit mining in entire Chiria leases. Chiria being the single largest iron ore deposit in the Country, having estimated resources of about 2 billion tonnes is essential for iron ore security of the Steel Plants of the Company. Finalisation of MPSM in aforesaid direction may impact future of Chiria mine of SAIL.
- Bolani Iron Ore Mines consists of two Leases viz. 5.1 Sq. Mile Lease and 6.9 Sq. Mile Lease. The infrastructures in the 6.9 Sq. Mile lease are necessary for sustenance of operation of adjoining 5.1 Sq. Mile lease of Bolani Ore Mines due to geographical location of the Leases. Extension of lease period of the 6.9 Sq. Mile Lease of Bolani Mine in Odisha under MMDR (Amendment Act), 2015 read with notification dated 3rd December, 2015 of Ministry of Mines, Government of India is pending with Steel & Mines Department, Government of Odisha. Extension of lease period for 6.9 Sq. Mile Lease is essential for un-interrupted operation of Bolani Mine.

  Government of Odisha issued a "Show Cause" Notice on 17th March, 2017 to SAIL asking as to why the 6.9 Sq. Mile Lease should not be lapsed for not filing the necessary application for saving the Lease as provided under Rule 28(2) of the erstwhile MCR, 1960. The Company has submitted its reply to the said Show Cause notice on 15th July, 2017 and also attended a personal hearing in the matter on 22nd July, 2017. Final Order of the State Govt. in this regard is still awaited.
- In view of revised Guidelines dated 1st April, 2015, issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, there is a requirement of payment of NPV (about ₹1,100 Crore) for entire forest land within mining lease area by 30th March, 2017. SAIL, being a Government Company, the matter has been taken up with MoEFCC for exemption of payment of NPV under the referred Guidelines. As the clarification in this regard was not provided by MoEFCC, therefore, to avoid closure of SAIL mines in Jharkhand on account of non payment of NPV, the Company had approached Hon'ble Jharkhand High Court for relief and Hon'ble Court in its interim Order directed not to take any coercive action against SAIL. Further, Hon'ble High Court in its Judgment dated 27th April, 2017 has observed that "having regard to the nature of the issues involved, this Court is of the opinion that the matter is required to be heard by learned Division Bench of this Court". Hearing of the matter in the Division Bench is yet to start.

D. OUTLOOK

Analysts are upbeat over the expected above normal monsoon and higher GDP growth. The slow pace of public and private sector projects is expected to improve with the Government of India's thrust on infrastructure projects. Further, 'Make in India' initiative has got a boost by a slew of measures aimed at improving the ease of doing business in the Country. Small and medium industry- a major employment generator for the economy- has been liberated to participate in the Nation's development in accordance with its potential. Bold measures by the Government such as improved targeting of subsidy, broadening of the tax base and expected buoyancy in tax revenue are all aimed at achieving the fiscal consolidation which had been an area of concern in the recent past.

E. STRENGTHS & WEAKNESSES

Strengths

- SAIL is one of the largest steel producers in the Country, with a well diversified product portfolio, a robust nationwide marketing network, captive iron ore resources, skilled and highly qualified manpower and a dedicated R&D facility.
- Availability of land bank at existing Plant/Unit locations for future capacity expansion.
- Modernization and Expansion Plan culminating with new and modernised units, newer technology, enhanced product portfolio with more value added products, efficient and more environment friendly operations.
- Highly qualified professionals with experience in steel making.

Weaknesses

- Dependence on external sources for coking coal exposes the Company to market risks.
- Limited captive availability of high quality raw materials.
- High manpower cost and relatively low manpower productivity.

F. REVIEW OF FINANCIAL PERFORMANCE

1. FINANCIAL OVERVIEW OF SAIL

SAIL achieved sales turnover of ₹58,297 crore during the Financial Year 2017-18, which was higher by 19% over last year's turnover of ₹49,180 crore. However, the net sales turnover of ₹56,893 crore was higher by 30% over last year's net sales turover of ₹43,866 crore. During the Financial Year 2017-18, there was Loss after Tax of ₹481.71 crore as compared to Loss after Tax of ₹2,833.24 crore during the last year, which reflects 83% better performance than last year. The comparative performance of major financial parameters during the Financial Years 2017-18 and 2016-17 is given below:

(₹ crore)

Particulars	2017-18	2016-17
Sales Turnover	58297.26	49180.24
Less: Excise Duty	1403.90	5314.69
Net Sales Turnover	56893.36	43865.55
Profit before interest, depreciation, exceptional/abnormal items and tax (EBIDTA)	5184.37	671.60
Less: Interest and Finance Charges	2822.75	2527.82
Less: Depreciation	3064.92	2679.95
Profit before tax (PBT) before exceptional / abnormal items	-703.30	-4536.17
Exceptional Items :		
Less: Exceptional Item-Voluntary Retirement Compensation	254.20	216.74
Pension Provision Written back	-458.16	0.00
Wage Revision Provision	-110.82	0.00
Other Exceptional Items	288.35	0.00
Less: Abnormal Item-Expenses on temporarily suspended mines	82.07	97.95
Profit (+)/Loss(-) Before Tax	-758.94	-4850.86
Less: Provision for taxation	-277.23	-2017.62
Profit(+)/Loss(-) After Tax	-481.71	-2833.24
Other Comprehensive Income	186.32	-353.60
Total Comprehensive Income (+)/Loss(-)	-295.39	-3186.84
Net Worth	35714	36009
EBIDTA to Net sales (%)	9.11	1.53
Return (PAT) on Net worth (%)	-1.35	-7.87
EBIDTA to average capital employed (%)	8.78	1.27
Earning per share of Rupee 10/- each	-1.17	-6.86
Debt Equity Ratio	1.27:1	1.15:1

As compared to last year, the Loss before Tax of the Company in the Financial Year 2017-18 has reduced mainly due to higher Saleable Steel Production(1.5%), concast production(11%), Saleable Steel Sales(7%), Net Sales Realisation of 5 Integrated Steel Plants(20%), improved product mix, write back of pension provision for the period 1st April, 2015 to 31st December, 2016, write back of wage revision provision of Q4 of Financial Year 2016-17, higher usage of CDI for CDI furnaces, reduction in coke rate, improvement in BF productivity, improvement in energy consumption, reduction in salaries & wages, etc. However, the profitability of the Company has been adversely affected due to provision towards various mining related issues, increase in average imported and indigenous coal prices, increase in consumption of stores & spares, repairs & maintenance, security expenses, higher usage of imported coal in blend due to lower availability of indigenous coal, increase in average rate of purchased power, increase in interest cost and depreciation, etc.

1.2 Initiatives Taken by the SAIL Management

1.2.1 Turnaround Plan

In order to meet the challenges of adverse business environment, a Company-wide turnaround program named 'SAIL Uday' was initiated during 2016-17. The program was taken up with an aim to review and sharpen SAIL's business strategies and processes, build for sustained market leadership and drive the Company towards profitability. As a part of the 'SAIL Uday' program, the Company engaged M/s. Boston Consulting Group (BCG), a leading Global Management Consultant, to study the health of the Company, suggest suitable measures for its turnaround and provide hand holding support and assistance to SAIL for implementation of approved road map for turnaround. The study phase of 'SAIL Uday' culminated in October, 2017 with the submission of the 'Comprehensive Turnaround Roadmap' Report by M/s. Boston Consulting Group (BCG). The Roadmap contains over 260 recommendations encompassing various functional areas of the Company including Raw Materials, Production, Sales & Marketing, Supply Chain & Logistics, Man Power & Productivity, etc. The Company has now embarked upon the next phase of "SAIL Uday" program involving implementation of the recommendations which would contribute towards achieving the Company's turnaround.

1.2.2 Cost Control Measures

- Emphasis on cost reduction with improvement in productivity continued during the year through process improvement and efforts by R&D. Awareness was created at all levels to control cost in all areas of operation.
- Strategic actions such as optimizing coal blend, improvement in yields, reduction in coke rate, enhanced concast production, sale of idle assets and maximizing use of in-house engineering shops resulted in enhanced cost reduction during the year.
- During the Financial Year 2017-18, a total of 1269 employees separated from the services of the Company through the Voluntary Retirement Scheme (VRS), 2017. With a view to further rationalise manpower, VRS, 2018 has been implemented w.e.f. 1st May, 2018.

1.2.3 Marketing

The Company took various initiatives during the Financial Year 2017-18 aimed at sustaining and consolidating its position as the leading steel producer of the Country.

Further, with a view to widening the options that the Company makes available to customers and to meet their needs for customized or specific application steels, a number of new products were developed in 2017-18, including the following:

- API grade certification is the international benchmark for steel used in Oil and Gas pipelines. SAIL has developed API X-70 PSL-2 Grade Plates from the New Plate Mill at RSP to meet the demand from the oil sector. Your Company is now certified to produce plates compliant to this critical grade, thereby opening up the lucrative market in oil and gas pipelines.
- As infrastructure grows, more and more steel bridges shall be constructed using specialised steels optimised for this end use. The World's highest railway bridge (the Chenab Bridge in Jammu & Kashmir), is situated where ambient temperatures can go below zero degrees centigrade. The steel structure of the bridge, however, is required to perform without any compromise of safety even at extreme low temperatures. In response to this demanding requirement, your Company developed Customized IS:2062 E 250 C & Customized IS:2062 E 410 C plates, which go beyond the normal grades and guarantee higher strength and higher toughness even at - 20° Celsius.
- In order to meet the needs of our defence forces, your Company has developed Quenched & Tempered Plates under the brand SAIL ARM. These plates can be used for ammunition testing, armour plating, etc.
- Railway Wagons need steel with high strength and toughness. In order to meet requirements for high capacity wagons as per new designs by RDSO, SAIL developed and supplied High Strength plates conforming to quality ISH 5986 Gr. 590R for this critical application.

In order to introduce customers to the advantages offered by SAIL's new product range, the Company formed dedicated cross functional teams for marketing products from the new mills at IISCO Steel Plant, Durgapur Steel Plant, Rourkela

Steel Plant & Bokaro Steel Plant and engaging with new market segments. Seminars, workshops and meetings were organized with end users, architects, structural designers, etc. Visits were exchanged between customers, SAIL Plants, designers and architects in order to achieve a mutual understanding of end user requirements as well as production, performance and testing parameters. These efforts enabled your Company to develop and supply several new grades and products, including commencement of supplies to the highly demanding and high value auto segment. It also enabled to open up potential markets for supply of API X-70 plates to the demanding oil sector and for supply of parallel flange beams to State Electricity Boards.

To enhance its product basket and develop avenues for enhancing value to the customer, a new vertical "Special Initiatives Group" (SIG) has been formed in the marketing department. The SIG has focused on last mile connectivity i.e. bridging the gap between mill products and the customer's end use, and has identified new avenues for creating value such as Re-Bar Processing; Crash Barriers; Precision Pipes; Colour Coated Sheets, etc.

In order to tap the potential of the vast rural market, your Company has taken the initiative of conducting rural workshops to educate rural Indians about usage of steel. In the Financial Year 2017-18, more than 100 locations over 26 States / Union Territories have been covered.

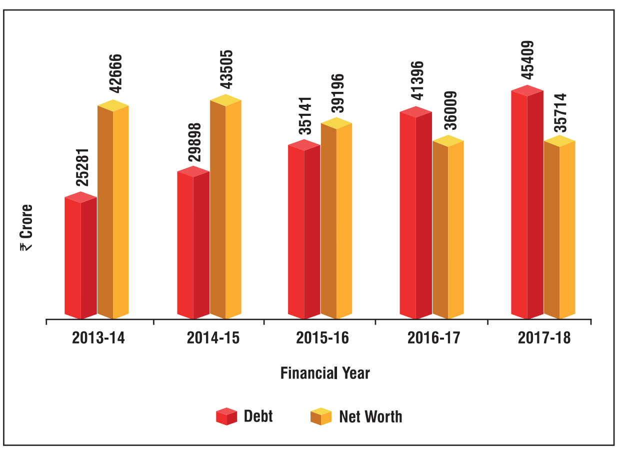
To enhance value to customer, nearly 17,000 MT of steel in specially bundled and packed condition was door delivered directly to customers' site in Bangladesh.

Your Company has one of the largest marketing networks among the steel producers in the Country. As on 1st April, 2018, SAIL's network of marketing offices consists of 37 Branch Sales Offices, 10 Customer Contact Offices, 25 Departmental Warehouses and 22 functional Consignment Agency yards. Marketing effort is further supplemented through SAIL's extensive retail channel comprising of 1837 dealers, including 409 rural dealers that aims to reach the products of mass consumption to remote corners of the Country.

In order to further reach out to the end customer in the Retail Segment through an efficient distribution channel and provide value addition in product, delivery and services to customers, Distributors are being appointed across the Country as part of 2-tier Dealer- Distributor model.

1.3 Funds Management

During the year, the Company continued its thrust on judicious funds management including raising of funds at competitive rates, timely repayment of loans including interest, advance planning and action for future fund raising, etc. to meet the growth objectives. The Company had borrowings at ₹45,409 crore as on 31st March, 2018.The Company has fully hedged the foreign currency risk on Buyers' Credit and repayment of External Commercial Borrowings. The debt equity ratio of the Company increased to 1.27:1 as on 31st March 2018 from 1.15:1 as on 31st March, 2017 due to increase in borrowings as well as reduction in Net-worth during the year. The Net-worth of the Company declined from ₹36,009 crore as on 31st March, 2017 to ₹35,714 crore as on 31st March, 2018. M/s. CARE Ratings, M/s. India Ratings and M/s. Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA- Outlook: Negative', 'India Ratings AA- Outlook: Negative' and 'BWR AA Outlook: Negative' ratings respectively for SAIL's long-term borrowing programme.



1.4 Contribution to SAIL Gratuity Trust

The total contribution made by the Company to SAIL Gratuity Trust upto 31st March, 2018 was ₹ 3,349 crore. The fund size has grown to ₹ 6,309 crore as on 31st March, 2018, net of settlement done towards payment of Gratuity.

2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

2.1 Revenue from Operations

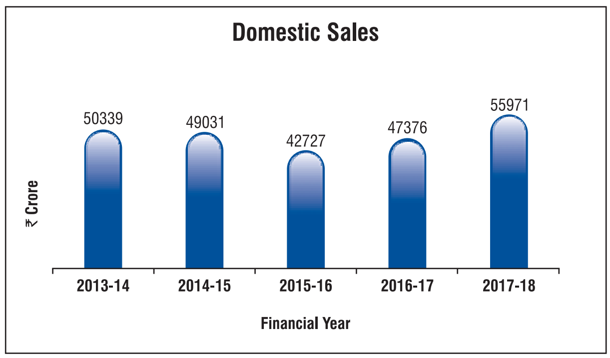
a) Sale of Products

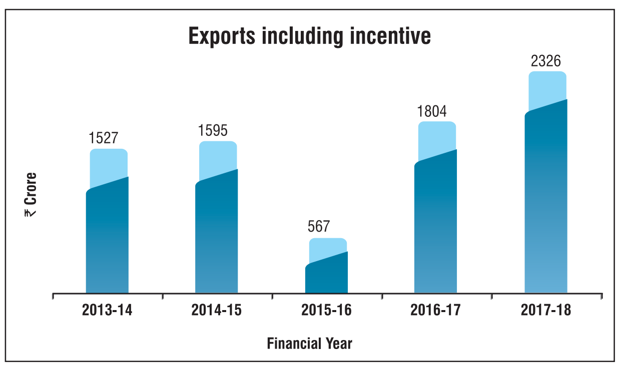
(₹ crore)

Particulars	FY 2017-18	FY 2016-17	Change %
Sales of Saleable Steel Products	55481.04	46653.91	18.92
Sales of Other Products	2816.22	2526.33	11.47
Total Sales Turnover	58297.26	49180.24	18.54
Less: Excise Duty	1403.90*	5314.69	-73.58
Net Sales Turnover	56893.36	43865.55	29.70

*Excise Duty is for the period upto 30th June 2017 which has been discontinued upon implementation of Goods and Services Tax (GST) w.e.f. 1st July 2017. Turnover is net of GST as per the requirement under INDAS.

b) Trend of Domestic Sales and Exports





The Company catered to almost the entire gamut of the mild steel business namely, Flat Products in the form of Plates, HR coils/sheets & CR coils/sheets, Galvanised Plain/Corrugated Sheets and Long Products comprising Rails, Structural, Wire-rods and Merchant Products. In addition, Electric Resistance Welded Pipes, Spiral Welded Pipes and Silicon Steel Sheets formed part of Company's rich product-mix. The product category-wise sales turnover during 2017-18 is given as under:

Products Category	% of Sales value
Saleable Steel	
Flat Products (including Pipes & Electrical sheets) (a)	51
Long Products (b)	41
Integrated Steel Plants - Mild Steel (c = a + b)	92
Alloy & Special Steel Plants - Alloy & Special Steel (d)	3
Total Saleable Steel (e = c + d)	**95**
Secondary Products (Pig Iron, Scrap, Coal Chemicals etc.) (f)	5
Total (g = e + f)	**100**

c) Sale of Services - Service Charges

(₹ crore)

FY 2017-18	FY 2016-17	Change %
23.56	31.89	-26.12

Revenue from sale of services decreased by about ₹8.33 crore during the current year.

d) Other Operating Revenues

(₹ crore)

FY 2017-18	FY 2016-17	Change %
641.54	554.97	15.60

Other operating revenues increased by about ₹86.57crore over previous year primarily on account of higher realisation from social amenities and sale of sundries.

2.2 Other Income

(₹ crore)

FY 2017-18	FY 2016-17	Change %
484.45	535.61	-9.55

Other income decreased by about ₹51.16 crore over previous year mainly due to decrease in interest income from customers and term deposits and decrease in dividend income.

2.3 Expenditure

(₹ crore)

Particulars	FY 2017-18	FY 2016-17	% Change
Raw Materials Consumed	26678	21126	26.28
Employee Remuneration & Benefits	8850	8948	-1.10
Finance Cost	2823	2528	11.67
Depreciation	3065	2680	14.37
Other Expenses	16276	14220	14.46

During the year 2017-18, there was unprecedented increase in average imported coal prices and this has affected the raw material prices substantially. Further, indigenous coal prices also increased in line with imported coal prices due to invoking of imported coal price parity by domestic coal companies. During the year, the Employees' Remuneration & Benefits have decreased mainly due to reduction in manpower numbers on account of natural separation and voluntary retirement scheme. Higher finance cost was due to increase in borrowings and increase in depreciation was due to capitalization of new facilities. The increase in other expenses was on account of increase in the cost of stores & spares, repairs & maintenance, power & fuel, royalty and cess, etc.

2.4 Contribution to Exchequer

During the year, SAIL contributed ₹9,295 crore to the national exchequer by way of payment of taxes and duties to various government agencies.

2.5 Non-Current / Current Assets

(₹ crore)

Particulars	2017-18	2016-17	Change %
Non-Current Assets			
(a) Property, Plant and Equipment	57156	48762	17.21
(b) Capital Work-in-Progress	18395	23275	-20.97
(c) Investment Property	1	1	-3.49
(d) Intangible Assets	1455	1523	-4.46
(e) Financial Assets			
(i) Investments	1491	1395	6.87
(ii) Trade Receivables			
(iii) Loans	451	454	-0.45
(iv) Other Financial Assets	166	262	-36.67
(f) Deferred Tax Assets (Net)	4185	4006	4.48
(g) Non current tax assets (Net)	190	236	-19.30
(h) Other non-current assets	1060	1080	-1.85
TOTAL NON-CURRENT ASSETS	**84552**	**80994**	**4.39**

(₹ crore)

Particulars	2017-18	2016-17	Change %
Current Assets			
(a) Inventories	16997	15711	8.18
(b) Financial Assets			
(i) Trade Receivables	3870	2922	32.46
(ii) Cash & cash equivalents	79	121	-34.30
(iii) Bank balances other than (ii) above	175	168	3.84
(iv) Loans	63	61	3.95
(v) Other Financial Assets	2787	2268	22.89
(c) Current Tax Assets (Net)			
(d) Other Current Assets	5634	4282	31.58
(e) Assets classified as held for sale	33	12	172.19
TOTAL CURRENT ASSETS	**29638**	**25545**	**16.02**
TOTAL ASSETS	**114190**	**106539**	**7.18**

- Property, Plant & Equipment increased by ₹ 8,394 crore mainly due to capitalization of new facilities.
- The capital work-in-progress decreased by ₹4,880 crore on account of capitalization of various capital schemes in steel Plants.
- The Non-current Investments has increased by ₹96 crore primarily due to investment in International Coal Ventures Private Limited, a Joint Venture Company of SAIL.
- Other Non-Current Assets decreased by ₹20 crore.
- The Inventories increased by ₹1,286 crore mainly on account of increase in raw materials inventory due to high quantity and increase of imported coking coal.
- Increase in trade receivables was by ₹948 crore.
- Other Current Assets increased by ₹1,352 crore, mainly on account of Input Tax Credit Receivable under GST law.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	2017-18	2016-17	Change %
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	29777	19087	56.0
(ii) Trade Payables	6	7	-18.5
(iii) Other Financial Liabilities	1179	1366	-13.7
(b) Long Term Provisions	3974	3594	10.6
(c) Deferred Tax Liabilities (Net)			
(d) Other Non-Current Liabilities	139	151	-7.9
Total Non-Current Liabilities	**35075**	**24206**	**44.9**
Current Liabilities			
(i) Borrowings	12244	19813	-38.2
(ii) Trade Payables	7540	5219	44.5
(iii) Other Financial Liabilities	14170	12766	11.0
(b) Other Current Liabilities	7142	5607	27.4
(c) Provisions	2304	2915	-20.9
(d) Current Tax Liabilities (Net)	-	5	-100.0
Total Current Liabilities	**43401**	**46324**	**-6.3**
Total (Current+Non-Current Liabilities)	**78476**	**70530**	**11.3**

- Increase in long term borrowings by 56% was due to replacement of short term borrowings with long term borrowings.
- The short term borrowings decreased by ₹7,569 crore due to repayment of Commercial Paper and repayment of Foreign Currency Buyers' Credit.

3. PLANT-WISE FINANCIAL PERFORMANCE (PROFIT BEFORE TAX)

(₹ crore)

Plant/Unit	2017-18	2016-17
Bhilai Steel Plant (BSP)	645.88	2.07
Durgapur Steel Plant (DSP)	-270.85	-951.16
Rourkela Steel Plant (RSP)	-180.24	-1357.80
Bokaro Steel Plant (BSL)	526.16	-203.07
IISCO Steel Plant (ISP)	-988.55	-1946.39
Alloy Steels Plant (ASP)	-47.46	-33.25
Salem Steel Plant (SSP)	-211.07	-234.99
Visvesvaraya Iron & Steel Plant (VISP)	-108.90	-116.89
SAIL Refractory Unit (SRU)	32.62	19.79
Chandrapur Ferro Alloys Plant (CFP)	19.30	-83.33
Raw Materials Division/Central Units*	-175.83	54.16
SAIL: Profit Before Tax (PBT)	**-758.94**	**-4850.86**

*including interest earned on deposits and retained in the books of Corporate Office.

G. MATERIALS MANAGEMENT

A number of initiatives were taken to reduce cost of inputs and improve the performance of materials management, some of which are summarized as under:

- **Inventory Reduction:** Despite higher volume of purchase of Stores & Spares (increase of about 30% on Y-o-Y basis), inventory holding as on 31st March, 2018 was 7.20 months only, slightly higher than 6.54 months as on 31st March, 2017.
- **Purchase Cost Reduction:** By adopting multi-pronged strategy in purchase of bulk items / Centralized Procurement Agency (CPA) items, cost-savings of more than ₹121 crore were achieved in several areas like Low Silica Limestone, Ferro-alloys and Sea Water Magnesia, etc.
- **E-Procurement:** E-tendering using Supplier Relationship Management / Enterprise Procurement System Platforms increased to 59.63% from 48.67% on Y-o-Y basis.
- **Systems Improvement:** Certain new/revised Policies and Procedures including Uniform Trial Procedure, Bank Guarantee Procedure in SAIL, General Terms & conditions for Sale & Auction from Plants/ Units of SAIL were issued during the Year 2017-18. Besides, for posting of data/ information on MSME Sambandh Portal of Govt. of India, an online module was developed for submission of data/ information by the Plants/ Units.

H. FOREIGN EXCHANGE CONSERVATION

The Company endeavors to procure equipment, raw materials and other inputs from indigenous sources to the extent they become available to the Company, at the commercially acceptable prices/costs and meet the requirements of the technologies being used in the Company. For incurrence of expenditure in foreign currency, besides exercising the requisite control, it is ensured that it is in the commercial interest of the Company. Further, the Company has also taken reasonable steps to ensure that all receivables in foreign exchange, which are due to the Company, are realized within contractual period.

I. PROJECT MANAGEMENT

AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement(AMR) Schemes have also been taken up which are required for management of existing operations and primarily focuses on improving the current level of efficiency and output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facilities for sustaining the existing operations, balancing / debottlenecking of production processes, improvement in energy & other resource consumption / services / safety and environment. Replacement includes mostly replacing the existing Plant & Equipment / facility with better performance Plant & Equipment / facility; Re-building of certain facilities like Coke Oven Batteries after its useful life is one of the types of Replacement Scheme. Accordingly, a number of AMR schemes costing around ₹7,124 crore are under implementation in different Plants of the Company as under:

- Construction of permanent Barracks at 21 locations for Rowghat Deposit, Upgradation of Stoves for Blast Furnace-4, Installation of Cast House Defuming System in Blast Furnace No.7, Setting up of Static facility for Environmentally Sound Management of Polychlorinated Biphenyls and Installation of Electro Static Precipitators as replacement of Multi Cyclones for all 4 nos. of Sinter Machine at Sinter Plant -II at Bhilai Steel Plant.
- Installation of new Rotary Hearth Reheating Furnace at Wheel & Axle Plant and Power Evacuation for 2x220MW New Power Plant at Durgapur Steel Plant.
- Installation of New Hot Strip Mill at Rourkela Steel Plant.
- Provision of Hydraulic Mudgun cum Drill Machine for Blast Furnace -1, Alternate Gas Network, New Sinter Plant, Modernization of Steel Melting Shop -I, Upgradation of Stoves of Blast Furnace No. 1, Rebuilding of Coke Oven Battery-8 and Upgradation of 6 nos. of Electro Static Precipitators of Lime Kiln and Replacement of Battery Cyclones with Electro Static Precipitators in Sinter Plant at Bokaro Steel Plant.
- 4 MW Power Plant at Chandrapur Ferro Alloy Plant.

J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the in-house design, engineering & consultancy Unit of SAIL provides the complete range of services from concept to successful commissioning of projects in the complete value chain of integrated steel plant and its mines. With a strength of about 240 qualified, trained and experienced engineers, CET is now taking leadership role in mineral beneficiation, pellet plant, material handling, power plant, slag granulation plant, stoves, water management, automation and many other related areas. The current major projects in its basket include Re-building of Coke Oven Battery No.7&8 at BSL, new 3.0 MT Hot Strip Mill at RSP, Modernization of SMS-1 at BSL, etc.

K. CONSULTANCY SERVICES

Your Company has one of the largest pool of qualified and experienced engineers, technologists, and professionally qualified HR & training experts. Based on its large and varied expertise and experience acquired over the last five decades, SAIL, through SAIL Consultancy Division('SAILCON') provides design, engineering, training, technical & management consultancy services in Iron & Steel and related areas and offers a wide range of services to clients globally. SAILCON is an ISO 9001:2015 certified quality organization and has actively undertaken ventures by drawing its strength from the extensive and varied expertise embedded in SAIL Plants and Units and served its esteemed customers as per their requirements. Technical and Management Training services are its forte and these services have been availed of by several organizations in private and public sector within India and abroad.

"SAILCON" has executed assignments within India and abroad covering countries like Egypt, Saudi Arabia, Iran, Qatar, Thailand, Nepal, Philippines, etc.

During the Financial Year 2017-18, SAILCON laid enhanced focus on taking up training assignments and provided training services in steel making to newly recruited executives of a green field integrated steel plant.

L. RESEARCH & DEVELOPMENT

Research and Development Centre for Iron & Steel (RDCIS) of the Company is India's premier research organization in the field of ferrous metallurgy. Recognizing that development and assimilation of new technologies & process innovations are basic tenets for sustainable growth, SAIL has given thrust for its R&D efforts through its well equipped R&D Centre located at Ranchi. It has more than three hundred diagnostic equipment and adequate pilot facilities under fifteen major laboratories. The centre undertakes research projects encompassing the entire spectrum of iron & steel starting from raw materials to finished products. In the year 2017-18, 92 projects were pursued and 38 projects completed with substantial benefits to the organization.

Three projects are being pursued with assistance from Ministry of Steel: (a) Development of Pilot scale pelletization technology for Indian Goethitic/ hematite ore with varying degree of fineness (completed in September 2017); (b) Indigenous development of model based breakout prediction system for Continuous Casters; and (c) Development of automation system for optimum coal blending at coal handling plant of coke oven batteries.

RDCIS also pursues pioneering work in the area of development of niche products as per market requirements aiming at superior performance based on application. During the year 2017-18, twenty products have been developed and some of the noteworthy products include resistant steels for Indian Construction Segment, Rail wagons, Pressure pipelines, Gas pipelines, Domestic LPG Cylinder, etc.

In its pursuit for excellence in various research fields, RDCIS enters into collaboration mode of research in specific areas with renowned research institutions and academia. During the year 2017-18, MoU/ Collaboration agreements have been entered into with institutions such as BIT, Sindri and IIT Kharagpur.

The efforts of RDCIS engineers and scientists have culminated in filing of 25 patents and 29 copyrights (in association with SAIL Plants) during 2017-18. As many as 90 technical papers (21 international) were published and 97 papers (24 international) were presented. In addition, RDCIS undertook contract research work and provided consultancy services and know-how to organisations outside SAIL.

In recognition of the contributions made by the Centre, RDCIS has bagged several prestigious awards (4 in total) during 2017-18 like Vigilance Excellence Award 2017, M. Visvesvaraya Award, etc.

M. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has an efficient system of internal controls for achieving the following business objectives of the Company:

- Efficiency of operations
- Protection of resources
- Accuracy and promptness of financial reporting
- Compliance with the laid down policies and procedures
- Compliance with various laws and regulations.

In SAIL, Internal Audit is a multi-disciplinary function which reviews, evaluates and appraises various systems, procedures/policies of the Company and suggests meaningful and useful improvements. It helps Management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance.

The Company is constantly taking measures to make the audit function more effective. The Internal Audit is subject to overall control environment supervised by Board Level Audit Committee, providing independence to the Internal Audit Function, emphasizing transparency in the systems and internal controls with appropriate skill-mix of Internal Audit Personnel, etc. Audit Plan based on identification of key-risk areas with thrust on system/process audits and benchmarking of the best practices followed in the Plants/Units, is made and approved by Audit Committee so as to achieve overall efficiency improvement including cost reduction in operations of the Company. Development of Internal Audit Executives, bringing awareness amongst auditees, converging on the pro-active role of internal audit remained other focus areas during the year. The Audit Committee in its meetings with the Company's Statutory Auditors also ascertains their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations are acted upon by the Management. The Audit Committee, inter-alia, has also monitored /reviewed the following areas:

- Periodic review of Enterprise Risk Management (ERM).
- Status of Contingent Liabilities.
- Energy Audit.
- Functioning of Vigil Mechanism in SAIL.
- Cost Audit Reports.
- Estate Related Issues.

The Internal Audit System is supplemented by well-documented Policies, Guidelines and Procedures and regular reviews are being carried out by the Internal Audit Department. The reports containing Significant Audit Findings are periodically submitted to the Management and Audit Committee of the Board.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

Balance Sheet

As at 31st March, 2018

STANDALONE

(₹ crore)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	**57156.09**	48762.03
(b) Capital work-in-progress	5	**18395.43**	23275.39
(c) Investment property	6	**0.83**	0.86
(d) Intangible assets	7	**1454.63**	1522.58
(e) Financial assets			
(i) Investments	8	**1491.30**	1395.48
(ii) Trade receivables	9	**-**	-
(iii) Loans	10	**451.46**	453.52
(iv) Other financial assets	11	**166.18**	262.42
(f) Deferred tax assets (net)	12	**4185.27**	4005.84
(g) Current tax assests (net)	13	**190.31**	235.81
(h) Other non-current assets	14	**1060.10**	1080.12
		84551.60	80994.05
Current Assets			
(a) Inventories	15	**16996.67**	15711.35
(b) Financial assets			
(i) Trade receivables	16	**3869.94**	2921.69
(ii) Cash and cash equivalents	17 (i)	**79.45**	120.93
(iii) Other bank balances	17 (ii)	**174.61**	168.16
(iv) Loans	18	**63.41**	61.47
(v) Other financial assets	19	**2787.20**	2267.85
(c) Other current assets	20	**5634.42**	4282.03
		29605.70	25533.48
Assets classified as held for sale	21	**32.50**	11.94
TOTAL ASSETS		**114189.80**	106539.47
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	**4130.53**	4130.53
(b) Other equity	23	**31583.14**	31878.53
		35713.67	36009.06
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**29777.16**	19087.48
(ii) Trade payables	25	**6.38**	7.36
(iii) Other financial liabilities	26	**1179.36**	1365.93
(b) Provisions	27	**3973.28**	3593.94
(c) Other non-current liabilities	28	**138.33**	151.29
		35074.51	24206.00
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	**12244.32**	19813.04
(ii) Trade payables	30	**7540.50**	5219.20
(iii) Other financial liabilities	31	**14170.20**	12765.62
(b) Other current liabilities	32	**7142.42**	5607.26
(c) Provisions	33	**2304.18**	2914.77
(d) Current tax liabilities (net)	34	**-**	4.52
		43,401.62	46,324.41
TOTAL EQUITY & LIABILITIES		**114189.80**	106539.47
Significant Accounting Policies	3		

The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Statement of Profit & Loss
For the year ended 31st March, 2018

(₹ crore)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Income			
Revenue from operations	35	**58962.36**	49767.10
Other income	36	**484.45**	535.61
Total Income		**59446.81**	50302.71
Expenses			
Cost of materials consumed	37	**26678.81**	21125.70
Changes in inventories of finished goods and work in progress	38	**1135.49**	120.63
Excise duty		**1403.90**	5314.69
Employee benefits expense	39	**8850.07**	8947.83
Finance costs	40	**2822.75**	2527.82
Depreciation and amortisation expense		**3064.92**	2679.95
Other expenses	41	**16276.24**	14220.21
Total expenses		**60232.18**	54936.83
Profit/(Loss) before Exceptional items and tax		**(785.37)**	(4634.12)
Less: Exceptional items	41A	**(26.43)**	216.74
Profit/(Loss) before tax		**(758.94)**	(4850.86)
Tax expense			
Deferred tax		**(312.96)**	(2032.76)
Earlier years		**35.73**	15.14
Total tax expense		**(277.23)**	(2017.62)
Profit/(Loss) for the year		**(481.71)**	(2833.24)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**275.33**	(545.04)
Gain and losses from investments in equity instruments designated at fair value through OCI		**8.79**	3.02
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(97.80)**	188.42
Other Comprehensive Income/(Loss) for the year		**186.32**	(353.60)
Total Comprehensive Income/(Loss) for the year		**(295.39)**	(3186.84)
Earnings per equity share			
Number of equity shares (face value ₹ 10/- each)		**4130525289**	4130525289
Basic and diluted earnings per share (₹)		**(1.17)**	(6.86)
Significant Accounting Policies	3		

The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Statement of Changes in Equity

For the year ended 31st March, 2018

A. Equity Share Capital

(₹ crore)

Particulars	**Balance as at 1st April, 2016**	**Changes in equity share capital**	**Balance as at 31st March, 2017**
Equity shares with voting rights	4,130.39	0.02	4,130.41
Equity shares without voting rights	0.14	(0.02)	0.12
	Balance as at 1st April, 2017	**Changes in equity share capital**	**Balance as at 31st March, 2018**
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12

B. Other Equity

(₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve	
	Capital Reserve	**Securities Premium Reserve**	**General Reserve**	**Bond Redemption Reserve**	**Retained Earnings**	**Equity Instruments through Other Comprehensive Income**	**Total**
Balance as at 1st April, 2016	1.75	235.10	5,095.13	1,449.96	28,283.65	(0.22)	35,065.37
(Loss) for the year	-		-	-	(2,833.24)		(2,833.24)
Other comprehensive income (loss) for the year	-	-	-	-	(356.62)	3.02	(353.60)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(3,189.86)**	**3.02**	**(3,186.84)**
Transfer from bond redemption reserve	-	-	-	(84.09)	84.09	-	-
Transfer to bond redemption reserve	-	-	-	607.77	(607.77)	-	-
Balance as at 31st March, 2017	**1.75**	**235.10**	**5,095.13**	**1,973.64**	**24,570.11**	**2.80**	**31,878.53**
Balance as at 1st April, 2017	**1.75**	**235.10**	**5,095.13**	**1,973.64**	**24,570.11**	**2.80**	**31,878.53**
(Loss) for the year	-	-	-	-	(481.71)		(481.71)
Other comprehensive income (loss) for the year (net of tax)	-	-	-	-	177.53	8.79	186.32
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(304.18)**	**8.79**	**(295.39)**
Transfer from bond redemption reserve	-	-	-	(239.75)	239.75	-	-
Transfer to bond redemption reserve	-	-	-	606.80	(606.80)	-	-
Balance as at 31st March, 2018	**1.75**	**235.10**	**5,095.13**	**2,340.69**	**23,898.88**	**11.59**	**31,583.14**

Significant Accounting Policies 3

The accompanying notes are an integral part of these standalone financial statements

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Cash Flow Statement

For the year ended 31st March, 2018

(₹ crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**(758.94)**	(4850.86)
	Adjustments for:		
	Depreciation and amortisation expenses	**3064.92**	2679.95
	Loss/(Gain) on disposal of fixed assets (net)	**72.80**	48.17
	Interest income	**(166.09)**	(0.10)
	Dividend income	**(76.16)**	(91.93)
	Finance costs	**2822.75**	2527.82
	Loss/(Gain) on sale of non-current investments	**-**	(0.01)
	Bad debts and provision for doubtful advances/receivables	**85.42**	74.47
	Other provisions	**130.32**	73.08
	Unclaimed balances and excess provisions written back	**(172.26)**	(97.62)
	Operating Profit/(Loss) before working capital changes	**5002.76**	362.97
	Changes in assets and liabilities:		
	Trade receivables	**(861.41)**	244.95
	Loans, other financial assets and other assets	**(1755.36)**	(431.53)
	Trade payable	**2320.32**	1217.02
	Other financial liabilities, other liabilities and provisions	**2813.08**	1801.41
	Inventories	**(1402.56)**	(1104.70)
	Cash flow from operating activities post working capital changes	**6116.83**	2090.12
	Income tax paid (net)	**40.98**	34.91
	Net cash flow from operating activities (A)	**6157.81**	2125.03
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(6757.49)**	(5452.18)
	Proceeds from sale/disposal of property, plant & equipment	**153.09**	25.02
	Purchase of current and non-current investments	**(100.11)**	(100.90)
	Movement in fixed deposits (net)	**(6.45)**	(2.64)
	Interest received	**166.09**	0.10
	Dividend received	**76.16**	91.93
	Net cash flows/(used) in investing activities (B)	**(6468.71)**	(5438.67)
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings (net)	**10689.68**	1591.77
	Proceeds from short-term borrowings (net)	**(7568.72)**	4238.18
	Finance cost paid	**(2851.54)**	(2527.82)
	Net cash flows/(used) in financing activities (C)	**269.42**	3302.13
	Increase in cash and cash equivalents (A+B+C)	**(41.48)**	(11.51)
	Cash and cash equivalents at the beginning of the year	**120.93**	132.44
	Cash and cash equivalents at the end of the year (Note No. 17(i))	**79.45**	120.93

The amendments to Ind AS 7 Cash Flow Statement requires the entity to provide disclosures that enables users of Financial Statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the Financial Statements due to this amendment.

(₹ crore)

			Non cash changes		
	As at 31.03.2017	**Cash Flows**	**Fair Value Changes**	**Current/Non Current Classification**	**As at 31.03.2018**
Borrowings - Non Current	19087.48	7417.97	-	(3271.71)	29777.16
Current Maturities of Long Term Debt	2381.74	(2381.74)	-	3271.71	3271.71
Borrowings - Current	19813.04	(7568.72)	-	-	12244.32

The cash flow statement has been prepared under the indirect method as set out in Ind AS-7, Statement of Cash Flows.

The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Notes to Standalone Financial Statements for the Year ended 31st March, 2018

1. Corporate and General Information

Steel Authority of India Limited (referred to as "the Company") is domiciled and incorporated in India. The Company, a Public Sector Undertaking conferred with Maharatna status by Government of India, is one of the largest steel producers in the Country. The registered office of the Company is situated at Ispat Bhawan, Lodhi Road, New Delhi-110 003. The securities of the Company are listed on the National, Bombay and London Stock Exchanges.

These financial statements have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2018.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the periods presented.

2.2 Basis of Measurement

The financial statements are prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities which are classified as fair value through profit and loss or fair value through other comprehensive income;
- assets held for sale, at the lower of the carrying amounts and fair value less cost to sell;
- defined benefit plans and plan assets.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ have been rounded off to the nearest two decimals of Crore unless otherwise stated.

2.4 Use of Estimates and Management Judgement

In preparing the financial statements in conformity with Company's Accounting Policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the Financial Statements. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

Property, Plant and Equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment losses. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Plant and Machinery also include assets held under finance lease.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs including trial run expenses (net of revenue)

Spares having useful life of more than one year and having value of ₹ 10 lakhs or more in each case, are capitalised under the respective heads as and when available for use.

Profit or loss arising on the disposal of property, plant and equipment is recognised in the Statement of Profit and Loss.

3.1.2 Subsequent Cost

Subsequent expenditure is recognised as an increase in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits derived from the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced item(s) is derecognised. .

Any repair of ₹ 50 lakhs or more of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Company. The carrying amount of the replaced item(s) is derecognised.

3.1.3 Depreciation

Depreciation on tangible assets and investment property is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II of the Companies Act, 2013 except in case of Factory Buildings, Plant and Machinery, Water Supply & Sewerage and Railway Lines & Sidings and components thereof, where useful life is determined by technical experts. The useful life assumed by the technical experts is as under:

Asset category	Estimated useful life (in years)
Factory Buildings	35 to 40
Plant and Machinery	10 to 40
Water Supply & Sewerage	25 to 40
Railway Lines & Sidings	35 to 40

For these classes of assets, based on technical evaluation carried out by external technical experts, the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives and residual values of depreciable/ amortisable assets are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the historical cost of a depreciable asset undergoes a change, the depreciation on the revised unamortised depreciable amount is provided over the residual useful life of the asset. Depreciation on addition/ deletion during the year is provided on pro-rata basis with reference to the month of addition/ deletion. Assets costing up to ₹ 5000/- are fully depreciated in the year in which they are put to use.

Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

Mining Rights are treated as Intangible Assets and all related costs thereof are amortised on the basis of annual production to the total estimated mineable reserves. In case the mining rights are not renewed, the balance related cost will be charged to revenue in the year of decision of non-renewal.

Acquisition Cost i.e. cost associated with acquisition of licenses, and rights to explore including related professional fees, payment towards statutory forestry clearances, as and when incurred, are treated as addition to the Mining Rights.

Other Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

Research and development

Development expenditure is capitalised only if it can be measured reliably and the related asset and process are identifiable and controlled by the Company. Research and other development expenditure is recognised as revenue expenditure as and when incurred.

3.2.2 Subsequent Cost

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

3.3 Impairment of Non-Financial Assets

The Company reviews the carrying amount of its assets on each Balance Sheet date for the purpose of ascertaining impairment indicators, if any, by considering assets of entire one Plant as Cash Generating Unit (CGU). If any such indication exists, the assets' recoverable amount is estimated, as higher of the Net Selling Price and the Value in Use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.4 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

The expenditure, which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per 5 year mining plan for mines, except collieries which is based on project report.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, which takes substantial period of time, are capitalised as a part of the cost of that asset, during the period of time that is necessary to complete and prepare the asset for its intended use.

The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Other borrowing costs are recognised in the Statement of Profit & Loss in the period in which these are incurred.

3.6 Inventories

Raw materials, Stores & Spares and Finished/Semi-finished products (including process scrap) are valued at lower of cost and net realisable value of the items of the respective Plants/Units. In case of identified obsolete/ surplus/ non-moving items, necessary provision is made and charged to revenue. The net realisable value of semi-finished special products, which have realisable value at finished stage only, is estimated for the purpose of comparison with cost.

Residue products and other scrap are valued at estimated net realisable value.

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

Finished/Semi-finished products - material cost plus appropriate share of labour, related overheads and duties.

3.7 Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset.

3.8 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement and re-measurement of monetary items denominated in foreign currency are recognised in the Statement of Profit and Loss at period-end exchange rates.

The Company opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.9 Employee Benefits

Defined Contribution Plan

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due.

Defined Benefit Plan

Defined benefit plans are the amount of the benefit that an employee will receive on completion of services by reference to length of service, last drawn salary or direct costs related to such benefits. The legal obligation for any benefits remains with the Company.

The liability recognised for Defined Benefit Plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Management estimates the present value of the DBO annually through valuations by an independent actuary using the projected unit credit method. Actuarial gains and losses are included in Statement of Profit and Loss or Other Comprehensive Income of the year.

Remeasurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, bonus, ex-gratia, annual leave and sick leave which are accrued in the year in which the associated services are rendered by employees of the Company.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

3.10 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

Sale of goods

Sales include excise duty (upto 30th June, 2017) and are net of Goods and Services Tax (GST) (from 1st July, 2017), rebates and price concessions. Sales are recognised at the time of transfer of risks and rewards of ownership of the goods to the buyers including the cases where delivery documents are endorsed in favour of the buyers. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

i) the issue of bill of lading, or

ii) negotiation of export bills upon expiry of laycan period, in cases where realisation of material value without shipment is provided in the letters of credit of respective contracts, whichever is earlier.

Export incentives under various schemes are recognised as income on certainty of realisation.

The iron ore fines not readily useable/saleable are included in inventory and revenue is recognised on disposal.

Interest and dividend income

Interest income is reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive is established.

3.11 Adjustment pertaining to Earlier Years

Income/Expenditure relating to prior period, which do not exceed 0.5% of Turnover in each case, is treated as income/expenditure of current year.

3.12 Claims for Liquidated Damages and Price Escalation

Claims for liquidated damages are accounted for as and when these are considered recoverable by the Company, on final settlement. These are adjusted to the capital cost or recognised in Statement of Profit and Loss, as the case may be on final settlement of Liquidated damages.

Suppliers' and Contractors' claims for price escalation are accounted for to the extent such claims are accepted by the Company.

3.13 Leases

Company as a Lessee

Finance leases

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

Company as a Lessor

Finance leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

Operating leases

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.14 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

3.15 Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Mine Closure

Mine Closure Provision includes the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas for mines. This provision is based on all regulatory requirements and related estimated cost based on best available information. Mine closure costs are provided for in the accounting period when the obligation arises based on the net present value of the estimated future costs of restoration to be incurred during the life of the operation and post closure.

The initial close-down and restoration provision is capitalised within "Property, Plant and Equipment". Subsequent movements in the close-down and restoration provisions for on-going operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, Plant and Equipment". These costs are depreciated over the lives of the assets to which they relate. Any changes in closure provisions relating to closed operations are charged /credited to the Statement of Profit and Loss. The amortisation or "unwinding" of the discount applied in establishing the provisions is charged as Finance Cost.

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

A Provision is recognised when the Company has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as a separate asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

In cases where the possible outflow of economic resources as a result of present obligation is considered improbable or remote, no Provision is recognised or disclosure is made.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

3.18 Income Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

3.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in value.

3.20 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital.

Components of other equity include the following:

- Re-measurement of defined benefit liability comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets.
- Bond Redemption Reserve.
- Other transactions recorded directly in Other Comprehensive Income.
- Retained earnings include all current and prior period retained profits

3.21 Financial Instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised and are measured initially at fair value adjusted by transactions costs, except for those financial assets which are classified at Fair Value through Profit & Loss (FVTPL) at inception.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Amortised cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or that are equity instruments held for

trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are irrevocable designated to this category at inception.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in statement of profit or loss.

Current versus Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

  All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Segment reporting

The Company has 8 operating/reportable segments: the five integrated steel plants and three alloy steel plants, being separate manufacturing units, have been considered reportable segments. In identifying these operating segments, management generally considers the Company's separately identifiable manufacturing operations representing its main operations.

Each of these operating segments is managed separately as each requires different technologies, raw materials and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Company's administrative head office and mining operations.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All derivative financial instruments are accounted for at FVTPL.

Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Trade Receivables

The Company applies approach as specified in Indian Accounting Standards (Ind AS) 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.22 Investments in subsidiaries, joint ventures and associates

The Company has accounted for its subsidiaries and associates, joint ventures at cost in its standalone financial statements in accordance with Ind AS- 27, Separate Financial Statements.

3.23 Significant Judgements, Assumptions, and Estimations in applying Accounting Policies

3.23.1 Classification of Leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

3.23.2 Close-down and Restoration Obligations

Close-down and restoration costs are normal consequence of mining or production, and majority of close-down and restoration expenditure are incurred in the years following the closure of mine, although the ultimate cost to be incurred is uncertain, the Company estimate their costs using current restoration techniques.

3.23.3 Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

3.23.4 Inventories

The Company estimates the cost of inventories taking into account the most reliable evidence, such as cost of materials and overheads considered attributable to the production of such inventories including actual cost of production, etc. Management also estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

3.23.5 Defined Benefit Obligation (DBO)

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

3.23.6 Fair Value Measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.23.7 Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

3.23.8 Mine Closure and Restoration Obligations

Environmental liabilities and Asset Retirement Obligation (ARO): Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.

3.23.9 Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. Plant, Mines & Others										
Land										
-Freehold land	272.38	19.26	-	291.64	0.87	-	-	0.87	290.77	271.51
-Leasehold land	979.78	297.07	0.89	1275.96	216.68	68.11	0.25	284.54	991.42	763.10
Buildings and related equipments	5166.29	131.60	0.37	5297.52	1642.01	151.27	0.10	1793.18	3504.34	3524.28
Plant and machinery										
-Steel plant	66229.31	10496.73	524.78	76201.26	26347.98	2345.88	347.34	28346.52	47854.74	39881.28
-Others - owned	3029.76	113.48	82.97	3060.27	1953.94	121.13	71.85	2003.22	1057.05	1075.82
-Others - Leasehold (Refer note (ii))	1557.23	59.63	-	1616.86	657.37	106.03	-	763.40	853.46	899.86
Furniture and fixtures	125.22	4.58	(0.83)	130.63	91.91	5.82	0.19	97.54	33.09	33.31
Vehicles	1327.44	36.50	8.89	1355.05	756.26	74.21	8.39	822.08	532.97	571.18
Office equipments	60.29	1.48	0.58	61.19	47.69	2.74	0.50	49.93	11.26	12.60
Miscellaneous articles	318.75	30.10	1.07	347.78	209.84	13.93	0.85	222.92	124.86	108.91
Roads, Bridges & Culverts	343.16	58.61	0.55	401.22	229.19	26.68	(0.05)	255.92	145.30	113.97
Water Supply & Sewerage	556.79	73.97	1.10	629.66	324.66	20.19	0.87	343.98	285.68	232.13
EDP Equipments	414.87	11.94	6.72	420.09	356.10	14.63	5.95	364.78	55.31	58.78
Railway Lines and Sidings	709.38	100.44	0.10	809.72	233.86	18.24	0.11	251.99	557.73	475.52
Sub-total 'A'	**81090.65**	**11435.39**	**627.19**	**91898.85**	**33068.36**	**2968.86**	**436.35**	**35600.87**	**56297.98**	**48022.25**
Figures for the previous year	74356.13	7025.80	291.32	81090.61	30709.10	2586.47	227.21	33068.36	48022.25	
B. Social Facilities										
Land										
-Freehold land	10.88	0.01	-	10.89	-	-	-	-	10.89	10.88
-Leasehold land	9.39	0.61	-	10.00	5.95	0.13	-	6.08	3.92	3.44
Buildings and related equipments	683.77	61.75	0.44	745.08	317.03	17.95	0.37	334.61	410.47	366.74
Plant and machinery - others	149.46	28.34	1.69	176.11	99.50	6.62	1.23	104.89	71.22	49.96
Furniture and fixtures	26.88	0.47	0.60	26.75	19.51	1.26	0.30	20.47	6.28	7.37
Vehicles	11.23	0.20	0.16	11.27	9.80	0.34	0.11	10.03	1.24	1.43
Office equipments	4.53	0.10	0.12	4.51	3.72	0.28	0.11	3.89	0.62	0.79
Miscellaneous articles	226.80	6.46	2.03	231.23	135.31	11.63	1.76	145.18	86.05	91.51
Roads, Bridges & Culverts	130.90	5.08	0.02	135.96	85.11	13.50	0.01	98.60	37.36	45.79
Water Supply & Sewerage	226.54	74.31	-	300.85	123.95	7.32	-	131.27	169.58	102.59
EDP equipments	12.02	0.17	0.81	11.38	9.91	0.36	0.46	9.81	1.57	2.11
Sub-total 'B'	**1492.40**	**177.50**	**5.87**	**1664.03**	**809.79**	**59.39**	**4.35**	**864.83**	**799.20**	**682.61**
Figures for the previous year	1437.90	62.59	8.09	1492.40	761.35	54.59	6.15	809.79	682.61	
C. Property, plant and equipment retired from active use										
Assets retired from active use	57.17	35.27	33.53	58.91	-	-	-	-	58.91	57.17
Figures for the previous year	55.29	9.02	7.14	57.17	-	-	-	-	57.17	
Total ('A'+'B'+C')	**82640.22**	**11648.16**	**666.59**	**93621.79**	**33878.15**	**3028.25**	**440.70**	**36465.70**	**57156.09**	**48762.03**
Figures for the previous year	75849.32	7097.41	306.55	82640.18	31470.45	2641.06	233.36	33878.15	48762.03	

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Note : Allocation of Depreciation of PPE, Intangible assets and Investment property		
(a) Charged to Profit & Loss Account	**3064.92**	2679.95
(b) Charged to expenditure during construction	**4.15**	5.12
	3069.07	2685.07

(i) Contractual obligations

Refer note 48.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Land:

(a) Includes 68,019.40 acres (67,718.76 acres as on 31st March, 2017) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.

(b) Includes 34,576.05 acres (34,061.08 acres as on 31st March, 2017) in respect of which title is under dispute.

(c) 9,367.80 acres (9007.46 acres as on 31st March, 2017) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 6,187.95 acres (6384.17 acres as on 31st March, 2017) given on lease to various agencies/employees/ex-employees.

(e) Includes 4070.09 acres (4,436.70 acres as on 31st March, 2017) under unauthorised occupation.

(f) 1,762.92 acres (1,762.92 acres as on 31st March, 2017) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹ 63.13 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd.(NHAI) has acquired 12.19 acres.

(i) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹ 13.91 crore only for 15.62 acres. Management proposes to contest the same with appropriate authorities. Pending further action in the matter, no effect of above has been given in the accounts.

(iii) Other Assets:

(a) Buildings include net block of ₹ 21.23 crore as on 31st March, 2018 (₹ 21.18 crore as on 31st March, 2017) for which conveyance deed is yet to be registered in the name of the Company.

(b) Includes 7107 (7038 as on 31st March, 2017), residential quarters/houses under unauthorised occupation.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

			As at 31st March, 2018		As at 31st March, 2017
5: CAPITAL WORK IN PROGRESS					
Steel Plants & Units		**18168.23**		22922.89	
Township		**91.56**		107.49	
Ore Mines and Quarries		**314.32**		399.14	
		18574.11		23429.52	
Less: Provisions		**215.26**	**18358.85**	199.32	23230.20
Construction stores and spares		**24.65**		37.49	
Less: Provision for non-moving items		**3.18**	**21.47**	3.39	34.10
Expenditure during construction pending allocation (Note 5.1)			**15.11**		11.09
			18395.43		23275.39

5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION

Opening balance	(a)		**11.09**		7.91
Expenditure incurred during the year					
Employees' Remuneration & Benefits					
Salaries & Wages		**90.30**		121.40	
Company's contribution to provident fund		**3.86**		10.86	
Travel concession		**2.96**		3.08	
Welfare expenses		**0.07**		0.11	
Gratuity		**3.53**	**100.72**	0.71	136.16
Other expenses					
Technical consultants' fees & know-how		**4.47**		8.56	
Power & Fuel		**76.29**		134.97	
Other expenses		**6.19**		6.68	
Interest & Finance charges		**668.52**		581.90	
Depreciation		**4.15**	**759.62**	5.12	737.23
			860.34		873.39
Less: Recoveries					
Interest Earned		**0.27**		0.47	
Liquidated damages		**0.22**		2.49	
Hire charges		**0.45**		0.35	
Sundries		**8.86**	**9.80**	17.99	21.30
Net expenditure during the year	**(b)**		**850.54**		852.09
	Total (a)+(b)		**861.63**		860.00
Less : Amount allocated to Property, Plant and Equitpment / Capital Work-in-progress			**846.52**		848.91
Balance carried forward			**15.11**		11.09

6: INVESTMENT PROPERTIES

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. BUILDINGS										
Buildings	1.45	-	-	1.45	0.59	0.03	-	0.62	0.83	0.86
Sub-total 'A'	**1.45**	**-**	**-**	**1.45**	**0.59**	**0.03**	**-**	**0.62**	**0.83**	**0.86**
Figures for the previous year	1.45	-	-	1.45	0.57	0.02	-	0.59	0.86	

(i) Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

(ii) Amount recognised in profit and loss for investment properties

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Rental income	**1.52**	1.30
Direct operating expenses that generated rental income*	**-**	-
Direct operating expenses that did not generate rental income*	**-**	-
Profit from leasing of investment properties before depreciation	**1.52**	1.30
Depreciation	**0.03**	0.02
Profit from leasing of investment properties	**1.49**	1.28

*Direct expenses in relation to investment properties cannot be separately identified and are expected to be insignificant.

(iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payment receivable under non-cancellable leases of investment property are as follows:

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Within one year	**0.04**	0.02
Later than one year but not later than 5 years	**0.07**	0.02
Later than 5 years	**0.01**	0.07
	0.12	0.11

(iv) Fair value

Fair value of Investment properties as on 31st March, 2018 is ₹20.53 crore (₹21.66 crore as on 31st March, 2017)

(v) Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

a) Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

b) Discounted cash flow projections based on reliable estimates of future cash flows.

c) Circle rate of the property as provided by State Government.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. PLANTS, MINES & OTHERS										
Computer Software*	101.20	2.15	0.07	103.28	97.19	1.58	(0.04)	98.81	4.47	4.01
Mining Rights	1822.30	7.47	37.47	1792.30	303.83	39.18	0.84	342.17	1450.13	1518.50
Sub-total 'A'	**1923.50**	**9.62**	**37.54**	**1895.58**	**401.02**	**40.76**	**0.80**	**440.98**	**1454.60**	**1522.51**
Figures for the previous year	1903.76	20.35	0.58	1923.53	357.68	43.93	0.59	401.02	1522.51	
B. SOCIAL FACILITIES										
Computer Software*	0.62	-	-	0.62	0.56	0.03	-	0.59	0.03	0.07
Sub-total 'B'	**0.62**	**-**	**-**	**0.62**	**0.56**	**0.03**	**-**	**0.59**	**0.03**	**0.07**
Figures for the previous year	0.62	0.01	-	0.63	0.50	0.06	-	0.56	0.07	
Total ('A'+'B')	**1924.12**	**9.62**	**37.54**	**1896.20**	**401.58**	**40.79**	**0.80**	**441.57**	**1454.63**	**1522.58**
Figures for the previous year	1904.38	20.36	0.58	1924.16	358.18	43.99	0.59	401.58	1522.58	

*Computer software consists of capitalized development costs being an internally generated intangible assets.

**All ammortization changes are included within depreciation and ammortization expenses.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

8. INVESTMENTS

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Investments carried at cost				
In Subsidiaries				
SAIL Refractory Company Limited	**50,000**	50,000	**0.05**	0.05
SAIL- Jagdishpur Power Plant Limited	**50,000**	50,000	**0.05**	0.05
SAIL Sindri Projects Limited	**50,000**	50,000	**0.05**	0.05
Chattisgarh Mega Steel Limited	**37,000**	-	**0.04**	-
			0.19	0.15
In Associates (unquoted)				
Almora Meganasite Limited (Face value- ₹100/share)	**40,000**	40,000	**0.40**	0.40
			0.40	0.40
In Joint ventures (unquoted)				
NTPC- SAIL Power Company Pvt Limited	**49,02,50,050**	49,02,50,050	**490.25**	490.25
Bokaro Power Supply Company Pvt Limited	**12,40,25,000**	12,40,25,000	**124.03**	124.03
Bhilai Jaypee Cement Limited	**9,87,18,048**	9,87,18,048	**52.51**	52.51
SAIL- Bansal Service Centre Limited	**32,00,000**	32,00,000	**3.20**	3.20
MJunction services limited	**40,00,000**	40,00,000	**4.00**	4.00
S&T Mining Company Private Limited	**1,29,41,400**	1,29,41,400	**12.94**	12.94
SAIL MOIL Ferro Alloy Pvt. Ltd.	**1,00,000**	1,00,000	**0.10**	0.10
International Coal Ventures Pvt. Ltd.	**69,37,59,279**	59,37,59,279	**693.76**	593.76
SAIL-SCL Kerala Ltd.	**1,30,17,801**	1,30,17,801	**18.75**	18.75
SAIL-SCI Shipping Private Limited	**1,00,000**	1,00,000	**0.10**	0.10
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	**2,40,00,000**	2,40,00,000	**24.00**	24.00
SAIL-KOBE Iron India Pvt. Ltd.	**2,50,000**	2,50,000	**0.25**	0.25
Prime Gold -SAIL JVC Ltd.	**46,80,000**	46,80,000	**4.68**	4.68
North Bengal Dolomite Ltd (Face value-₹100/share)	**97,900**	97,900	**0.98**	0.98
Romelt SAIL (India) Limited	**63,000**	63,000	**0.06**	0.06
Bastar Railway Pvt Ltd	**10,500**	-	**0.01**	-
NMDC SAIL Ltd	**24,500**	-	**0.02**	-
SAIL-Bengal Alloy Castings Pvt. Ltd.	**10,000**	10,000	**0.01**	0.01
VSL-SAIL JVC LIMITED	**12,97,780**	12,97,780	**1.30**	1.30
			1,430.95	1,330.92
Total (A)			**1,431.54**	1,331.47
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	**60,000**	60,000	**10.95**	9.00
HDFC Bank Limited (Face value - ₹ 2/share)	**2,500**	2,500	**0.47**	0.36
ICICI Bank Limited (Face value - ₹ 2/share)	**1,57,300**	1,43,000	**4.38**	3.94
			15.80	13.30
Unquoted equity				
TRL Krozaki Refractories Limited	**22,03,150**	22,03,150	**34.05**	29.93
Indian Potash Limited	**3,60,000**	3,60,000	**17.57**	13.43
Haridaspur Paradeep Railway Co Ltd	**50,00,000**	50,00,000	**5.00**	5.00
Cement & Allied Products (Bihar) Limited	**2**	2	**-**	-
Chemical & Fertilizer Corporation (Bihar) Limited	**1**	1	**-**	-
Bhilai Power Supply Company Limited	**5**	5	**-**	-
MSTC Limited	**3,20,000**	1,60,000	**4.70**	6.66
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)#	**30,00,000**	30,00,000	**3.00**	3.00
UEC SAIL Information Technology Limited*	**1,80,000**	1,80,000	**0.18**	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	**0.01**	0.01
			64.51	58.21

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

8. INVESTMENTS (Contd.)

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
In Co-operative society				
Bokaro Steel Employees' Co.-operative Credit Society	**1,16,500**	1,16,500	**0.12**	0.12
Bokaro Steel City Central Consumers' Co-operative Society	**250**	250	**0.00**	0.00
NMDC Meghahatuburu Employees' Co-operative society (Face value ₹ 100/share)	**25**	25	**0.00**	0.00
DSP Employees'Co-operative society limited (Face value ₹ 100/share)	**1,377**	1,377	**0.01**	0.01
Bolani Ores Employees' Consumer co-operative society limited (Face value ₹ 25/share)	**200**	200	**0.00**	0.00
IISCO Employees Primary Co-operative society (Face value ₹ 20/share)	**23,000**	23,000	**0.05**	0.05
			0.18	0.18
Total (B)			**80.49**	71.69
Grand total (A+B)			**1,512.03**	1,403.16
Provision for impairment in the value of investments			**20.73**	7.68
Net investment			**1,491.30**	1,395.48
Aggregate amount of quoted investments (market value thereof)			**15.80**	13.30
Aggregate amount of unquoted investments			**1,496.23**	1,389.86
Aggregate amount of impairment in value of investments			**20.73**	7.68
			1,491.30	1,395.48

All equity shares have face value ₹10 each unless otherwise stated.

*Entity is under liquidation, therefore, not considered as joint venture despite of joint agreement between shareholders.

#Entity is under liquidation therefore not in the control of the Company.

9: TRADE RECEIVABLES - NON CURRENT

(₹ crore)

		As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)			
Unsecured*			
Considered good	-	**-**	-
Considered doubtful	7.83	**7.83**	7.83
	7.83	**7.83**	7.83
Provision for doubtful receivables	7.83	**7.83**	7.83
* Receivables due from directors and officers of the Company is nil (previous year nil)	-	-	-

10: LOANS - NON CURRENT

(Unsecured, considered good unless otherwise stated)*		
Security deposits	**101.81**	110.65
Loan to employees	**124.53**	157.40
Loan to others	**225.14**	185.49
	451.48	453.54
Less : Provision for doubtful loans	**0.02**	0.02
	451.46	453.52

* Receivables include amounts due from Directors - nil (previous year nil)

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		**76.73**		46.59
Advance for purchase of shares		**3.54**		104.27
Claims recoverable		**7.89**		-
Receivables other than trade		**76.95**		103.46
Receivables from employees		**0.09**		0.12
Loans and advances to related parties	**10.53**		10.53	
Less: Provision for doubtful related party advances	**2.53**	**8.00**	2.53	8.00
Fixed deposits with maturity period more than 12 months		**0.19**		-
		173.39		262.44
Less, Provision for doubtful assets		**7.21**		0.02
		166.18		262.42

12: DEFERRED TAX ASSETS (NET)

Tax effect of items constituting deferred tax liabilities				
Diff between book and tax depreciation	**8996.19**		7450.30	
Amortisation of financial assets/liabilities	**28.39**		31.39	
Fair value adjustment through OCI	**10.46**	**9035.04**	8.88	7490.57
Tax effect of items constituting deferred tax assets				
Retirement benefits	**8.73**		107.54	
Finance lease obligations	**85.64**		75.83	
Derivative adjustments	**54.81**		84.35	
Unpaid taxes and duties to be allowed on payment	**1156.38**		1122.61	
Losses available for offsetting against future taxable income	**9985.34**		8563.67	
Others	**877.58**	**12168.48**	491.41	10445.41
Tax credit (minimum alternative tax)		**1051.83**		1051.00
Deferred tax (assets) /liabilities (net)		**4185.27**		4005.84

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

12: DEFERRED TAX ASSETS (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2018 are summarized as follows:

(₹ crore)

Deferred tax assets/(liabilities)	As at April 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	7450.30	1545.89	-	8996.19
Amortisation of financial assets/liabilities	31.39	(3.00)	-	28.39
Fair value adjustment through OCI	8.88	-	1.58	10.46
	7490.57	**1542.89**	**1.58**	**9035.04**
Tax effect of items constituting deferred tax assets				
Retirement benefits	107.54	(2.59)	(96.22)	8.73
Finance lease obligations	75.83	9.81	-	85.64
Derivative adjustments	84.35	(29.54)	-	54.81
Unpaid taxes and duties to be allowed on payment	1122.61	33.77	-	1156.38
Losses available for offsetting against future taxable income	8563.67	1421.67	-	9985.34
Tax credit (minimum alternative tax)	1051.00	0.83	-	1051.83
Others	491.41	386.17	-	877.58
	11496.41	**1820.12**	**(96.22)**	**13220.31**
Deferred tax (assets) /liabilities (net)	**(4,005.84)**	**(277.23)**	**97.80**	**(4,185.27)**

The Company is having accumulated business losses (Including Investment Allowance) of ₹28,575.26 crore (Previous year- ₹24,744.77 crore) [including accumulated unabsorbed depreciation of ₹18,823.78 crore (Previous Year - ₹15,057.93 crore)] and MAT credit of ₹1,051.83 crore as on 31st March, 2018 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹9,751.48 crore (Previous Year - ₹9,686.84 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

In view of the various measures being implemented by the Government for upliftment of the Steel Industry and to boost the demand coupled with steps being taken by the Company to reduce the cost, improvement in the efficiency/productivity, the Company is certain that it will be able to improve its physical and financial performance in future. Consequently, the Company will be able to earn sufficient future taxable profits to adjust the accumulated business losses/unabsorbed depreciation and unused MAT credit.

Accordingly, deferred tax asset of ₹3,407.55 crores on acccumulated business losses (inlcuding ₹55.13 crores during the year ended 31st March, 2018) and MAT credit of ₹1,051.83 crores, has been recognised as on 31st March, 2018.

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
13: CURRENT TAX ASSETS / LIABILITIES (NET)				
Current tax assets				
Advance income tax (net of provision)		**190.31**		235.81
		190.31		235.81
14: OTHER ASSETS - NON CURRENT				
Advances to contractors & suppliers		**341.37**		280.46
Advances others		**4.18**		4.18
Deposit with Government authorities		**646.94**		641.95
Prepaid expenses		**25.43**		34.12
Capital advances	**133.76**		192.51	
Less: Provision for doubtful capital advances	**11.19**	**122.57**	1.01	191.50
		1140.49		1152.21
Less: Provision for doubtful other assets		**80.39**		72.09
		1060.10		1080.12

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
15: INVENTORIES*				
Stores & spares				
Production	**2154.53**		1843.43	
Fuel Stores	**84.32**		91.72	
Others	**24.54**		27.36	
	2263.39		1962.51	
Add: In-transit	**155.02**		114.48	
	2418.41		2076.99	
Less: Provision for non moving/obsolete items	**233.97**	**2184.44**	212.36	1864.63
Raw Material				
Raw material	**4593.35**		2584.23	
Add: In-transit	**2592.85**		1471.24	
	7186.20		4055.47	
Less: Provision for unusable materials	**17.64**	**7168.56**	15.80	4039.67
Finished / Semi-finished products				
Finished goods	**4430.95**		5822.05	
Work in progress	**3212.72**	**7643.67**	3985.00	9807.05
		16996.67		15711.35

*Valued as per accounting policy No. 3.6

16: TRADE RECEIVABLES - CURRENT

(Unsecured, considered good unless otherwise stated)				
Unsecured*				
Considered good		**3869.94**		2921.69
Considered doubtful		**190.02**		176.48
		4059.96		3098.17
Provision for doubtful receivables		**190.02**		176.48
		3869.94		2921.69

* Receivables due from directors and officers of the Company is nil (previous year nil)

17 (I): CASH AND CASH EQUEVALENTS

Cash and stamps on hand		**0.04**		0.07
Cheques in hand		**77.60**		109.92
Balance with Banks				
Current accounts	**1.81**		10.76	
Term deposits with original maturity upto 3 months	**-**		0.18	
Term deposits as per court orders with maturity upto 3 months	**-**	**1.81**	-	10.94
		79.45		120.93

17 (II): OTHER BANK BALANCES

Earmarked bank balances		**168.30**		159.31
Unpaid dividend accounts		**6.21**		8.53
Fixed deposits with maturity for more than 3 months but less than 12 months		**0.10**		0.32
		174.61		168.16

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
18: LOANS - CURRENT				
(Unsecured, considered good unless otherwise stated)*				
Security deposits		**8.48**		10.49
Loan to employees		**60.92**		58.15
Loan to related parties		**7.00**		7.00
Loan to others		**1.97**		1.33
		78.37		76.97
Less: Provision for doubtful loans		**14.96**		15.50
		63.41		61.47

* Receivable includes amounts due from Directors - nil (previous year -nil)

19: OTHER FINANCIAL ASSETS - CURRENT				
Derivative assets		**47.66**		180.95
Claims recoverable		**715.85**		771.45
Receivables other than trade		**311.17**		245.38
Receivables from employees		**6.76**		6.88
Bills receivable		**1787.27**		1072.99
Advances to related parties	**23.66**		23.66	
Less: Provision for doubtful related parties advances	**13.42**	**10.24**	1.39	22.27
		2878.95		2299.92
Less Provision for doubtful assets		**91.75**		32.07
		2787.20		2267.85

20: OTHER ASSETS - CURRENT				
Gold coins in hand		**0.23**		0.23
Advances to contractors & suppliers	**254.67**		273.98	
Advance others	**851.03**	**1105.70**	828.89	1102.87
Deposit with Government authorities		**2511.82**		2519.05
Deposits - GST		**33.80**		-
GST receivable		**1813.70**		-
Prepaid expenses		**24.26**		36.63
Claims receivable		**184.46**		725.54
Export incentive receivables		**45.68**		41.26
		5719.65		4425.58
Less: Provision for doubtful other assets		**85.23**		143.55
		5634.42		4282.03

21: ASSETS CLASSIFIED AS HELD FOR SALE				
Assets classified as held for sale		**32.50**		11.94
		32.50		11.94

(i) On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as 'Assets classified as held for sale'

(ii) Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹10 each)	**5000.00**	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹ 10 each fully paid up)	**4130.53**	4130.53

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

Particulars	**As at 31st March, 2018**		As at 31st March, 2017	
	Numbers	**Amount (₹ in crore)**	**Numbers**	**Amount (₹ in crore)**
Equity shares with voting rights				
Balance at the beginning of the year	4130407654	4130.41	4130392654	4130.39
Shares converted into shares with voting Rights during the year	-	-	15000	0.02
Shares bought back during the year	-	-	-	-
Balance at the end of the year	**4130407654**	**4130.41**	**4130407654**	**4130.41**
Equity shares without voting rights *				
Balance at the beginning of the year	117635	0.12	132635	0.14
Shares Issued during the year	-	-	-	-
Less: Shares converted into shares with voting Rights during the year	-	-	(15000)	(0.02)
Balance at the end of the year	**117635**	**0.12**	**117635**	**0.12**
Total Equity shares outstanding	**4130525289**	**4130.53**	**4130525289**	**4130.53**

i) *Represented by one Global Depository Receipt (GDR) issued in 1996 @ US $ 29.55 each for an original aggregate amount of US $ 125 million

ii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the Company.

iii) The Company does not have a holding company.

(iv) Details of the shareholders holding more than 5% of the shares in the Company

Name of Shareholder	**As at 31st March, 2018**		As at 31st March, 2017	
	No. of Shares held	**% of Holding**	**No. of Shares held**	**% of Holding**
President of India	3097767449	75.00	3097767449	75.00
LIC of India	395451358	9.57	441874667	10.70

(v) The Company has neither issued bonus shares nor has bought back any shares during the last 5 years.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

23: OTHER EQUITY

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
Reserves & Surplus				
Capital Reserve				
Opening balance	1.75		1.75	
Additions during the year	-		-	
Less: Utilisation during the year	-	1.75	-	1.75
Securities Premium Reserve				
Opening balance	235.10		235.10	
Changes during the year	-	235.10	-	235.10
Bond Redemption Reserve				
Opening balance	1973.64		1449.96	
Transfer from retained earnings	606.80		607.77	
Transfer to retained earnings	239.75	2340.69	84.09	1973.64
General Reserve				
Opening balance	5095.13		5095.13	
Additions during the year	-		-	
Less: Utilisation during the year	-	5095.13	-	5095.13
Retained Earnings				
Opening balance	24570.11		28283.65	
Add: Net Profit/(Loss) for the year	(481.71)		(2,833.24)	
Add: Other comprehensive Income/(Loss)	177.53		(356.62)	
Add: Transfer from Bond Redemption Reserve	239.75		84.09	
Less: Transfer to Bond Redemption Reserve	606.80		607.77	
Less: Transfer to General Reserve	-	23898.88	-	24570.11
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income				
Opening balance	2.80		(0.22)	
Change in fair value of FVOCI equity instruments	8.79		3.02	
Deferred tax	-	11.59	-	2.80
Total other equity		31583.14		31878.53

Nature and purpose of other reserves

Capital reserve
Capital reserve is created out of the capital profit, it is created out of the profit earned from some specific transactions of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium reserve
Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Bond redemption reserve
The Company is required to create bond redemption reserve as per the provisions of Companies Act, 2013 out of the profits which are available for distribution of dividends. The reserve is maintained till the redemption of bonds.

Other Comprehensive Income (OCI) reserve
The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

24. BORROWINGS - NON CURRENT

(₹ crore)

				As at 31st March, 2018	As at 31st March, 2018
SECURED					
Redeemable Non-Convertible Bonds					
Rate of Interest	**Maturity Date**	**Call/Put option (yr)**	**SECURITY REF**		
9.35%	9/Sep/2026	12/nil	(a)	**455.00**	455.00
9.00%	14/Oct/2024		(a)	**1000.00**	1000.00
8.70%	25/Aug/2024		(a)	**300.00**	300.00
8.30%	3/Aug/2023		(a)	**800.00**	800.00
8.30%	1/Aug/2023		(a)	**1200.00**	1200.00
8.35%	19/Nov/2022		(a)	**1185.00**	1185.00
9.30%	23/Aug/2021		(a)	**400.00**	400.00
8.55%	11/Aug/2021		(a)	**700.00**	700.00
8.27%	25/Aug/2020		(a)	**265.00**	265.00
8.72%	30/Apr/2020		(a)	**660.00**	660.00
8.75%	23/Apr/2020		(a)	**545.00**	545.00
8.65%	1/Feb/2020	5/nil	(a)	**242.00**	242.00
8.30%	21/Jan/2020		(a)	**500.00**	500.00
8.65%	30/Dec/2019		(a)	**450.00**	450.00
8.50%	7/Dec/2019		(a)	**120.00**	120.00
8.60%	19/Nov/2019		(a)	**335.00**	335.00
8.75%	15/Sep/2019		(b,d)	**100.00**	100.00
8.80%	22/Jun/2019		(a)	**825.00**	825.00
7.70%	11/May/2019	5/5	(a)	**25.00**	25.00
8.90%	1/May/2019	5/nil	(b)	**950.00**	950.00
8.80%	26/Oct/2018		(b,c)	**98.00**	112.00
8.18%	10/Aug/2018		(a)	**-**	1000.00
8.25%	27/Jul/2018		(a)	**-**	500.00
8.35%	9/Jun/2018		(a)	**-**	420.00
9.30%	25/May/2018		(a,k)	**288.00**	360.00
8.25%	6/May/2018	3/3	(a)	**-**	245.00
7.95%	9/Apr/2018		(a)	**-**	670.00
Total Bonds				**11443.00**	14364.00
Term Loans from banks					
Rupee loans			(j)	**14156.00**	2500.00
Foreign currency loans			(j)	**2247.26**	-
				27846.26	16864.00
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	**358.48**	327.06
2	Sumitomo Mitsubishi Banking Corporation		(f)	**-**	0.01
3	Natexis Banque		(g)	**15.01**	14.75
4	Mizuho Coprorate Bank ltd		(h)	**-**	322.12
Steel development fund			(i)	**204.16**	204.16
				577.65	868.10
Long term maturities of finance lease obligations				**1353.25**	1355.38
Total Non Current Loans				**29777.16**	19087.48

No loans have been guaranteed by the directors and others.

There is no default as on the balance sheet date in repayment of borrowings and interest thereon.

All bonds are repayable on the maturity date unless otherwise stated.

Bonds are secured, in respect of respective facilities by way of :

a) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).

b) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant. (DSP).

c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2018 has been shown in Other Current Liabilities.

d) Redeemable in 3 equal instalments of ₹ 50 crore each on 15th September of 2014, 2019 and 2024.

e) The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1 (b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on 1(c) is 3.66% p.a and the balance 5.09% p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is guaranteed by Government of India.

f) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.

g) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.

h) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.

i) Terms of repayment is to be decided by SDF management Committee.

j) Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL & BSP to the extent of loan. SBIECB loan is repayable in 4 equal installments at the end of 4th, 5th, 6th and 7th from the first draw-down i.e. 25th Sept 2017.

k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2018 has been shown in current liabilities.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
25: TRADE PAYABLES - NON CURRENT		
Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	6.38	7.36
	6.38	7.36
26: OTHER FINANCIAL LIABILITIES - NON CURRENT		
Employees related dues	430.68	458.39
Interest Accrued but not due on borrowings	551.46	580.25
Other payables	197.22	327.29
	1179.36	1365.93
27: PROVISIONS - NON CURRENT		
Provision for gratuity	-	80.75
Provision for accrued leave liability	2476.95	2436.37
Provision for post retirement medical & settlement benefits	974.69	931.02
Provision for long term service award	20.90	19.98
Provision for mines closure	61.61	53.94
Other provisions	439.13	71.88
	3973.28	3593.94
28: OTHER LIABILITIES - NON CURRENT		
Deferred Income*	138.33	151.29
	138.33	151.29
***Government grants**		
Opening balance	27.79	26.95
Additions	-	2.12
Released to Statement of Profit and Loss	-	(1.28)
	27.79	27.79

*Deferred income inlcudes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.

	As at 31st March, 2018	As at 31st March, 2017
29. BORROWINGS - CURRENT		
Secured		
Repayable on demand		
From banks	2334.39	1302.09
Other loans and advances		
From Banks	-	250.00
Unsecured		
Other loans	2950.00	600.00
Commercial paper	3961.88	7883.93
Foreign currency loans	2998.05	9777.02
	12244.32	19813.04

1. **Security disclosure for the outstanding short term borrowings as on 31st March, 2018:**

   Borrowings from banks are secured, in respect of respective facilities by way of :

(i) Hypothecation of all current assets

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
30: TRADE PAYABLES - CURRENT				
Due to micro, small and medium enterprises (refer note 48.2)		**48.22**		38.12
Amount payable to related parties		**9.30**		11.58
Amount payable to contractors/suppliers/others		**7482.98**		5169.50
		7540.50		5219.20
31: OTHER FINANCIAL LIABILITIES - CURRENT				
Employee related dues		**159.95**		161.73
Interest accrued but not due on borrowings		**1072.54**		1076.09
Other liabilities-debtors banking arrangement		**325.45**		228.16
Derivative liability		**65.24**		603.57
Current maturities of long term debts		**3271.71**		2381.74
Current maturities of finance lease obligations		**115.53**		113.39
Unclaimed matured deposits and interest accrued thereon		**1.01**		1.03
Security deposits	**1323.33**		1230.73	
Less: Investments received as security deposit	**-**	**1323.33**	-	1230.73
Unpaid dividends		**6.21**		8.53
Payable for capital works		**3701.83**		2530.70
Other payables		**4127.40**		4429.95
		14170.20		12765.62
32: OTHER LIABILITIES - CURRENT				
Income received in advance from customers		**1880.13**		1760.93
Income received in advance - others		**112.80**		82.53
Deferred Income*		**11.90**		10.98
GST payable		**2135.74**		-
Other payables		**3001.85**		3752.82
		7142.42		5607.26

*Deferred income inlcudes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.

33: PROVISIONS - CURRENT				
Provision for gratuity		**31.11**		236.10
Provision for accrued leave liability		**308.77**		303.68
Provision for post retirement medical & settlement benefits		**105.60**		108.95
Provision for long term service award		**2.03**		3.06
Provision for pollution control		**40.30**		39.43
Provision for foreign exchange fluctuation		**-**		13.02
Provision for wage revision		**1216.24**		1545.02
Provision for mine afforestation/ restoration etc.		**319.25**		341.97
Other provisions		**280.88**		323.54
		2304.18		2914.77
34: CURRENT TAX LIABILITIES (NET)				
Opening Balance	**4.52**		11.90	
Add: Provision during the year	**-**		-	
Less: Amount paid/transferred during the year	**4.52**		7.38	
Less: Provision written back during the year	**-**	**-**	-	4.52
		-		4.52

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
35. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	**55971.08**	47376.04
Exports	**2243.70**	1737.83
Export incentives	**82.48**	66.37
Sub Total (a)	**58297.26**	49180.24
Sale of Services		
Service charges	**23.56**	31.89
Sub Total (b)	**23.56**	31.89
Other Operating Revenues		
Social amenities-recoveries	**337.76**	334.01
Sale of empties etc.	**80.00**	70.74
Sundries	**223.78**	150.22
Sub Total (c)	**641.54**	554.97
Total (a+b+c)	**58962.36**	49767.10

36. OTHER INCOME

Interest income		
Loans & advances to other companies	**0.78**	0.88
Customers	**101.78**	80.87
Employees	**16.75**	20.21
Bank deposits	**4.84**	0.10
Others	**41.94**	45.23
Sub Total (a)	**166.09**	147.29
Dividend income		
Dividend from subsidiaries	**6.31**	4.64
Dividend from investments	**69.85**	87.29
(includes dividend from investments carried at fair value through OCI)		
Sub Total (b)	**76.16**	91.93
Net gain on sale of investments Sub Total (c)	**-**	0.01
Other non-operating Income		
Subsidy, relief and concession	**6.12**	4.43
Grant-in-aid	**0.54**	0.10
Provisions no longer required written back	**90.64**	42.66
Write back of other liabilities	**81.62**	54.96
Liquidated damages	**20.02**	75.53
Foreign exchange fluctuations (net)	**-**	76.60
Others	**43.26**	42.10
	242.20	296.38
Less: Expenses attributable to non-operating income	**-**	-
Sub Total (d)	**242.20**	296.38
Total (a+b+c+d)	**484.45**	535.61

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
37 : COST OF MATERIALS CONSUMED		
Iron ore	**3818.79**	3614.87
Coal	**21445.07**	16198.51
Coke	**31.63**	70.64
Limestone	**1232.17**	1107.24
Dolomite	**474.80**	450.33
Ferro manganese	**337.61**	340.96
Ferro silicon	**201.73**	193.63
Silico manganese	**1193.85**	904.24
Intermediary Products	**-**	0.01
Zinc	**176.84**	122.03
Aluminium	**242.58**	226.91
Others	**1299.85**	1285.87
	30454.92	24515.24
Less :Inter account adjustments	**3776.11**	3389.54
	26678.81	21125.70

38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock		
Finished goods	**5822.05**	5545.82
Work in progress	**3985.00**	4395.10
	9807.05	9940.92
Less: Closing stock		
Finished goods	**4430.95**	5822.07
Work in progress	**3212.72**	3984.98
	7643.67	9807.05
	2163.38	133.87
Less : Excise duty on accretion (-) /depletion to stock	**1027.89**	13.24
	1135.49	120.63

39: EMPLOYEE BENEFITS EXPENSE*

Salaries & wages	**6461.98**	6876.89
Leave encashment	**357.55**	491.23
Company's contribution to provident & other funds	**753.71**	889.02
Travel concession	**61.55**	21.71
Welfare expenses	**354.63**	312.47
Gratuity	**860.65**	356.51
	8850.07	8947.83
***Expenditure on employees's remuneration and benefits not included above and charged to:**		
Expenditure during construction	**100.72**	136.16

**For descriptive notes on disclosure of defined benefit obligation, refer note 50

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
40: FINANCE COSTS		
Interest Cost		
Foreign currency loans*	**526.99**	552.45
Non convertible bonds	**915.78**	794.54
Bank borrowings - working capital	**42.97**	63.12
Steel development fund loans	**4.08**	3.74
Others	**1319.53**	1105.51
Interest under Income Tax Act	**-**	0.01
Other borrowing costs	**13.40**	8.45
	2822.75	2527.82

*Including foreign exchange fluctuations gain of ₹120.04 crore (previous year: ₹188.52 crore loss)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Expenditure on Interest & Finance charges not included above and charged to Expenditure during Construction:		
Foreign currency loans	**94.89**	108.06
Non convertible bonds	**365.43**	468.48
Steel development fund loans - Interest	**4.09**	4.43
Others	**204.11**	0.93
	668.52	581.90

(₹ crore)

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
41: OTHER EXPENSES				
Consumption of stores & spares				
Consumption	**3614.23**		3694.99	
Less: Departmentally manufactured stores	**735.15**		859.64	
Less: Finished products internally consumed as stores and spares	**473.26**	**2405.82**	532.15	2303.20
Repairs & maintenance				
Buildings	**193.77**		201.73	
Plant & machinery	**821.56**		713.83	
Others	**228.48**	**1243.81**	223.64	1139.20
Handling expenses				
Raw material	**425.91**		328.79	
Scrap recovery	**282.30**	**708.21**	297.33	626.12
Remuneration to auditors				
Audit fees	**1.79**		1.94	
Tax audit fees	**0.51**		0.47	
In other services	**1.16**		0.96	
Out of pocket expenses	**0.67**	**4.13**	0.65	4.02
Provisions				
Doubtful debts, loans and advances	**85.42**		74.47	
Investments	**13.08**		0.20	
Stores, spares and sundries	**117.24**	**215.74**	72.88	147.55

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
41: OTHER EXPENSES (CONTD.)		
Power and fuel	**5809.81**	5233.93
Freight outward	**2241.95**	1161.99
Royalty and cess	**1271.58**	996.81
Conversion charges	**306.08**	454.33
Excise duty on inter-plant transfer/internal consumption	**63.76**	292.12
Demurrage & wharfage	**38.82**	53.41
Water charges & cess on water pollution	**115.82**	121.02
Insurance	**24.87**	32.47
Postage, telegram & telephone	**16.76**	20.42
Printing & stationery	**8.22**	9.80
Rates & taxes	**58.30**	69.64
Rent	**80.52**	60.72
Security expenses	**512.39**	490.71
Travelling expenses	**157.51**	156.30
Expenditure on temporary suspended mines (refer note - 49.18)	**82.07**	97.95
Training expenses	**41.81**	30.36
Expenditure on corporate social responsibility (refer note - 49.10)	**25.70**	29.05
Foreign exchange fluctuations (net)	**3.73**	0.00
Loss on sale/scrapping of fixed assets (net)	**72.80**	48.17
Cost of Audit fee and reimbursement of expenses	**0.04**	0.32
Write-offs - Miscellaneous	**2.61**	0.01
Handling expenses - finished goods	**186.43**	157.45
Commission to selling agents	**6.53**	7.34
Export sales expenses	**47.01**	22.97
Miscellaneous	**523.41**	452.83
	16276.24	14220.21

41A: EXCEPTIONAL ITEMS

Voluntary retirement compensation	**254.20**	216.74
Write back of pension liabilities	**(458.16)**	-
Provision for illegal mining	**340.72**	-
Reversal of Distrct Mineral Fund	**(261.76)**	-
Reversal of wages and salary	**(110.82)**	-
Provision for surrender of coal blocks	**209.39**	-
	(26.43)	216.74

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

42. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorized into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ crore)

As at 31st March, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		124.39		124.39
Investments at FVOCI				
Equity instruments*				
Quoted	15.80			15.80
Unquoted			64.69	64.69
Total financial assets	**15.80**	**124.39**	**64.69**	**204.88**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		65.24		65.24
Total financial liabilities	**-**	**65.24**	**-**	**65.24**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ crore)

As at 31st March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		227.54		227.54
Investments at FVOCI				
Equity instruments*				
Quoted	13.30			13.30
Unquoted			58.39	58.39
Total financial assets	**13.30**	**227.54**	**58.39**	**299.23**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		603.57		603.57
Total financial liabilities	**-**	**603.57**	**-**	**603.57**

iii) Financial assets and liabilities - for which fair values are disclosed

(₹ crore)

	Level	As at 31st March, 2018		As at 31st March, 2017	
		Carrying value	Fair Value	Carrying value	Fair Value
Financial assets					
Loans	Level-3	514.87	544.76	514.99	523.40
Derivative financial assets	Level-2	124.39	124.39	227.54	227.54
Equity instruments*					
Quoted	Level-1	15.80	15.80	13.30	13.30
Unquoted	Level-3	64.69	64.69	58.39	58.39
Total financial assets		**719.75**	**749.64**	**814.22**	**822.63**
Financial liabilities					
Borrowings	Level-3	47358.17	47714.31	43280.15	43628.65
Other payables	Level-3	9947.63	9988.81	9148.35	9281.67
Derivative liability	Level-2	65.24	65.24	603.57	603.57
Total financial liabilities		**57371.04**	**57768.36**	**53032.07**	**53513.89**

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Fair value of interest swap is determined based on dealer or counterparty quotes for similar instruments

(b) Fair value of forward foreign exchange contract and principal swap is determined using forward rate at balance sheet date.

(c) The carrying value of borrowings bearing variable interest rate are considered to be representative of their fair value.

(d) The carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.

(e) Fair value of fixed interest rate financial assets and liabilities carried at amortised cost (including finance lease obligations) is determined by discounting the cash flows using a discount rate equevalent to market interest rate applicable to similar assets and liabilities as at the balance sheet date.

(v) Unquoted investments:

Fair value estimates of unquoted equity investments are included in level-3 and are based on information relating to value of investee company's net assets. For investments in co-operative societies, the Company has determined that cost is appropriate estimate of fair value, therefore, there have been no changes on account of fair values.

vi) The following table presents the changes in value of financial instruments measured at fair value using level 3 inputs: (₹ crore)

Particulars	Unlisted equity securities
As at 31st March, 2016	**58.39**
Gains/losses recognised in other comprehensive income	-
As at 31st March, 2017	**58.39**
Gains/losses recognised in other comprehensive income	6.30
As at 31st March, 2018	**64.69**

43 FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

	As at 31st March, 2018			As at 31st March, 2017		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
Equity instruments*		80.49			71.69	
Trade receivables			3869.94			2921.69
Cash and cash equivalents			79.45			120.93
Other Bank Balances			174.61			168.16
Loans			514.87			514.99
Derivative financial assets	124.39			227.54		
Other receivables			2828.99			2302.73
Total	**124.39**	**80.49**	**7467.86**	**227.54**	**71.69**	**6028.50**
Financial liabilities						
Borrowings			47358.17			43280.15
Trade payable			7546.88			5226.56
Derivative Liability	65.24			603.57		
Other payables			9947.63			9148.35
Total	**65.24**	**-**	**64852.68**	**603.57**	**-**	**57655.06**

* Investment in equity of joint ventures and associates have been carried at cost as per Ind AS 27 "Separate financial statements" and hence are not presented here.

ii) Risk Management

The Company is exposed to various risk in relation to financial instruments. The Company's financial asset and liabilities are by category are summarised in note 43(i). The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is co-ordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Comapny. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types financial assets.

-Cash and cash equivalents

-Derivative financial instruments

-Trade receivables

-Other financial assets measured at amortized cost

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

a) Credit risk management

Cash and cash equivalent

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Derivative financial instruments

Credit risk related to derivative financial instruments is also managed by only entering into such arrangement with highly rated banks or financial institutions as counterparties. The company diversifies its holdings with multiple counterparties.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors and only sells goods to credit-worthy parties. The Company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Company provides expected credit losses based on the following

Trade receivables

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹ crore)

Ageing (As at 31st March, 2018)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2997.57	697.14	92.93	74.74	197.58	4059.96
Expected loss rate	0.03%	0.38%	2.30%	2.81%	92.26%	4.68%
Expected credit loss provision	0.84	2.66	2.14	2.10	182.28	190.02
Carrying amount of trade receivables (Net of impairment)	**2996.73**	**694.48**	**90.79**	**72.64**	**15.30**	**3869.94**

Ageing (As at 31st March, 2017)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2289.06	414.86	133.89	37.83	222.53	3098.17
Expected loss rate	0.03%	0.37%	1.57%	6.27%	76.33%	5.70%
Expected credit loss provision	0.59	1.54	2.10	2.37	169.86	176.48
Carrying amount of trade receivables (Net of impairment)	**2288.47**	**413.32**	**131.79**	**35.46**	**52.67**	**2921.69**

Reconciliation of Expected credit loss provision

(₹ crore)

Particulars	Unlisted equity securities
As at 31st March, 2016	**146.82**
Changes in provision	(29.65)
As at 31st March, 2017	**176.48**
Changes in provision	13.54
As at 31st March, 2018	**190.02**

Other financial assets measured at amortized cost

Company provides for expected credit losses on "loans advances and other than trade receivables" by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draws to apply consistently to entire population For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity companying based on their contractual maturities for all non-derivative financial liabilities and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

Contractual maturities of financial liabilities as at 31st March, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	18348.05	5719.16	4611.01	27190.55	55868.77
Trade payable	7540.49	0.64	0.85	4.89	7546.87
Other payables	10392.85	112.45	96.56	1270.94	11872.80
Total	**36281.39**	**5832.25**	**4708.42**	**28466.38**	**75288.44**
Derivatives					
Derivative liability (Net Settled)	65.24				65.24
Total	**65.24**	**-**	**-**	**-**	**65.24**

Contractual maturities of financial liabilities as at 31st March, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	24177.67	4569.02	4652.70	13282.34	46681.74
Trade payable	5226.62	1.29	5.64	0.43	5233.98
Other payables	10428.43	125.11	105.03	1445.94	12104.51
Total	**39832.72**	**4695.42**	**4763.37**	**14728.71**	**64020.22**
Derivatives					
Derivative liability	603.57				603.57
Total	**603.57**	**-**	**-**	**-**	**603.57**

* borrowings excludes finance lease obligations, refer note 49.11(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas borrowing arrangements, which are primarily denominated in US dollars (USD).

To mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Foreign currency risk exposure:

The Company's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ crore are as follows:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	1.89		38.25	
Cash and cash equivalents				
Other Bank Balances				
Loans				
Derivative financial assets (Gross amounts, to hedge borrowings)	3343.41		10099.90	
Other receivables				
Net exposure to foreign currency risk (assets)	**3345.30**	**-**	**10138.15**	**-**
Financial liabilities				
Borrowings	3619.36	327.06	13039.83	327.06
Trade payable	90.63	330.72	57.25	307.02
Derivative Liability	29.35			
Other payables	68.30	137.27		
Net exposure to foreign currency risk (liabilities)	**3807.64**	**795.05**	**13097.08**	**634.08**

Sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 4.24% change of the INR/USD exchange rate for the year ended at 31 March, 2018 (2017:4.09%). A +/- 6.90% change is considered for the INR/EUR exchange rate (2017: 7.86%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
USD sensitivity		
INR/USD- increase by 4.24% (31st March 2018)	(19.60)	
INR/USD- decrease by 4.24% (31st March 2018)	19.60	
INR/USD- increase by 4.09% (31st March 2017)		(121.02)
INR/USD- decrease by 4.09% (31st March 2017)		121.02
Euro sensitivity		
INR/EUR- increase by 6.90% (31st March 2018)	(54.86)	
INR/EUR- decrease by 6.90% (31st March 2018)	54.86	
INR/EUR- increase by 7.86% (31st March 2017)		(49.84)
INR/EUR- decrease by 7.86% (31st March 2017)		49.84

b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Company's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Company's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2017: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2018, the company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the company to interest rate risk: (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate borrowing (excluding exposures offset by derivatives)	2998.05	9777.02
Fixed rate borrowing	44360.12	33503.13
Total borrowings	**47358.17**	**43280.15**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates. (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest sensitivity		
Interest rates-increase by 100 basis points	473.58	432.80
Interest rates-decrease by 100 basis points	(473.58)	(432.80)

ii) Assets

The company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest.

Interest rate risk exposure

Below is the overall exposure of the financial assets: (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	689.48	683.15
Total deposits	**689.48**	**683.15**

c) Price risk

Exposure

The Company is exposed to other price risk in respect of its investment shares of other companies (see Note 8). The Company does not consider changes in value of its investments in shares as insignificant, therefore is not exposed to price risks on exposures outstanding on the balance sheet date.

44 CAPITAL MANAGEMENT

The Company' s capital management objectives are

- to ensure the Company's ability to continue as a going concern

- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the company's various classes of debt. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Net debts	47104.11	42991.06
Total equity	35713.67	36009.06
Net debt to equity ratio	**1.32**	**1.19**
Dividends		
(i) Equity shares		
Final dividend for the year ended 31st March, 2018 of @nil	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil

45. DETAILS OF ASSETS PLEDGED

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Inventories and trade receivables (to the extent pledged)	**2334.39**	1552.09
Non Current		
Plant & Machinery (movable assets) - Durgapur steel plant (to the extent pledged)	**1148.00**	1162.00
Plant & Machinery (movable assets)-Bokaro & Bhilai Steel Plant (to the extent pledged)	**16403.26**	2500.00
Land and Plant & Machinery (at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat) - ISP	**10295.00**	13202.00

46. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit/(loss) before tax	**(758.94)**	(4,850.86)
Domestic tax rate for PFS	**34.94%**	34.61%
Expected tax expense [A]	**(265.20)**	(1,678.79)
Adjustment for tax-exempt income/ non-deductible expenses	**(12.59)**	(9.51)
Adjustment for difference tax rate items	**(1.48)**	0.47
Tax incentive on specific expenditure	**(16.09)**	(353.00)
Tax related to earlier years	**35.73**	43.64
Increase in Corporate tax rate	**(28.39)**	-
Others	**10.79**	(20.44)
Total adjustments [B]	**(12.03)**	(338.84)
Actual tax expense [C=A+B]	**(277.23)**	(2,017.62)
Tax expense comprises:		
Current tax expense	**-**	-
Deferred tax credit	**(277.23)**	(2,017.62)
Tax expense recognized in Statement of profit and loss [D]	**(277.23)**	(2,017.62)

47.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2018	As at 31st March, 2017
(i)	Claims against the Company pending appellate/judicial decisions :		
	a) Excise Duty	4527.42	3751.71
	b) Sales Tax on inter-state stock transfers from plants to stockyards*.	739.90	740.99
	c) Other sales tax matters	629.13	628.34
	d) Income Tax	1416.94	1288.55
	e) Other duties, cess and levies	6794.71	6311.57
	f) Civil matters **	3495.56	3178.30
	g) Entry Tax	2125.99	2173.75
	h) Miscellaneous **	2942.42	15109.38
	* No liability is expected to arise, as sales tax has been paid on eventual sales. ** includes claims of ₹60.97crore (as at 31st March, 2017 ₹47.44crore), against which there are counter-claims of ₹35.37crore (as at 31st March, 2017 ₹26.30crore).		
(ii)	Other claims against the Company not acknowledged as debt:		
	a) Sales Tax	64.29	43.16
	b) Duties, cess and levies	629.27	616.51
	c) Civil Matters	98.99	89.94
	d) Miscellaneous *	2757.72	2494.37
	* includes claims of ₹100.94crore (as at 31st March, 2017 ₹100.94 crore, against which there are counter-claims of ₹103.95 crore (as at 31st March, 2017 ₹103.95 crore).		
(iii)	Disputed income tax/service tax/other demand on joint venture company for which company may be contingently liable under the joint venture agreement	34.76	32.89
(iv)	Bills drawn on customers and discounted with banks.	68.83	37.38
(v)	Price escalation claims by contractors/suppliers and claims by employees.	441.70	408.62

47.2 a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by the States and has laid down principles/tests for consideration. The respective regular Benches of the Apex Court would hear the matters as per laid down principles. Pending decisions by the regular Benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh, and Jharkhand, the Entry Tax demands, under dispute, of ₹1092.28 crore, ₹241.00 crore, ₹92.23 crore and ₹5.15 crore respectively upto 31st March, 2018 aggregating to ₹1430.66crore (including a sum of ₹1092.28 crore, ₹352.16 crore, ₹92.23 crore and ₹5.15 aggregating to ₹1541.82 croreupto 31st March, 2017) have been treated as contingent liabilities.

(ii) Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹295.50croreupto 31st March, 2018 (upto 31st March, 2017 ₹254.21crore) have been treated as contingent liabilities.

b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. The appeal filed by DVC pertaining to tariff of 2004-09 is yet to be decided by the Hon'ble Supreme Court of India. As per legal opinion received by the Company, the decision of Hon'ble Supreme Court of India on determination of the tariff of 2004-09 may have an effect on the subsequent periods. Pending final decision in this regard, the claimof DVC of ₹587.72 crore upto 31st March, 2018 (upto 31.03.2017, ₹587.72) has been considered as Contingent Liability and included in Note No. 47.1(i)(f) above. Against the said claims, the entire amount has been paid to DVC and disclosed under Other Current Assets. Further from 1st April, 2017 onwards full invoice value has been considered in the sStatement of Profit & Loss.

47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3374.46 crore upto 31st March, 2018 (upto 31st March, 2017 ₹3045.41 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(i)(e) above.

47.4 The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification by the Ministry of Mines, Government of India and the price published by India Bureau of Mines on a monthly basis for both iron ore lumps and fines separately. A circular was issued by the State Government of Odisha regarding payment of royalty on fines at the rate of lumps on 07.09.2010 retrospectively effective from August 2009. The Government of India, vide circular dated 23.07.2012, directed the State Government of Odisha to withdraw the circular dated 07.09.2010. Accordingly, excess royalty for fines at the rate applicable for lumps, paid in two Iron Ore Mines of the Companyamounting to ₹143.54crore, has been shown as Claims Recoverable. As the Company has disputed the matter with the Appropriate Authorities, pending withdrawal of the circular of the State Government of Odisha, the amount of ₹143.54crore (As on 31st March, 2017₹144.34 crore) has been included in the Contingent Liability, in Note No. 47.1(ii)(b) above.

47.5 In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(v) above.

47.6 Indigenous washed coking coal supplies have been claimed by Bharat Coaking Coal Limited (BCCL) and Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 13th January, 2017 and 14th January, 2017 respectively, which is in deviation from the mutually agreed price with the Company for the year 2016-17. The Company has accounted for the supplies based on agreed prices as per jointly signed Memorandum of Understanding, valid for supplies w.e.f. 1st April, 2016 to 31st March, 2017, between SAIL and BCCL & CCL. The differential claims of BCCL & CCL, amounting to ₹334.45 croreat unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 47.1(ii)(d) above.

47.7 The Ministry of Environment & Forest and Climate Change (MoEF& CC) vide their letter No.- 11-599/ 2014-FC dated 1st April 2015 issued revised Guidelines for diversion of Forest Land for non-forest purpose under the Forest (Conservation) Act, 1980 (FC Act). These revised Guidelines stipulated that in case of existing mining leases having Forest Land (partially or fully), where approval for only a part of forest land has been obtained under the FC Act, the Central Government accorded general approval under Section-2(iii) of the FC Act for the remaining area also to be Forest Land, subject to certain conditions, which includes realising Net Present Value (NPV) for the entire forest land falling in the mining lease, in case NPV of such forest land has not already been realised.

In this matter, as per legal opinion obtained by the Company, Section 2 (iii) of FC Act, 1980 will not apply to Government Corporation and NPV is required to be paid only for that limited area, which has been approved by MoEF& CC and in which mining activities are proposed to be done and not for the entire forest area. The matter of applicability of NPV for total forest land has been challenged by the Company in Hon'ble High Court of Jharkhand. The Hon'ble Court, in its order, has directed to place the matter before Division Bench of this Court.

During the year, the Company has received a demand of ₹ 96.28 crore from Office of thePrincipal Chief Conservator of Forest, Chhattisgarh against which writ petition has been filed in Hon'ble high Court of Chhattisgarh.

47.8 Pursuant to the Hon'ble Supreme Court Judgment dated 2nd August, 2017 in the Common Cause matter regarding illegal mining, demand/Show cause notices have been issued for recovery of the price of minerals produced without and beyond the environmental clearances under Section 21(5) of Mines and Mineral Development Regulation Act, 1957, forest clearance under the Forest Conservation Act 1980, and towards excess production beyond consent to operate. The Company has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand. As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:

(a) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹212.85crore and ₹1478.86 respectively (including interest). Based on internal judgment, the Company has provided an amount of ₹333.45crore during the year on estimated basis under exceptional item. Balance amount of ₹1358.26crore(including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.

(b) In respect of Limestone, by the Government of Jharkhand amounting to ₹20.28crore (including interest). Based on internal judgment, the Company has provided an amount of ₹7.27crore during the year on estimated basis under exceptional item. Balance amount of ₹13.01crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).

47.9 In respect of Coal, by the Government of Jharkhand amounting to ₹354.54crore (including interest) during the year. Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to the Company. Accordingly pending disposal the amount of ₹354.54crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h).

48.1 Estimated amount of contracts remaining to be executed and not provided for (net of advances) are:

(₹ crore)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Capital commitments	10747.11	13580.65
Other commitments	1824.86	1532.38

48.2 The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2018are as under:

(₹ crore)

No.	**Description**	**As at 31st March, 2018**	**As at 31st March, 2017**
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	48.22	38.12
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the Year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-
		For the Year ended	
		31st March, 2018	**31st March, 2017**
v.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

48.3 Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, Management does not expect to have any material financial impact of such pending confirmations/reconciliations.

48.4 The Block Land and Land Reforms Office, (Faridpur-Durgapur) and Andal, District: PaschimBardhaman, Govt. Of West Bengal has raised demand of arrears of land revenue, cess and interest for part of land of Durgapur Steel Plant henceforth referred to as 'Company'and its Township covering a period of past 40 years aggregating to ₹494.51 crore (previous year ₹nil crore) vide two demand notices dated 21.02.2018 and 08.03.2018 respectively.

The Company has contested the demands. Part of the land against which demand has been raised was acquired on behalf of the Central Government under Land Acquisition Act and such acquisition vested in Union of India, while certain other parts of its lands were transferred by State Government to the Central Government and the Company holds such lands on behalf of President of India. As per Article 285 of the Constitution of India no land revenue is payable on such lands. Moreover, Company had also paid capitalised value of land revenue and as per judicial pronouncement, no land revenue is payable for lands for which capitalised value is paid. As such Company is of the opinion that the demand raised against the Company is not tenable at all. Representation on that effect has already been made on 26th April, 2018 and 28th April, 2018.

49.1 Revenue from operations for the period up to 30th June, 2017 includes excise duty of ₹1403.90 crore , which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST). In accordance with 'Ind AS 18- Revenue', GST amount of ₹7864.70croreis not included in Revenue from Operations. In view of the aforesaid change, Revenue from operation for the year ended on 31st March, 2018 is not comparable with the previous year.

49.2 Sales include sale to Government Agencies recognized on provisional contract prices during the yearended 31st March, 2018: ₹4802.50crore (Previous Year : ₹3807.78 crore) and cumulativelyup to31st March, 2018 : ₹12271.05 crore (upto Previous Year : ₹18342.41 crore).

49.3 Keeping in view the affordability and financial sustainability clause in Office Memorandum dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises in respect of Pay Revision of employees:

(a) an all-inclusive provision towards salary revision of Board and below Board level executives, charged to 'Employee Benefit Expenses' and Expenditure During Construction in earlier quarters amounting to ₹95.71 crore and ₹3.24 crore respectively has been written back during current quarter and ₹33.35 crore for the period from 1.1.2017 to 31.3.2017 has been written back during the current quarter and shown as 'Exceptional Item'.

(b) an all-inclusive provision towards salary and wage revision of Non-executive Employees charged to 'Employee Benefit Expenses' in earlier quarters amounting to ₹230.77 crore has been written back and ₹77.47 crore for the period from 1.1.2017 to 31.3.2017 has been written back during the current quarter and shown as 'Exceptional item'.

49.4 As per the Department of Public Enterprises (DPE) guideline, the Company is required to contribute up to 30% of Salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly the Company has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st January, 2017. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st January, 2017.

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹2494.52 crore (₹126.59 crore during the year) and ₹47.81 crore (₹1.76 crore during the year) has been charged to 'Employee Benefits Expense' and `Expenditure during Construction' respectively.

Based on DPE Guidelines on superannuation benefits which may include pension benefits to employees, Board of Directors of the Company keeping in view affordability and financial sustainability to pay by the Company, revised pension benefit to 3% of Basic+ DA (as against 9% earlier decided) for Executives and 2% of Basic+ DA (as against 6% earlier decided) for Nonexecutives and accordingly:

(a) an amount of ₹170.02 crore provided from 1st April, 2015 to 31st December, 2016 in earlier years in respect of pension for Executives has been written back and credited to 'Exceptional Item' during the current year.

(b) an amount of ₹288.14 crore provided from 1st April, 2015 to 31st December, 2016 in earlier years in respect of pension for Non-executives has been written back and credited to 'Exceptional Items' during the current year.

49.5 Pursuant to Notification dated 29th March, 2018 issued by the Ministry of Labour and Employment,the Central Government has enhanced the ceiling of gratuity limit from ₹0.10 crore to ₹0.20 crorew.e.f. 29.03.2018. Accordingly, the provision for gratuity as at 31st March 2018 has been made for ₹582.04 croreunder Employee benefit expenses, considering the enhanced ceiling based on the actuarial report.

49.6 Consequent to the judgement of Hon'ble Supreme Court dated 13th October, 2017 and further interpreted by Hon'ble High Court of Bilaspur vide order dated 24th November, 2017 (to which the Company is not a party), in the matter of establishment of District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Act, 1957 and prospective contribution required to be made to the DMF by the holder of a mining lease or a prospecting licence-cum-mining lease in addition to the payment of royalty, an amount of ₹261.76 crore has been written back under exceptional item during the year for which such levy was held not applicable.

49.7 The research and development expenditure charged to Statement of Profit & Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the year, amount to ₹314.71 crore (₹261.60 crore) and ₹20.79crore (₹77.83 crore) respectively. The aggregate amount of revenue expenditure incurred on research anddevelopment is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

Head of Account	**For the year ended**	
	31st March 2018	**31st March 2017**
Raw Materials	115.05	26.93
Employees Benefits Expense	97.95	88.87
Stores & Spares Consumed	11.40	9.44
Power & Fuel	21.61	4.80
Repairs & Maintenance	6.53	4.13
Depreciation and Amortisation Expense	8.54	6.42
Other Expenses	49.53	119.01
Finance Cost	4.10	2.00
Total	**314.71**	**261.60**

49.8 The Company reviews the carrying amount of its fixed assets on each balance sheet date for the purpose of ascertaining impairment, if any, by considering assets of entire one plant as Cash Generating Unit (CGU). If any such indication exists, the assets recoverable amount is estimated, as higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The net selling price of the CGU is determined once in every three years.

On such review as on 31st March, 2018, no provision is required to be made during the year, as the value in use of assets of BhilaiSteel Plant, Durgapur Steel Plant, Rourkela Steel Plant, BokaroSteel Plant and IISCO Steel Plant, based on the present value of estimated future cash-flows expected to arise from the continuing use of an asset and from its disposal at the end its useful life, is more than the carrying amount of the respective CGU.

No provision is required to be made during the year for Alloy SteelsPlant, Salem Steel Plant and VisvesvarayaIron and Steel Plant, as the net realisable value thereof, assessed by an independent agency, as on 31st March, 2018 for Salem Steel Plant and as on 31st March, 2017 for Alloy Steels Plant andVisvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

49.9 (a) On the basis of Board of Directors of the Company approval dated 30th May 2017 for surrendering of three limestone mining leases under Bhawanathpur viz. Saraiya, Ghagra & Goregaon, the intangible assets of ₹37.47 crore towards NPV as Mining Right have been written off along-with the corresponding provisions.

(b) The Board of Directors of the Company Board approved on 1st March 2018 for return of two Coal Blocks , Parbatpur and Sitanala, to Ministry of Coal. The Company has taken provision of ₹18.59 Crore for Sitanala and ₹113.05 Crore for Parbatpur as exceptional expenses which appeared in CWIP.

(c) The Unit has given Bank Guarantee to Ministry of Coal as per the allotment agreement for two Coal Blocks of Parbatpur and Sitanala. After the approved on 1st March 2018 to return these two Coal Blocks to Ministry of Coal, the Company has provided Liability of ₹15.18Crore for Sitanala and ₹62.57 Crore for Parbatpur Coal Block and shown as exceptional expenses.

49.10 As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, the Company reported average net loss during the three immediately preceding financial years; no amount is required to be spent for the Financial Year 2017-18.

However, against the budgeted amount of ₹26.00 crore (previous year ₹29.05crore), the Company has spent an amount of ₹25.70 crore (previous year ₹29.05 crore) on CSR activities during the Financial Year 2017-18 under the following heads:

(₹ crore)

Particulars	2017-18	2016-17
Education	7.65	8.74
Healthcare	5.11	3.34
Livelihood Generation	3.54	2.86
Women Empowerment	0.75	0.90
Drinking Water	1.44	0.95
Sanitation	0.47	1.50
Sports	0.79	0.91
Art & Culture	1.13	2.02
Rural Development	2.07	2.68
Social Security	0.33	0.26
Environment Sustainability	2.20	3.68
Project Identification and Monitoring	0.00	0.38
Capacity Building of Personnel	0.23	0.83
Total	**25.70**	**29.05**

Further, no expenditure has been made involving the related parties.

49.11 In compliance to General Financial Rule 238(5) & (6), the details of Grants received from Ministry of Steel and it's utilization for Research and Development Projects during last three years are as under :

(₹ crore)

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2017-18	1.33	2.61
2016-17	2.32	2.15
2015-16	2.18	0.77

49.12 Salem Steel Plant (SSP) had obtained 12 Export Promotion Capital Goods (EPCG)authorization between 12th November 2008 to 30th November 2009 for import of capital goods at concessional rate of customs duty under EPCG Scheme and completed the export obligation vide letter dated 13th February, 2018 received from the Office of Joint Director General of Foreign Trade, Coimbatore.

49.13 Information on leases as per Indian Accounting Standards (Ind AS) 17 on `Leases':

(a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received up-front, after adjusting against book value, is booked to other revenues in the year of lease. Renewal premium, ground rent and service charges of properties, pending for renewal, given on lease are treated as income in the year of receipt.

(b) Finance lease liabilities (refer note 24 and 31) are secured by the related assets held under finance lease. Future minimum finance lease payments and present value of minimum lease payments of the respective years are as follows:

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	1-5 years	After 5 years	Total
31st March, 2018				
Lease payment	261.85	915.89	2068.04	3245.78
Finance charge	-156.70	-527.49	-1092.81	-1777.00
Net present value	105.15	388.40	975.23	1468.78
31st March, 2017				
Lease payment	251.21	913.69	2255.38	3420.28
Finance charge	-158.59	-556.78	-1233.81	-1949.18
Net present value	92.62	356.91	1021.58	1471.11

c) Description of major leasing arrangements

Power plant

The Company has accounted for certain power plants as finance lease under Appendix C of Ind AS 17 by virtue of the power purchase agreement with the supplier. Under the terms of the power purchase agreement, the Company shall continue to purchase power until the parties decide to terminate the agreement, which has been determined to be an un-economic proposition considering the specialised nature and location of the asset.

Oxygen Plant

The Company has accounted for certain oxygen plants as finance lease (or operating lease) under Appendix C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement.

Mining land

The Company has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/ economic compulsion for renewal.

d) In respect of assets taken on lease/rent:

(i) The Company has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the year is ₹18.87crore (₹14.16crore).

(ii) As at the Balance Sheet date, the future minimum lease payments under non-cancellable operating leases are:

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	43.23	43.06
Later than I year and not later than 5 years	172.23	172.23
Later than 5 years	258.35	301.41

49.14 As per Government of India guidelines on payment of dividends, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax or 5% of the Net-worth, whichever is higher, subject to the maximum dividend permitted under the Companies Act, 2013 and other rules, unless lower dividend proposed to be paid is justified after analysis of the various financial parameters of the Company. In case, the Company is not able to comply with the guidelines, specific exemption has to be obtained from Department of Investment & Public Asset Management (DIPAM), Government of India. Keeping in view the adverse financial position of the Company due to losses, the Company has been exempted from payment of dividend for the Financial Years 2015-16 and 2016-17. For the Financial year 2017-18, the Company has again taken up with DIPAM for exemption from payment of dividend.

49.15 Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2017-18 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized as income during the year, amounting to ₹15.12crore (till date ₹34.24crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India received during the year such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exists regarding collectability and measurability of revenue.

49.16 The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27-10-2016 has "in-principle" decided for Strategic Disinvestment of Alloy Steels Plant (ASP), Durgapur; Visvesvaraya Iron and Steel Plant (VISP), Bhadrawati, Salem Steel Plant (SSP), Salem. Further, in line with "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. Preliminary Information Memorandum (PIM) /Expression of Interest (EoI) for ASP has been published in News papers on 14th February, 2018. PIMs/EoI of SSP and VISP have been submitted to MoS (Ministry of Steel) for obtaining the clearance of Govt of India.

49.17 Recent Accounting Pronouncements Standards issued but not yet effective:

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, 'Foreign Currency Transaction and advance consideration and amendment to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

(a) Ind AS 115, Revenue from contracts with Customers.

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. IndAS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principle of Ind AS 115 is that an entity should recoginse revenue that demonstrate the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the Standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

(b) Appendix B to Ind AS 21, 'Foreign currency transaction and advance consideration':

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, that an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company is expected to be not material.

49.18 Based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the year 2017-18, excluding depreciation, of ₹82.07crore (Previous Year ₹ 97.95 crore) has been included under Note No.41 'Other Expenses' in Statement of Profit and Loss (refer Note No 41). Head wise bifurcation is as under:

(₹ crore)

Account Head	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salary and Wages	41.05	53.41
Stores and Spares	3.80	7.77
Power purchased	10.70	11.44
Repairs and Maintenance	8.36	6.84
Miscellaneous Expenses and Provisions	21.21	22.02
Total Expenditure	**85.12**	**101.48**
Less: Income	3.05	3.53
Net Expenditure	**82.07**	**97.95**

50.1 DEFINED BENEFIT SCHEMES

50.1.1 General Description of Defined Benefit Schemes:

Gratuity: Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more(for service beyond 30 years, one month's salary for every completed year of service beyond 30 years, in case of non-executives). Maximum amount of ₹20 lakhs for executives& non-executives joined on or after 1st July, 2014 and without any monetary limit for other non-executives, has been considered for actuarial valuation.

Leave Encashment: Payable on superannuation to eligible employees who have accumulated earned and half pay leave, subject to maximum limit of 300 days combined for earned leave and half pay leave. Encashment of accumulated earned leave is also allowed up to 30 days once in a financial year up to 18th November, 2015 and stopped thereafter.

Provident Fund: 12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by the Company.

Post Retirement Medical Benefits: Available to retired employees at company's hospitals and/or under the health insurance policy.

Post Retirement Settlement Benefits: Payable to retiring employees for settlement at their home town.

Long term service Award: Payable in kind on rendering minimum 25 years of service and also on superannuation.

50.1.2 Other disclosures, as required under Ind AS 19 on 'Employee Benefits', in respect of defined benefit obligations are :

(a) Reconciliation of Present Value of Defined Benefit Obligations*:

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	6153.06 (5692.84)	2740.01 (2535.85)	936.21 (872.63)	103.73 (94.95)	23.14 (21.02)
ii)	Service Cost	288.50 (375.36)	124.27 (303.44)	- (-)	- (-)	1.52 (1.60)
iii)	Interest Cost	443.02 (381.98)	198.91 (173.00)	67.61 (60.24)	7.65 (6.52)	1.70 (1.43)
iv)	Actuarial Gains(-) / Losses(+)	-328.47 (550.79)	35.10 (28.06)	76.25 (86.89)	14.01 (11.68)	-1.03 (1.82)
v)	Past Service Cost	582.04 (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	798.19 (847.91)	312.56 (300.34)	116.44 (83.55)	8.73 (8.92)	2.40 (2.73)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	6339.96 (6153.06)	2785.73 (2740.01)	963.63 (936.21)	116.66 (103.73)	22.93 (23.14)

(b) Reconciliation of Fair Value of Assets and Obligations

The Company has funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund. The reconciliation of fair value of assets of the Gratuity Fund and defined benefit gratuity obligations is as under:

(₹ crore)

Sl. No.	Particulars	2017-18	2016-17
i)	Fair Value of plan assets as at the beginning of the year	5836.33	5494.74
ii)	Expected return on plan assets	23.11	94.53
iii)	Actual Company's contribution	798.07	696.50
iv)	Interest Income/Actuarial Gain/Loss	449.45	398.35
v)	Benefits payments	798.19	847.91
vi)	Fair value of plan assets as at the end of the year	6308.85	5836.33
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6339.96	6153.06
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	31.11	316.85

*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2018-19, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are unfunded.

(c) Expenses recognised in the Statement of Profit & Loss for the Year:

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	288.50 (375.36)	124.27 (303.44)	- (-)	- (-)	1.52 (1.60)
ii)	Interest Cost	-6.34 (-16.37)	198.91 (173.00)	67.61 (60.24)	7.65 (6.52)	1.70 (1.43)
iii)	Actuarial Gains (-)/Losses	-328.47 (550.79)	34.85 (28.06)	76.25 (86.89)	14.01 (11.68)	-1.03 (1.82)
iv)	Past Service Cost	582.04 (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	23.11 (93.25)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	512.60 (816.53)	358.02 (504.50)	143.86 (147.13)	21.66 (18.20)	2.19 (4.85)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 39)	860.65 (356.51)	357.55 (491.23)	67.61 (58.34)	21.66 (-)	2.19 (4.85)
	b) Charged to Expenditure During Construction (Note 5.1)	3.52 (-1.25)	0.47 (3.56)	- (-)	- (17.29)	- (-)
	c) Charged to OCI	-351.58 (456.26)	- (-)	76.25 (88.79)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (5.01)	- (9.71)	- (-)	- (0.91)	- (-)
viii)	Actual Return on Plan Assets	472.50 (491.63)				

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit Schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	-216.53	204.24
ii)	Leave	-116.72	110.59
iii)	Post Retirement benefit	-32.26	31.16
iv)	Long Term Service Award	-0.99	0.95
v)	Retirement Travelling Allowance	-4.80	4.69

(e) Effect of one percentage point change in the salary escalation rate on Employees' Benefit Schemes

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	175.57	-182.59
ii)	Leave	117.21	-121.04

(f) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefits scheme.

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement Medical Benefits	-20.97	18.42

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2018	As at 31.03.2017
Insurance Investments	86.25	85.03
Central Government Securities	1.36	1.54
State Government Securities	4.24	4.77
PSU Bonds	8.12	8.63
Cash at Bank	0.03	0.03
Total	**100.00**	**100.00**

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2018	As at 31st March, 2017
i)	Discount Rate (per annum)	7.70%	7.25%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.70%	7.25%
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2018
Upto 1 year	807.50
Between 1 to 2 years	828.15
Between 2 to 3 years	832.46
Between 3 to 4 years	839.42
Between 4 to 5 years	843.26
Between 5 to 10 years	4398.70
More than 10 years	25597.36
Total Undiscounted Payments related to Past Service	34146.84
Less: Discount for Interest	27806.88
Projected Benefit Obligation	**6339.96**

51. GENERAL

51.1 Segment Reporting

i) Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS108, Operating Segments' issued by Ministry of Corporate Affairs.

ii) In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Ind AS108, Operating Segments, issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

51.2 Related Party

As per Ind AS24-`Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties, are given below:

A. Name of the related party and nature of relationship

Subsidiary Companies

SAIL-Jagdishpur Power Plant Limited
SAIL Refractory Company Limited
SAIL Sindri Projects Limited
Chhattisgarh Mega Steel Limited

Joint Venture Companies

NTPC-SAIL Power Company Limited
Bokaro Power Supply Company Limited
SAIL Bansal Service Centre Limited
MjunctionServices Limited
BhilaiJaypee Cement Limited
S&T Mining Company Private Limited
SAIL&MOIL Ferro Alloys Private Limited
International Coal Ventures Private Limited
SAIL-SCI Shipping Private Limited
SAIL SCL Kerala Limited
SAIL-RITES Bengal Wagon Industry Private Limited
SAIL Kobe Iron India Private Limited
TMTSAL SAIL JV Limited
SALSAIL JVC Limited
SAIL-Bengal Alloy Castings Private Limited
PrimeGold-SAIL JVC Limited
VSL SAIL JVC Limited
Abhinav-SAIL JVC Limited
N.E. Steel &Galvanising Private Limited
North Bengal Dolomite Limited
Romelt-SAIL (India) Limited
NMDC SAIL Limited
Bastar Railway Private Limited

Associate Company

Almora Magnesite Limited

Other Companies

ICVL Mauritius
Riverdale Mining (PTY) Limited (RML)
Minas De Banga (Mauritius) Limited Mozambique
ICVL Zambeze Mauritius Limited
Promark Services Limited RPU
Benga Power Plant (Mauritius) Limited
Minas De Benga LDA
Benga Energia SA
IISCO Ujjain Pipe & Foundry Co. Limited
UEC-SAIL Information Technology Limited

Post Employment Benefit Plans

HSL BSP Provident Fund, Bhilai
DSP Provident Fund, Durgapur
Hindustan Steel Ltd Contributory Provident Fund, Rourkela
Bokaro Steel Employees Provident Fund, Bokaro
IISCO Limited Provident Institution, Burnpur
IISCO Limited Provident Institution, Kolkata
IISCO Limited Works Provident Fund, Burnpur
SAIL ASP Provident Fund, Durgapur
Salem Steel Provident Fund, Salem
Visvesvaraya Iron and Steel Plant Employees Provident Fund Trust, Bhadravati
SAIL Provident Fund, New Delhi
Hindustan Steel Provident Fund, Ranchi
Hindustan Steel Limited, Central Purchase Organisation, Sales & Transport, Calcutta Provident Fund
Bharat Refractories Provident Fund, Bokaro
IFICO Provident Fund, Ramgarh
CCSO Provident Fund, Dhanbad
SAIL RMD Establishment and Administrative Offices Employees Provident Fund, Kolkata
Bolani Ores Mines Provident Fund , Bolani
SAIL Employees' Superannuation Benefit Fund
SAIL Gratuity Fund

B. Key Management Personnel	
Shri P.K. Singh	Shri C. Srikanta
Shri Anil Kumar Chaudhary	Shri S.KGarai
Shri Raman	Shri M.R. Panda
Shri Kalyan Maity (upto 28.02.2018)	Shri Neeraj Mathur
Shri N. Mahapatra	Shri Somdev Das
Shri G. Vishwakarma	Shri Sukumar Hedge
Smt. Soma Mondal	Shri Ashoke Kumar Paul
Shri Atul Srivastava (w.e.f. 14.03.2018)	Shri P.K. Mishra
Shri P.K. Singh	Shri B.N.Thakur
Shri M. Ravi	Shri N. Ramachandran
Shri P. Saidev	Shri M.C. Jain
Shri A. Dasgupta	Shri R. Mitra
Shri A.K. Rath	Shri S.K. Das
Shri Ashwini Kumar	Shri T.S. Prakash
Smt. K. Raman	

C. Details of transactions between the Company and the Related Parties during the Year (₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Key Management Personnel	Total	Note No. and Account Head
i)	Purchase of Investment	100.07 (100.92)		100.07 (100.92)	8 : Investments
ii)	Advance for purchase of shares	-0.66 (100.68)		-0.66 (100.68)	11/19 : Other Financial Assets
iii)	Services rendered	8.58 (1.92)		8.58 (1.92)	36: Other income
iv)	Rental Income	0.12 (0.12)		0.12 (0.12)	
v)	Dividend Received	74.31 (90.87)		74.31 (90.87)	
vi)	Sale of Goods	3.74 (2.26)		3.74 (2.26)	35 : Revenue from Operations
vii)	Purchase of Goods	153.51 (105.08)		153.51 (105.08)	
viii)	Purchase of Power	2134.18 (2047.53)		2134.18 (2047.53)	
ix)	Services received	44.95 (44.35)		44.95 (44.35)	42 : Other Expenses
		1.48 (3.19)		1.48 (3.19)	5 : Capital WIP
x)	Interest Income	0.74 (0.51)		0.74 (0.51)	
xi)	Managerial remuneration		8.63 (7.42)	8.63 (7.42)	39 : Employees' Benefits Expenses

D. Balances with Related Parties as at the end of theYear (₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Note No. and Account Head
i)	Investments	1431.54 (1331.65)	8 : Investments
ii)	Provision for investments	17.68 (4.63)	
iii)	Other Loans and Advances	39.44 (39.60)	24/29: Loans
iv)	Provision for Loans and Advances	16.85 (4.85)	
v)	Advance for Purchase of shares	3.54 (104.27)	11/19 : Other Financial Assets
vi)	Trade Receivable	4.93 (4.39)	9/16 : Trade Receivables
vii)	Trade Payable	153.80 (141.69)	25/30 : Trade Payables
viii)	Security Deposit	0.33 (0.33)	26/31 : Other financial liabilities

E. Disclosure of Material Transactions with Related Parties

(₹ crore)

	For the year ended 31st March 2018	For the year ended 31st March 2017	Note No. and Account Head
Purchase of Investment			
VSL SAIL JVC Limited	-	0.46	8 : Investments
International Coal Ventures Pvt. Ltd.	100.00	98.73	
Bastar Railway Ltd.	0.01	-	
NMDC SAIL Ltd	0.02	-	
Chattisgarh Mega Steel	0.04	-	
SAIL Rites Bengal Wagon Industries Pvt. Ltd	-	1.73	
Advance for Purchase of Shares			
VSL SAIL JVC	-	0.01	11/19 :Other Financial Assets
NMDC SAIL Limited	-	0.01	
International Coal Ventures Pvt. Ltd	-	100.00	
SAIL SCL Kerela Ltd	-0.66	0.66	
Sale of Goods			
BhilaiJaypee Cement Limited	3.74	2.26	35: Revenue from Operations
Purchase of Goods			
SAIL Refractory Co. Ltd.	141.81	105.08	
AlmoraMagnesite Ltd	11.70	-	
Purchase of Power			
Bokaro Power Supply Co. Pvt. Ltd.	815.72	839.61	
NTPC-SAIL Power Supply Co. Pvt. Ltd.	1318.46	1207.92	
Dividend Income			
Mjunction Services Limited	5.60	90.87	36: Other income
SAIL Refractory Co. Ltd.	6.31	-	
Bokaro Power Supply Co. Pvt. Ltd.	12.40	-	
NTPC-SAIL Power Supply Co. Pvt. Ltd.	50.00	-	
Services Rendered			
BhilaiJaypee Cement Limited	1.46	1.67	
Mjunction Services Limited	5.65	0.15	
SAIL-Bansal Services Centre Ltd.	1.12	0.03	
Bokaro Power Supply Co. Pvt. Ltd	0.35	0.09	
Auction services			
Mjunction Services Limited	44.95	44.35	42 : Other Expenses
	1.48	3.19	5 : Capital WIP
Conversion Charges			
SAIL-Bansal Services Centre Limited	1.77	1.84	42 : Other Expenses

F. During the year, Sales and Trade Receivables include ₹11770.05crore (9009.19crore) and ₹2063.36crore (1493.07crore) for transactions with the Central Government (including Indian Railways) which constitute 20.19% (19.07 %) and 53.31% (49.97 %)of the Sales and Trade Receivables respectively.

51.3 Disclosures of provisions required by Indian Accounting Standards (Ind AS)37 'Provisions, Contingent Liabilities and Contingent Assets:
Brief Description of Provisions :

Mines afforestation costs - Payable on renewal (including deemed renewal)/forest clearance of mining leases to Government authorities, towards afforestation cost at mines for use of forest land for mining purposes.
Mines closure costs - Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.
Overburden backlog removal costs - To be incurred towards removal of overburden backlog at mines over the future years.

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2017	238.72	59.62	103.25	401.59
Additions during the Year	-	13.19	24.27	37.46
Amounts utilised during the Year	-	(7.63)	(7.56)	(15.19)
Unused amount reversed during the Year	-	-	2.80	2.80
Balance as at 31st March, 2018	**238.72**	**65.18**	**117.16**	**421.06**

51.4 Particulars in respect of Loans and advances as per the disclosure requirement of regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

(₹ crore)

Name of the subsidiary Company*	Loans and advances in the nature of loans outstanding as at the end of the year	Maximum amount of loans and advances in the nature of loans outstanding during the year
IISCO Ujjain Pipe and Foundry Co. Limited (under liquidation)	2.53* (2.53)*	2.53 (2.53)

* ₹ 2.53 crore (₹2.53 crore), being doubtful of recovery has been provided for in the books of accounts.
ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
iii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

52. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- **External Sales**											
Current Year ended 31st March 2018	15994.93	7168.64	12210.22	14039.97	6811.00	442.88	1344.11	142.18	143.33		**58297.26**
Previous Year ended 31st March 2017	14135.97	6209.54	9683.32	11796.81	4709.85	383.07	2015.72	169.15	76.81		**49180.24**
- **Inter segment sales**											
Current Year ended 31st March 2018	299.80	184.88	217.67	211.33	73.02	206.18	12.70	18.36	3881.30	(5105.24)	-
Previous Year ended 31st March 2017	639.75	173.36	273.76	234.89	49.44	224.61	9.52	24.78	3406.99	(5037.10)	-
- **Total Revenue from sale of products**											
Current Year ended 31st March 2018	16294.73	7353.52	12427.89	14251.30	6884.02	649.06	1356.81	160.54	4024.63	(5105.24)	**58297.26**
Previous Year ended 31st March 2017	14775.72	6382.90	9957.08	12031.70	4759.29	607.68	2025.24	193.93	3483.80	(5037.10)	**49180.24**
RESULT											
- **Operating Profit / (-) Loss before Interest and Exceptional items**											
Current Year ended 31st March 2018	1240.52	(58.57)	398.70	804.13	(329.50)	(25.84)	(118.24)	(108.34)	234.52		**2037.38**
Previous Year ended 31st March 2017	546.87	(724.42)	(703.22)	251.85	(1326.32)	(1.78)	(112.45)	(114.88)	78.05		**(2106.30)**
- **Finance cost**											
Current Year ended 31st March 2018											**2822.75**
Previous Year ended 31st March 2017											**2527.82**
- **Exceptional items**											
Current Year ended 31st March 2018											**(26.43)**
Previous Year ended 31st March 2017											**216.74**
- **Tax expenses**											
Current Year ended 31st March 2018											**(277.23)**
Previous Year ended 31st March 2017											**(2017.62)**
- **Profit / Loss (-) for the year**											
Current Year ended 31st March 2018											**(481.71)**
Previous Year ended 31st March 2017											**(2833.24)**
OTHER INFORMATION											
- **Segment assets**											
Current Year ended 31st March 2018	28756.68	6400.05	19484.61	14524.30	18770.09	518.32	2459.07	533.47	22743.21		**114189.80**
Previous Year ended 31st March 2017	27079.13	6006.72	18906.12	14437.15	18836.19	600.26	2554.16	678.16	17441.58		**106539.47**
- Segment Liabilities (including Long Term Borrowing											
Current Year ended 31st March 2018	7409.47	2364.33	4017.17	3746.95	1922.70	207.46	383.28	79.88	58344.89		**78476.13**
Previous Year ended 31st March 2017	6872.38	2060.83	3821.43	3284.97	1577.12	232.30	372.66	151.41	52157.31		**70530.41**
- **Capital expenditure**											
Current Year ended 31st March 2018	2481.46	296.50	1638.38	1362.65	599.44	2.89	7.82	2.15	386.53		**6777.82**
Previous Year ended 31st March 2017	1683.88	403.56	1212.44	1259.91	635.67	3.71	11.91	2.43	252.43		**5465.94**
- **Depreciation**											
Current Year ended 31st March 2018	512.86	195.57	721.75	561.87	724.35	11.44	95.74	7.30	234.04		**3064.92**
Previous Year ended 31st March 2017	419.36	188.37	667.72	487.93	607.05	9.30	96.31	7.30	196.61		**2679.95**
- **Non Cash expenses other than Depreciation**											
Current Year ended 31st March 2018	19.00	11.34	15.26	56.00	36.79	2.00	14.17	2.81	58.37		**215.74**
Previous Year ended 31st March 2017	8.98	16.20	5.45	29.91	26.73	4.48	3.45	2.43	49.92		**147.55**

SOCIAL AMENITIES

(₹ crore)

Expenses	Township	Education	Medical	Social & cultural activities	Co-operative societies	Transport & Dairy	Total	Previous Year
Employees' Remuneration & Benefits								
- Salaries & wages	172.44	70.90	278.19	8.26	1.36	10.04	541.19	582.71
- Company contribution to Provident Fund	20.88	8.93	30.19	1.12	0.32	1.47	62.91	66.71
- Travel concessions	3.82	0.70	3.67	0.03	0.00	1.70	9.92	17.44
- Welfare expenses	9.54	71.47	73.73	3.70	0.00	1.94	160.38	168.30
- Consumption of medicines	0.00	0.00	65.45	0.80	0.00	0.00	66.25	66.83
- Gratuity	16.05	11.42	18.46	0.59	0.02	0.94	47.48	60.76
Total	**222.73**	**163.42**	**469.69**	**14.50**	**1.70**	**16.09**	**888.13**	**962.75**
Stores & Spares	18.83	0.22	6.30	0.44	0.55	0.52	26.86	36.22
Repair & maintenance	91.55	3.47	31.22	0.43	0.29	2.14	129.10	154.68
Power & fuel	417.95	5.54	14.91	4.32	0.00	0.43	443.15	443.65
Miscellaneous expenses	22.26	5.23	24.41	2.79	0.00	9.77	64.46	74.29
Depreciation	43.09	2.87	11.75	0.68	0.30	0.73	59.42	54.69
Total	**816.41**	**180.75**	**558.28**	**23.16**	**2.84**	**29.68**	**1611.12**	**1726.28**
Less: Income	263.65	4.10	69.67	0.01	0.00	0.33	337.76	334.01
Net Deficit	**552.76**	**176.65**	**488.61**	**23.15**	**2.84**	**29.35**	**1273.36**	**1392.27**

Independent Auditors' Report

Comments	Management's Replies

To the Members of Steel Authority of India Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Steel Authority of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements"), in which are incorporated the Returns of 8 branches for the year ended on that date audited by the branch auditors of the Company's branches.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Basis for Qualified Opinion

The Company has not provided for:

I. As per 9th National Joint Committee on Steel (NJCS) Agreement dated 1st July, 2014 (which is valid upto 31st December, 2016) signed by the Company, contribution by the Company towards proposed Pension Fund for non-executive employees was stipulated at 6% of Basic Pay and D.A.. Pending revision of the said Agreement and against reservation of representatives of non-executive employees, Management of the Company has unilaterally reduced the rate of contribution towards the said Pension Fund to 2% of Basic Pay and D.A. and accordingly the Management, in the 4th quarter of the current year, has written back the provision towards the said Pension Fund for non-executive employees for the period from 01.04.2015 to 31.12.2016 to the extent of ₹ 288.14 crore (Refer Note No.49.4)

The Company's view is that the Pension Scheme was approved by the Board in its Meeting held on 9th February, 2017, with a provision that the contribution towards Pension shall be based on the affordability, sustainability and capacity of the company, measured as a percentage of Profit Before Tax(PBT) to average Net-worth. This is in line with the Office Memorandum dated 21.5.2014 issued by the Department of Public Enterprises. If the percentage of PBT to average Net-worth is 8% or above, the contribution towards Pension shall be limited to 6% of Basic Pay plus DA for Non-executives. Further, if the percentage of PBT to average Net-worth is lower than 8%, the amount of contribution will be reduced proportionately. However, a minimum Pension contribution is kept at the rate of 2% of Basic Pay plus DA even in case of loss during a Financial Year. Accordingly, the Board of Directors of the Company has approved the write back of Pension contribution for the period from 1.4.2015 to 31.12.2016 in its meeting held on 30.05.2018.

Comments	Management's Replies
II. Wage revision for non-executives is due since 01.01.2017. During the 4th quarter of the current year, Management of the Company has reversed adhoc provision already made in last year for the period from 01.01.2017 to 31.03.2017 amounting to ₹77.47 crore. Further the Management has also reversed provision created thereof for nine months ended 31st December 2017 amounting to ₹230.77 crore and also not made any provision thereof for the 4th quarter of the year. Pending negotiation with non-executive employees and as per the experience and past practice of earlier wage revisions for non-executive employees, adhoc provisions from 01.01.2017 to 31.03.2017 of ₹77.47 crore and from 01.04.2017 to 31.12.2017 of ₹230.77 crore should not have been reversed and provision of ₹76.92 crore for the quarter ended 31.03.2018 should have been made. The aggregate impact of this on Loss before Tax for the current year amounts to ₹385.16 crore. (Refer Note No. 49.3)	The Company's view is that SAIL is a Government Company and is required to follow Government Guidelines for revising pay scales of its employees. The Department of Public Enterprises (DPE) issued Office Memorandum dated 24.11.2017 in this regard. The Guidelines inter-alia, state that Management of PSEs would keep in view the affordability and financial sustainability of such wage revision and further where the five year periodicity of Wage revision is followed, Management has to ensure that negotiated scales of pay for two successive wage negotiations do not exceed the existing scales of pay of executives/officers and non-unionized supervisors of respective CPSEs for whom ten years periodicity is being followed. The current pay scales of Non-executive employees in SAIL for some of the levels after wage revision effective from 01.01.2012 for 5 years are already higher than the pay scales of certain Executive employees. Accordingly, it has been approved by the Board of Directors of the Company to withdraw the provision of wage revision for Non-executive employees for the period from 01.01.2017 to 31.03.2017 and also for the nine months ended 31st December, 2017 and not to make any provision for the 4th Quarter of Financial Year 2017-18.
III. The Company has not provided for : (i) Demand for Entry tax in various states amounting to ₹1726.16 crore as on 31st March, 2018 (Refer Note No.47.2(a)); and (ii) Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore as on 31st March, 2018 (Refer Note No.47.2(b)). Had the impact of all the above qualifications been considered, Total Comprehensive Loss (net of tax) for the year ended 31st March, 2018 would have been ₹2,238.73 crore against reported Total Comprehensive Loss (net of tax) of ₹295.39 crore, overstatement of other equity as on 31st March 2018 by ₹1,943.34 crore, understatement of current liability by ₹2,399.46 crore and understatement of asset by ₹456.12 crore.	In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches of the Apex Court on levy of entry tax in the States of Chhattisgarh, Odisha, Uttar Pradesh, Jharkhand and in respect of the case pertaining to Calcutta High Court, the Entry Tax demands under dispute have been treated as contingent liabilities. In respect of item stated at (ii), the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. The above stated disputed demands, stated at III(i) and III(ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2018. Therefore, there is no adverse impact on loss for the year.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on Financial Statements of the branches referred to in the Other Matters paragraph below, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its total comprehensive loss (net loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:

Gross sales include sales to Government agencies for ₹4,802.50 crore for the year ended 31st March, 2018 (cumulative upto 31st March, 2018 ₹12,271.05 crore) which is recognized on provisional contract prices (Refer Note No. 49.2);

Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements of 8 branches included in the Standalone Ind AS Financial Statements of the Company whose financial statements reflect total assets of ₹45,784.59 crore as at 31st March, 2018 and total revenue of ₹20,798.09 crore for the year ended on that date. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sub-section 11 of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the branch auditors on the financial statement of the branches, referred to in other matters above, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Comments	Management's Replies

b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

e) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.

g) As per notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in the "Annexure 2".

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements; (Refer Note No.47 and 48.4)

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. The Company has not transferred to the Investor Education and Protection Fund an amount of ₹120,75,460/- being Unclaimed Matured Deposits, which the Company is required to transfer to the said Fund; and

   Management's Reply: The Matured Deposits have already been claimed by the successors/ relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the Matured Deposits to the legal heirs.

   iv. Requirements as to disclosure of holding as well as dealings in Specified Bank Notes (SBN) and reporting thereon are not applicable for the year.

3. As required by Section 143(5) of the Act, we give in "Annexure-3", a statement on the matters specified in the Directions issued by the Comptroller and Auditor General of India in respect of the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

Place : New Delhi
Dated : 30th May, 2018

For and on behalf of Board of Directors

Sd/-
(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place : New Delhi
Date : 3rd August, 2018

Independent Auditors' Report

Annexure '1' to the Independent Auditors' Report

Comments	Management's Replies
Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2018	
i. In respect of its fixed assets:	
a. The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets. However, the location and the extent of area in respect of few lands needs to be updated in the fixed assets registers and have to be reconciled with the revenue records as to the extent of holding and location of land. The delay is attributable to procedural matters involved in ascertaining and reconciling with revenue records maintained by the revenue departments of state governments involved.	Necessary action is being taken to update the location and extent of area in respective plants in the fixed assets registers. This is a continuous process.
b. The fixed assets of the Company have been physically verified by the Management at reasonable intervals in a phased manner so as to generally cover all the assets once in three years. However, it is observed that certain land and buildings are under encroachment/unauthorised occupation. As informed, no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.	Necessary action is being taken to evict the occupants from land and buildings under encroachment/ unauthorised occupation.

c. According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/lease deeds of immovable properties are held in the name of Company except in the following cases:

Particulars	Freehold Land	Leasehold Land	Building
Area not in name of the Company	47209.74 acres	17335.30 acres and 1 case	2 Buildings and 571.24 sq. mts
Gross Block thereof	173.75 crore	151.33	0.57
Net Block thereof	173.75 crore	130.18	0.32

ii. In respect of physical verification of Inventory:

a. The inventories have been physically verified by the Management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey/estimates.

b. In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories which were not material, have been properly dealt with in the books of account.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, the clauses (iii) (a), (iii) (b) and (iii) (c) of Paragraph 3 of the order are not applicable to the Company.

iv. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of Investments made by the Company, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

v. The Company has not accepted any deposit from public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and rules framed there under, during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes (including Goods and Services Tax), Cess and other Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2018.

b. According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2018 as given herein below:

Statute	Nature of Dues	Amount (₹ crore)	Forum where disputes are pending
Sales Tax, VAT & GST	Sales tax, VAT and GST Demands	10.45 495.40 680.79 71.87	Supreme Court High Courts Sales Tax Tribunals Sales Tax Departments
Entry Tax	Entry Tax Demands	1,257.26 544.49 606.92 40.46	Supreme Court High Courts Tribunal Department

Central Excise Act, 1944	Excise Duty	266.80 2,375.02 1664.36 339.39 0.32	Supreme Court High Courts CESTAT Department BIFR
Service tax	Service Tax	32.76 127.00 201.25	High Court CESTAT Department
Customs Duty	Customs Duty	1.71	Department
Income Tax Act, 1961	TDS on Perks	5.96 122.85	Supreme Court High Courts
	Other TDS matters	0.21 27.05	ITAT Department
	Income Tax Disputes	194.52 516.06 46.85	High Courts ITAT Department
	TOTAL	**9,629.75**	

viii. The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans from banks and financial institutions have been applied for the purpose for which they were obtained.

x. To the best of our knowledge and belief and according to the information and explanations given to us and based on the audit procedures performed, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Ind AS 24 - `Related Party Disclosures' specified under Section 133 of the Act read with relevant rules.

xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

Place : New Delhi
Dated : 30th May, 2018

For and on behalf of Board of Directors

Sd/-
(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place : New Delhi
Date : 3rd August, 2018

Independent Auditors' Report

Annexure '2' to the Independent Auditors' Report

Comments	Management's Replies

Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **STEEL AUTHORITY OF INDIA LIMITED ("the Company")** as of 31st March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial reporting considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Comments	Management's Replies

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

Place : New Delhi
Dated : 30th May, 2018

Independent Auditors' Report

Annexure '3' to Independent Auditors' Report

Questions	Auditors' Comments	Management's Replies

(Referred to in paragraph 3 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2018)

On the Directions issued by the Comptroller and Auditor General of India under sub section 5 of Section 143 of the Companies Act, 2013, based on the verification of records of the Company and according to information and explanations given to us, we report that:

A. Directions under Section 143(5) of Companies Act, 2013

Questions	Auditors' Comments	Management's Replies
1. Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Title deeds for freehold land area of 47,209.74 acres are not available. Lease deeds for leasehold land area of 17,335.30 acres are not available.	Necessary action is being taken for registration of pending title deeds and eviction of unauthorized occupants of land.
2. Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons there for and the amount involved.	Waiver/ write offs are done on case to case basis with the approval of competent authorities. Details of waiver/ write off of debts/ loans/ interest etc. are as under: Waiver of hospital dues from poor patients amounting to ₹0.03 crore in case of Rourkela Steel Plant.	
3. Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grants from Govt. or other authorities.	The Company has maintained adequate records in respect of inventories lying with third parties. No assets were received as gifts from the Government or other authorities during the year.	

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

For and on behalf of Board of Directors

Sd/-
(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place : New Delhi
Dated : 30th May, 2018

Place : New Delhi
Date : 3rd August, 2018

Comments of C&AG

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2018

The preparation of Financial Statements of **STEEL AUTHORITY OF INDIA LIMITED** for the year ended 31st March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the Financial Statements of **STEEL AUTHORITY OF INDIA LIMITED** for the year ended 31st March, 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(Indu Agrawal)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board, Ranchi

Place : Ranchi
Dated : 31st July, 2018

Annexure-VI to the Board's Report

Secretarial Audit Report

Form No. MR-3

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Steel Authority of India Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Steel Authority of India Limited (hereinafter called SAIL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the SAIL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SAIL for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Compliances/processes/systems under following specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company:

  (a) Mines Act, 1952

  (b) Mines and Mineral (Regulation and Development) Act, 1957

  (c) The Factories Act, 1948

  (d) Explosives Act, 1884

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India. Generally complied with.

(b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.

(c) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

Compliance of Regulation 17(10) & 25(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the Directors.

We further report that The Company has complied with the requirement pertaining to the composition of the Board of Directors to be constituted as per the DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations, However, during part of the period under review, the composition of Board was not as per requirements, due to absence of requisite number of independent Directors on the board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting from whole time directors.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates,**

Company Secretaries,

Sd/-
Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: 28.05.2018

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure 'A' to Secretarial Audit Report

To,
The Members,
Steel Authority of India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,

Sd/-
Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: 28.05.2018

Annexure-VII to the Board's Report

CORPORATE GOVERNANCE REPORT 2017-18

(a) Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines including DPE guidelines, and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. The Company is committed to conforming to the highest standards of Corporate Governance in the Country. It recognizes that the Board is accountable to all shareholders and that each member of the Board owes his/her first duty for protecting and furthering the interest of the Company.

(b) Board of Directors

As on 31st March, 2018, the Board of Directors comprised of a full time Chairman, 5 Whole Time Directors (i.e. Executive Directors) and 8 Non-Executive Directors (consisting of 1 Government Nominee Director and 7 Independent Directors). During the year, 11 Board meetings were held on 28.04.2017, 30.05.2017, 30.06.2017, 11.08.2017, 22.09.2017, 09.11.2017, 21.11.2017, 12.12.2017, 21.12.2017, 08.02.2018 and 28.03.2018.

The names of Director(s), their attendance at the Board meeting(s) held during 2017-18 as also at the last Annual General Meeting and number of other directorships held by each of them, as disclosed, are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended during 2017-18	Attendance at last AGM	No. of other Directorships held as on 31.03.2018 *	No. of Board Committee(s) as Chairman/Member as on 31.03.2018**
1. Shri P.K. Singh	Executive Chairman	11	Yes	1	-
2. Shri Anil Kumar Chaudhary	Executive Director	11	Yes	-	1-M
3. Shri Kalyan Maity (Upto 28.02.2018)	Executive Director	10	Yes	-	-
4. Shri Sunil Barthwal (Upto 11.10.2017)	Non-Executive Director (Govt. Nominee)	4	-	-	-
5. Shri P.K. Dash (Upto 03.10.2017)	Independent Director	5	Yes	-	-
6. Prof. Ashok Gupta	Independent Director	10	Yes	-	1-M
7. Shri Parmod Bindal	Independent Director	11	Yes	-	1-C
8. Mrs. Anshu Vaish	Independent Director	9	Yes	-	1-M
9. Dr. N. Mohapatra (Upto 30.06.2017)	Executive Director	3	-	-	-
10. Shri G. Vishwakarma	Executive Director	11	Yes	1	-
11. Shri Raman	Executive Director	11	Yes	3	1-M
12. Shri Saraswati Prasad	Non-Executive Director (Govt. Nominee)	9	-	4	-
13. Dr. Samar Singh	Independent Director	11	Yes	-	1-C 1-M
14. Shri Nilanjan Sanyal	Independent Director	11	Yes	-	1-M
15. Ms. Soma Mondal	Executive Director	11	Yes	-	-
16. CA K.S. Chauhan (From 22.09.2017)	Independent Director	7	-	-	1-M
17. Prof. N.K. Taneja (From 22.09.2017)	Independent Director	6	-	-	-
18. Ms. Urvilla Khati (From 11.10.2017 to 28.02.2018)	Non-Executive Director (Govt. Nominee)	5	-	-	-
19. Shri Atul Srivastava (From 12.03.2018)	Executive Director	1	-	-	1-M

* Includes Directorship in Private companies. ** Only Audit Committee and Stakeholders' Relationship Committee are considered for this purpose.
M = Member, C = Chairman

(c) Audit Committee:

(i) Terms of reference:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Financial Reports; the Company's systems of internal financial controls, accounting and legal compliance that Management and the Board have established; and the Company's auditing, accounting and financial reporting process generally.

The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors, discusses their findings, suggestions and other related matters and reviews Accounting Policies followed by the Company. The Audit Committee reviews with the Management, the Quarterly and Annual Financial Statements before their submission to the Board.

The minutes of the Audit Committee meetings are circulated to the Board, discussed, and taken note of.

(ii) Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31st March, 2018, the Audit Committee consisted of CA. Parmod Bindal (Chairman), Prof. Ashok Gupta, Mrs. Anshu Vaish, Dr. Samar Singh, Shri Nilanjan Sanyal and Director (Technical). During the last year, the Committee met 8 times and attendance of the Members at the meetings is given below:

Name of the Director	Status	No. of meetings attended
CA Parmod Bindal, Independent Director	Chairman	8
Shri P.K. Dash, Independent Director (upto 03.10.2017)	Member	5
Prof. Ashok Gupta, Independent Director	Member	8
Mrs. Anshu Vaish, Independent Director	Member	7
Shri Nilanjan Sanyal, Independent Director (Member from 31.10.2017)	Member	3
Dr. Samar Singh, Independent Director	Member	7
Shri Raman, Director (Technical)	Member	8

(d) Nomination & Remuneration Committee

(i) SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment as Director, is made by Government of India. However, the Company has constituted a Nomination & Remuneration Committee (NRC) to, inter-alia, look into various HR issues, matters prescribed under the Companies Act, 2013 and SEBI Regulations, finalization of Performance Related Pay (PRP) for the executives of the Company in terms of Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises, etc. As on 31st March, 2018, the Nomination & Remuneration Committee consisted of Mrs. Anshu Vaish (Chairperson), Shri P.K. Singh, Chairman, SAIL, Prof. Ashok Gupta, Independent Director, Shri Nilanjan Sanyal, Independent Director, Prof. N.K. Taneja, Independent Director, and Joint Secretary, Ministry of Steel (Government Nominee Director) as Members.

The Ministry of Corporate Affairs(MCA) has vide its notification dated 5th June, 2015 notified exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The appointment of Functional Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made based on nomination/appointment by Government of India (GoI). Further, terms & conditions of appointment as well as tenure of all Directors are also decided by GoI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry.

(ii) The details of remuneration to Whole Time Directors are given below:

(₹)

Name of the Director	Salary	Perquisites, etc.	Total
Shri P.K. Singh	43,66,223	5,06,929	48,73,152
Shri Anil Kumar Chaudhary	39,87,266	5,23,062	45,10,328
Shri Kalyan Maity (Upto 28.02.2018)	37,25,174	4,17,788	41,42,962
Dr. N. Mohapatra (Upto 30.06.2017)	9,12,778	5,44,085	14,56,863
Shri G. Vishwakarma	27,66,215	6,61,400	34,27,615
Shri Raman	39,27,267	8,80,206	48,07,473
Ms. Soma Mondal	42,37,436	5,13,745	47,51,181
Shri Atul Srivastava (From 12.03.2018)	6,99,478	24,072	7,23,550
Total	**2,46,21,837**	**40,71,287**	**2,86,93,124**

(iii) The Non-Executive Directors (other than Government Nominee Directors) are paid only sitting fee of ₹20,000/- for each Board/Board Sub-Committee/Independent Directors Meeting attended by them.

(iv) The salary of the Whole Time Directors is governed by pay scales and Rules of the Government. No variable incentive is being paid to the Directors except Performance Related Pay, paid to them on annual basis as per DPE guidelines.

(v) **Terms & Conditions**

The Whole Time Directors are nominated by Government of India for appointment as Director for a period of five years or till the age of superannuation or until further orders, whichever is the earliest. They are initially appointed by the Board of Directors as Additional Directors and, thereafter, by the Shareholders in the Annual General Meeting in terms of the provisions of the Companies Act, 1956/2013.

The appointment may, however, be terminated by either side on three months' notice or on payment of three months' salary in lieu thereof.

(e) Stakeholders' Relationship Committee

(i) A Stakeholders' Relationship Committee under the Chairmanship Dr. Samar Singh with CA K.S. Chauhan, Independent Director and two Whole Time Directors, i.e. Director (Finance) and Director (Personnel), as Members, is functioning to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

(ii) Name of Compliance Officer: Shri M.C. Jain, ED(F&A) and Company Secretary.

(iii) There was no complaint pending for redressal as on 31st March, 2017. Number of shareholders' complaints received during the year from 1st April, 2017 to 31st March, 2018 was 9. All the 9 complaints were resolved and no complaint was pending for redressal as on 31st March, 2018.

(f) Risk Management Committee: The Company has constituted SAIL Risk Management Committee (SRMC) and the Chief Risk Officer of the Company is acting as the Secretary of the Committee. The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in the day to day operations. The Risk Management Policy is comprehensive and processes faster risk updation in a dynamic business environment. The SRMC oversees the risk management function in SAIL by addressing issues pertaining to policy formulation as well as evaluation of the risk management function to assess its continuing effectiveness.

(g) Corporate Social Responsibility Committee: Corporate Social Responsibility is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner, whereby organisations serve the interests of the society, by taking responsibility for the impact of their activities. The Board of Directors of the Company has constituted Corporate Social Responsibility Committee and has also approved Corporate Social Responsibility Policy of the Company. The Policy is available on the website of the Company-www.sail.co.in.

(h) During the year, constitution of the Board Sub Committees (BSCs) was reviewed and some of the BSCs were merged and reconstituted. At present, besides mandatory committees, the following BSCs have been constituted by the Company so that the issues are examined in detail before the same are considered by the Board of Directors:

- Strategic Issues & Joint Ventures Committee- To examine and recommend to the Board the issues relating to formation of Strategic Alliance(s) and Joint Ventures of the Company and review their performance.
- Projects Committee- To monitor and recommend to the Board the matters regarding taking up of new projects, monitoring implementation of major capital projects vis-a-vis approved plan, etc.
- Operational Issues Committee- To review production performance, sales & marketing performance, operational performance of the mines & collieries; to review coordination amongst Mines and Plants for availability of the required quantity and quality of raw materials for the Plants, Health & Safety Issues, etc.

(i) Details of Meetings of various Board Sub Committees held during the year and Directors' attendance therein:

Board Sub-Committee	Audit Committee	Projects Committee	Strategic Alliance (s) & Joint Ventures Committee	Nomination & Remu neration Committee	Corporate Social Responsibility Committee	MOU, Vision & Strategic Planning Committee	Health, Safety & Environment Committee	Stake holders Relationship Committee	Strategic Issues & Joint Ventures Committee	Raw Materials (including Mining Issues) Committee	Production & Marketing Committee
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Meetings held	**8**	**8**	**7**	**11**	**2**	**1**	**3**	**1**	**1**	**2**	**2**
Directors Attendance											
Shri P.K. Singh	-	-	-	3	-	-	-	-	-	-	-
Shri Anil Kumar Chaudhary	-	8	7	-	2	1	-	1	1	2	2
Shri Kalyan Maity (Upto 28.02.2018)	-	-	-	-	-	-	0	-	-	2	-
Shri Sunil Barthwal (Upto 11.10.2017)	-	1	2	3	-	1	-	-	-	0	0
Shri P.K. Dash (Upto 03.10.2017)	5	4	4	-	-	1	-	-	-	1	-
Prof. Ashok Gupta	8	-	-	11	2	1	3	-	-	2	-
CA Parmod Bindal	8	7	7	-	-	-	-	1	1	-	2
Mrs. Anshu Vaish	7	-	-	8	2	-	3	-	1	-	-
Dr. N. Mohapatra (Upto 30.06.2017)	-	-	-	-	2	-	1	-	-	-	-
Shri G. Vishwakarma*	-	8	7	-	-	1	2	0	1	1	-
Shri Raman*	8	7	-	-	0	-	2	-	-	1	0
Dr. Samar Singh	7	-	-	-	2	-	3	1	1	-	-
Shri Nilanjan Sanyal	3	8	7	11	-	1	-	-	1	2	2
Ms. Soma Mondal	-	-	-	-	-	-	-	-	-	-	2
CA K.S. Chauhan (From 22.09.2017)	-	4	-	-	-	-	-	-	-	1	-
Prof. N.K. Taneja (From 22.09.2017)	-	1	3	-	-	-	-	-	1	-	-
Ms. Urvilla Khati (From 11.10.2017 to 28.02.2018)	-	2	2	1	-	-	-	-	-	0	1
Shri Atul Srivastava (From 12.03.2018)	-	-	-	-	-	-	-	-	-	-	-

* For part of the year, Shri G. Vishwakarma was holding additional charge of Director(Personnel) and Shri Raman was holding additional charge of Director (Raw Materials & Logistics)

(j) In addition to above, 2 meetings of Independent Directors were held during the Financial Year 2017-18.

(k) General Body Meetings:

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2016-17	22.09.2017	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2015-16	21.09.2016	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2014-15	24.09.2015	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(i) In the last 3 years, four Special Resolutions (2014-15-1, 2015-16-1 and 2016-17-2) were passed in the AGMs and none through Postal Ballot.

(ii) No Special Resolution is proposed to be conducted through Postal Ballot upto the ensuing AGM.

(l) Disclosures:

(i) Pecuniary Relationship: There were no transactions by the Company of material nature with Promoters, Directors or the Management, their Subsidiaries, relatives, etc. that may have potential conflict with the interests of the Company at large. The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the Company during the year except receipt of sitting fee paid to Independent Directors for attending the meetings of the Board/Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.

(ii) Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Directors is made by Government of India.

(iii) Letter of appointment to Independent Directors: SAIL being a Government Company, Directors on its Board are nominated/appointed by the Government of India. During the Financial Year 2017-18, 2 Independent Directors were nominated by the Government of India on the Board of the Company. The letters of appointment were issued to these Independent Directors based on the Terms and Conditions mentioned by Government of India, while nominating/appointing the Independent Directors.

(iv) Familiarization programme for Independent Directors: An induction cum familiarization programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product Portfolio, Financial and Operational Performance, Modernization and Expansion Programme, etc., The Company also organizes visits of the Directors to various Plants/Units of the Company for first- hand knowledge of the operations of the Plants/ Units. Further, the Directors are nominated to the training programmes by various institutions such as DPE, SCOPE, IOD, etc. on issues related to Corporate Governance, etc. The details of familarisation programmes imparted to Independent Directors are available on the website of the Company - www.sail.co.in.

(v) There were no instances of non-compliance by the Company; no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matters related to capital markets, during the last three years.

(vi) The Company has adopted Whistle Blower Policy of Central Vigilance Commission (CVC) and it has not denied access to any personnel to approach the Audit Committee/ Management on any issue. The Whistle Blower Policy is available on the website of the Company - www.sail.co.in. The Company has also formulated a Vigil Mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company and Directors on the Board of the Company are covered under this Mechanism. This Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Vigil Mechanism has been posted on the website of the Company - www.sail.co.in.

(vii) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India, during the Financial Year 2017-18. However, there was shortfall of a few numbers of Independent Directors for a brief period during the Financial Year 2017-18. SAIL being a Government Company, the Directors on its Board are appointed, based on nomination by the Government of India. The matter of nominating the requisite number of Independent Directors on the Board of SAIL has been taken up with the Ministry of Steel, Government of India. Further, the Company has not fully adopted non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(viii) There were two woman Directors on the Board of the Company as on 31st March, 2018.

(ix) Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL were issued by the Ministry of Steel vide file No.7(12)/2008-SAIL(PC) dated 5th October, 2009 w.e.f. 1st January, 2007 for ten years i.e.upto 31st December, 2016. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC. The Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL w.e.f. 1st January, 2017 are yet to be issued by the Ministry of Steel.

(x) The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

(xi) Code of Conduct: The Board has laid down a Code of Conduct covering the requirements to be complied with by all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the Code is received from them on annual basis. The Code of Conduct has been placed on the website of the Company - www.sail.co.in.

(xii) Policy on Related Party Transactions: In terms of the Listing Agreement, the Board of Directors of the Company has adopted a Policy on Related Party Transactions. The Policy is placed on the website of the Company - www.sail.co.in.

(xiii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy for determination of Material Subsidiaries. The Policy is placed on the website of the Company - www.sail.co.in. The Company did not have any Material Subsidiary during 2017-18.

(xiv) In terms of the Regulation 43A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy and the same is uploaded on the website of the Company-www.sail.co.in.

(xv) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company.

(m) Means of Communication:

Quarterly results have been published in prominent daily newspapers as per the requirement, on the following dates:

Quarter Ending	30.06.2017	30.09.2017	31.12.2017	31.03.2018
Date of Publication	12.08.2017	10.11.2017	09.02.2018	31.05.2018
Name of the Newspapers E-English H-Hindi	Business Line (E) Dainik Jagran (H)	Economic Times (E) Hindustan(H)	Financial Express (E) Jansatta (H)	Business Standard(E) Daink Jagran(H)

The Quarterly/Annual results are also made available at the website of the Company- www.sail.co.in. The Company displays official news releases also on its website.

(n) General Shareholders Information:

(i) Annual General Meeting is proposed to be held on 20th September, 2018 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(ii) Financial Year: 1st April, 2017 - 31st March, 2018.

(iii) Date of Book Closure: 21st August, 2018 to 24th August, 2018 (Both days inclusive)

(iv) The Shares of the Company are listed at the following stock exchanges:

Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai-400001
(Stock Code No.500113)

The National Stock Exchange of India Limited,
Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E)
Mumbai- 400051
(Code: SAIL)

The GDRs issued by the Company in 1996 are listed at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS, UK.

The Annual Listing fee for 2017-18 has been paid to each of the Stock Exchange(s).

(v) The monthly high and low quotes of the Company's shares during each month in the Financial Year 2017-18 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are indicated below:

MONTH & YEAR	SENSEX		SAIL at BSE (₹)		NIFTY		SAIL at NSE (₹)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL' 17	30,184.22	29,241.48	68.55	59.45	9367.15	9075.15	68.60	59.40
MAY'17	31,255.28	29,804.12	63.45	56.25	9649.60	9269.90	63.25	56.25
JUNE' 17	31,522.87	30,680.66	59.30	55.55	9709.30	9448.75	59.30	55.50
JULY' 17	32,672.66	31,017.11	64.90	58.15	10114.85	9543.55	65.00	58.10
AUGUST' 17	32,686.48	31,128.02	64.75	55.35	10137.85	9685.55	64.80	55.20
SEPT.MBER '17	32,524.11	31,081.83	64.50	53.00	10178.95	9687.55	64.45	52.85
OCTOBER' 17	33,340.17	31,440.48	83.20	53.20	10384.50	9831.05	83.25	53.40
NOVEMBER '17	33,865.95	32,683.59	87.95	74.90	10490.45	10094.00	87.80	74.90
DECEMBER' 17	34,137.97	32,565.16	93.70	74.75	10552.40	10033.35	93.75	74.75
JANUARY' 18	36,443.98	33,703.37	101.40	87.60	11171.55	10404.65	101.45	87.60
FEBRUARY'18	36,256.83	33,482.81	98.35	77.40	11117.35	10276.30	98.30	77.05
MARCH' 18	34,278.63	32,483.84	84.80	67.25	10525.50	9951.90	84.85	67.15

(vi) Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi-110020
Phone No.011-41406149

(vii) Share Transfer System:

The equity shares of the Company are mandatorily traded in the dematerialized form. The Share Transfer Committee of the Board meets at regular intervals, to expedite the process of transfer of shares well within the time limit prescribed in this respect under the Listing Agreement.

(viii) Distribution of Shareholdings as on 31st March, 2018:

Shareholding	Shareholders		Amount	
	Number	% of Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	318146	88.66	387737600	0.94
501 - 1000	21389	5.96	175087800	0.42
1001 - 2000	10088	2.81	155360290	0.38
2001 - 3000	3293	0.92	85336270	0.21
3001 - 4000	1364	0.38	49546720	0.12
4001 - 5000	1285	0.36	61364060	0.15
5001 - 10000	1750	0.49	131338860	0.32
10001 - 50000	1121	0.31	233932820	0.57
50001 - 100000	150	0.04	104830230	0.25
Above 100000	262	0.07	39920718240	96.65
Total	**358848**	**100.00**	**41305252890**	**100.00**

(ix) Shareholding pattern as on 31st March, 2018

	Category	No. of Shares held	%age of Shareholding
A.	**Promoters' holding**		
1	Promoters		
	- Indian Promoters v.i.z., the Govt of India	3097767449	75.00
	- Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	Sub-Total	**3097767449**	**75.00**
B	**Non-Promoters Holding**		
3	Institutional Investors		
a	Mutual Funds and UTI	111011437	2.69
b	Banks & Financial Institutions	138990705	3.36
c	Insurance Companies	417266678	10.10
d	Foreign Institutional Investors (FIIs)	175039973	4.24
	Sub-Total	**842308793**	**20.39**
4	Others		
a	Private Corporate Bodies	37501447	0.91
b	Indian Public	132797393	3.22
c	NRIs/OCBs	18300863	0.44
d	GDR	117635	0.00
e	Any other -IEPF	1731709	0.04
	Sub-Total	**190449047**	**4.61**
	GRAND TOTAL	**4,13,05,25,289**	**100.00**

(x) Status of dematerialization as on 31.03.2018

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4064284716	98.40	211727
CDSL	61431569	1.49	110427
Total Dematerialised	**4125716285**	**99.89**	**322154**
Physical	4809004	0.11	36694
Total	**4130525289**	**100.00**	**358848**

Government of India's shares are held in Demat form.

(xi) The Company's Plants/Units/Subsidiaries are located at:

STEEL PLANTS

- Bhilai Steel Plant, Bhilai-490001, Chhattisgarh
- Durgapur Steel Plant, Durgapur-713203, West Bengal
- Rourkela Steel Plant, Rourkela-769011, Odisha
- Bokaro Steel Plant, Bokaro Steel City-827001, Jharkhand
- IISCO Steel Plant, Burnpur-713325, West Bengal
- Alloy Steels Plant, Durgapur-713208, West Bengal
- Salem Steel Plant, Salem-636013, Tamil Nadu
- Visvesvaraya Iron & Steel Plant, Bhadravati-577031, Karnataka
- Chandrapur Ferro Alloy Plant, Chandrapur, Maharashtra

UNITS

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawahar Lal Nehru Road, Kolkata-700 071, West Bengal
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand
- Environment Management Division 6, Ganesh Chandra Avenue, (5th Floor), Kolkata-700013, West Bengal
- Growth Division, 97, Park Street, Kolkata-700016, West Bengal
- Management Training Institute, Ranchi-834002, Jharkhand
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata-700017, West Bengal
- Research & Development Centre for Iron & Steel, Ranchi-834002, Jharkhand
- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar District Centre, Delhi-110092
- SAIL Safety Organisation, Ranchi-834002, Jharkhand
- SAIL Refractory Unit, Bokaro-827001, Jharkhand

SUBSIDIARIES

- IISCO-Ujjain Pipe & Foundry Company Limited, Kolkata (under liquidation)
- SAIL Jagdishpur Power Plant Limited, New Delhi-110003
- SAIL Refractory Company Limited, Salem-636013, Tamilnadu
- SAIL Sindri Projects Limited, Chasnala-828135, Jharkhand
- Chhattisgarh Mega Steel Limited, Chhattisgarh

(xii) Address for correspondence from shareholders for queries/ complaints, if any:

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020
Phone No.91-11-41406149,
Fax No. 91-11-41709881
E-mail:admin@mcsregistrars.com

For and on behalf of the Board of Directors

Sd/-
(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi
Dated: 3rd August, 2018

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members of
Steel Authority of India Limited

We have examined the compliance of the conditions of Corporate Governance by Steel Authority of India Limited (CIN:L27109DL1973GOI006454) ("the Company") for the year ended 31st March, 2018, as stipulated in regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") and in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India, to the extent applicable during the year.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

The Company has not complied with the requirements of minimum number of independent directors in the composition of Board of Directors during the following periods for the year ended 31st March, 2018:

(1) 1st April, 2017 to 21st September, 2017 and (2) 4th October, 2017 to 28th February, 2018

We certify that the Company has complied with other conditions of Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Singhi & Co.	**For Chatterjee & Co**	**For V.K. Dhingra & Co.**	**For A.K. Sabat & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 302049E	FRN: 302114E	FRN:000250N	FRN:321012E
Sd/-	Sd/-	Sd/-	Sd/-
(Pradeep Kumar Singhi)	**(T.N. Ghosh)**	**(Sanjay Jindal)**	**(A.K. Sabat)**
Partner	Partner	Partner	Partner
(M. No. 050773)	(M. No. 050644)	(M.No.087085)	(M.No.030310)

Place : New Delhi
Date : 30th May, 2018

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN): L27109 DL 1973 GOI 006454
2. Name of the Company: Steel Authority of India Limited
3. Registered Address: Ispat Bhawan, Lodhi Road, New Delhi - 110003
4. Website: www.sail.co.in
5. Email id: investor.relation@sailex.com
6. Financial Year reported: 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Steel and Steel Products

   National Industrial Classification (NIC) Code: 330
8. List three key products / services that the Company manufactures / provides (as in balance sheet):
   (i) Manufacture of Hot Rolled and Cold Rolled Steel Products
   (ii) Manufacture of Rails
   (iii) Manufacture of Wire Rods, Structurals, etc.
9. Total number of locations where business activity is undertaken by the Company:
   (i) International locations: Nil
   (ii) SAIL operates and owns five Integrated Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela and Burnpur & three Special Steel Plants at Salem, Durgapur and Bhadravati. Another Unit, Chandrapur Ferro-Alloy Plant (CFP) produces Ferro-alloys. It also has SAIL Refractory Unit (SRU) at Bokaro, with four refractory manufacturing Units in Jharkhand and Chhattishgarh.

   Apart from these, the other Units of SAIL are as follows:
   - SAIL Growth Works at Kulti, West Bengal;
   - Raw Materials Division (RMD)- Iron Ore Mines at Kiriburu, Meghahatuburu, Gua, Manoharpur (Chiria) in Jharkhand, Bolani, Kalta, Barsua(including Taldih), in Odisha;
   - BSP Mines(Iron Ore) at Rajhara Group, Dalli Group, Rowghat in Chhattisgarh;
   - RMD flux mines at Kuteshwar in MP; Bhawanathpur, Tulsidamar in Jharkhand;
   - BSP Flux Mines at Nandini, Hirri, Baraduar in Chhattisgarh;
   - VISP Flux Mines at Bhadigund, Kenchapuda in Karnataka;
   - Collieries Division(Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
   - Central Marketing Organisation, HQ at Kolkata,
   - Central Coal Supply Organisation, Dhanbad,
   - SAIL Consultancy Division at Delhi,
   - R & D Center for Iron & Steel, SAIL Safety Organisation, Centre for Engineering & Technology and Management Training Institute at Ranchi.
   - Environment Management Division and Growth Division at Kolkata.
   - Central Power Training Institute at Rourkela.
   - Transport & Shipping at Kolkata.

   SAIL has a pan India distribution network of 37 Branch Sales Offices (BSOs), 10 Customer Contact Offices (CCOs) and 45 Operational Warehouses.
10. Markets served by the Company - Local / State / National / International: National & International

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 4,130.53 crore
2. Total turnover (INR) : ₹ 58,297.26 crore
3. Total loss after taxes (INR) : ₹ 481.71 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Although the Company has incurred losses during the Financial Year 2017-18, however, as a responsible Corporate Citizen, the Company has been fulfilling its obligations towards CSR initiatives. Accordingly, the CSR spending during 2017-18 has been ₹25.70 crore.
5. List of activities in which expenditure in 4 above has been incurred :
   A) Promotion of Healthcare including Drinking Water facilities and Sanitation.
   B) Promotion of Education, Income Generation & Skill/Vocational Training
   C) Empowerment of Women, Care for Senior Citizens and Differently-abled Persons
   D) Environmental Sustainability
   E) Promotion of Heritage, Art & Culture
   F) Promotion of Sports
   G) Rural Development: Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes, the Company has four Subsidiary Companies, viz.:
   A. SAIL Refractory Company Limited.
   B. SAIL Jagdishpur Power Plant Limited.
   C. SAIL Sindri Projects Limited.
   D. Chhattisgarh Mega Steel Limited.

2 Do the Subsidiary Company / Companies participate in the BR initiative of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Business Responsibility initiatives of the parent company are applicable on the Subsidiary Companies.

3 Do any other entity / entities (e.g. suppliers, distributors etc.) that the company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities?[Less than 30%, 30-60%, More than 60%]

No

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**
   a) Details of the Director / Directors responsible for BR policy/policies:
   - DIN Number 07957068
   - Name: Shri Atul Srivastava
   - Designation: Director (Personnel)
   - Details of the BR head

Sl.No	Particulars	Details
1	DIN Number (if applicable)	00101601
2	Name	M.C. Jain
3	Designation	Company Secretary
4	Telephone number	011-24368104
5	e-mail id	Secy.sail@sailex.com

2. **Principal-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for......	Y	Y The Company has Quality and Environment policies which ensure production of safe and sustainable products.	Y	Y This is included in Company's Code of Conduct , HR policies and various other HR practices.	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	–	Y	Y	–	Y	–	Y	–
3	Does the policy conform to any national / international standards?	Y	–	Y	N	–	Y	–	Y	–
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Directors?	Y	–	Y	Y	–	Y	–	Y	–
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	–	Y	Y	–	Y	–	Y	–
6	Indicate the link for the policy to be viewed online?	–	–	–	@	--	*	–	@	–
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	–	Y	Y	–	Y	–	Y	–
8	Does the Company have in-house structure to implement the policy/policies?	Y	–	Y	Y	–	Y	–	Y	–
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	–	Y	N	–	N	–	N	–
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	–	N	N	–	Y	–	Y	–

2a. if answer to Sl. No. 1 against any principle , is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	–	–	–	–	–	–	–	–	–
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	–	–	–	–	–	–	–	–	–
3	The Company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–
4	It is planned to be done within next six months	–	–	–	–	–	–	–	–	–
5	It is planned to be done within next one year	–	–	–	–	–	–	–	–	–
6	Any other reason (Please specify)	–	–	–	–	–	–	The Company has leadership position in the steel sector and has a record of pioneering achievements which has benefitted Steel Industry of the Country at large by having dialogue with MoS, GoI. Therefore need for formal policy has not been felt.		The Company has systems and procedures to assess customer needs and addressing them. The Customer Satisfaction Index is calculated based on the feedback from customers on a regular basis and system for customer complaint redressal is also in vogue.

* - http://sail.co.in/pdf/corporateenvironmentalpolicy.pdf
@ - http:// sail.co.in/pdf/csrpolicy.pdf

3. **Governance related to BR:**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  Annually.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Yes, the Company publishes printed versions of its Sustainability Report. An electronic version of the report is uploaded on the Company's website in the intervening year as a web update. The hyperlink for viewing the Sustainability report of the Company is http://www.sail.co.in/

Section E : Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.**

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   No, the policies implemented by SAIL, in these regards covers employees of the Company as well as suppliers/ contractors/ bidders, etc. The Company has put in place Conduct, Discipline and Appeal (CDA) Rules which prescribe the code of conduct as applicable mostly to the executives of the Company whereas the non-executive workmen are covered under the code of conduct /misconduct as mentioned in the Standing Orders (tripartite agreement between Union and Government representatives) for respective Plants/Units of SAIL. In July, 2007, the Company implemented Integrity Pact for all contracts / procurements valuing ₹ 100 crores and above. Subsequently, to cover more contracts/procurements., threshold value has been reduced to ₹ 20 crores and all tenders related to handling contracts in CMO departmental warehouses, irrespective of threshold value, are also covered under Integrity Pact. Guidelines on banning of business dealings with bidders/contractors/ agencies dealing with SAIL have been implemented in the Company and made part of the Integrity Pact, wherein it has been envisaged that appropriate action shall be taken against the signatories of Integrity Pact, if they are found involved in unethical practices including corruption and bribery.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   A total of 776 complaints from various sources including those referred by Central Vigilance Commission, Ministry of Steel were received in SAIL Vigilance during 2017-18 and the same were examined vis-à-vis extant systems and procedures, policies, rules, etc. followed in the Company and actions as per rules, including systemic improvements were advised against the irregularities noticed in these complaints and the same were agreed to by the management for implementation. Hence, it may be construed that almost 100% complaints were satisfactorily resolved as per procedure in vogue.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   i) Thermo Mechanically Treated Earthquake Resistant Reinforcement Bars (TMT EQR Rebars) with improved ductility which enhance the safety of concrete structures and buildings, thereby improving safety and security of occupants, while also reducing the socio-economic risks associated with earthquake damages.

   ii) Seismic resistant grade TMT rebars as per specification Fe 500 S for enhanced safety in high risk seismic zones, improving safety and security of occupants while also reducing the socio-economic risks associated with earthquake damages resistance.

   iii) Parallel flange structural sections which deliver better mechanical properties while using less steel, thereby enabling designing of safer structures while simultaneously reducing the steel consumption. This adds value for the customer, leads to more efficient usage of steel in the Country and shall further have a beneficial impact on natural resource utilization, environment and socio-economic development of Country.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):**

   i) **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain**

Consumption per unit of production in SAIL	Current Year	Previous year
Specific Energy consumption (Gcal/TCS)	6.60	6.60
Particulate matter (PM) emission load (kg/TCS)	0.74	0.77

   ii) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The information is not available.

3. **Does the Company have procedures in place of sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   In addition to regular supplies from captive mines of SAIL, certain key input materials like iron ore, coal, fluxes (limestone, dolomite), etc. are sourced either through competitive buying or long term arrangement with established suppliers. Environment Management System (EMS) is in place with ISO-14000 certification of Plants & Units. There are continuous efforts to minimize impact of carbon footprint. Transportation of all raw materials from mines and ports to Plants is carried through rail. Well laid out systems and procedures of competitive buying reinforce sustainable sourcing of Company's requirement.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

   In line with extant policy of Government of India, certain categories of goods & services are procured from Small & Medium Enterprises (SMEs). Thrust is given to local procurement as per "Make in India" Policy of Government of India. Additionally, major Plants have local level Policy which enables procurement of goods & services from local and small producers including communities like Mahila Samiti / Samaj, Self Help Groups(SHGs), etc. in the vicinity of Plant locations. Vendor Development Programs are organized periodically by the SAIL Plants which help in capacity and capability building of local and small vendors.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   SAIL Plants and Mines have been applying the principle of 4Rs (reduce, recover, recycle and reuse) to strive towards better utilization of wastes including different slags, flue dust, sludge, used refractory bricks, etc. The BF slag, which contributes major portion of total solid wastes, is granulated and used as an input material to the cement industries. On the other hand, the BOF slag is used partly in blast furnace as substitute of limestone and also in sinter making to certain extent. Apart from these, BOF slag is utilized in road making and as rail track ballasts inside Plant boundary. During 2017-18, 90.44% of BF slag and 59.12% of BOF slag were utilised.

   Other wastes like mill scale and lime/dolo fines are utilized fully through sinter route and entire waste refractory materials are sold to the outside agencies. The belief of reuse and recycle is firmly embedded in the organizational approach of SAIL and several initiatives have accordingly been adopted to maximise the utilisation of solid waste generated from various operations.

   During 2017-18, around 30% of solid wastes were re-cycled internally out of 83% of solid wastes utilisation. Moreover, by-product gases like Coke Oven gas, BF gas and BOF gas are used as fuel at the different shops of the Plants.

Principle 3: Business should promote the well-being of all employees

1. **Please indicate the Total number of employees.**

   As on 1.4.2018 total number of employees in SAIL : 76870 (Executives-11718; Non-Executives - 65152)

2. **Please indicate the Total number of employees hired on temporary/contractual/ casual basis.**

   As on 1.4.2018, number of Contract labour engaged at SAIL Plants/Units : 66186

3. **Please indicate the Number of permanent women employees**

   As on 1.4.2018, permanent women employees in SAIL : 4416 (Executives- 899; Non-Executives - 3517)

4. **Please indicate the Number of permanent employees with disabilities.**

   As on 1.4.2018, total number of permanent employees with disabilities in SAIL Plants/Units : 865 (Executives - 136; Non-Executives - 729)

5. **Do you have an employee association that is recognized by management?**

   Recognition to trade unions having majority representation of non-executive employees is granted as per process, at the Plant/Unit level. At apex level, National Joint Committee for Steel Industry (NJCS), a bipartite forum consisting representatives from five Central Trade Union viz. INTUC, AITUC, CITU, HMS & BMS and representatives from recognized union of main Plants, provides representation to all non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants/Units which are affiliated to Steel Executives' Federation of India (SEFI)-the apex body representing executives in SAIL.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Almost all employees of SAIL are members of either Trade Unions or Officers' Associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Information pertaining to Child labour/Forced labour/Involuntary labour and Discriminatory Employment is given in the table below:

Sl. No.	Category	No.of complaints filed during the financial year	No. of complaints pending as at end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	2	Nil
3.	Discriminatory employment	Nil	Nil

8. Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent employees = 49
- Permanent women employees =49
- Casual / Temporary / Contractual employees = 100
- Employees with disabilities = 49

Training need of each individual in the organization is assessed. Under PMS, each executive is asked to inform the Management as to what training needs to be given to him to help him perform his duties in a better way.

Also occupational training, safety and skill up-gradation training (technical / managerial / functional) are imparted to all permanent employees including female employees and differently abled employees. During the year 2017-18, total 41,355 (49.08% of total employees) regular employees were trained on various safety & skill up-gradation related programs.

SAIL is in the process of implementation of current Modernization & Expansion Programme wherein contractual workers are engaged in various activities. 100% of contractual workers are given safety awareness training which is mandatory for issuing gate pass to Plant premise. Skill up-gradation of contractual workers is also taken care of while on job at their work place.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

There has never been any discrimination in the treatment and rights available to stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Some of the special initiatives undertaken by the Company are as under:

(i) In an attempt to bring the future generations of tribals to the mainstream, about 293 tribal children are being provided free education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere at Gyanodya Chatrawas, Bhilai & BSP School Rajhara, Birhors (a tribe near extinction) under Gyanjyoti Yojna at Bokaro, Saranda Suvan Chhatravas, Kiriburu, RTC Residential Public School, Manoharpur Ore Mines.

(ii) Eklavya Archery Academy set up at Kiriburu mines is providing sports platform to 21 youths (09 girls & 12 boys) from neighbouring tribal belt, who are undergoing rigorous 'Modern Recurve Archery' coaching free of cost. RMD is providing them free schooling, hostel, food, and other facilities along with the sports coaching. The Cadets have brought laurels proving their might in national and international championship.

(iii) With the objective to facilitate homely environment with honour and respect, 34 senior citizens have been accommodated at Siyan Sadan in 20 fully-furnished rooms with recreational facilities. Bhilai Steel Plant is arranging daily meals, regular health check-ups, cultural programs like Kavi Sammelan, Musical Evening, Bhajan Sandhya and festival celebrations for welfare and recreation of these elderly inmates.

Principle 5: Business should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource policies and practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

9 number of complaints were received from the stakeholders during 2017-18 and all the complaints were resolved during 2017-18.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy of the related Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs and others?

Policy and Strategy formulation at SAIL is a well-structured process guided by Company's Vision and Credo. Elements of Sustainability are ingrained in SAIL's vision, strategies, and policies. The basket of policies includes Quality, Environmental, and Safety, etc. all of which encompass concepts of Sustainability. The policies on Human Resource, Occupational Health and Safety, Communication, Maintenance, Township, Energy Management and Social Accountability etc. at the plant level also promote concept of Sustainable Development.

The Corporate Environmental Policy of SAIL affirms to maintain a clean and sustainable environment in and around its Plants and Mines through sound environmental practices in all its activities, through adoption of cleaner and energy-efficient technologies, restore the mined out landscapes and abandoned sites ecologically and ensure regular monitoring and review of environmental performance through a robust audit mechanism and a transparent reporting system and continuously monitor emission, discharge and ambient air quality and make data available in the public domain.

Implementation of an Environment Management System linked to ISO 14001 standards, which is essentially a voluntary initiative, has become an effective tool in SAIL towards protection of the environment. Through adoption of this system, SAIL addresses the concerns of the stakeholders.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change/global warming etc.? Y/N. If yes, please give hyper link for web page etc.

Yes. SAIL, as a responsible corporate entity, has taken up various initiatives for climate change mitigation through technology up-gradation, sourcing of good quality of raw materials, retrofitting of new pollution control facilities and revamping of existing pollution control systems etc. All these efforts, with a special thrust on adoption of cleaner and energy -efficient technologies, have achieved a reduction in specific carbon dioxide emission by around 4.09% during the last five years.

The on-going project on "Carbon sequestration through afforestation at RSP", a Technology Mission project under R&D Master Plan", is contributing towards sequestration of CO_2 in and around the area.

SAIL has also adopted Sustainable Development Policy and has been publishing its Corporate Sustainability Report, as per Global Reporting Initiative (GRI) guidelines, during the last six years. The report is available in the Corporate Citizenship section of the Company's website (www.sail.co.in).

Company's strategies/initiatives to address global environmental issues such as climate change/global warming is available on website. The hyperlink for the same is: https:// www.sail.co.in/ sites/ default/ files/Climate_Change.pdf

3. Does the Company identify and assess potential environmental risk? Y/N.

Yes. The Company has adopted the Enterprise Risk Management (ERM) Policy and has also established a well-defined mechanism for identification and assessment of potential environmental risks and accordingly, mitigation plans are developed on regular basis.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed.

SAIL had long ago identified several energy-efficient projects which were implemented during the modernization cum expansion program for availing the Clean Development Mechanism (CDM) benefits. Out of that, six projects as given below were validated as Verified Emission Reduction (VER) projects under the guidance of the VCS and ISO Standards:

1. Introduction of Blast furnace gas firing system in boiler no.6 of PBS (PP-1) at Bhilai Steel Plant
2. Introduction of Blast furnace gas firing system in boiler unit B of Power Plant at IISCO Steel Plant
3. Installation of Multi-slit Burners in both the strands of Sinter Plant-I at Rourkela Steel Plant
4. Heat recovery system from sinter cooler of Sinter Plant #3 at Bhilai Steel Plant
5. Thyristorisation of blast furnace #3 & 4 skip hoist electric supply for better operation efficiency and energy conservation at Bhilai Steel Plant
6. Installation of multi-slit burners in Sinter Plant at Bokaro Steel Plant

Around 1.37 Million Tonnes of CO_2 equivalent carbon credits have accrued.

It's a voluntary approach. So, there is as such no mandatory requirement to file its compliance.

5. **Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyper link for web page etc.**

   Yes. Clean technologies vis-à-vis energy-efficient technologies have been introduced during the on-going modernization cum expansion program of SAIL. Some of such major technologies are: Taller Coke Oven Batteries with Coke Dry Cooling Plant (CDCP), mammoth Blast Furnaces with Top gas pressure Recovery Turbine (TRT) & Coal Dust Injection (CDI) System, Sinter Plants with heat recovery facility from sinter cooler, Walking Beam Reheating Furnace in Rolling Mills, Gas-fired boilers for power generation, etc.

   SAIL has already started taking up various renewable energy initiatives like installation of solar water heating and street lighting systems inside plant premises and in nearby villages. In recent time, solar water heating system has been installed at the Hospital of RSP.

   Further, to fulfill SAIL's Renewable Energy Commitment to the Government of India, SAIL has set a target of installation of 200 MW renewable energy power plants by the year, 2019 through NSPCL (a JV company of NTPC and SAIL). Some of the major initiatives taken towards implementation of renewable energy projects are as under:

   - 7 MW capacity Solar Power Plant at Bhilai.
   - 20 MW capacity Solar Power Plant at Durgapur.
   - 2 MW capacity roof top Solar Power Plant on the buildings of Bokaro Steel Plant.
   - 20-25 MW capacity Solar Power Plant at Kulti.
   - 17 MW capacity roof-top Solar Power Plants on various buildings of SAIL including warehouses.

   Initiatives towards application of clean technology, energy-efficiency, renewable energy etc. may be referred to the hyperlink, as mentioned https://www.sail.co.in/sites/ default/files/ClimateChange.pdf.

6. **Are the Emissions/Wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The "Consent to Operate" certificates are issued to SAIL Plants and Mines by the respective State Pollution Control Boards (SPCBs). As per the conditions stipulated in the "Consent to Operate", the respective norms for air emission and discharge quality are mostly complied with. In addition, various wastes generated are handled and disposed in environment-friendly manner as per the existing set of guidelines/ rules. These are also reported by the Company to the CPCB/SPCB on regular basis.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   Two directions from the Central Pollution Control Board (CPCB) were received by two different Plants during the Financial Year 2017-18. One direction has already been complied with in totality. To comply with the other one, time bound action plans have been developed in consultation with the concerned statutory bodies which are at different stages of implementation.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a Member of:

   A. Federation of Indian Chambers of Commerce and Industry (FICCI)
   B. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
   C. World Steel Association (WSA)
   D. Standing Conference of Public Enterprises (SCOPE)
   E. Indian Steel Association
   F. Institute for Steel Development & Growth
   G. All India Organisation of Employees(AIOE)
   H. Employee Federation of India (EFI)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, Sustainable Business Principles and Waste Management are the ones amongst the stated broad areas.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   Yes, SAIL's Social Objective is synonymous with Corporate Social Responsibility (CSR). Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins with being aware of the impact of its business on society.

   With the underlying philosophy and a credo to make a meaningful difference in people's lives, SAIL has been structuring and implementing CSR initiatives right from the inception. These efforts have seen the obscure villages, where SAIL Plants are located, turn into industrial hubs, today.

   SAIL CSR initiatives are undertaken in conformity to the prevalent statutes like 'The Companies Act, 2013', CSR Rules, 2014 and DPE Guideline on CSR & Sustainability, 2014. SAIL carries out CSR projects in and around steel townships, mines and far flung locations across the Country in the area of rural development including Development of Model Steel Villages, Providing Medical and Health Care, Immunization, Ante and Post Natal Care, Education, Acess to Water Facilities, Roadside Tree Plantation, Environment, Women Empowerment, Sustainable Income Generation through Self Help Groups, Promotion of Sports, Art, Culture, etc.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   Under the guidance of the Board level CSR Committee, the CSR activities/projects listed in the approved Annual Plan of SAIL, are implemented using internally or through an identified suitable agency or through providing financial assistance to NGOs/ specialized/ agencies/institutions/societies, as per the provisions of Companies Act, 2013, CSR Rules and CSR Policy of the Company.

   Since CSR projects are long term / continuous in nature like providing education, healthcare, mid day meals, sustainable livelihood generation through Self Help Groups (SHGs), etc., some of the projects are implemented through specialised agencies, depending on expertise available with them like, Mid-day meal project through Akshaya Patra Foundation at Bhilai & Rourkela, Comprehensive Water & Sanitation Project in the peripheral villages of Rourkela in association with Gram Vikas, Sustainable livelihood generation projects at Bokaro through Jharcraft and different projects at various Plant/Unit locations through Ramakrishna Mission, etc.

   Except in cases, where financial assistance is provided for a specific CSR project proposed by a specific agency, the external implementation partners having strong credentials and track records, are identified for undertaking CSR projects, as defined in 'The Companies Act-2013'.

3. **Have you done any impact assessment of your initiative?**

   In SAIL, every Plant / Unit is having a high level Committee headed by senior EDs/ GMs, which recommends the CSR projects to be taken up by the respective Plant / Unit. The same Committee monitors the progress and execution of these projects as well as undertakes audit of social benefits achieved from CSR initiatives undertaken.

   The impact assessment/social audit of the Company's CSR & Sustainability Initiatives has also been done through external professional agencies in the past.

   In addition, SAIL has a strong internal mechanism to monitor the activities/ initiatives undertaken under CSR & Sustainability. The Board Sub-Committee on CSR reviews/ monitors CSR & Sustainability activities on regular basis.

4. **What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   In accordance with the provisions of Company's Act , 2013, at least 2% of the average profit before tax (PBT) of the immediately preceding three financial years is allocated for undertaking CSR activities in a fiscal. Inspite of the fact that SAIL is incurring losses since Financial Year 2015-16, SAIL Board allocated budget in order to sustain the ongoing CSR activities in consonance with Schedule-VII of Companies Act, 2013. CSR budget allocation and expenditure since 2014-15 are as follows:

   (₹ crore)

Year	CSR Allocation	CSR Expenditure
2014-15	78.00	35.04
2015-16	100.16 (includes unspent amount of ₹42.96 crs. of FY 2014-15)	76.16
2016-17	29.34 (includes unspent amount of ₹24 crs. of FY 2015-16)	29.05
2017-18	26.00 (includes unspent amount of ₹0.29 crs. of FY 2016-17)	25.70

   Apart from the exclusive CSR budget, SAIL also spends to the tune of ₹350 crore annually for providing social facilities to Non-SAIL populace residing in the peripheral areas of SAIL Plants/Units either free or at a very nominal cost, such as Healthcare, Education, Sanitation, Drinking water, infrastructure like roads & street lights, promotion of Sports, Art and Culture, etc.

   SAIL Plants/Units are located mostly in backward areas that inhabit majority of disadvantaged, vulnerable, marginalized, SC, ST and minorities. For the upliftment of such populace, SAIL had developed 79 Model Steel Villages located in peripheral backward areas and these are maintained regularly.

The details of CSR activities undertaken are as follows:

SAIL had achieved 100% compliance by construction of 672 toilets in schools without toilets/having dysfunctional toilets falling within the peripherals of SAIL Plants & Units acknowledging the Prime Minister's ambitious drive for promotion of sanitation and hygiene in remote areas, under "Swachch Vidyalay Campaign".

SAIL is providing healthy & nutritious Mid-Day Meals to around 68,000 students in 630 Govt. schools daily in and around Bhilai and Rourkela, in association with Akshya Patra Foundation.

- **Education:** To develop the society through education, SAIL is supporting over 77 schools within and outside its steel townships to provide modern education to more than 40,000 children. Special Schools (Kalyan Vidyalaya) for BPL category students are run at integrated steel plant locations with facilities of free education, mid-day meals, uniforms, shoes, text books, stationary items, school bag, water bottles and transportation in some cases, are running under CSR.
- **Healthcare:** SAIL's extensive & specialised Healthcare Infrastructure provided basic and specialized healthcare to about 3,43,000 villagers during the financial year 2017-18. Above 4100 health camps and Ambulances/MMUs provided the medical facilities like free health check-up, lab investigations, medicine, immunization, at the doorsteps of over 1,20,000 villagers during 2017-18.
- Over 79 Lakh people across 450 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 8100 water sources have been installed during last five years thereby enabling easy access to drinking water to about 50 lakh people living in far-flung areas.
- SAIL is maintaining parks, water bodies & botanical gardens in its townships and plantation & maintenance of over 3 lakh trees at various locations have also been carried out for environment conservation.
- **Vocational and specialised skill development** trainings have been imparted to 601 village youths and 1468 women folks in 2017-18 in industrial & agriculture techniques, soft skills, handlooms, empowering them to bond with mainstream. About 845 rural youths have been sponsored for ITI trainings at various ITIs.
- **Sports, Art &Culture:** Various sports coachings and events viz. SAIL Khel Mela at Bhilai, Samvardhan, Rural Sports in Football and Kabbadi at Rourkela, Durgapur and Burnpur, Archery championships, Kho-Kho and Ladies Cricket Coachings and matches at West Singhbhum, Jharkhand & Keonjhar, Odisha witnessed participation of about 10,000 rural youths. 2,300 folk artists, students and viewers participated in the Lok Kala Mahotsava organised at Bhilai and Grameen Lokotsavas at Thanod and Aheri villages of Durg.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   SAIL Plants/Units have always conducted informal stakeholder engagements in their respective areas. This exercise supports in identifying their needs, local issues requiring attention and intervention. Formal as well as informal mode have been established with multi-stakeholders to resolve various issues affecting day to day life from time to time as per the necessity. For peripheral villages, dialogues are normally held with the Sarpanch/Panch of the village or the village representatives in an informal manner as and when required in connection with the peripheral developmental activities. A well structured organizational mechanism is in place at Plants/Units for planning CSR activities in consultation with local authorities like Panchayats, District & State Authorities and various stakeholders.

   Further, reforms/updates of the processes based on the feedback received from the beneficiaries are incorporated so that the sense of ownership is generated among the community and it adopts the social interventions in letter and spirit.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases is pending as on the end of financial year?**

   No quality complaints were pending with the Company as of the beginning of the financial year 2017-18. During the year, a total of 1,146 complaints were received from various customers. All these complaints were satisfactorily settled within the year and no complaint was pending at the end of the year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

   SAIL provides detailed Test Certificates to customers with each supply. Packet/coil/Heat number, size, quality of the item is displayed on the label for source authentication. In case of branded products, product brand is also displayed. Over and above, if there is an additional requirement from the customer, attempt is made to incorporate the same on the label.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

   There is no such case pending as of end of financial year.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Yes, Customer satisfaction is measured in the form of Customer Satisfaction Index (CSI) for Key Accounts which is computed every month based on the feedback collected from identified Key Customers on parameters pertaining to Product Quality, Service and Price. Key customers are identified at Branch level as well as national level, and the lists are updated on a yearly basis.

Consolidated Balance Sheet

As at 31st March, 2018

(₹ crore)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	**57169.57**	48776.83
(b) Capital work-in-progress	5	**18395.43**	23275.39
(c) Investment property	6	**0.83**	0.86
(d) Intangible assets	7	**1455.03**	1522.58
(e) Investments accounted for using the equity method		**2555.01**	2410.41
(f) Financial assets			
(i) Investments	8	**73.85**	65.05
(ii) Trade receivables	9	**-**	-
(iii) Loans	10	**451.46**	453.52
(iv) Other financial assets	11	**162.64**	257.68
(g) Deferred tax assets (net)	12	**4161.98**	3848.75
(h) Current tax assests (net)	13	**190.39**	235.81
(i) Other non-current assets	14	**1060.10**	1080.12
		85676.29	81927.00
Current Assets			
(a) Inventories	15	**17024.30**	15736.09
(b) Financial assets			
(i) Trade receivables	16	**3870.99**	2934.69
(ii) Cash and cash equivalents	17 (i)	**94.00**	140.64
(iii) Other bank balances	17 (ii)	**251.55**	238.19
(iv) Loans	18	**63.92**	72.73
(v) Other financial assets	19	**2787.64**	2268.18
(c) Other current assets	20	**5639.78**	4285.78
		29732.18	25676.30
Assets classified as held for sale	21	**32.50**	11.94
TOTAL ASSETS		**115440.97**	107615.24
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	**4130.53**	4130.53
(b) Other equity	23	**32816.12**	32911.73
(c) Non-controlling interest		**0.01**	0.01
		36946.66	37042.27
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**29777.16**	19087.48
(ii) Trade payables	25	**6.38**	7.36
(iii) Other financial liabilities	26	**1179.36**	1365.93
(b) Provisions	27	**3974.42**	3596.40
(c) Other non-current liabilities	28	**138.33**	151.29
		35075.65	24208.46
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	**12244.32**	19813.04
(ii) Trade payables	30	**7526.64**	5218.41
(iii) Other financial liabilities	31	**14190.32**	12781.96
(b) Other current liabilities	32	**7144.75**	5609.56
(c) Provisions	33	**2312.63**	2924.87
(d) Current tax liabilities (net)	34	**-**	16.67
		43418.66	46364.51
TOTAL EQUITY & LIABILITIES		**115440.97**	107615.24
Significant Accounting Policies	3		

The accompanying notes are an integral part of these consolidated financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Consolidated Statement of Profit & Loss
For the year ended 31st March, 2018

(₹ crore)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Income			
Revenue from operations	35	**58966.16**	49828.95
Other income	36	**415.19**	449.48
Total Income		**59381.35**	50278.43
Expenses			
Cost of materials consumed	37	**26737.90**	21161.45
Changes in inventories of finished goods and work in progress	38	**1138.82**	117.34
Excise duty		**1406.14**	5327.18
Employee benefits expense	39	**8865.87**	8963.78
Finance costs	40	**2822.75**	2527.82
Depreciation and amortisation expense		**3065.97**	2681.62
Other expenses	41	**16181.82**	14192.11
Total expenses		**60219.27**	54971.30
Profit/(Loss) before Exceptional items, share of net profits of		**(837.92)**	(4692.87)
Share of Profit/(Loss) in investments accounted for using equity		**284.86**	193.92
Profit/(Loss) before Exceptional items and tax		**(553.06)**	(4498.95)
Less: Exceptional items	41A	**(26.43)**	216.74
Profit/(Loss) before tax		**(526.63)**	(4715.69)
Tax expense			
Current tax		**7.06**	30.64
Deferred tax		**(287.90)**	(2005.30)
Earlier years		**35.61**	15.14
Total tax expense		**(245.23)**	(1959.52)
Profit/(Loss) for the year		**(281.40)**	(2756.17)
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**275.32**	(546.07)
Gain and losses from investments in equity instruments		**8.79**	3.02
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(97.80)**	188.78
B (i) Items that will be reclassified to profit or loss			
Share of the OCI of associate and joint ventures accounted		**0.49**	0.52
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
Other Comprehensive Income/(Loss) for the year		**186.80**	(353.75)
Total Comprehensive Income/(Loss) for the year		**(94.60)**	(3109.92)
Profit attributable to owners			
Owners of the parent		**(281.40)**	(2756.17)
Non-controlling interest		**-**	-
		(281.40)	(2756.17)
Total comprehensive income for the year			
Owners of the parent		**(94.60)**	(3109.92)
Non-controlling interest		**-**	-
		(94.60)	(3109.92)
Earnings per equity share			
Number of equity shares (face value ₹ 10/- each)		**4130525289**	4130525289
Basic and diluted earnings per share (₹)		**(0.68)**	(6.67)

Significant Accounting Policies 3

The accompanying notes are an integral part of these consolidated financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2018

A. Equity Share Capital (₹ crore)

Particulars	Balance as at 1st April, 2016	Changes in equity share capital	Balance as at 31st March, 2017
Equity shares with voting rights	4,130.39	0.02	4,130.41
Equity shares without voting rights	0.14	(0.02)	0.12
	Balance as at 1st April, 2017	**Changes in equity share capital**	**Balance as at 31st March, 2018**
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12

B Other Equity (₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve				
	Capital Reserve	Securities Premium Reserve	General reserve	Bond redemption reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Investment accounted for as equity method	Total other equity	Non-controlling interest	Total
Balance as at 1st April, 2016	503.58	235.10	5,100.72	1,449.96	28,680.91	(0.22)	50.84	36,020.89	-	36,020.89
(Loss) for the year	-	-	-	-	(2,756.17)	-	-	(2,756.17)	-	(2,756.17)
Other comprehensive income profit/(loss) for the year	-	-	-	-	(357.29)	3.02	0.54	(353.74)	-	(353.74)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**(3,113.46)**	**3.02**	**0.54**	**(3,109.91)**	**-**	**(3,109.91)**
Transfer from bond redemption reserve	-	-	-	(84.09)	84.09	-		-	-	-
Transfer to bond redemption reserve	-	-	-	607.77	(607.77)	-		-		-
Transfer to general reserve			2.04		(2.04)			-		-
Changes due to additional investment in joint ventures	0.75	-	-	-	-	-	-	0.75	-	0.75
Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Tax on dividends	-	-	-	-		-	-	-		-
Transaction with non-controlling interest	-	-	-	-	(0.01)	-		(0.01)	0.01	-
Balance as at 31st March, 2017	**504.33**	**235.10**	**5,102.76**	**1,973.64**	**25,041.72**	**2.80**	**51.38**	**32,911.72**	**0.01**	**32,911.73**
Balance as at 1st April, 2017	**504.33**	**235.10**	**5,102.76**	**1,973.64**	**25,041.72**	**2.80**	**51.38**	**32,911.72**	**0.01**	**32,911.73**
(Loss) for the year	-	-	-	-	(281.40)	-	-	(281.40)	-	(281.40)
Other comprehensive income profit/(loss) for the year	-	-	-	-	177.52	8.79	0.49	186.80	-	186.80
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(103.88)**	**8.79**	**0.49**	**(94.60)**	**-**	**(94.60)**
Transfer from bond redemption reserve	-	-	-	(239.75)	239.75	-		-	-	-
Transfer to bond redemption reserve	-	-	-	606.80	(606.80)	-		-		-
Transfer to general reserve			1.38		(1.38)			-		-
Changes due to additional investment in joint ventures	6.59	-	-	-	-	-	-	6.59	-	6.59
Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(6.31)	-	-	(6.31)	-	(6.31)
Tax on dividends	-	-	-	-	(1.28)	-	-	(1.28)	-	(1.28)
Transaction with non-controlling interest	-	-	-	-	(0.01)	-	-	(0.01)	-	(0.01)
Balance as at 31st March, 2018	**510.92**	**235.10**	**5,104.14**	**2,340.69**	**24,561.81**	**11.59**	**51.87**	**32,816.11**	**0.01**	**32,816.12**

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
Partner
M. No. 050773

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[T N Ghosh]
Partner
M. No. 050644

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Cash Flow Statement

For the year ended 31st March, 2018

(₹ crore)

A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**(526.63)**	(4715.69)
	Adjustments for:		
	Depreciation and amortisation expenses	**3065.97**	2681.62
	Loss/(Gain) on disposal of fixed assets (net)	**72.80**	48.17
	Interest income	**9.79**	4.85
	Dividend income	**(1.85)**	(1.05)
	Finance costs	**2822.75**	2527.82
	Loss on sale of non-current investments	**-**	(0.01)
	Bad debts and provision for doubtful advances/receivables	**85.42**	74.47
	Other provisions	**130.78**	73.20
	Share of profit from joint ventures	**(284.86)**	(193.92)
	Unclaimed balances and excess provisions written back	**(172.26)**	(97.62)
	Operating Profit/(Loss) before working capital changes	**5201.91**	401.84
	Changes in assets and liabilities:		
	Trade receivables	**(849.46)**	239.88
	Loans, other financial assets and other assets	**(1747.53)**	(439.41)
	Trade payable	**2307.25**	1235.40
	Other financial liabilities, other liabilities and provisions	**2813.91**	1810.70
	Inventories	**(1405.91)**	(1100.85)
	Cash flow from operating activities post working capital changes	**6320.17**	2147.56
	Income tax paid (net)	**(137.05)**	12.54
	Net cash flow from operating activities (A)	**6183.12**	2160.10
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(6757.62)**	(5454.28)
	Proceeds from sale/disposal of property, plant & equipment	**153.09**	27.53
	Purchase of current and non-current investments	**126.65**	1.60
	Movement in fixed deposits (net)	**(13.36)**	(37.82)
	Interest received	**(9.79)**	(4.85)
	Dividend received	**1.85**	1.05
	Net cash flows/(used) in investing activities (B)	**(6499.18)**	(5466.77)
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings (net)	**10689.68**	1591.77
	Proceeds from short-term borrowings (net)	**(7568.72)**	4238.18
	Finance cost paid	**(2851.54)**	(2527.82)
	Dividend paid (including tax)	**-**	-
	Net cash flows/(used) in financing activities (C)	**269.42**	3302.13
	Decrease in cash and cash equivalents (A+B+C)	**(46.64)**	(4.54)
	Cash and cash equivalents at the beginning of the year	**140.64**	145.18
	Cash and cash equivalents at the end of the year (Note No. 17(i))	**94.00**	140.64

The amendments to Ind AS 7 Cash Flow Statement requires the entity to provide disclosures that enables users of Financial Statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the Financial Statements due to this amendment.

(₹ crore)

			Non cash changes		
	As at 31.03.2017	**Cash Flows**	**Fair Value Changes**	**Current/Non Current Classification**	**As at 31.03.2018**
Borrowings - Non Current	19087.48	7417.97	-	(3271.71)	29777.16
Current Maturities of Long Term Debt	2381.74	(2381.74)	-	3271.71	3271.71
Borrowings - Current	19813.04	(7568.72)	-	-	12244.32

The cash flow statement has been prepared under the indirect method as set out in Ind AS-7, Statement of Cash Flows.

The accompanying notes are an integral part of these consolidated financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Pradeep Kumar Singhi]
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For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Sanjay Jindal]
Partner
M. No. 087085

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E
Sd/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2018

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

1. Corporate Information

Nature of Operations

Steel Authority of India Limited ('SAIL' or the 'Parent Company'), a public sector undertaking conferred with Maharatna status by Government of India, together with its subsidiaries, joint ventures and associate (collectively referred to as the 'Group') is engaged primarily in steel manufacturing business in the country.

General information and statement of compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statements for the year ended 31st March 2018 were authorized and approved by the Board of Directors on 30th May, 2018.

2. Summary of significant accounting policies

a) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were applied uniformly during the period presented.

Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for the following -

- certain financial assets and liabilities which are classified as fair value through profit and loss or fair value through other comprehensive income;
- assets held for sale, at the lower of the carrying amounts and fair value less cost to sell
- defined benefit plans - plan assets measured at fair value; and

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Compresensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31st March, 2018.

The Group consolidate the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates and joint ventures

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- Joint ventures - Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.
- Joint operations - The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognise the gain directly in equity as capital reserve, without routing the same through OCI.

Where settlement of any part of cash consideration is deferred, the amount payable in future is discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which the similar borrowing could be obtained from an independent financier under comparable terms and condition.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

c) Current versus Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹), which is the Group's functional currency. All financial information presented in ₹ have been rounded off to the nearest two decimals of Crore unless otherwise stated.

2.2 Use of Estimates and Management Judgement

In preparing the financial statements in conformity with Group's Accounting Policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the Financial Statements. Actual results could differ from those estimates.Any revision to such estimates is recognised in the period in which the same is determined.

3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment losses. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.Plant and Machinery also include assets held under finance lease.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs including trial run expenses (net of revenue)

Spares having useful life of more than one year and having value of ₹ 10 lakhs or more in each case,are capitalised under the respective heads as and when available for use.

Profit or loss arising on the disposal of property, plant and equipment is recognised in the Statement of Profit and Loss.

3.1.2 Subsequent Cost

Subsequent expenditure is recognised as an increase in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits derived from the cost incurred will flow to the Group and the cost of the item can be measured reliably.The carrying amount of replaced item (s) is derecognised. .

Any repairs of ₹ 50 lakhs or more of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Group. The carrying amount of the replaced item (s)is derecognised.

3.1.3 Depreciation

Depreciation on tangible assets and investment property is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II of the Companies Act, 2013 except in case of Factory Buildings, Plant and Machinery, Water Supply & Sewerage and Railway Lines & Sidings and components thereof, where useful life is determined by technical experts. The useful life assumed by the technical experts is as under:

Asset category	Estimated useful life (in years)
Factory Buildings	35 to 40
Plant and Machinery	10 to 40
Water Supply & Sewerage	25 to 40
Railway Lines & Sidings	35 to 40

For these classes of assets, based on technical evaluation carried out by external technical experts, the Group believes that the useful lives as given above best represent the period over which Group expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives and residual values of depreciable/amortisable assets are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the historical cost of a depreciable asset undergoes a change, the depreciation on the revised unamortised depreciable amount is provided over the residual useful life of the asset. Depreciation on addition/deletion during the year is provided on pro-rata basis with reference to the month of addition/deletion. Assets costing up to ₹5000/- are fully depreciated in the year in which they are put to use.

Depreciation on Bhilai Expansion Power Project (pp-II) located at Bhilai is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the 'Companies Act, 2013.

Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

Mining Rights are treated as Intangible Assets and all related costs thereof

are amortised on the basis of annual production to the total estimated mineable reserves. In case the mining rights are not renewed, the balance related cost will be charged to revenue in the year of decision of non-renewal.

Acquisition Cost i.e. cost associated with acquisition of licenses, and rights to explore including related professional fees, payment towards statutory forestry clearances, as and when incurred, are treated as addition to the Mining Rights.

Other Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

Research and development

Development expenditure is capitalised only if it can be measured reliably and the related asset and process are identifiable and controlled by the Group. Research and other development expenditure is recognised as revenue expenditure as and when incurred.

3.2.2 Subsequent Cost

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

3.3 Impairment of Non-Financial Assets

The Group reviews the carrying amount of its assets on each Balance Sheet date for the purpose of ascertaining impairment indicators if any, by considering assets of entire one Plant as Cash Generating Unit (CGU). If any such indication exists, the assets' recoverable amount is estimated, as higher of the Net Selling Price and the Value in Use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.4 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

The expenditure, which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per 5 year mining plan for mines, except collieries which is based on project report.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, which takes substantial period of time, are capitalised as a part of the cost of that asset, during the period of time that is necessary to complete and prepare the asset for its intended use.

The Group considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Other borrowing costs are recognised in the Statement of Profit & Loss in the period in which these are incurred.

3.6 Inventories

Raw materials, Stores & Spares and Finished/Semi-finished products (including process scrap) are valued at lower of cost and net realisable value of the items of the respective Plants/Units. In case of identified obsolete/ surplus/ non-moving items, necessary provision is made and charged to revenue. The net realisable value of semi-finished special products, which have realisable value at finished stage only, is estimated for the purpose of comparison with cost.

Residue products and other scrap are valued at estimated net realisable value.

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

Finished/Semi-finished products - material cost plus appropriate share of labour, related overheads and duties.

3.7 Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset.

3.8 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement and re-measurement of monetary items denominated in foreign currency are recognised in the Statement of Profit and Loss at period-end exchange rates.

The Group opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March, 2016. Accordingly, exchange differences (including arising out of forward exchange contracts) relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.9 Employee Benefits

Defined Contribution Plan

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due.

Defined Benefit Plan

Defined benefit plans are the amount of the benefit that an employee will receive on completion of services by reference to length of service, last drawn salary or direct costs related to such benefits. The legal obligation for any benefits remains with the Group.

The liability recognised for Defined Benefit Plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Management estimates the present value of the DBO annually through valuations by an independent actuary using the projected unit credit method. Actuarial gains and losses are included in Statement of Profit and Lossor Other Comprehensive Income of the year.

Remeasurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, bonus, ex-gratia, annual leave and sick leave which are accrued in the year in which the associated services are rendered by employees of the Group.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

3.10 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

Sale of goods

Sales include excise duty (upto 30th June, 2017) and are net of Goods and Services Tax (GST) (from 1st July, 2017), rebates and price concessions. Sales are recognised at the time of dispatch of materials to the buyers including the cases where delivery documents are endorsed in favour of the buyers. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

i) the issue of bill of lading, or

ii) negotiation of export bills upon expiry of laycan period, in cases where realisation of material value without shipment is provided in the letters of credit of respective contracts, whichever is earlier.

Export incentives under various schemes are recognised as income on certainty of realisation.

The iron ore fines not readily useable/saleable are included in inventory and revenue is recognised on disposal.

Interest and dividend income

Interest income is reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive is established.

3.11 Adjustment pertaining to Earlier Years

Income/Expenditure relating to a prior period,which do not exceed 0.5% of Turnover in each case, are treated as income/expenditure of current year.

3.12 Claims for Liquidated Damages and Price Escalation

Claims for liquidated damages are accounted for as and when these are considered recoverable by the Parent Company. These are adjusted to the capital cost or recognised in Statement of Profit and Loss, as the case may be on final settlement of Liquidated damages.

Suppliers' and Contractors' claims for price escalation are accounted for to the extent such claims are accepted by the Parent Company.

3.13 Leases

Group as a Lessee

Finance leases

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

Group as a Lessor

Finance leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

Operating leases

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

3.14 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

3.15 Non-current assets held for sale

Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Mine Closure

Mine Closure Provision include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas for mines. This provision is based on all regulatory requirements and related estimated cost based on best available information. Mine closure costs are provided for in the accounting period when the obligation arises based on the net present value of the estimated future costs of restoration to be incurred during the life of the operation and post closure.

The initial close-down and restoration provision is capitalised within "Property, Plant and Equipment". Subsequent movements in the close-down and restoration provisions for on-going operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, Plant and Equipment". These costs are depreciated over the lives of the assets to which they relate. Any changes in closure provisions relating to closed operations are charged /credited to the Statement of Profit and Loss.The amortisation or "unwinding" of the discount applied in establishing the provisions is charged as Finance Cost.

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

A Provision is recognised when the Group has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as a separate asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

In cases where the possible outflow of economic resources as a result of present obligation is considered improbable or remote, no Provision is recognised or disclosure is made.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

3.18 Income Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

3.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in value.

3.20 Segment reporting

The Group has 8 operating/reportable segments: the five integrated steel plants and three alloy steel plants, being separate manufacturing units, have been considered reportable segments. In identifying these operating segments, management generally considers the Group's separately identifiable manufacturing operations representing its main operations.

Each of these operating segments is managed separately as each requires different technologies, raw materials and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group's administrative head office and mining operations.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

3.21 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital.

Other components of equity include the following:

- Re-measurement of defined benefit liability comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets.
- Bond Redemption Reserve.
- Other transactions recorded directly in Other Comprehensive Income.
- Retained earnings include all current and prior period retained profits

3.22 Financial Instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised and are measured initially at fair value adjusted by transactions costs, except for those financial assets which are classified at Fair Value through Profit & Loss (FVTPL) at inception.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Amortised cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are designated to this category.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in statement of profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All derivative financial instruments are accounted for at FVTPL.

Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Impairment of Financial Assets

In accordance with IndAS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

Trade Receivables

The Group applies approach as specified in Indian Accounting Standards (Ind AS) 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition.

3.23 Significant Judgements, Assumptions, and Estimations in applying Accounting Policies

3.23.1 Classification of Leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

3.23.2 Close-down and Restoration Obligations

Close-down and restoration costs are normal consequence of mining or production, and majority of close-down and restoration expenditure are incurred in the years following the closure of mine, although the ultimate cost to be incurred is uncertain, the Group estimate their costs using current restoration techniques.

3.23.3 Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

3.23.4 Inventories

The Group estimates the cost of inventories taking into account the most reliable evidence,such as cost of materials and overheads considered attributable to the production of such inventories including actual cost of production, etc. Management also estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

3.23.5 Defined Benefit Obligation (DBO)

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

3.23.6 Fair Value Measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.23.7 Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

3.23.8 Mines Closure and Restoration Obligations

Environmental liabilities and Asset Retirement Obligation (ARO): Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.

3.23.9 Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. Plant, Mines & Others										
Land										
-Freehold land	277.49	19.26	-	296.75	0.87	-	-	0.87	295.88	276.62
-Leasehold land	979.78	297.07	0.89	1275.96	216.68	68.11	0.25	284.54	991.42	763.10
Buildings and related equipments	5168.70	131.60	0.37	5299.93	1642.33	151.34	0.10	1793.57	3506.36	3526.38
Plant and machinery										
-Steel plant	66229.31	10496.73	524.78	76201.26	26347.98	2345.88	347.34	28346.52	47854.74	39881.28
-Others - owned	3042.12	113.48	82.97	3072.63	1961.71	121.85	71.85	2011.71	1060.92	1081.56
-Others - Leasehold (Refer note (ii))	1557.23	59.63	-	1616.86	657.37	106.03	-	763.40	853.46	899.86
Furniture and fixtures	125.33	4.58	(0.83)	130.74	91.93	5.83	0.19	97.57	33.17	33.40
Vehicles	1327.86	36.55	8.89	1355.52	756.27	74.24	8.39	822.12	533.40	571.59
Office equipments	61.04	1.54	0.58	62.00	47.95	2.84	0.50	50.29	11.71	12.60
Miscellaneous articles	318.91	30.10	1.07	347.94	209.88	13.95	0.85	222.98	124.96	108.91
Roads, Bridges & Culverts	343.24	58.61	0.55	401.30	229.26	26.68	(0.05)	255.99	145.31	113.98
Water Supply & Sewerage	556.88	73.97	1.10	629.75	324.74	20.19	0.87	344.06	285.69	232.14
EDP Equipments	415.03	11.94	6.72	420.25	356.19	14.64	5.95	364.88	55.37	59.78
Railway Lines and Sidings	709.38	100.44	0.10	809.72	233.86	18.24	0.11	251.99	557.73	475.52
Sub-total 'A'	**81112.30**	**11435.50**	**627.19**	**91920.61**	**33077.02**	**2969.82**	**436.35**	**35610.49**	**56310.12**	**48036.72**
Figures for the previous year	74380.92	7027.90	291.32	81117.50	30717.35	2588.13	224.70	33080.78	48036.72	
B. SOCIAL FACILITIES										
Land										
-Freehold land	10.88	0.01	-	10.89	-	-	-	-	10.89	10.88
-Leasehold land	9.39	0.61	-	10.00	5.95	0.13	-	6.08	3.92	3.44
Buildings and related equipments	684.04	61.75	0.44	745.35	317.07	17.96	0.37	334.66	410.69	366.97
Plant and machinery - others	149.46	28.34	1.69	176.11	99.50	6.62	1.23	104.89	71.22	49.96
Furniture and fixtures	26.88	0.47	0.60	26.75	19.51	1.26	0.30	20.47	6.28	7.37
Vehicles	11.23	0.20	0.16	11.27	9.80	0.34	0.11	10.03	1.24	1.43
Office equipments	4.53	0.10	0.12	4.51	3.72	0.28	0.11	3.89	0.62	0.79
Miscellaneous articles	226.80	6.46	2.03	231.23	135.31	11.63	1.76	145.18	86.05	91.51
Roads, Bridges & Culverts	130.90	5.08	0.02	135.96	85.11	13.50	0.01	98.60	37.36	45.79
Water Supply & Sewerage	226.54	74.31	-	300.85	123.95	7.32	-	131.27	169.58	102.59
EDP equipments	12.02	0.17	0.81	11.38	9.91	0.36	0.46	9.81	1.57	2.11
Sub-total 'B'	**1492.67**	**177.50**	**5.87**	**1664.30**	**809.83**	**59.40**	**4.35**	**864.88**	**799.42**	**682.84**
Figures for the previous year	1438.17	62.59	8.09	1492.67	761.39	54.60	6.16	809.83	682.84	
C. Property, plant and equipment retired from active use										
Assets retired from active use	**58.29**	**35.27**	**33.53**	**60.03**	**-**	**-**	**-**	**-**	**60.03**	**57.28**
Figures for the previous year	55.40	9.02	7.14	57.28	-	-	-	-	57.28	
Total ('A'+'B'+C')	**82663.26**	**11648.27**	**666.59**	**93644.94**	**33886.85**	**3029.22**	**440.70**	**36475.37**	**57169.57**	**48776.83**
Figures for the previous year	75874.49	7099.51	306.55	82667.45	31478.74	2642.73	230.86	33890.61	48776.83	

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Note : Allocation of Depreciation of PPE, Intangible assets and Investment property		
(a) Charged to Profit & Loss Account	**3065.97**	2681.62
(b) Charged to expenditure during construction	**4.15**	5.12
	3070.12	2686.74

(i) Contractual obligations

Refer note 48.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Land:

(a) Includes 68,019.40 acres (67,718.76 acres as on 31st March, 2017) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.

(b) Includes 34,576.05 acres (34,061.08 acres as on 31st March, 2017) in respect of which title is under dispute.

(c) 9,367.80 acres (9007.46 acres as on 31st March, 2017) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 6,187.95 acres (6384.17 acres as on 31st March, 2017) given on lease to various agencies/employees/ex-employees.

(e) Includes 4070.09 acres (4,436.70 acres as on 31st March, 2017) under unauthorised occupation.

(f) 1,762.92 acres (1,762.92 acres as on 31st March, 2017) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹ 63.13 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd.(NHAI) has acquired 12.19 acres.

(i) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹ 13.91 crore only for 15.62 acres. Management proposes to contest the same with appropriate authorities. Pending further action in the matter, no effect of above has been given in the accounts.

(iii) Other Assets:

(a) Buildings include net block of ₹ 21.23 crore as on 31st March, 2018 (₹ 21.18 crore as on 31st March, 2017) for which conveyance deed is yet to be registered in the name of the Company.

(b) Includes 7107 (7038 as on 31st March, 2017), residential quarters/houses under unauthorised occupation.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017	
5: CAPITAL WORK IN PROGRESS					
Steel Plants & Units		**18168.23**		22922.89	
Township		**91.56**		107.49	
Ore Mines and Quarries		**314.32**		399.14	
		18574.11		23429.52	
Less: Provisions		**215.26**	**18358.85**	199.32	23230.20
Construction stores and spares		**24.65**		37.49	
Less: Provision for non-moving items		**3.18**	**21.47**	3.39	34.10
Expenditure during construction pending allocation (Note 5.1)			**15.11**		11.09
			18395.43		23275.39
5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION					
Opening balance	(a)		**11.09**		7.91
Expenditure incurred during the year					
Employees' Remuneration & Benefits					
Salaries & Wages		**90.30**		121.40	
Company's contribution to provident fund		**3.86**		10.86	
Travel concession		**2.96**		3.08	
Welfare expenses		**0.07**		0.11	
Gratuity		**3.53**	**100.72**	0.71	136.16
Other expenses					
Technical consultants' fees & know-how		**4.47**		8.56	
Power & Fuel		**76.29**		134.97	
Other expenses		**6.19**		6.68	
Interest & Finance charges		**668.52**		581.90	
Depreciation		**4.15**	**759.62**	5.12	737.23
			860.34		873.39
Less: Recoveries					
Interest Earned		**0.27**		0.47	
Liquidated damages		**0.22**		2.49	
Hire charges		**0.45**		0.35	
Sundries		**8.86**	**9.80**	17.99	21.30
Net expenditure during the year	(b)		**850.54**		852.09
	Total (a)+(b)		**861.63**		860.00
Less : Amount allocated to Property, plant and equitpment / Capital Work-in-progress			**846.52**		848.91
Balance carried forward			**15.11**		11.09

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

6: INVESTMENT PROPERTIES

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. BUILDINGS										
Buildings	1.45	-	-	1.45	0.59	0.03	-	0.62	0.83	0.86
Sub-total 'A'	**1.45**	**-**	**-**	**1.45**	**0.59**	**0.03**	**-**	**0.62**	**0.83**	**0.86**
Figures for the previous year	1.45	-	-	1.45	0.57	0.02	-	0.59	0.86	

(i) Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

(ii) Amount recognised in profit and loss for investment properties

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Rental income	**1.52**	1.30
Direct operating expenses that generated rental income*		
Direct operating expenses that did not generate rental income*	**-**	-
Profit from leasing of investment properties before depreciation	**1.52**	1.30
Depreciation	**0.03**	0.02
Profit from leasing of investment properties	**1.49**	1.28

*Direct expenses in relation to investment properties cannot be separately identified and are expected to be insignificant.

(iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payment receivable under non-cancellable leases of investment property are as follows:

(₹ crore)

	As at 31st March, 2018	At at 31st March, 2017
Within one year	**0.04**	0.02
Later than one year but not later than 5 years	**0.07**	0.02
Later than 5 years	**0.01**	0.07
	0.12	0.11

(iv) Fair value

Fair value of Investment properties as on 31st March, 2018 is ₹20.53 crore (₹21.66 crore as on 31st March, 2017)

(v) Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

a) Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

b) Discounted cash flow projections based on reliable estimates of future cash flows.

c) Circle rate of the property as provided by State Government.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2017	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2018	Up to 31st March, 2017	For the Year	Disposals/ Adjustments	Up to 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A. PLANTS, MINES & OTHERS										
Computer Software*	101.20	2.15	0.07	103.28	97.19	1.58	-0.04	98.81	4.47	4.01
Mining Rights	1822.32	7.47	37.47	1792.32	303.83	39.18	0.84	342.17	1450.15	1518.50
Sub-total 'A'	**1923.52**	**9.62**	**37.54**	**1895.60**	**401.02**	**40.76**	**0.80**	**440.98**	**1454.62**	**1522.51**
Figures for the previous year	1903.76	20.35	0.58	1923.53	357.68	43.93	0.59	401.02	1522.51	
B. SOCIAL FACILITIES										
Computer Software*	1.10	-	-	1.10	0.57	0.12	-	0.69	0.41	0.07
Sub-total 'B'	**1.10**	**-**	**-**	**1.10**	**0.57**	**0.12**	**-**	**0.69**	**0.41**	**0.07**
Figures for the previous year	0.62	0.01	-	0.63	0.50	0.06	-	0.56	0.07	
Total ('A'+'B')	**1924.62**	**9.62**	**37.54**	**1896.70**	**401.59**	**40.88**	**0.80**	**441.67**	**1455.03**	**1522.58**
Figures for the previous year	1904.38	20.36	0.58	1924.16	358.18	43.99	0.59	401.58	1522.58	

*Computer software consists of capitalized development costs being an internally generated intangible assets.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

8: INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Investments carried at cost				
In Joint ventures (unquoted)-Defunct entities				
North Bengal Dolomite Ltd (Face value- ₹100/share)	**97,900**	97,900	**0.98**	0.98
Romelt SAIL (India) Limited	**63,000**	63,000	**0.06**	0.06
Total (A)			**1.04**	1.04
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	**60,000**	60,000	**10.95**	9.00
HDFC Bank Limited (Face value - ₹ 2/share)	**2,500**	2,500	**0.47**	0.36
ICICI Bank Limited (Face value - ₹ 2/share)	**157,300**	143,000	**4.38**	3.94
			15.80	13.30
Unquoted equity				
TRL Krozaki Refractories Limited	**2,203,150**	2,203,150	**34.05**	29.93
Indian Potash Limited	**360,000**	360,000	**17.57**	13.43
Haridaspur Paradeep Railway Co Ltd	**5,000,000**	5,000,000	**5.00**	5.00
Cement & Allied Products (Bihar) Limited	**2**	2	**-**	-
Chemical & Fertilizer Corporation (Bihar) Limited	**1**	1	**-**	-
Bhilai Power Supply Company Limited	**5**	5	**-**	-
MSTC Limited	**320,000**	160,000	**4.70**	6.66
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)#	**3,000,000**	3,000,000	**3.00**	3.00
UEC SAIL Information Technology Limited*	**180,000**	180,000	**0.18**	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	**0.01**	0.01
			64.51	58.21
In Co-operative society				
Bokaro Steel Employees' Co.-operative Credit Society	**116,500**	116,500	**0.12**	0.12
Bokaro Steel City Central Consumers' Co-operative Society	**250**	250	**-**	-
NMDC Meghahatuburu Employees' Co-operative Society (Face value ₹ 100/share)	**25**	25	**-**	-
DSP Employees'Co-operative society limited (Face value ₹ 100/share)	**1,377**	1,377	**0.01**	0.01
Bolani Ores Employees' Consumer Co-operative Society Limited (Face value ₹ 25/share)	**200**	200	**-**	-
IISCO Employees Primary Co-operative Society (Face value ₹ 20/share)	**23,000**	23,000	**0.05**	0.05
			0.18	0.18
Total (B)			**80.49**	71.69
Grand total (A+B)			**81.53**	72.73
Provision for impairment in the value of investments			**7.68**	7.68
Net investment			**73.85**	65.05
Aggregate amount of quoted investments (market value thereof)			**15.80**	13.30
Aggregate amount of unquoted investments			**65.73**	59.43
Aggregate amount of impairment in value of investments			**7.68**	7.68
			73.85	65.05

All equity shares have face value ₹ 10 each unless otherwise stated.

*Entity is under liquidation, therefore, not considered as joint venture despite of joint agreement between shareholders.

#Entity is under liquidation, therefore, not in the control of the parent Company.

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
9: TRADE RECEIVABLES - NON CURRENT				
(Unsecured, considered good unless otherwise stated)				
Unsecured*				
Considered good		-		-
Considered doubtful		7.83		7.83
		7.83		7.83
Provision for doubtful receivables		7.83		7.83
		-		-

* Receivables due from directors and officers of the parent Company is nil (previous year nil)

		As at 31st March, 2018		As at 31st March, 2017
10: LOANS - NON CURRENT				
(Unsecured, considered good unless otherwise stated)*				
Security deposits		101.81		110.65
Loan to employees		124.53		157.40
Loan to others		225.14		185.49
		451.48		453.54
Less : Provision for doubtful loans		0.02		0.02
		451.46		453.52

* Receivables due from directors of the parent Company is nil (previous year nil)

		As at 31st March, 2018		As at 31st March, 2017
11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		76.73		46.59
Advance for purchase of shares		-		99.53
Claims recoverable		7.89		0.00
Receivables other than trade		76.95		103.46
Receivables from employees		0.09		0.12
Loans and advances to related parties	10.53		10.53	
Less: Provision for doubtful related party advances	2.53	8.00	2.53	8.00
Fixed deposits with maturity period more than 12 months		0.19		-
		169.85		257.70
Less, Provision for doubtful assets		7.21		0.02
		162.64		257.68

		As at 31st March, 2018		As at 31st March, 2017
12 : DEFERRED TAX ASSETS (NET)				
Tax effect of items constituting deferred tax liabilities				
Diff between book and tax depreciation	8996.19		7451.63	
Amortisation of financial assets/liabilities	28.39		31.39	
Fair value adjustment through OCI	10.46	9035.04	8.88	7650.76
Tax effect of items constituting deferred tax assets				
Retirement benefits	8.73		108.77	
Finance lease obligations	85.64		75.83	
Derivative adjustments	54.81		84.35	
Unpaid taxes and duties to be allowed on payment	1156.38		1122.61	
Losses available for offsetting against future taxable income	9985.34		8563.67	
Others	854.29	12145.19	493.16	10448.51
Tax credit (minimum alternative tax)		1051.83		1051.00
Deferred tax (assets) /liabilities (net)		4161.98		3848.75

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2018 are summarized as follows:

(₹ crore)

	As at April 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	7451.63	1544.56		8996.19
Amortisation of financial assets/liabilities	31.39	(3.00)		28.39
Fair value adjustment through OCI	8.88	0.00	1.58	10.46
	7491.90	**1541.56**	**1.58**	**9035.04**
Tax effect of items constituting deferred tax assets				
Retirement benefits	108.77	(3.82)	(96.22)	8.73
Finance lease obligations	75.83	9.81		85.64
Derivative adjustments	84.35	(29.54)		54.81
Unpaid taxes and duties to be allowed on payment	1122.61	33.77		1156.38
Losses available for offsetting against future taxable income	8563.67	1,421.67		9985.34
Tax credit (minimum alternative tax)	1051.00	0.83		1051.83
Others	493.16	361.13		854.29
	11499.39	**1793.85**	**(96.22)**	**13197.02**
Deferred tax (assets) /liabilities (net)	**(3,848.75)**	**(252.29)**	**97.80**	**(4,161.98)**

The Group is having accumulated business losses (including Investment Allowance) of ₹28,575.26 crore (Previous year-₹24,744.77 crore) [including accumulated unabsorbed depreciation of ₹18,823.78 crore (Previous Year - ₹15,057.93 crore)] and MAT credit of ₹1,051.83 crore as on 31 March, 2018 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹9,751.48 crore (Previous Year - ₹9,686.84 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

In view of the various measures being implemented by the Government for upliftment of the Steel Industry and to boost the demand coupled with steps being taken by the Company to reduce the cost, improvement in the efficiency/productivity, the Group is certain that it will be able to improve its physical and financial performance in future. Consequently, the Group will be able to earn sufficient future taxable profits to adjust the accumulated business losses/unabsorbed depreciation and unused MAT credit.

Accordingly, deferred tax asset of ₹3,407.55 crores on acccumulated business losses (inlcuding ₹55.13 crores during the year ended 31st March, 2018) and MAT credit of ₹1,051.83 crores, has been recognised as on 31st March, 2018.

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
13: CURRENT TAX ASSETS / LIABILITIES (NET)				
Current tax assets				
Advance income tax (net of provision)		**190.39**		235.81
		190.39		235.81
14: OTHER ASSETS - NON CURRENT				
Advances to contractors & suppliers		**341.37**		280.46
Advances others		**4.18**		4.18
Deposit with Government authorities		**646.94**		641.95
Prepaid expenses		**25.43**		34.12
Capital advances	**133.76**		192.51	
Less: Provision for doubtful capital advances	**11.19**	**122.57**	1.01	191.50
		1140.49		1152.21
Less: Provision for doubtful other assets		**80.39**		72.09
		1060.10		1080.12

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
15: INVENTORIES*				
Stores & spares				
Production	**2160.06**		1848.85	
Fuel Stores	**85.25**		91.72	
Others	**24.54**		27.36	
	2269.85		1967.93	
Add: In-transit	**155.02**		114.48	
	2424.87		2082.41	
Less: Provision for non moving/obsolete items	**235.45**	**2189.42**	212.36	1870.05
Raw Material				
Raw material	**4605.78**		2590.00	
Add: In-transit	**2592.85**		1471.24	
	7198.63		4061.24	
Less: Provision for unusable materials	**17.64**	**7180.99**	15.80	4045.44
Finished / Semi-finished products				
Finished goods	**4440.25**		5829.59	
Work in progress	**3213.64**	**7653.89**	3991.01	9820.60
		17024.30		15736.09

*Valued as per accounting policy No. 3.6

16: TRADE RECEIVABLES - CURRENT

(Unsecured, considered good unless otherwise stated)				
Unsecured*				
Considered good		**3870.99**		2934.69
Considered doubtful		**196.70**		181.89
		4067.69		3116.58
Provision for doubtful receivables		**196.70**		181.89
		3870.99		2934.69

* Receivables due from directors and officers of the parent Company is nil (previous year nil)

17 (I): CASH AND CASH EQUEVALENTS

Cash and stamps on hand		**0.05**		0.07
Cheques in hand		**77.60**		109.92
Balance with Banks				
Current accounts	**9.43**		14.56	
Term deposits with original maturity upto 3 months	**6.92**		16.09	
Term deposits as per court orders with maturity upto 3 months	**-**	**16.35**	-	30.65
		94.00		140.64

17 (II): OTHER BANK BALANCES

Earmarked bank balances		**168.30**		159.31
Unpaid dividend accounts		**6.21**		8.53
Fixed deposits with maturity for more than 3 months but less than 12 months		**77.04**		70.35
		251.55		238.19

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
18: LOANS - CURRENT				
(Unsecured, considered good unless otherwise stated)*				
Security deposits		**9.23**		21.33
Loan to employees		**60.92**		58.57
Loan to related parties		**7.00**		7.00
Loan to others		**1.73**		1.33
		78.88		88.23
Less: Provision for doubtful loans		**14.96**		15.50
		63.92		72.73

* Receivables due from directors of the parent Company is nil (previous year nil)

19: OTHER FINANCIAL ASSETS - CURRENT

Derivative assets		**47.66**		180.95
Claims recoverable		**716.09**		773.29
Receivables other than trade		**311.32**		245.38
Receivables from employees		**7.20**		6.88
Bills receivable		**1787.27**		1072.99
Advances to related parties	**23.66**		23.66	
Less: Provision for doubtful related parties advances	**13.42**	**10.24**	1.39	22.27
		2879.78		2301.76
Less Provision for doubtful assets		**92.14**		33.58
		2787.64		2268.18

20: OTHER ASSETS - CURRENT

Gold coins in hand		**0.23**		0.23
Advances to contractors & suppliers	**259.84**		277.95	
Advance others	**851.03**	**1110.87**	828.89	1106.84
Deposit with Government authorities		**2512.07**		2519.05
Deposits - GST		**33.80**		-
GST receivable		**1813.70**		-
Prepaid expenses		**24.42**		36.63
Claims receivable		**184.46**		725.54
Export incentive receivables		**45.68**		41.26
		5725.23		4429.55
Less: Provision for doubtful other assets		**85.45**		143.77
		5639.78		4285.78

21: ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale		**32.50**		11.94
		32.50		11.94

(i) On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as 'Assets classified as held for sale'

(ii) Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹10 each)	**5000.00**	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹ 10 each fully paid up)	**4130.53**	4130.53

Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Numbers	Amount (₹ in crore)	Numbers	Amount (₹ in crore)
Equity shares with voting rights				
Balance at the beginning of the year	4130407654	4130.41	4130392654	4130.39
Shares converted into shares with voting Rights during the year	-	-	15000	0.02
Shares bought back during the year	-	-	-	-
Balance at the end of the year	**4130407654**	**4130.41**	**4130407654**	**4130.41**
Equity shares without voting rights *				
Balance at the beginning of the year	117635	0.12	132635	0.13
Shares Issued during the year	-	-	-	-
Less: Shares converted into shares with voting Rights during the year	-	-	(15000)	(0.02)
Balance at the end of the year	**117635**	**0.12**	**117635**	**0.12**
Total Equity shares outstanding	**4130525289**	**4130.53**	**4130525289**	**4130.53**

i) *Represented by one Global Depository Receipt (GDR) issued in 1996 @ US $ 29.55 each for an original aggregate amount of US $ 125 million.

ii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the Parent Company.

iii) The Group does not have a holding company.

(iv) Details of the shareholders holding more than 5% of the shares in the Parent Company

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3097767449	75.00
LIC of India	395451358	9.57	441874667	10.70

(v) The Parent Company has neither issued bonus shares nor has bought back any shares during the last 5 years.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

23: OTHER EQUITY

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
Reserves & Surplus				
Capital Reserve				
Opening balance	**504.33**		504.33	
Additions during the year	**6.59**		-	
Less: Utilisation during the year	**-**	**510.92**	-	504.33
Securities Premium Reserve				
Opening balance	**235.10**		235.10	
Changes during the year	**-**	**235.10**	-	235.10
Bond Redemption Reserve				
Opening balance	**1973.64**		1449.96	
Transfer from retained earnings	**606.80**		607.77	
Transfer to retained earnings	**239.75**	**2340.69**	84.09	1973.64
General Reserve				
Opening balance	**5102.76**		5100.72	
Additions during the year	**1.38**		2.04	
Less: Utilisation during the year	**-**	**5104.14**	-	5102.76
Retained Earnings				
Opening balance	**25041.72**		28680.91	
Add: Net Profit/(Loss) for the year	**(281.40)**		(2,756.17)	
Add: Other comprehensive Income/(Loss)	**177.52**		(357.29)	
Add: Transfer from Bond Redemption Reserve	**239.75**		84.09	
Less: Transfer to Bond Redemption Reserve	**606.80**		607.77	
Less: Equity dividend	**6.31**		-	
Less: Tax on Equity dividend	**1.28**		-	
Transaction with non-controlling interest	**(0.01)**		(0.01)	
Less: Transfer to General Reserve	**1.38**	**24561.81**	2.04	25041.72
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income				
Opening balance	**2.80**		(0.22)	
Change in fair value of FVOCI equity instruments	**8.79**		3.02	
Deferred tax	**-**	**11.59**	-	2.80
Share in Other Comprehensive Income of equity accounted investees				
Opening balance	**51.38**		50.86	
Change in fair value of FVOCI equity instruments	**0.49**		0.52	
Deferred tax	**-**	**51.87**	-	51.38
Total other equity		**32816.12**		32911.73

Nature and purpose of other reserves

Capital reserve
Capital reserve is created out of the capital profit, it is created out of the profit earned from some specific transactions of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium reserve
Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Bond redemption reserve
The Group is required to create bond redemption reserve as per the provisions of Companies Act, 2013 out of the profits which are available for distribution of dividends. The reserve is maintained till the redemption of bonds.

Other Comprehensive Income (OCI) reserve
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

24. BORROWINGS - NON CURRENT

				As at 31st March, 2018	As at 31st March, 2018
SECURED					
Redeemable Non-Convertible Bonds					
Rate of Interest	**Maturity Date**	**Call/Put option (yr)**	**SECURITY REF**		
9.35%	9-Sep-2026	12/nil	(a)	**455.00**	455.00
9.00%	14-Oct-2024		(a)	**1000.00**	1000.00
8.70%	25-Aug-2024		(a)	**300.00**	300.00
8.30%	1-Aug-2023		(a)	**1200.00**	1200.00
8.30%	3-Aug-2023		(a)	**800.00**	800.00
8.35%	19-Nov-2022		(a)	**1185.00**	1185.00
9.30%	23-Aug-2021		(a)	**400.00**	400.00
8.55%	11-Aug-2021		(a)	**700.00**	700.00
8.27%	25-Aug-2020		(a)	**265.00**	265.00
8.72%	30-Apr-2020		(a)	**660.00**	660.00
8.75%	23-Apr-2020		(a)	**545.00**	545.00
8.65%	1-Feb-2020	5/nil	(a)	**242.00**	242.00
8.30%	21-Jan-2020		(a)	**500.00**	500.00
8.65%	30-Dec-2019		(a)	**450.00**	450.00
8.50%	7-Dec-2019		(a)	**120.00**	120.00
8.60%	19-Nov-2019		(a)	**335.00**	335.00
8.75%	15-Sep-2019		(b,d)	**100.00**	100.00
8.80%	22-Jun-2019		(a)	**825.00**	825.00
7.70%	11-May-2019	5/5	(a)	**25.00**	25.00
8.90%	1-May-2019	5/nil	(b)	**950.00**	950.00
8.80%	26-Oct-2018		(b,c)	**98.00**	112.00
8.18%	10-Aug-2018		(a)	-	1000.00
8.25%	27-Jul-2018		(a)	-	500.00
8.35%	9-Jun-2018		(a)	-	420.00
9.30%	25-May-2018		(a,k)	**288.00**	360.00
8.25%	6-May-2018	3/3	(a)	-	245.00
7.95%	9-Apr-2018		(a)	-	670.00
Total Bonds				**11443.00**	14364.00
Term Loans from banks					
Rupee loans			(j)	**14156.00**	2500.00
Foreign Currency Loans			(j)	**2247.26**	0.00
				27846.26	16864.00
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	**358.48**	327.06
2	Sumitomo Mitsubishi Banking Corporation		(f)	-	0.01
3	Natexis Banque		(g)	**15.01**	14.75
4	Mizuho Coprorate Bank ltd		(h)	-	322.12
Steel development fund			(i)	**204.16**	204.16
				577.65	868.10
Long term maturities of finance lease obligations				**1353.25**	1355.38
Total Non Current Loans				**29777.16**	19087.48

No loans have been guaranteed by the directors and others.

There is no default as on the balance sheet date in repayment of borrowings and interest thereon.

All bonds are repayable on the maturity date unless otherwise stated.

Bonds are secured, in respect of respective facilities by way of :

a) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and parent Company's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).

b) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and parent Company's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant.(DSP).

c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2018 has been shown in Other Current Liabilities

d) Redeemable in 3 equal instalments of ₹ 50 crore each on 15th September of 2014, 2019 and 2024.

e) The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting exchange fluctuation (4%) and pollution control schemes (4%). In case of 1 (b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on 1(c) is 3.66% p.a and the balance 5.09% p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is Guaranteed by Government of India.

f) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.

g) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.

h) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.

i) Terms of Repayment is to be decided by SDF management Committee.

j) Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL & BSP to the extent of loan. SBIECB loan is repayable in 4 equal installments at the end of 4th, 5th, 6th and 7th from the first draw-down i.e. 25th Sept 2017.

k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2018 has been shown in current liabilities.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
25: TRADE PAYABLES - NON CURRENT		
Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	6.38	7.36
	6.38	7.36
26: OTHER FINANCIAL LIABILITIES - NON CURRENT		
Employees related dues	430.68	458.39
Interest Accrued but not due on borrowings	551.46	580.25
Other payables	197.22	327.29
	1179.36	1365.93
27: PROVISIONS - NON CURRENT		
Provision for gratuity	-	81.90
Provision for accrued leave liability	2477.94	2437.58
Provision for post retirement medical & settlement benefits	974.81	931.02
Provision for long term service award	20.90	19.98
Provision for mines closure	61.64	53.97
Other provisions	439.13	71.95
	3974.42	3596.40
28: OTHER LIABILITIES - NON CURRENT		
Deferred Income*	138.33	151.29
	138.33	151.29
***Government grants**		
Opening balance	27.79	26.95
Additions	-	2.12
Released to statement of profit and loss	-	(1.28)
	27.79	27.79

*Deferred income inlcudes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.

	As at 31st March, 2018	As at 31st March, 2017
29. BORROWINGS - CURRENT		
Secured		
Repayable on demand		
From banks	2334.39	1302.09
Other loans and advances		
From Banks	-	250.00
Unsecured		
Other loans	2950.00	600.00
Commercial paper	3961.88	7883.93
Foreign currency loans	2998.05	9777.02
	12244.32	19813.04

1. **Security disclosure for the outstanding short term borrowings as on 31st March, 2018:**
   Borrowings from banks are secured, in respect of respective facilities by way of :

(i) Hypothecation of all current assets

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

		As at 31st March, 2018		As at 31st March, 2017
30: TRADE PAYABLES - CURRENT				
Due to micro, small and medium enterprises (refer note 48.2)		**48.22**		38.12
Amount payable to related parties		**9.30**		11.58
Amount payable to contractors/suppliers/others		**7469.12**		5168.71
		7526.64		5218.41
31: OTHER FINANCIAL LIABILITIES - CURRENT				
Employee related dues		**159.95**		161.73
Interest accrued but not due on borrowings		**1072.54**		1076.09
Other liabilities-debtors banking arrangement		**325.45**		228.16
Derivative liability		**65.24**		603.57
Current maturities of long term debts		**3271.71**		2381.74
Current maturities of finance lease obligations		**115.53**		113.39
Unclaimed matured deposits and interest accrued thereon		**1.01**		1.03
Security deposits	**1325.77**		1233.06	
Less: Investments received as security deposit	**-**	**1325.77**	-	1233.06
Unpaid dividends		**6.21**		8.53
Payable for capital works		**3708.94**		2532.75
Other payables		**4137.97**		4441.91
		14190.32		12781.96
32: OTHER LIABILITIES - CURRENT				
Income received in advance from customers		**1882.56**		1763.07
Income received in advance - others		**112.80**		82.53
Deferred Income*		**11.90**		10.98
GST payable		**2135.74**		-
Other payables		**3001.75**		3752.98
		7144.75		5609.56

*Deferred income inlcudes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.

33: PROVISIONS - CURRENT				
Provision for gratuity		**31.12**		237.22
Provision for accrued leave liability		**309.04**		303.75
Provision for post retirement medical & settlement benefits		**105.60**		108.95
Provision for long term service award		**2.03**		3.06
Provision for pollution control		**40.30**		39.43
Provision for foreign exchange fluctuation		**-**		13.02
Provision for wage revision		**1216.24**		1545.02
Provision for mine afforestation/ restoration etc.		**319.25**		341.97
Other provisions		**289.05**		332.45
		2312.63		2924.87
34: CURRENT TAX LIABILITIES (NET)				
Opening Balance	**6.66**		11.90	
Add : Provision during the year	**7.06**		-	
Less: Amount paid/transferred during the year	**13.72**		4.77	
Less: Provision written back during the year	**-**	**-**	-	16.67
		-		16.67

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
35. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	**55974.82**	47437.74
Exports	**2243.70**	1737.83
Export incentives	**82.48**	66.37
Sub Total (a)	**58301.00**	49241.94
Sale of Services		
Service charges	**23.56**	31.89
Sub Total (b)	**23.56**	31.89
Other Operating Revenues		
Social amenities-recoveries	**337.82**	334.01
Sale of empties etc.	**80.00**	70.74
Sundries	**223.78**	150.37
Sub Total (c)	**641.60**	555.12
Total (a+b+c)	**58966.16**	49828.95

36. OTHER INCOME

Interest income		
Loans & advances to other companies	**0.78**	0.88
Customers	**101.78**	80.87
Employees	**16.75**	20.21
Bank deposits	**9.79**	4.85
Others	**41.94**	45.23
Sub Total (a)	**171.04**	152.04
Dividend income		
Dividend from investments (includes dividend from investments carried at fair value through OCI)	**1.85**	1.05
Sub Total (b)	**1.85**	1.05
Net gain on sale of investments Sub Total (c)	**-**	0.01
Other non-operating Income		
Subsidy, relief and concession	**6.12**	4.43
Grant-in-aid	**0.54**	0.10
Provisions no longer required written back	**90.64**	42.66
Write back of other liabilities	**81.62**	54.96
Liquidated damages	**20.02**	75.53
Foreign exchange fluctuations (net)	**-**	76.60
Others	**43.36**	42.10
	242.30	296.38
Less: Expenses attribtable to non-operating income	**-**	-
Sub Total (d)	**242.30**	296.38
Total (a+b+c+d)	**415.19**	449.48

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
37: COST OF MATERIALS CONSUMED		
Iron ore	**3818.79**	3614.87
Coal	**21445.07**	16198.51
Coke	**31.63**	70.64
Limestone	**1232.17**	1107.24
Dolomite	**474.80**	450.33
Ferro manganese	**337.61**	340.96
Ferro silicon	**201.73**	193.63
Silico manganese	**1193.85**	904.24
Intermediary Products	**-**	0.01
Zinc	**176.84**	122.03
Aluminium	**242.58**	226.91
Others	**1358.94**	1321.62
	30514.01	24550.99
Less: Inter account adjustments	**3776.11**	3389.54
	26737.90	21161.45

38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock		
Finished goods	**5829.61**	5552.75
Work in progress	**3990.99**	4398.43
	9820.60	9951.18
Less: Closing stock		
Finished goods	**4440.25**	5829.61
Work in progress	**3213.64**	3990.99
	7653.89	9820.60
	2166.71	130.58
Less : Excise duty on accretion (-) /depletion to stock	**1027.89**	13.24
	1138.82	117.34

39: EMPLOYEE BENEFITS EXPENSE*

Salaries & wages	**6474.19**	6888.42
Leave encashment	**357.93**	491.23
Company's contribution to provident & other funds	**754.60**	889.91
Travel concession	**61.56**	22.21
Welfare expenses	**356.32**	314.27
Gratuity	**861.27**	357.74
	8865.87	8963.78
***Expenditure on Employees's remuneration and benefits not included above and charged to:**		
Expenditure during construction	**100.72**	136.16

**For descriptive notes on disclosure of defined benefit obligation, refer note 50

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
40: FINANCE COSTS		
Interest Cost		
Foreign currency loans*	**526.99**	552.45
Non convertible bonds	**915.78**	794.54
Bank borrowings - working capital	**42.97**	63.12
Steel development fund loans	**4.08**	3.74
Others	**1319.53**	1105.51
Interest under Income Tax Act	**-**	0.01
Other borrowing costs	**13.40**	8.45
	2822.75	2527.82

*Including foreign exchange fluctuations gain of ₹120.04 crore (previous year: ₹188.52 crore loss)

Expenditure on Interest & Finance charges not included above and charged to Expenditure during Construction:

Foreign currency loans	**94.89**	108.06
Non convertible bonds	**365.43**	468.48
Steel development fund loans - Interest	**4.09**	4.43
Others	**204.11**	0.93
	668.52	581.90

41: OTHER EXPENSES

Consumption of stores & spares				
Consumption	**3490.03**		3621.32	
Less: Departmentally manufactured stores	**735.15**		859.64	
Less: Finished products internally consumed as stores and spares	**473.26**	**2281.62**	532.15	2229.53
Repairs & maintenance				
Buildings	**194.71**		202.18	
Plant & machinery	**821.88**		714.23	
Others	**228.77**	**1245.36**	223.86	1140.27
Handling expenses				
Raw material	**428.15**		333.34	
Scrap recovery	**282.30**	**710.45**	297.33	630.67
Remuneration to auditors				
Audit fees	**1.80**		1.94	
Tax audit fees	**0.51**		0.47	
In other services	**1.16**		0.99	
Out of pocket expenses	**0.68**	**4.15**	0.65	4.05
Provisions				
Doubtful debts, loans and advances	**85.42**		74.47	
Investments	**13.08**		0.20	
Stores, spares and sundries	**117.70**	**216.20**	73.00	147.67
Power and fuel		**5815.89**		5249.99
Freight outward		**2247.29**		1166.58
Royalty and cess		**1271.58**		997.18

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
41: OTHER EXPENSES (CONTD.)		
Conversion charges	**306.08**	454.33
Excise duty on inter-plant transfer/internal consumption	**63.76**	292.12
Demurrage & wharfage	**38.82**	53.41
Water charges & cess on water pollution	**115.82**	121.02
Insurance	**24.99**	32.50
Postage, telegram & telephone	**16.84**	20.53
Printing & stationery	**8.28**	9.88
Rates & taxes	**58.64**	69.82
Rent	**80.61**	60.77
Security expenses	**514.24**	492.65
Travelling expenses	**157.72**	156.48
Expenditure on temporary suspended mines (refer note - 49.17)	**82.07**	97.95
Law Charges	**0.15**	0.00
Training expenses	**42.08**	30.60
Expenditure on corporate social responsibility (refer note - 49.8)	**26.34**	29.62
Foreign exchange fluctuations (net)	**3.74**	-
Loss on dilution of stake in joint ventures (net)	**-**	0.50
Loss on sale/scrapping of fixed assets (net)	**72.80**	48.17
Cost of Audit fee and reimbursement of expenses	**0.05**	0.32
Write-offs - Miscellaneous	**2.61**	0.01
Handling expenses - finished goods	**188.31**	160.75
Commission to selling agents	**6.53**	7.34
Export sales expenses	**47.01**	22.97
Miscellaneous	**531.79**	464.43
	16181.82	14192.11

41A: EXCEPTIONAL ITEMS

Volantary retirement compensation	**254.20**	216.74
Write back of pension liabilities	**(458.16)**	-
Provision for illegal mining	**340.72**	-
Reversal of District Mineral Fund	**(261.76)**	-
Reversal of wages and salary	**(110.82)**	-
Provision for surrender of coal blocks	**209.39**	-
	(26.43)	216.74

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

42. FINANCIAL INSTRUMENTS

i) **Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorized into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) **Financial assets and liabilities measured at fair value - recurring fair value measurements** (₹ crore)

As at 31st March, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		124.39		124.39
Investments at FVOCI				
Equity instruments*				
Quoted	15.80			15.80
Unquoted			64.69	64.69
Total financial assets	**15.80**	**124.39**	**64.69**	**204.88**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		65.24		65.24
Total financial liabilities	**-**	**65.24**	**-**	**65.24**

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ crore)

As at 31st March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		227.54		227.54
Investments at FVOCI				
Equity instruments*				
Quoted	13.30			13.30
Unquoted			58.39	58.39
Total financial assets	**13.30**	**227.54**	**58.39**	**299.23**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		603.57		603.57
Total financial liabilities	**-**	**603.57**	**-**	**603.57**

iii) **Financial assets and liabilities - for which fair values are disclosed** (₹ crore)

	Level	As at 31st March, 2018		As at 31st March, 2017	
		Carrying value	Fair Value	Carrying value	Fair Value
Financial assets					
Loans	Level-3	515.38	545.27	526.25	534.66
Derivative financial assets	Level-2	124.39	124.39	227.54	227.54
Equity instruments*					
Quoted	Level-1	15.80	15.80	13.30	13.30
Unquoted	Level-3	64.69	64.69	59.43	59.43
Total financial assets		**720.26**	**750.15**	**826.52**	**834.93**
Financial liabilities					
Borrowings	Level-3	47358.17	47714.31	43280.15	43628.65
Other payables	Level-3	9967.75	10008.93	9164.70	9298.02
Derivative liability	Level-2	65.24	65.24	603.57	603.57
Total financial liabilities		**57391.16**	**57788.48**	**53048.42**	**53530.24**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Fair value of interest swap is determined based on dealer or counterparty quotes for similar instruments

(b) Fair value of forward foreign exchange contract and principal swap is determined using forward rate at balance sheet date.

(c) The carrying value of borrowings bearing variable interest rate are considered to be representative of their fair value.

(d) The carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.

(e) Fair value of fixed interest rate financial assets and liabilities carried at amortised cost (including finance lease obligations) is determined by discounting the cash flows using a discount rate equevalent to market interest rate applicable to similar assets and liabilities as at the balance sheet date.

(v) Unquoted investments:

Fair value estimates of unquoted equity investments are included in level-3 and are based on information relating to value of investee company's net assets. For investments in co-operative societies, the Company has determined that cost is appropriate estimate of fair value, therefore, there have been no changes on account of fair values.

vi) The following table presents the changes in value of financial instruments measured at fair value using level 3 inputs: (₹ crore)

Unlisted equity securities	
As at 31st March, 2016	**59.43**
Gains/losses recognised in other comprehensive income	-
As at 31st March, 2017	**59.43**
Gains/losses recognised in other comprehensive income	5.26
As at 31st March, 2018	**64.69**

43 FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

	As at 31st March, 2018			**As at 31st March, 2017**		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
Equity instruments*		80.49			72.73	
Trade receivables			3870.99			2934.69
Cash and cash equivalents			94.00			140.64
Other Bank Balances			251.55			238.19
Loans			515.38			526.25
Derivative financial assets	124.39			227.54		
Other receivables			2825.89			2299.82
Total	**124.39**	**80.49**	**7557.81**	**227.54**	**72.73**	**6139.59**
Financial liabilities						
Borrowings			47358.17			43280.15
Trade payable			7533.02			5225.77
Derivative Liability	65.24			603.57		
Other payables			9967.75			9164.70
Total	**65.24**	**-**	**64858.94**	**603.57**	**-**	**57670.62**

* Investment in equity of joint ventures and associates have been carried at cost as per Ind AS 27 "Separate financial statements" and hence are not presented here.

ii) Risk Management

The Group is exposed to various risk in relation to financial instruments. The Group's financial asset and liabilities are by category are summarised in note 42 (i). The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management is co-ordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Comapny. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of following types financial assets.

-Cash and cash equivalents

-Derivative financial instruments

-Trade receivables

-Other financial assets measured at amortized cost

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

a) Credit risk management

Cash and cash equivalent

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Derivative financial instruments

Credit risk related to derivative financial instruments is also managed by only entering into such arrangement with highly rated banks orfinancial institutions as counterparties. The company diversifies its holdings with multiple counterparties.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors and only sells goods to credit-worthy parties. The Group's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Company provides expected credit losses based on the following

Trade receivables

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹ crore)

Ageing (As at 31st March, 2018)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	3005.30	697.14	92.93	74.74	197.58	4067.69
Expected loss rate	0.25%	0.38%	2.30%	2.81%	92.26%	4.84%
Expected credit loss provision	7.52	2.66	2.14	2.10	182.28	196.70
Carrying amount of trade receivables (Net of impairment)	**2997.78**	**694.48**	**90.79**	**72.64**	**15.30**	**3870.99**

Ageing (As at 31st March, 2017)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2295.26	420.10	135.85	37.96	227.41	3116.58
Expected loss rate	0.03%	0.37%	1.84%	6.61%	76.84%	5.84%
Expected credit loss provision	0.59	1.54	2.50	2.51	174.74	181.89
Carrying amount of trade receivables (Net of impairment)	**2294.67**	**418.56**	**133.35**	**35.45**	**52.67**	**2934.69**

Reconciliation of Expected credit loss provision (₹ crore)

Particulars	Unlisted equity securities
As at 31st March, 2016	**152.24**
Changes in provision	24.24
As at 31st March, 2017	**181.89**
Changes in provision	14.81
As at 31st March, 2018	**196.70**

Other financial assets measured at amortized cost

Group provides for expected credit losses on "loans advances and other than trade receivables" by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draws to apply consistently to entire population For such financial assets, the Group's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity companying based on their contractual maturities for all non-derivative financial liabilities and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

Contractual maturities of financial liabilities as at 31st March, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	18348.05	5719.16	4611.01	27190.55	55868.77
Trade payable	7526.64	0.64	0.85	4.89	7533.02
Other payables	10392.85	112.45	96.56	1270.94	11872.80
Total	**36267.54**	**5832.25**	**4708.42**	**28466.38**	**75274.59**
Derivatives					
Derivative liability (Net Settled)	65.24	-	-	-	65.24
Total	**65.24**	**-**	**-**	**-**	**65.24**

Contractual maturities of financial liabilities as at 31st March, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	24177.67	4569.02	4652.70	13282.34	46681.74
Trade payable	5218.41	1.29	5.64	0.43	5225.77
Other payables	10436.75	125.35	105.25	1453.49	12120.84
Total	**39832.83**	**4695.66**	**4763.59**	**14736.26**	**64028.35**
Derivatives					
Derivative liability	603.57	-	-	-	603.57
Total	**603.57**	**-**	**-**	**-**	**603.57**

* borrowings excludes finance lease obligations, refer note 49.11(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

Most of the Group's transactions are carried out in INR. Exposures to currency exchange rates arise from the Group's overseas borrowing arrangements, which are primarily denominated in US dollars (USD). To mitigate the Group's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Foreign currency risk exposure:

The Company's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ crore are as follows:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	1.89		38.25	
Derivative financial assets (Gross amounts, to hedge borrowings)	3343.41		10099.90	
Net exposure to foreign currency risk (assets)	**3345.30**	**-**	**10138.15**	**-**
Financial liabilities				
Borrowings	3619.36	327.06	13039.83	327.06
Trade payable	90.63	330.72	57.25	307.02
Derivative Liability	29.35			
Other payables	68.30	137.27		
Net exposure to foreign currency risk (liabilities)	**3807.64**	**795.05**	**13097.08**	**634.08**

Sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 4.24% change of the INR/USD exchange rate for the year ended at 31 March, 2018 (2017:4.09%). A +/- 6.90% change is considered for the INR/EUR exchange rate (2017: 7.86%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
USD sensitivity		
INR/USD- increase by 4.24% (31 March 2018)	(19.60)	
INR/USD- decrease by 4.24% (31 March 2018)	19.60	
INR/USD- increase by 4.09% (31 March 2017)		(121.02)
INR/USD- decrease by 4.09% (31 March 2017)		121.02
Euro sensitivity		
INR/EUR- increase by 6.90% (31 March 2018)	(54.86)	
INR/EUR- decrease by 6.90% (31 March 2018)	54.86	
INR/EUR- increase by 7.86% (31 March 2017)		(49.84)
INR/EUR- decrease by 7.86% (31 March 2017)		49.84

b) Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31st March, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2017: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the company to interest rate risk: (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate borrowing (excluding exposures offset by derivatives)	2998.05	9777.02
Fixed rate borrowing	44360.12	33503.13
Total borrowings	**47358.17**	**43280.15**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates. (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest sensitivity		
Interest rates-increase by 100 basis points	473.58	432.80
Interest rates-decrease by 100 basis points	(473.58)	(432.80)

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the financial assets: (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	766.93	674.62
Total deposits	**766.93**	**674.62**

c) Price risk

Exposure

The Group is exposed to other price risk in respect of its investment shares of other companies (see Note 8). The Group does not consider changes in value of its investments in shares as insignificant, therefore is not exposed to price risks on exposures outstanding on the balance sheet date.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

44 CAPITAL MANAGEMENT

The company' s capital management objectives are

- to ensure the company's ability to continue as a going concern

- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the company's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Net debts	47012.62	42901.32
Total equity	36946.65	37042.26
Net debt to equity ratio	**1.27**	**1.16**
Dividends		
(i) Equity shares		
Final dividend for the year ended 31st March, 2018 of @nil	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil

44A. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEES

A. Joint ventures individually significant

NTPC SAIL Power Company Limited

(₹ crore)

Summarised balance sheet	31st March, 2018	31st March, 2017
Current assets		
Cash and cash equivalents	**43.44**	5.14
Other assets	**764.17**	920.51
	807.61	925.65
Non-current assets	**2,789.19**	2,202.61
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**468.97**	316.96
Other Liabilities	**122.63**	103.23
	591.60	420.19
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**711.29**	570.13
Other liabilities	**109.70**	164.43
	820.99	734.56
Net Assets	**2,184.21**	1,973.51
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**1,092.11**	986.76

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Revenue	**2,602.17**	2,526.31
Depreciation and ammortisation	**150.38**	147.20
Interest income	**29.37**	94.46
Interest Expense	**41.19**	76.52
Income tax expense or income	**12.94**	46.73
Profit or loss from continuing operations	**331.71**	388.87
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**(0.68)**	(2.08)
Total comprehensive income	**331.03**	386.79
Ownership interest	**50.00%**	50.00%

Mjunction Services Limited

(₹ crore)

Summarised balance sheet	31st March, 2018	31st March, 2017
Current assets		
Cash and cash equivalents	**4.08**	51.72
Other assets	**307.48**	210.95
	311.56	262.67
Non-current assets	**99.87**	93.99
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**133.51**	92.08
Other Liabilities	**10.14**	24.90
	143.65	116.98
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**-**	-
Other liabilities	**13.01**	12.60
	13.01	12.60
Net Assets	**254.77**	227.08
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**127.39**	113.54

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Revenue	**204.60**	176.15
Depreciation and ammortisation	**8.78**	8.07
Interest income	**0.72**	0.16
Interest Expense	**0.04**	-
Income tax expense or income	**18.47**	16.06
Profit or loss from continuing operations	**42.43**	37.75
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**1.26**	0.25
Total comprehensive income	**43.69**	38.00
Ownership interest	**50.00%**	50.00%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

International Coal Ventures Limited

(₹ crore)

Summarised balance sheet	31st March, 2018	31st March, 2017
Current assets		
Cash and cash equivalents	**27.02**	50.92
Other assets	**69.58**	37.21
	96.60	88.13
Non-current assets	**2,233.33**	2,217.58
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**246.16**	248.04
Other Liabilities	**0.11**	0.51
	246.27	248.55
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**-**	-
Other liabilities	**15.98**	14.58
	15.98	14.58
Net Assets	**2,067.68**	2,042.58
Less: Share Application Money Pending Alottment		180.01
	2,067.68	1,862.57
Ownership Interest	**47.82%**	46.73%
Carrying Amount of Interest	**988.76**	870.38

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Revenue	**43.46**	13.91
Depreciation and ammortisation	**0.11**	0.13
Interest income	**-**	0.65
Interest Expense	**6.73**	89.91
Income tax expense or income	**-**	0.40
Profit or loss from continuing operations	**21.28**	(67.33)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**3.82**	3.26
Total comprehensive income.	**25.10**	(64.07)
Ownership interest	**47.82%**	46.73%

Bokaro Power Supply Company Ltd.

(₹ crore)

Summarised balance sheet	31st March, 2018	31st March, 2017
Current assets		
Cash and cash equivalents	**95.46**	134.91
Other assets	**323.00**	295.04
	418.46	429.95
Non-current assets	**902.48**	834.01
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**186.79**	150.74
Other Liabilities	**25.03**	70.72
	211.82	221.46
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**-**	15.79
Other liabilities	**292.00**	258.20
	292.00	273.99
Net Assets	**817.12**	768.51
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**408.56**	384.26

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Revenue	**896.44**	900.72
Depreciation and ammortisation	**-**	-
Interest income	**-**	25.61
Interest Expense	**17.03**	15.66
Income tax expense or income	**(0.48)**	2.09
Profit or loss from continuing operations	**79.28**	78.54
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**0.81**	(0.49)
Total comprehensive income	**80.09**	78.53
Ownership interest	**50.00%**	50.00%

Bhilai Jaypee Cement Limited

(₹ crore)

Summarised balance sheet	31st March, 2018	31st March, 2017
Current assets		
Cash and cash equivalents	**5.58**	4.20
Other assets	**46.50**	31.43
	52.08	35.63
Non-current assets	**750.67**	775.68
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**167.58**	258.54
Other Liabilities	**564.38**	435.83
	731.96	694.37
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**9.09**	13.94
Other liabilities	**6.27**	5.62
	15.36	19.56
Net Assets	**55.43**	97.38
Ownership Interest	**26.00%**	26.00%
Calculated Share of Net Assets	**14.41**	25.32
Goodwill		5.73
Carrying amount of Interest	**14.41**	31.05

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Revenue	**207.96**	84.13
Depreciation and ammortisation	**38.80**	38.43
Interest income	**-**	-
Interest Expense	**12.27**	18.92
Income tax expense or income	**15.90**	(30.80)
Profit or loss from continuing operations	**42.04**	(69.03)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**0.08**	(0.31)
Total comprehensive income	**42.12**	(69.34)
Ownership interest	**26.00%**	26.00%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

B. Summarised financial information for Joint Ventures not individually significant

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Profit or loss from continuing operations	**(33.09)**	(24.89)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**0.02**	0.01
Total comprehensive income	**(33.07)**	(24.88)

C. Associates, not individually significant (₹ crore)

Summarised statement of Profit and Loss	31st March, 2018	31st March, 2017
Profit or loss from continuing operations	**1.73**	0.52
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**1.73**	0.52

D. The unrecognised share of losses of joint ventures, both for the reporting period and cumulatively, where SAIL has stopped recognising its share of losses of the joint venture when applying the equity method

(₹ crore)

	31st March, 2018	31st March, 2017
SAL SAIL JVC Limited - Reporting	**-**	-
SAL SAIL JVC Limited - Cumulative	**0.01**	0.01
SAIL MOIL Ferro Alloys Private Limited - Reporting	**4.57**	0.19
SAIL MOIL Ferro Alloys Private Limited - Cumulative	**6.24**	1.67
SAIL SCL Kerala Limited - Reporting	**8.64**	4.84
SAIL SCL Kerala Limited - Cumulative	**20.89**	12.25
Abhinav SAIL JVC Limited - Reporting	**-**	-
Abhinav SAIL JVC Limited - Cumulative	**0.01**	0.01
S&T Mining Pvt Limited - Reporting	**3.26**	-
S&T Mining Pvt Limited - Cumulative	**3.26**	-
SAIL Bengal Alloy Casting Private Limited - Reporting	**-**	-
SAIL Bengal Alloy Casting Private Limited - Cumulative	**0.01**	0.01

E. Dividend Recieved from the Joint Ventures (₹ crore)

	31st March, 2018	31st March, 2017
NTPC SAIL Power Company Limited	**50.00**	84.25
Mjunction Services Limited	**5.60**	7.22
International Coal Ventures Limited	**-**	-
Bokaro Power Supply Co. Limited	**12.40**	12.32
Bhilai Jaypee Cement Limited	**-**	-

44B DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

S. No.	Name	Relationship	Nature of activity	Principal Place of Incorporation	Principal Place of Business	Proportionate Ownership in % As at 31st March, 2018	Proportionate Ownership in % As at 31st March, 2017
1	SAIL Jagdishpur Power Plant Limited	Subsidiary	Power Production	India	India	100%	100%
2	SAIL Refractory Company Limited	Subsidiary	Refactory Material production	India	India	100%	100%
3	SAIL Sindri Projects Limited	Subsidiary	Cement production	India	India	100%	100%
4	Chhattisgarh mega steel limited	Subsidiary	Steel production	India	India	74%	74%
5	NTPC SAIL Power Company Pvt. Ltd	Joint-ventures	Power Production	India	India	50%	50%
6	Bokaro Power Supply Co. Pvt. Ltd.	Joint-ventures	Power Production	India	India	50%	50%
7	Mjunction Services Limited	Joint-ventures	Consultancy services	India	India	50%	50%
8	SAIL Bansal Service Centre Ltd	Joint-ventures	Consultancy services	India	India	40%	40%
9	Bhilai Jaypee Cement Limited	Joint-ventures	Cement production	India	India	26%	26%
10	S& T Mining Co. Pvt. Limited	Joint-ventures	Coal Mining	India	India	50%	50%
11	International Coal Ventures Private Ltd.	Joint-ventures	Coal Mining	India	Mozambique	48%	47%
12	SAIL-MOIL Ferro Alloys Private Ltd.	Joint-ventures	Ferro Manganese production	India	India	50%	50%
13	SAIL SCI Shipping Pvt. Limited	Joint-ventures	Logistics	India	India	50%	50%
14	SAIL SCL Kerala Limited	Joint-ventures	Steel production	India	India	49%	49%
15	SAIL RITES Bengal Industry Pvt. Ltd.	Joint-ventures	Railway Wagon Production	India	India	50%	50%
16	SAIL Kobe Iron India Pvt. Limited	Joint-ventures	Steel production	India	India	50%	50%
17	SAIL-BENGAL Alloy Castings Private Ltd.	Joint-ventures	Alloy Casting	India	India	50%	50%
18	Prime Gold-SAIL JVC Limited	Joint-ventures	Steel production	India	India	26%	26%
19	VSL SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	21%	21%
20	Abhinav SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	26%	26%
21	NMDC SAIL Limited	Joint-ventures	Railway Project	India	India	49%	49%
22	TMT SAL SAIL JV Limited	Joint-ventures	Metal Products	India	India	26%	26%
23	SAL SAIL JVC Limited	Joint-ventures	Metal Products	India	India	26%	26%
24	Bastar Railway Private Limited	Joint-ventures	Railway Project	India	India	21%	21%
25	Almora Magnesite Limited	Associate	Megnesite Mining	India	India	20%	20%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

44C INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2018									
Name of the entity in the group	**Ownership in % As at 31 March, 2018**	**Proportionate Share**	**As % of Consolidated Net Worth**	**Share in Profit/ (Loss)**	**As % of Consolidated Profit/ (Loss)**	**Share in Other Comprehensive Income**	**As % of Consolidated Other Comprehensive Income**	**Share in Total Comprehensive Income**	**As % of Consolidated Total Comprehensive Income**
Steel Authority of India	100	35,713.67	96.66%	(481.71)	171.18%	186.32	99.75%	(295.39)	312.25%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
SAIL Refractory Company Limited	100	123.36	0.33%	14.20	-5.05%	(0.01)	-0.01%	14.19	-15.00%
SAIL Sindri Projects Limited	100	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh mega steel limited	74	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
Joint-ventures									
NTPC SAIL Power Company Pvt. Ltd	50	1,092.14	2.96%	165.86	-58.94%	(0.34)	-0.18%	165.52	-174.97%
Bokaro Power Supply Co. Pvt. Ltd.	50	408.56	1.11%	39.64	-14.09%	(0.41)	-0.22%	39.23	-41.47%
Mjunction Services Limited	50	127.39	0.34%	21.22	-7.54%	(0.63)	-0.34%	20.59	-21.77%
SAIL Bansal Service Centre Ltd	40	0.30	0.00%	(0.24)	0.09%	-	0.00%	(0.24)	0.25%
Bhilai Jaypee Cement Limited	26	20.14	0.05%	(10.93)	3.88%	0.02	0.01%	(10.91)	11.53%
S& T Mining Co. Pvt. Limited	50	(3.26)	-0.01%	(2.77)	0.98%	0.01	0.01%	(2.76)	2.92%
International Coal Ventures Private Ltd.	47.82	988.76	2.68%	10.18	-3.62%	1.83	0.98%	12.01	-12.70%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	(4.57)	1.62%	-	0.00%	(4.57)	4.83%
SAIL SCI Shipping Pvt. Limited	50	0.06	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
SAIL SCL Kerala Limited	49.26	-	0.00%	(7.98)	2.84%	-	0.00%	(7.98)	8.44%
SAIL RITES Bengal Industry Pvt. Ltd.	50	12.76	0.03%	(2.07)	0.74%	-	0.00%	(2.07)	2.19%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
Prime Gold-SAIL JVC Limited	26	5.63	0.02%	(0.75)	0.27%	-	0.00%	(0.75)	0.79%
VSL SAIL JVC Limited	20.58	1.21	0.00%	(0.09)	0.03%	-	0.00%	(0.09)	0.10%
Abhinav SAIL JVC Limited	26	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
NMDC SAIL Limited	49	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%
TMT SAL SAIL JV Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%
Bastar Railway Private Limited	21	0.23	0.00%	(0.51)	0.18%	-	0.00%	(0.51)	0.54%
Associates							0.00%		
AlmoraMagnesite Limited	20	1.35	0.00%	0.35	-0.12%	-	0.00%	0.35	-0.37%
Non-controlling interest				-				-	
Consolidation adjustments		(1,546.00)	-4.17%	(21.18)	7.53%	-	0.00%	(21.17)	22.38%
Grand total		**36,946.66**	**100.00%**	**(281.40)**	**100.00%**	**186.80**	**100.00%**	**(94.60)**	**100.00%**

44D INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2017									
Name of the entity in the group	**Ownership in % As at 31 March, 2017**	**Proportionate Share**	**As % of Consolidated Net Worth**	**Share in Profit/ (Loss)**	**As % of Consolidated Profit/ (Loss)**	**Share in Other Comprehensive Income**	**As % of Consolidated Other Comprehensive Income**	**Share in Total Comprehensive Income**	**As % of Consolidated Total Comprehensive Income**
Steel Authority of India	100	36,009.06	97.21%	(2,833.24)	102.80%	(353.60)	99.96%	(3,186.84)	102.47%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
SAIL Refractory Company Limited	100	116.76	0.32%	21.01	-0.76%	(0.67)	0.19%	20.34	-0.65%
SAIL Sindri Projects Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Chhattisgarh mega steel limited	74	0.03	0.00%	-	0.00%	-	0.00%	-	0.00%
Joint-ventures									
NTPC SAIL Power Company Pvt. Ltd	50	986.76	2.66%	194.43	-7.05%	(1.04)	0.29%	193.39	-6.22%
Bokaro Power Supply Co. Pvt. Ltd.	50	384.26	1.04%	39.27	-1.42%	0.25	-0.07%	39.52	-1.27%
Mjunction Services Limited	50	113.54	0.31%	18.87	-0.68%	(0.12)	0.03%	18.75	-0.60%
SAIL Bansal Service Centre Ltd	40	0.50	0.00%	(0.16)	0.01%	0.00	0.00%	(0.16)	0.01%
Bhilai Jaypee Cement Limited	26	25.32	0.07%	(17.87)	0.65%	(0.08)	0.02%	(17.95)	0.58%
S& T Mining Co. Pvt. Limited	50	(0.50)	0.00%	(2.53)	0.09%	-	0.00%	(2.53)	0.08%
International Coal Ventures Private Ltd.	46.73	870.38	2.35%	(31.39)	1.14%	1.52	-0.43%	(29.87)	0.96%
SAIL-MOIL Ferro Alloys Private Ltd.	50	(1.67)	0.00%	(0.19)	0.01%	-	0.00%	(0.19)	0.01%
SAIL SCI Shipping Pvt. Limited	50	0.07	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%
SAIL SCL Kerala Limited	49.26	(17.14)	-0.05%	(6.14)	0.22%	-	0.00%	(6.14)	0.20%
SAIL RITES Bengal Industry Pvt. Ltd.	50	14.83	0.04%	(6.49)	0.24%	-	0.00%	(6.49)	0.21%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Prime Gold-SAIL JVC Limited	26	6.44	0.02%	1.07	-0.04%	-	0.00%	1.07	-0.03%
VSL SAIL JVC Limited	26	1.58	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	(0.03)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
NMDC SAIL Limited	49	0.02	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
TMT SAL SAIL JV Limited	26	(0.00)	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
Bastar Railway Private Limited	21	0.49	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
Associates							**0.00%**		
AlmoraMagnesite Limited	20	1.01	0.00%	0.10	0.00%	-	0.00%	0.10	0.00%
Non-controlling interest		**0.01**		**-**		**-**		**-**	
Consolidation adjustments		(1,469.70)	-3.97%	(132.87)	4.82%	-		(132.87)	4.27%
Grand total		**37,042.27**		**(2,756.17)**		**(353.75)**		**(3,109.92)**	

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

45. DETAILS OF ASSETS PLEDGED

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Inventories and trade receivables (to the extent pledged)	**2334.39**	1552.09
Non Current		
Plant & Machinery (movable assets)-Durgapur Steel Plant (to the extent pledged)	**1148.00**	1162.00
Plant & Machinery (movable assets)-Bokaro & Bhilai Steel Plant (to the extent pledged)	**16403.26**	2500.00
Land and Plant & Machinery (at Mouje-Wadej of city taluka, Dist Ahemadabad, Gujarat) - ISP	**10295.00**	13202.00

46. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit/(Loss) before tax	**(526.63)**	(4,715.69)
Domestic tax rate for PFS	**34.94%**	34.61%
Expected tax expense [A]	**(184.03)**	(1,632.01)
Adjustment for tax-exempt income/ non-deductible expenses	**(22.10)**	(10.71)
Adjustment for difference tax rate items	(1.48)	0.47
Tax incentive on specific expenditure	**(16.09)**	(353.00)
Tax related to earlier years	**36.56**	43.64
Increase in Corporate tax rate	**(28.39)**	-
Others	**(29.70)**	(7.92)
Total adjustments [B]	**(61.20)**	(327.52)
Actual tax expense [C=A+B]	**(245.23)**	(1,959.52)
Tax expense comprises:		
Current tax expense	**7.06**	30.64
Deferred tax credit	**(252.29)**	(1,990.16)
Tax expense recognized in Statement of profit and loss [D]	**(245.23)**	(1,959.52)

47.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2018	As at 31st March, 2017
	In Respect of SailL:		
(i)	Claims against the Company pending appellate/judicial decisions	22672.07	33182.59
(ii)	Other claims against the Company not acknowledged as debt	3550.27	3243.98
(iii)	Disputed income tax/service tax/other demand on joint venture company for which company may be contingently liable under the joint venture agreement	34.76	32.89
(iv)	Bills drawn on customers and discounted with banks.	68.83	37.38
(v)	Price escalation claims by contractors/suppliers and claims by employees.	441.70	408.62
	In Respect of Joint Ventures:		
(i)	Claims against the Company pending appellate/judicial decisions	-	1.70
(ii)	Other claims against the Company not acknowledged as debt	44.88	47.05

47.2 In respect of SAIL:

a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by the States and has laid down principles/tests for consideration. The respective regular Benches of the Apex Court would hear the matters as per laid down principles. Pending decisions by the regular Benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh, and Jharkhand, the Entry Tax demands, under dispute, of ₹1092.28 crore, ₹241.00 crore, ₹92.23 crore and ₹5.15 crore respectively upto 31st March, 2018 aggregating to ₹1430.66 crore (including a sum of ₹1092.28 crore, ₹352.16 crore, ₹92.23 crore and ₹5.15 aggregating to ₹1541.82 crore upto 31st March, 2017) have been treated as contingent liabilities.

(ii) Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹295.50 crore upto 31st March, 2018 (upto 31st March, 2017 ₹254.21 crore) have been treated as contingent liabilities.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. The appeal filed by DVC pertaining to tariff of 2004-09 is yet to be decided by the Hon'ble Supreme Court of India. As per legal opinion received by the Company, the decision of Hon'ble Supreme Court of India on determination of the tariff of 2004-09 may have an effect on the subsequent periods. Pending final decision in this regard, the claim of DVC of ₹ 587.72 crore upto 31st March, 2018 (upto 31.03.2017, ₹ 587.72) has been considered as Contingent Liability and included in Note No. 47.1(i)(f) above. . Against the said claims, the entire amount has been paid to DVC and disclosed under Other Current Assets. Further from 1st April, 2017 onwards full invoice value has been considered in the Statement of Profit & Loss.

47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3374.46 crore upto 31st March, 2018 (upto 31st March, 2017 ₹3045.41 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(i)(e) above.

47.4 The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification by the Ministry of Mines, Government of India and the price published by India Bureau of Mines on a monthly basis for both iron ore lumps and fines separately. A circular was issued by the State Government of Odisha regarding payment of royalty on fines at the rate of lumps on 07.09.2010 retrospectively effective from August 2009. The Government of India, vide circular dated 23.07.2012, directed the State Government of Odisha to withdraw the circular dated 07.09.2010. Accordingly, excess royalty for fines at the rate applicable for lumps, paid in two Iron Ore Mines of the Company amounting to ₹143.54 crore, has been shown as Claims Recoverable. As the Company has disputed the matter with the Appropriate Authorities, pending withdrawal of the circular of the State Government of Odisha, the amount of ₹143.54 crore (As on 31st March, 2017 ₹144.34 crore) has been included in the Contingent Liability, in Note No. 47.1(ii)(b) above.

47.5 In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(v) above.

47.6 Differential price as claimed by Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) for coal supplies from 13/14th January, 2017 to 31st March, 2017, amounting to ₹ 334.45 crores, being the amount billed over and above MoU agreed prices, has not been account for in the accounts. Pending discussion and finalisation, the above liability of ₹334.45 crores has been has been disclosed as a Contingent Liability in Note No. 47.1(ii)(d) above.

47.7 The Ministry of Environment & Forest and Climate Change (MoEF& CC) vide their letter No.- 11-599/ 2014-FC dated 1st April 2015 issued revised Guidelines for diversion of Forest Land for non-forest purpose under the Forest (Conservation) Act, 1980 (FC Act). These revised Guidelines stipulated that in case of existing mining leases having Forest Land (partially or fully), where approval for only a part of forest land has been obtained under the FC Act, the Central Government accorded general approval under Section-2(iii) of the FC Act for the remaining area also to be Forest Land, subject to certain conditions, which includes realising Net Present Value (NPV) for the entire forest land falling in the mining lease, in case NPV of such forest land has not already been realised.

In this matter, as per legal opinion obtained by the Company, Section 2 (iii) of FC Act, 1980 will not apply to Government Corporation and NPV is required to be paid only for that limited area, which has been approved by MoEF& CC and in which mining activities are proposed to be done and not for the entire forest area. The matter of applicability of NPV for total forest land has been challenged by the Company in Hon'ble High Court of Jharkhand. The Hon'ble Court, in its order, has directed to place the matter before Division Bench of this Court.

During the year, the Company has received a demand of ₹ 96.28 crore from Office of the Principal Chief Conservator of Forest, Chhattisgarh against which writ petition has been filed in Hon'ble high Court of Chhattisgarh.

47.8 Pursuant to the Hon'ble Supreme Court Judgment dated 2nd August, 2017 in the Common Cause matter regarding illegal mining, demand/Show cause notices have been issued for recovery of the price of minerals produced without and beyond the environmental clearances under Section 21(5) of Mines and Mineral Development Regulation Act, 1957, forest clearance under the Forest Conservation Act 1980, and towards excess production beyond consent to operate. The Company has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand. As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:

(a) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹212.85 crore and ₹1478.86 respectively (including interest). Based on internal judgment, the Company has provided an amount of ₹333.45 crore during the year on estimated basis under exceptional item. Balance amount of ₹1358.26 crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.

(b) In respect of Limestone, by the Government of Jharkhand amounting to ₹20.28 crore (including interest). Based on internal judgment, the Company has provided an amount of ₹7.27 crore during the year on estimated basis under exceptional item. Balance amount of ₹13.01 crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).

47.9 In respect of Coal, by the Government of Jharkhand amounting to ₹354.54 crore (including interest) during the year. Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to the Company. Accordingly pending disposal the amount of ₹354.54 crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h).

48.1 Estimated amount of contracts remaining to be executed and not provided for (net of advances) are:

In respect of SAIL:

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital commitments	10747.11	13580.65
Other commitments	1824.86	1532.38

In Respect of Joint Ventures:

(₹ crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital commitments	0.35	1.56

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

In respect of SAIL:

48.2 The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2018 are as under:

No.	Description	As at 31st March, 2018	As at 31st March, 2018
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	48.22	38.12
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the Year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-
		For the Year ended	
		31st March, 2018	31st March, 2017
v.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

48.3 Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmations/reconciliations.

48.4 The Block Land and Land Reforms Office, (Faridpur-Durgapur) and Andal, District: Paschim Bardhaman, Govt. Of West Bengal has raised demand of arrears of land revenue, cess and interest for part of land of Durgapur Steel Plant henceforth referred to as 'Company'and its Township covering a period of past 40 years aggregating to ₹494.51 crore (previous year ₹nil crore) vide two demand notices dated 21.02.2018 and 08.03.2018 respectively.

The Company has contested the demands. Part of the land against which demand has been raised was acquired on behalf of the Central Government under Land Acquisition Act and such acquisition vested in Union of India, while certain other parts of its lands were transferred by State Government to the Central Government and the Company holds such lands on behalf of President of India. As per Article 285 of the Constitution of India no land revenue is payable on such lands. Moreover, Company had also paid capitalised value of land revenue and as per judicial pronouncement, no land revenue is payable for lands for which capitalised value is paid. As such Company is of the opinion that the demand raised against the Company is not tenable at all. Representation on that effect has already been made on 26th April, 2018 and 28th April, 2018.

49.1 Revenue from operations for the periods up to 30th June, 2017 includes excise duty of ₹1403.90 crore , which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST). In accordance with 'Ind AS 18- Revenue', GST amount of ₹7864.70 crore is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the year ended on 31st March, 2018 are not comparable with the previous period.

49.2 Sales include sale to Government Agencies recognized on provisional contract prices during the year ended 31st March, 2018: ₹4802.50 crore (Previous Year : ₹3807.78 crore) and cumulatively up to 31st March, 2018 : ₹12271.05 crore (upto Previous Year : ₹18342.41 crore).

49.3 Keeping in view the affordability and financial sustainability clause in Office Memorandum dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises in respect of Pay Revision of employees:

(a) an all-inclusive provision towards salary revision of Board and below Board level executives, charged to 'Employee Benefit Expenses' and Expenditure During Construction in earlier quarters amounting to ₹95.71 crore and ₹3.24 crore respectively has been written back during current quarter and ₹33.35 crore for the period from 1.1.2017 to 31.3.2017 has been written back during the current quarter and shown as 'Exceptional Item'.

(b) an all-inclusive provision towards salary and wage revision of Non-executive Employees charged to 'Employee Benefit Expenses' in earlier quarters amounting to ₹230.77 crore has been written back and ₹77.47 crore for the period from 1.1.2017 to 31.3.2017 has been written back during the current quarter and shown as 'Exceptional item'.

49.4 As per the Department of Public Enterprises (DPE) guideline, the Company is required to contribute up to 30% of Salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly the Company has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st January, 2017. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st January, 2017.

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹2494.52 crore (₹126.59 crore during the year) and ₹47.81 crore (₹1.76 crore during the year) has been charged to `Employee Benefits Expense' and `Expenditure during Construction' respectively.

Based on DPE Guidelines on superannuation benefits which may include pension benefits to employees, Board of Directors of the Company keeping in view affordability and financial sustainability to pay by the Company, revised pension benefit to 3% of Basic+ DA (as against 9% earlier decided) for Executives and 2% of Basic+ DA (as against 6% earlier decided) for Nonexecutives and accordingly:

(a) an amount of ₹170.02 crore provided from 1st April, 2015 to 31st December, 2016 in earlier years in respect of pension for Executives has been written back and credited to 'Exceptional Item' during the current year (₹ nil during current quarter) .

(b) an amount of ₹288.14 crore provided from 1st April, 2015 to 31st December, 2016 in earlier years in respect of pension for Non-executives has been written back and credited to 'Exceptional Items' during the current quarter.

49.5 Pursuant to Notification dated 29th March, 2018 issued by the Ministry of Labour and Employment, the Central Government has enhanced the ceiling of gratuity limit from ₹0.10 crore to ₹0.20 crore w.e.f. 29.03.2018. Accordingly, the provision for gratuity as at 31st March 2018 has been made for ₹582.04 crore under Employee benefit expenses, considering the enhanced ceiling based on the actuarial report.

49.6 Consequent to the judgement of Hon'ble Supreme Court dated 13th October, 2017 and further interpreted by Hon'ble High Court of Bilaspur vide order dated 24th November, 2017 (to which the Company is not a party), in the matter of establishment of District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Act, 1957 and prospective contribution required to be made to the DMF by the holder of a mining lease or a prospecting licence-cum-mining lease in addition to the payment of royalty, an amount of ₹261.76 crore has been written back under exceptional item during the year for which such levy was held not applicable.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

49.7 The research and development expenditure charged to Statement of Profit & Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the year, amount to ₹314.71 crore (₹261.60 crore) and ₹20.79 crore (₹77.83 crore) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

Head of Account	**For the year ended**	
	31st March, 2018	**31st March, 2017**
Raw Materials	115.05	26.93
Employees Benefits Expense	97.95	88.87
Stores & Spares Consumed	11.40	9.44
Power & Fuel	21.61	4.80
Repairs & Maintenance	6.53	4.13
Depreciation and Amortisation Expense	8.54	6.42
Other Expenses	49.53	119.01
Finance Cost	4.10	2.00
Total	**314.71**	**261.60**

49.8 The Company reviews the carrying amount of its fixed assets on each balance sheet date for the purpose of ascertaining impairment, if any, by considering assets of entire one plant as Cash Generating Unit (CGU). If any such indication exists, the assets recoverable amount is estimated, as higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The net selling price of the CGU is determined once in every three years.

On such review as on 31st March, 2018, no provision is required to be made during the year, as the value in use of assets of Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant and IISCO Steel Plant, based on the present value of estimated future cash-flows expected to arise from the continuing use of an asset and from its disposal at the end its useful life, is more than the carrying amount of the respective CGU.

No provision is required to be made during the year for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant, as the net realisable value thereof, assessed by an independent agency, as on 31st March, 2018 for Salem Steel Plant and as on 31st March, 2017 for Alloy Steels Plant and Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

49.9 (a) On the basis of Board of Directors of the Company approval dated 30th May 2017 for surrendering of three limestone mining leases under Bhawanathpur viz. Saraiya, Ghagra & Goregaon, the intangible assets of ₹37.47 crore towards NPV as Mining Right have been written off along-with the corresponding provisions.

(b) The Board of Directors of the Company Board approved on 1st March 2018 for return of two Coal Blocks , Parbatpur and Sitanala, to Ministry of Coal. The Company has taken provision of ₹18.59 Crore for Sitanala and ₹113.05 Crore for Parbatpur as exceptional expenses which appeared in CWIP.

(c) The Unit has given Bank Guarantee to Ministry of Coal as per the allotment agreement for two Coal Blocks of Parbatpur and Sitanala. After the approved on 1st March 2018 to return these two Coal Blocks to Ministry of Coal, the Company has provided Liability of ₹15.18 Crore for Sitanala and ₹62.57 Crore for Parbatpur Coal Block and shown as exceptional expenses.

49.10 As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, the Company reported average net loss during the three immediately preceding financial years; no amount is required to be spent for the Financial Year 2017-18.

In Respect of SAIL:

However, against the budgeted amount of ₹26.00 (previous year ₹22.80 crore) , the Company has spent an amount of ₹25.70 crore (previous year ₹29.05 crore) on CSR activities during the Financial Year 2017-18 under the following heads:

Particulars	**₹ crore**
Education	7.65
Healthcare	5.11
Livelihood Generation	3.54
Women Empowerment	0.75
Drinking Water	1.44
Sanitation	0.47
Sports	0.79
Art & Culture	1.13
Rural Development	2.07
Social Security	0.33
Environment Sustainability	2.20
Project Identification and Monitoring	-
Capacity Building of Personnel	0.23
Total	**25.70**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

In Respect of SRCL:

Particulars	₹ crore
Education	0.06
Healthcare	0.09
Women Empowerment	0.08
Sanitation	0.19
Art & Culture	0.20
Others	0.02
Total	**0.64**

In respect of SAIL:

49.11 In compliance to General Financial Rule 238(5) & (6), the details of Grants received from Ministry of Steel and it's utilization for Research and Development Projects during last three years are as under:

(₹ crore)

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2017-18	1.33	2.61
2016-17	2.32	2.15
2015-16	2.18	0.77

49.12 Salem Steel Plant (SSP) had obtained 12 Promotion Capital Goods (EPCG) authorization between 12th November 2008 to 30th November 2009 for import of capital goods at concessional rate of customs duty under EPCG Scheme and completed the export obligation vide letter dated 13th February, 2018 received from the Office of Joint Director General of Foreign Trade, Coimbatore.

49.13 Information on leases as per Indian Accounting Standards (Ind AS) 17 on `Leases':

(a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received up-front, after adjusting against book value, is booked to other revenues in the year of lease. Renewal premium, ground rent and service charges of properties, pending for renewal, given on lease are treated as income in the year of receipt.

b) Finance lease liabilities (refer note 24 and 31) are secured by the related assets held under finance lease. Future minimum finance lease payments and present value of minimum lease payments of the respective years are as follows:

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	**1-5 years**	**After 5 years**	**Total**
31st March, 2018				
Lease payment	261.85	916.58	2068.00	3246.43
Finance charge	-156.70	-528.18	-1092.77	-1777.65
Net present value	105.15	388.40	975.23	1468.78
31st March, 2017				
Lease payment	251.21	913.69	2255.38	3420.28
Finance charge	-158.59	-556.78	-1233.81	-1949.18
Net present value	92.62	356.91	1021.58	1471.11

c) Description of major leasing arrangements

Power plant

The Company has accounted for a power plant as finance lease under Appendix C of Ind AS 17 by virtue of the power purchase agreement with the supplier. Under the terms of the power purchase agreement, the Company shall continue to purchase power until the parties decide to terminate the agreement, which has been determined to be an un-economic proposition considering the specialised nature and location of the asset.

Oxygen Plant

The Company has accounted for an oxygen plant as finance lease (or operating lease) under Appendix C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement.

Mining land

The Company has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/ economic compulsion for renewal.

d) (i) In respect of assets taken on lease/rent: The Company has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the year is ₹18.91 crore (₹14.16 crore).

(ii) As at the Balance Sheet date, the future Minimum lease payments under non-cancellable operating leases are:

(₹ crore)

	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	43.23	43.06
Later than I year and not later than 5 years	172.23	172.23
Later than 5 years	258.35	301.41

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

49.14 As per Government of India guidelines on payment of dividends, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax or 5% of the Net-worth, whichever is higher, subject to the maximum dividend permitted under the Companies Act, 2013 and other rules, unless lower dividend proposed to be paid is justified after analysis of the various financial parameters of the Company. In case, the Company is not able to comply with the guidelines, specific exemption has to be obtained from Department of Investment & Public Asset Management (DIPAM), Government of India. Keeping in view the adverse financial position of the Company due to losses, the Company has been exempted from payment of dividend for the Financial Years 2015-16 and 2016-17. For the Financial year 2017-18, the Company has again taken up with DIPAM for exemption from payment of dividend.

49.15 Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2017-18 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized as income during the year amounting to ₹15.12 crore (till date ₹34.24 crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India received during the year such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exists regarding collectability and measurability of revenue.

49.16 The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27-10-2016 has "in-principle" decided for Strategic Disinvestment of Alloy Steels Plant (ASP), Durgapur; Visvesvaraya Iron and Steel Plant (VISP), Bhadrawati, Salem Steel Plant (SSP), Salem. Further, in line with "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. Preliminary Information Memorandum (PIM) /Expression of Interest (EoI) for ASP has been published in News papers on 14th February, 2018. PIMs/EoI of SSP and VISP have been submitted to MoS (Ministry of Steel) for obtaining the clearance of Govt of India. "

49.17 Recent Accounting Pronouncements Standards issued but not yet effective:

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, 'Foreign Currency Transaction and advance consideration and amendment to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

(a) Ind AS 115, Revenue from contracts with Customers.

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principle of Ind AS 115 is that an entity should recogise revenue that demonstrate the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the Standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

(b) Appendix B to Ind AS 21, 'Foreign currency transaction and advance consideration':

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, that an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company is expected to be not material.

49.18 Based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the year 2017-18, excluding depreciation, of ₹ 82.07 crore (Previous Year ₹ 97.95 crore) has been included under Note No.41 'Other Expenses' in Statement of Profit and Loss (refer Note No 41). Head wise bifurcation is as under:

(₹ crore)

Account Head	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salary and Wages	41.05	53.41
Stores and Spares	3.80	7.77
Power purchased	10.70	11.44
Repairs and Maintenance	8.36	6.84
Miscellaneous Expenses and Provisions	21.21	22.02
Total Expenditure	**85.12**	**101.48**
Less: Income	3.05	3.53
Net Expenditure	**82.07**	**97.95**

50.1 DEFINED BENEFIT SCHEMES

50.1.1 General Description of Defined Benefit Schemes:

Gratuity : Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more (for service beyond 30 years, one month's salary for every completed year of service beyond 30 years, in case of non-executives). Maximum amount of ₹20 lakhs for executives & non-executives joined on or after 1st July, 2014 and without any monetary limit for other non-executives, has been considered for actuarial valuation.

Leave Encashment : Payable on superannuation to eligible employees who have accumulated earned and half pay leave, subject to maximum limit of 300 days combined for earned leave and half pay leave. Encashment of accumulated earned leave is also allowed up to 30 days once in a financial year up to 18th November, 2015 and stopped thereafter.

Provident Fund : 12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by the company.

Post Retirement Medical Benefits : Available to retired employees at company's hospitals and/or under the health insurance policy.

Post Retirement Settlement Benefits : Payable to retiring employees for settlement at their home town.

Long term service Award : Payable in kind on rendering minimum 25 years of service and also on superannuation.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

In respect of SAIL:

50.1.2 Other disclosures, as required under Ind AS 19 on 'Employee Benefits', in respect of defined benefit obligations are :

(a) Reconciliation of Present Value of Defined Benefit Obligations* :

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	6153.06 (5692.84)	2740.01 (2535.85)	936.21 (872.63)	103.73 (94.95)	23.14 (21.02)
ii)	Service Cost	288.50 (375.36)	124.27 (303.44)	- (-)	- (-)	1.52 (1.60)
iii)	Interest Cost	443.02 (381.98)	198.91 (173.00)	67.61 (60.24)	7.65 (6.52)	1.70 (1.43)
iv)	Actuarial Gains(-) / Losses(+)	-328.47 (550.79)	35.10 (28.06)	76.25 (86.89)	14.01 (11.68)	-1.03 (1.82)
v)	Past Service Cost	582.04 (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	798.19 (847.91)	312.56 (300.34)	116.44 (83.55)	8.73 (8.92)	2.40 (2.73)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	6339.96 (6153.06)	2785.73 (2740.01)	963.63 (936.21)	116.66 (103.73)	22.93 (23.14)

(b) Reconciliation of Fair Value of Assets and Obligations

The Company has funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund. The reconciliation of fair value of assets of the Gratuity Fund and defined benefit gratuity obligations is as under:

(₹ crore)

Sl. No.	Particulars	2017-18	2016-17
i)	Fair Value of plan assets as at the beginning of the year	5836.33	5494.74
ii)	Expected return on plan assets	23.11	94.53
iii)	Actual Company's contribution	798.07	696.50
iv)	Interest Income/Actuarial Gain/Loss	449.45	398.35
v)	Benefits payments	798.19	847.91
vi)	Fair value of plan assets as at the end of the year	6308.85	5836.33
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6339.96	6153.06
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	31.11	316.85

* The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2018-19, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are unfunded.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(c) Expenses recognised in the Statement of Profit & Loss for the Year:

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	288.50 (375.36)	124.27 (303.44)	- (-)	- (-)	1.52 (1.60)
ii)	Interest Cost	-6.34 (-16.37)	198.91 (173.00)	67.61 (60.24)	7.65 (6.52)	1.70 (1.43)
iii)	Actuarial Gains (-)/Losses	-328.47 (550.79)	34.85 (28.06)	76.25 (86.89)	14.01 (11.68)	-1.03 (1.82)
iv)	Past Service Cost	582.04 (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	23.11 (93.25)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	512.60 (816.53)	358.02 (504.50)	143.86 (147.13)	21.66 (18.20)	2.19 (4.85)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 39)	860.66 (356.51)	357.55 (491.23)	67.61 (58.34)	21.66 (-)	2.19 (4.85)
	b) Charged to Expenditure During Construction (Note 5.1)	3.52 (-1.25)	0.47 (3.56)	- (-)	(17.29)	- (-)
	c) Charged to OCI	-351.58 (456.26)	- (-)	76.25 (88.79)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (5.01)	(9.71)	- (-)	(0.91)	- (-)
viii)	Actual Return on Plan Assets	472.50 (491.63)				

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	-216.53	204.24
ii)	Leave	-116.72	110.59
iii)	Post Retirement benefit	-32.26	31.16
iv)	Long Term Service Award	-0.99	0.95
v)	Retirement Travelling Allowance	-4.80	4.69

(e) Effect of one percentage point change in the salary escalation rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	175.57	-182.59
ii)	Leave	117.21	-121.04

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(f) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefits scheme.

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement medical benefits	-20.97	18.42

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2018	As at 31.03.2017
Insurance Investments	86.25	85.03
Central Government Securities	1.36	1.54
State Government Securities	4.24	4.77
PSU Bonds	8.12	8.63
Cash at Bank	0.03	0.03
Total	100.00	100.00

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2018	As at 31st March, 2017
i)	Discount Rate (per annum)	7.70%	7.25%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.70%	7.25%
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors.	

(i) Maturity Profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2018
Upto 1 year	807.50
Between 1 to 2 years	828.15
Between 2 to 3 years	832.46
Between 3 to 4 years	839.42
Between 4 to 5 years	843.26
Between 5 to 10 years	4398.70
More than 10 years	25597.36
Total Undiscounted Payments related to Past Service	34146.84
Less: Discount for Interest	27806.88
Projected Benefit Obligation	**6339.96**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

In Respect of SRCL:

50.1.2 Other disclosures, as required under Ind AS 19 on 'Employee Benefits', in respect of defined benefit obligations are :

(a) Reconciliation of Present Value of Defined Benefit Obligations* :

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits
i)	Present Value of projected benefit obligations, as at the beginning of the year.	10.43	1.28	0.06
ii)	Service Cost	0.46	0.14	0.08
iii)	Interest Cost	0.77	0.08	-
iv)	Actuarial Gains(-) / Losses(+)	-0.85	0.16	-
v)	Past Service Cost	-	-	-
vi)	Benefits Paid	-	-0.40	-0.02
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	10.81	1.26	0.12

(b) Reconciliation of Fair Value of Assets and Obligations

The Company has funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund. The reconciliation of fair value of assets of the Gratuity Fund and defined benefit gratuity obligations is as under:

(₹ crore)

Sl. No.	Particulars	2017-18	2016-17
i)	Fair Value of plan assets as at the beginning of the year	8.18	5.59
ii)	Expected return on plan assets	0.61	0.41
iii)	Actual Company's contribution	2.88	2.50
iv)	Interest Income/Actuarial Gain/Loss	-0.87	0.06
v)	Benefits payments	-	-0.38
vi)	Fair value of plan assets as at the end of the year	10.80	8.18
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	10.81	10.43
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	0.01	2.25

*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2018-19, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are unfunded.

(c) Expenses recognised in the Statement of Profit & Loss for the Year :

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits
i)	Service Cost	0.46	0.14	0.08
ii)	Interest Cost	0.17	0.08	-
iii)	Actuarial Gains (-)/Losses	-	0.16	-
iv)	Past Service Cost	-	-	-
v)	Expected Return on Plan Assets	-	-	-
vi)	Total (i+ii+iii+iv-v)	0.63	0.38	0.08
vii)	Employees' Benefits Expenses :			
	a) Charged to Profit & Loss Account (Note 39)	0.62	0.38	0.08
	b) Charged to Expenditure During Construction (Note 5.1)	-	-	-
	c) Charged to OCI	0.01	-	-
	d) Charged to Profit & Loss Account- Other Expenses	-	-	-
viii)	Actual Return on Plan Assets	0.86		

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	11.05	10.56
ii)	Leave	1.29	1.23

(e) Effect of one percentage point change in the salary escalation rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	10.60	11.02
ii)	Leave	1.23	1.29

(f) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefits scheme

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Insurance Investments	10.80	8.18

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2018	As at 31.03.2017
Insurance Investments	10.80	8.18

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2018	As at 31st March, 2017
i)	Discount Rate (per annum)	7.70%	7.25%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.70%	7.25%
vi)	Salary Escalation	Executives : 6.25% p.a. Non-Executives : 6.25% p.a.	Executives : 6.25% p.a. Non-Executives : 6.25% p.a.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity Profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2018
Upto 1 year	2.51
Between 1 to 2 years	1.60
Between 2 to 3 years	1.89
Between 3 to 4 years	1.23
Between 4 to 5 years	1.03
Between 5 to 10 years	3.73
More than 10 years	2.22
Total Undiscounted Payments related to Past Service	14.21
Less: Discount for Interest	3.40
Projected Benefit Obligation	**10.81**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

51. GENERAL

51.1 Segment Reporting

i) Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS108, Operating Segments' issued by Ministry of Corporate Affairs.

ii) In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Ind AS108, Operating Segments, issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

51.3 Disclosures of provisions required by Indian Accounting Standards (Ind AS)37 'Provisions, Contingent Liabilities and Contingent Assets:

Brief Description of Provisions :

Mines afforestation costs - Payable on renewal (including deemed renewal)/forest clearance of mining leases to Government authorities, towards afforestation cost at mines for use of forest land for mining purposes.

Mines closure costs - Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.

Overburden backlog removal costs - To be incurred towards removal of overburden backlog at mines over the future years.

In Respect of SAIL:

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2017	238.72	59.62	103.25	401.59
Additions during the Year	-	13.19	24.27	37.46
Amounts utilised during the Year	-	(7.63)	(7.56)	(15.19)
Unused amount reversed during the Year	-	0.00	2.80	2.80
Balance as at 31st March, 2018	**238.72**	**65.18**	**117.16**	**421.06**

In Respect of SRCL:

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2017	-	0.03	-	-
Additions during the Year	-	-	-	-
Amounts utilised during the Year	-	-	-	-
Unused amount reversed during the Year	-	-	-	-
Balance as at 31st March, 2018	**-**	**0.03**	**-**	**-**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2018

52. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- **External Sales**											
Current Year ended 31st March 2018	15994.93	7168.64	12210.22	14039.97	6811.00	442.88	1344.11	142.18	147.07		58301.00
Previous Year ended 31st March 2017	14135.97	6209.54	9683.32	11796.81	4709.85	383.07	2015.72	169.15	138.51		49241.94
- **Inter segment sales**											
Current Year ended 31st March 2018	299.80	184.88	217.67	211.33	73.02	206.18	12.70	18.36	3881.30	-5105.24	0.00
Previous Year ended 31st March 2017	639.75	173.36	273.76	234.89	49.44	224.61	9.52	24.78	3406.99	-5037.10	0.00
- **Total Revenue from sale of products**											
Current Year ended 31st March 2018	16294.73	7353.52	12427.89	14251.30	6884.02	649.06	1356.81	160.54	4028.37	-5105.24	58301.00
Previous Year ended 31st March 2017	14775.72	6382.90	9957.08	12031.70	4759.29	607.68	2025.24	193.93	3545.50	-5037.10	49241.94
RESULT											
- **Operating Profit / (-) Loss before Interest and Exceptional items**											
Current Year ended 31st March 2018	1240.52	-58.57	398.70	804.13	-329.50	-25.84	-118.24	-108.34	466.83		2269.69
Previous Year ended 31st March 2017	546.87	-724.42	-703.22	251.85	-1326.32	-1.78	-112.45	-114.88	213.22		-1971.13
- **Finance cost**											
Current Year ended 31st March 2018											2822.75
Previous Year ended 31st March 2017											2527.82
- **Exceptional items**											
Current Year ended 31st March 2018											-26.43
Previous Year ended 31st March 2017											216.74
- **Tax expenses**											
Current Year ended 31st March 2018											-245.23
Previous Year ended 31st March 2017											-1959.52
- **Profit / Loss (-) for the year**											
Current Year ended 31st March 2018											-281.40
Previous Year ended 31st March 2017											-2756.17
OTHER INFORMATION											
- **Segment assets**											
Current Year ended 31st March 2018	28756.68	6400.05	19484.61	14524.30	18770.09	518.32	2459.07	533.47	23994.38		115440.97
Previous Year ended 31st March 2017	27079.13	6006.72	18906.12	14437.15	18836.19	600.26	2554.16	678.16	18517.35		107615.24
- **Segment Liabilities (including Long Term Borrowing)**											
Current Year ended 31st March 2018	7409.47	2364.33	4017.17	3746.95	1922.70	207.46	383.28	79.88	58363.07		78494.31
Previous Year ended 31st March 2017	6872.38	2060.83	3821.43	3284.97	1577.12	232.30	372.66	151.41	52199.87		70572.97
- **Capital expenditure**											
Current Year ended 31st March 2018	2481.46	296.50	1638.38	1362.65	599.44	2.89	7.82	2.15	388.63		6779.92
Previous Year ended 31st March 2017	1683.88	403.56	1212.44	1259.91	635.67	3.71	11.91	2.43	254.66		5468.17
- **Depreciation**											
Current Year ended 31st March 2018	512.86	195.57	721.75	561.87	724.35	11.44	95.74	7.30	235.09		3065.97
Previous Year ended 31st March 2017	419.36	188.37	667.72	487.93	607.05	9.30	96.31	7.30	198.28		2681.62
- **Non Cash expenses other than Depreciation**											
Current Year ended 31st March 2018	19.00	11.34	15.26	56.00	36.79	2.00	14.17	2.81	58.83		216.20
Previous Year ended 31st March 2017	8.98	16.20	5.45	29.91	26.73	4.48	3.45	2.43	49.92		147.55

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies

TO THE MEMBERS OF STEEL AUTHORITY OF INDIA LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Steel Authority of India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements"

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

Basis for Qualified Opinion

I. As per 9th National Joint Committee on Steel (NJCS) Agreement dated 1st July 2014 (which is valid upto 31st December 2016) signed by the Holding Company, contribution by the Holding Company towards proposed Pension Fund for non-executive employees was stipulated at 6% of Basic pay and D.A.. Pending revision of the said agreement and against reservation of representatives of non-executive employees, Management of the Holding Company has unilaterally reduced the rate of contribution towards the said Pension Fund to 2% of Basic pay and D.A. and accordingly the Management, in the 4th quarter of the current year, has written back the provision

Management's Reply: The Company's view is that the Pension Scheme was approved by the Board in its Meeting held on 9th February, 2017, with a provision that the contribution towards Pension shall be based on the affordability, sustainability and capacity of the company, measured as a percentage of Profit Before Tax(PBT) to average Net-worth. This is in line with the Office Memorandum dated 21.5.2014 issued by the Department of Public Enterprises. If

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
towards the said Pension Fund for non-executive employees for the period from 01.04.2015 to 31.12.2016 to the extent of ₹288.14 crore (Refer Note no.49.4(b)).	the percentage of PBT to average Net-worth is 8% or above, the contribution towards Pension shall be limited to 6% of Basic Pay plus DA for Non-executives. Further, if the percentage of PBT to average Net-worth is lower than 8%, the amount of contribution will be reduced proportionately. However, a minimum Pension contribution is kept at the rate of 2% of Basic Pay plus DA even in case of loss during a Financial Year. Accordingly, the Board of Directors of the Company has approved the write back of Pension contribution for the period from 1.4.2015 to 31.12.2016 in its meeting held on 30.05.2018.
II. Wage revision for non-executives is due since 01.01.2017. During the 4th quarter of the current year, Management of the Holding Company has reversed adhoc provision already made in last year for the period from 01.01.2017 to 31.03.2017 amounting to ₹77.47 crore. Further the Management of the Holding Company has also reversed provision created thereof for nine months ended 31st December, 2017 amounting to ₹230.77 crore and also not made any provision thereof for the 4th quarter of the year. Pending negotiation with non-executive employees and as per the experience and past practice of earlier wage revisions for non-executive employees, adhoc provisions from 01.01.2017 to 31.03.2017 of ₹77.47 crore and from 01.04.2017 to 31.12.2017 of ₹230.77 crore should not have been reversed and provision of ₹76.92 crore for the quarter ended 31.03.2018 should have been made. The aggregate impact on Loss before Tax for the Current year amounts to ₹385.16 crore. (Refer Note no. 49.3).	The Company's view is that SAIL is a Government Company and is required to follow Government Guidelines for revising pay scales of its employees. The Department of Public Enterprises (DPE) issued Office Memorandum dated 24.11.2017 in this regard. The Guidelines inter-alia, state that Management of PSEs would keep in view the affordability and financial sustainability of such wage revision and further where the five year periodicity of Wage revision is followed, Management has to ensure that negotiated scales of pay for two successive wage negotiations do not exceed the existing scales of pay of executives/officers and non-unionized supervisors of respective CPSEs for whom ten years periodicity is being followed. The current pay scales of Non-executive employees in SAIL for some of the levels after wage revision effective from 01.01.2012 for 5 years are already higher than the pay scales of certain Executive employees. Accordingly, it has been approved by the Board of Directors of the Company to withdraw the provision of wage revision for Non-executive employees for the period from 01.01.2017 to 31.03.2017 and also for the nine months ended 31st December, 2017 and not to make any provision for the 4th Quarter of Financial Year 2017-18.
III. The Holding Company has not provided for : (i) Demand for Entry tax in various states amounting to ₹1,726.16 crore as on 31st March, 2018 (Refer Note No. 47.2(a)) and (ii) Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by a plant of Holding Company amounting to ₹587.72 crore as on 31st March, 2018 (refer Note No.47.2(b)); Had the impact of all the above qualifications been considered, Total Consolidated Comprehensive Loss (net of tax) for the year ended 31st March, 2018 would have been ₹2,037.94 crore against reported Total Consolidated Comprehensive Loss (net of tax) of ₹94.60 crore, overstatement of other equity as on 31st March, 2018 by ₹1,943.34 crore, understatement of current liabilities by ₹2,399.46 crore and understatement of asset by ₹456.12 crore.	In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/ tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches of the Apex Court on levy of entry tax in the States of Chhattisgarh, Odisha, Uttar Pradesh, Jharkhand and in respect of the case pertaining to Calcutta High Court, the Entry Tax demands under dispute have been treated as contingent liabilities. In respect of item stated at (ii), the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. The above stated disputed demands, stated at III(i) and III(ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2018. Therefore, there is no adverse impact on loss for the year.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the auditors on separate Financial Statements of the subsidiaries, associates and Jointly controlled entities referred to below in the Other Matters paragraph, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and Jointly controlled entities as at 31st March, 2018, and their consolidated loss, consolidated total comprehensive loss (net loss and other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies

Emphasis of Matter

We draw attention to the following:

Gross sales of the Holding Company include sales to Government agencies for ₹4,802.50 crore for the year ended 31st March, 2018 (cumulative upto 31st March, 2018 ₹12,271.05 crore) which is recognized on provisional contract prices (Refer Note no. 49.2);

Our opinion is not modified in respect of this matter.

Other Matters

A. We did not audit the Financial Statements of subsidiaries specified in Annexure B included in the Consolidated Ind AS Financial Results, whose Financial Statements reflect total assets of ₹160.27 crore as at 31st March, 2018, total revenues of ₹136.63 crore, total net profit after tax of ₹14.18 crore and total comprehensive income of ₹14.17 crore for the year ended on that date, as considered in their respective Standalone Ind AS Financial Statements.

The Statement also includes the Group's share of net profit of ₹284.86 crore and total comprehensive income of ₹285.35 crore for the year ended 31st March, 2018, as considered in the Consolidated Ind AS Financial Results, in respect of Jointly controlled entities specified in Annexure C, whose Financial Statements are not audited by us.

These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on Consolidated Ind AS Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of other auditors.

B. The Statement includes the Group's share of net profit of ₹33.36 crore and total comprehensive income of ₹32.36 crore for the year ended 31st March, 2018, as considered in the Consolidated Ind AS Financial Results, in respect of Joint Ventures and Associates specified in Annexure B, whose Financial Statements are not audited by us. These unaudited Financial Statements/ Financial Information have been furnished to us by the Management and our opinion on Statement is based solely on such unaudited Financial Statements/ Financial Information. In our opinion and according to the information given to us by the Management, these Financial Statements are not material to the Group.

C. In case of one subsidiary and four jointly controlled entities, the Financial Statements as at 31st March, 2018 are not available. The investment in these companies has been fully provided for as at 31st March, 2018. In the absence of their Financial Statements as at 31st March, 2018, the total assets, total revenue and total profit / loss of these entities have not been included in the Consolidated Ind AS Financial Results.

Our report is not modified in respect of the matters specified in Other Matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate Financial Statements and the other financial information of joint operations, subsidiaries, associates and Jointly controlled entities companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

(b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors..

(c) The reports on the accounts of the Holding Company, Subsidiaries, Associate and Jointly Controlled Companies incorporated in India, audited under Section 143 (8) of the Act by other auditors have been sent to us / the other auditors, as applicable, and have been properly dealt with in preparing this report.

(d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

(e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.

(g) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Act is not applicable to the Group.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
(h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ subsidiary companies / associate companies / jointly controlled companies incorporated in India, internal financial controls over financial reporting, and	
(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	
i. Except for the possible effect of the matter described in paragraph on the Basis of Qualified Opinion above, the Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entities (Refer Note 47.1).	
ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.	
iii. The Holding Company has not transferred to the Investor Education and Protection Fund an amount of ₹120,75,460/-being Unclaimed Matured Deposits, which the Holding Company is required to transfer to the said Fund; and	The Matured Deposits have already been claimed by the successors/relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the Matured Deposits to the legal heirs.
iv. Requirements as to disclosure of holding as well as dealings in Specified Bank Notes (SBN) and reporting thereon are not applicable for the year.	

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

Place : New Delhi
Dated : 30th May, 2018

For and on behalf of Board of Directors

Sd/-
(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place : New Delhi
Date : 3rd August, 2018

Annexure-A to the Independent Auditor's Report on Consolidated Financial Statement

Comments	Management's Replies

(Referred under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Group, its associates and jointly controlled entities as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of STEEL AUTHORITY OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, its associate and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities which are companies incorporated into India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure-A to the Independent Auditor's Report on Consolidated Financial Statement

Comments	Management's Replies

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 3 subsidiary companies and 5 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Sd/-
[Pradeep Kumar Singhi]
Partner
(M. No.050773)

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No.: 000250N

Sd/-
[Sanjay Jindal]
Partner
(M. No.087085)

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.:302114E

Sd/-
[T.N. Ghosh]
Partner
(M. No.050644)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.:0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No.030310)

Place : New Delhi
Dated : 30th May, 2018

Annexure B - List of subsidiaries

Subsidiaries

Audited Financial Statements

SAIL Sindri Projects Limited

SAIL - Jagdishpur Power Plant Limited

Chhatisgarh Mega Steel Limited

Unaudited Financial Statements

SAIL Refractory Company Limited

Annexure C - List of Jointly Controlled Entities and Associates

Jointly Controlled Entities / Associates
Audited Financial Statements

SAIL RITES Bengal Wagon Industry Pvt Ltd
SAIL SCI Shipping Private Limited
NTPC-SAIL Power Company Ltd
International Coal Ventures Pvt Limited
SAIL Bengal Alloy Casting Private Limited

Unaudited Financial Statements / information

Abhinav SAIL JVC Limited
Bastar Railway Private Limited
Almora Magnesite Ltd
Mjunction Services Ltd
Bhilai Jaypee Cement Limited
Bokaro Power Supply Company (P) Limited
NMDC SAIL Limited
Prime Gold- SAIL JVC
SAIL-Bansal Service Centre Ltd
S&T Mining Company Private Limited
SAIL Kobe Iron India Private Limited
SAIL MOIL Ferro Alloys Pvt Ltd
SAIL SCL Kerala Limited
SAL SAIL JVC Limited
TMT SAL SAIL JV Limited
VSL-SAIL JVC Limited

Annexure-1

Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidation of accounts (2017-18)

Sl. No.	Name of the related party and nature of relationship	Whether accounts were consolidated	Whether under the jurisdiction of C&AG
	Parent Company		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Companies		
1	SAIL- Jagdishpur Power Plant Limited	Yes	Yes
2	SAIL Refractory Company Limited	Yes	Yes
3	SAIL Sindri Projects Limited	Yes	Yes
4	Chhattisgarh Mega Steel Limited	Yes	Yes
5	IISCO Ujjain Pipe & Foundry Co. Limited	No	Yes
	Joint Venture Companies		
6	NTPC-SAIL Power Company Ltd.	Yes	Yes
7	Bokaro Power Supply Company Private Limited	Yes	Yes
8	SAIL - Bengal Alloy Castings Private Limited	Yes	Yes
9	SAIL & MOIL Ferro Alloys Private Limited	Yes	Yes
10	SAIL- SCI Shipping Private Limited	Yes	Yes
11	International Coal Ventures Private Limited	Yes	Yes
12	SAIL SCL Kerala Limited	Yes	Yes
13	SAIL-RITES Bengal Wagon Industry Private Limited	Yes	Yes
14	NMDC SAIL Limited	Yes	Yes
15	Bastar Railway Private Limited	Yes	Yes
16	North Bengal Dolomite Limited	No	Yes
17	Mjunction Services Limited	Yes	No
18	Bhilai Jaypee Cement Limited	Yes	No
19	S & T Mining Company Private Limited	Yes	No
20	SAIL Kobe Iron India Private Limited	Yes	No
21	SAL SAIL JVC Limited	Yes	No
22	TMT SAL SAIL JVC Limited	Yes	No
23	Prime Gold-SAIL JVC Limited	Yes	No
24	SAIL Bansal Service Centre Limited	Yes	No
25	Abhinav-SAIL JVC Limited	Yes	No
26	VSL SAIL JVC Limited	Yes	No
27	Romelt-SAIL (India) Limited	No	No
28	UEC-SAIL Information Technology Limited	No	No
	Associate Company		
29	Almora Magnesite Limited	Yes	Yes

Annexure-V to the Board's Report

Comments of C&AG

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2018.

Comments

The preparation of Consolidated Financial Statements of **STEEL AUTHORITY OF INDIA LIMITED** for the year ended 31st March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of **STEEL AUTHORITY OF INDIA LIMITED** for the year ended 31st March 2018 which include the standalone financial statements of Steel Authority of India Limited; its three[1] subsidiaries, and eight[2] joint venture companies all controlled by the government and/or government companies. Supplementary audit under section 143(6)(a) of the Act of one subsidiary company [3], two such joint venture companies[4] and one[5] associate company 5 was not completed pending finalization of their accounts and/or audit as on dated. Under section 143(6)(a) of the Act, I am not required to conduct supplementary audit of the financial statements of the ten companies[6] not controlled by the government but included in the consolidated financial statements. Financial statements of one subsidiary[7] and one joint venture company[8] controlled by the government and two companies[9] not controlled by the government were not consolidated. (Details are enclosed as **Annexure-1)**. Supplementary audit of consolidated financial statements has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors Report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(Indu Agrawal)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board, Ranchi

Place : Ranchi
Date : 31st July, 2018

[1] SAIL Refractory Company Ltd., SAIL Jagdishpur Power Plant Ltd., and SAIL Sindri Projects Ltd.

[2] NTPC-SAILPower Company Ltd., SAIL-Bengal Alloy Casting Pvt. Ltd., SAIL & MOIL Ferro Alloys Pvt. Ltd., SAIL-SCI Shipping Pvt. Ltd., International Coal Ventures Private Limited, SAIL RITES Bengal Wagons Industry Pvt. Ltd., NMDC SAIL Ltd. and Baster Railway Pvt. Ltd.

[3] Chhattisgarh Mega Steel Ltd.

[4] Bokaro Power Supply Company Pvt. Ltd. and SAIL SCL Kerala Limited

[5] Almora Magnesite Limited

[6] Mjunction Services Limited, Bhilai Jaypee Cement Limited, S&T Mining Co. Pvt. Limited, SAIL Kobe Iron India Pvt. Limited, SAL SAIL JVC Limited, TMT SAL SAIL JVC Limited, Prime Gold-SAIL JVC Limited, SAIL Bansal Service Centre Limited, Abhinav SAIL JVC Limited and VSL SAIL JVC Limited

[7] IISCO Ujjain Pipe & Foundry Company Ltd.

[8] North Bengal Dolomite Limited

[9] Romelt SAIL (India) Ltd. and UEC SAIL Information Technology Limited

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	Details			
1.	Name of the subsidiary	SAIL Refractory Company Limited	SAIL Jagdishpur Power Plant Limited	SAIL Sindri Projects Limited	Chhattisgarh Mega Steel Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
					₹ in crore
4.	Share capital	0.10	0.05	0.05	0.05
5.	Reserves & surplus	123.26	(-)0.03	(-) 0.03	(-)0.02
6.	Total assets	160.20	0.02	0.02	0.03
7.	Total Liabilities	36.84	*	*	*
8.	Investments	-	-	-	-
9.	Turnover	131.58	-	-	-
10.	Profit before taxation	21.73	(-)0.01	-	(-)0.01
11.	Provision for taxation	7.53	-	-	-
12.	Profit after taxation	14.20	(-)0.01	-	(-)0.01
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100	100	100	74

*Amount less than ₹50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10th July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10th July'97 was ₹17.05 crore.

For and on behalf of Board of Directors

Sd/- **(M.C. Jain)** Company Secretary	Sd/- **(Anil Kumar Chaudhary)** Director (Finance)	Sd/- **(P.K. Singh)** Chairman

Place : New Delhi
Date : 30th May, 2018

Part B: Associate Companies and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures For the Year ended 31st March, 2018

Sl.	Name of the Associate /Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end	Amount of Investment in Associates / Joint Venture (₹ crore)	Extent of Holding (%)	Description of how there is significant influence	Revenue from operations	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ crore)	Profit/ (Loss) for the year (₹ crore)	Consider-ed in Consoli-dation (₹ crore)	Not Consider-ed in Consoli-dation (₹ crore)
Joint Ventures		1	2	3	4	5	6	7	8	9	10
1	NTPC SAIL Power Company Ltd.	31-03-2018	490250050	490.25	50.00%	Note-1		2184.21	331.72	165.86	165.86
2	Bokaro Power Supply Co. Pvt. Ltd.	31-03-2018	124025000	124.03	50.00%	Note-1		817.12	79.28	39.64	39.64
3	Mjunction Services Limited	31-03-2018	4000000	4.00	50.00%	Note-1		254.77	42.43	21.22	21.21
4	SAIL Bansal Service Centre Ltd *	31-03-2018	3200000	3.20	40.00%	Note-1		0.75	(0.59)	(0.24)	(0.35)
5	Bhilai Jaypee Cement Limited *	31-03-2018	98718048	52.51	26.00%	Note-1		55.42	(42.04)	(10.93)	(31.11)
6	S& T Mining Co. Pvt. Limited	31-03-2018	12941400	12.94	50.00%	Note-1		(6.52)	(5.53)	(2.77)	(2.76)
7	International Coal Ventures Private Limited	31-03-2018	593764286	693.76	48.72%	Note-1		2067.68	21.28	10.18	11.10
8	SAIL-MOIL Ferro Alloys Private Limited	31-03-2018	100000	0.10	50.00%	Note-1		(12.47)	(9.14)	(4.57)	(4.57)
9	SAIL SCI Shipping Pvt. Limited	31-03-2018	100000	0.10	50.00%	Note-1		0.13	(0.01)	(0.01)	0.00
10	SAIL SCL Kerala Limited *	31-03-2018	13017801	18.75	49.26%	Note-1		(52.23)	(16.19)	(7.98)	(8.21)
11	SAIL RITES Bengal Wagaon Industry Pvt. Limited	31-03-2018	24000000	24.00	50.00%	Note-1		25.52	(4.14)	(2.07)	(2.07)
12	SAIL Kobe Iron India Pvt. Limited*	31-03-2018	250000	0.25	50.00%	Note-1		0.51	0.00	0.00	0.00
13	SAL SAIL JVC Limited *	31-03-2018	-	-	26.00%	Note-1		(0.09)	(0.01)	0.00	(0.01)
14	TMT SAL SAIL JVC Limited *	31-03-2018	-	-	26.00%	Note-1		(0.01)	0.00	0.00	0.00
15	SAIL-BENGAL Alloy Castings Private Limited	31-03-2018	10000	0.01	50.00%	Note-1		(0.02)	(0.01)	0.00	(0.01)
16	Prime Gold-SAIL JVC Limited*	31-03-2018	4680000	4.68	26.00%	Note-1		21.71	(2.87)	(0.75)	(2.12)
17	VSL SAIL JVC Limited *	31-03-2018	1300729	1.30	20.58%	Note-1		5.67	(0.43)	(0.09)	(0.34)
18	Abhinav SAIL JVC Ltd*	31-03-2018	-	-	26.00%	Note-1		(0.15)	(0.05)	(0.01)	(0.04)
19	Romelt SAIL (India) Ltd @		63000	0.06		Note-1	Accounts not available	-	-	-	-
20	UEC SAIL Information Technology Limited #		-	-		Note-1	-do-	-	-	-	-
21	North Bengal Dolomite Ltd #		97900	0.98		Note-1	-do-	-	-	-	-
22	N.E. Steel & Galvanising Pvt. Limited #		-	-	49.00%	Note-1	-do-	-	-	-	-
23	NMDC SAIL Limited*	31-03-2017	200000	0.02	49.00%			0.04	0.00	0.00	0.00
24	Bastar Railway Pvt Limited*	31-03-2017	10500	0.01	21.00%			1.10	(2.41)	(0.51)	(1.90)
Associate											
1	Almora magnesite Limited*	31-03-2016	400000	0.40	20.00%	Note-2		6.77	1.73	0.35	1.38

1. Voting power as per Joint Venture Agreement
2. Holds 20% share capital

* Based on the Unaudited Accounts for the Year 2017-18

@ Operations under suspension

Companies under winding up/liquidation

For and on behalf of Board of Directors

Sd/- **(M.C. Jain)** Company Secretary	Sd/- **(Anil Kumar Chaudhary)** Director (Finance)	Sd/- **(P.K.Singh)** Chairman

Place : New Delhi
Date : 30th May, 2018

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27109DL1973GOI006454
ii)	Registration Date	:	24th January 1973
iii)	Name of the Company	:	Steel Authority of India Limited
iv)	Category / Sub-Category of the Company	:	Public company / Limited by Shares
v)	Address of the Registered office and contact details	:	Ispat Bhawan, Lodi Road, New Delhi-110003. Contact No. +91-11-24367481. Fax No. +91-11-24367015. Email: investor.relation@sailex.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase- I, New Delhi-110020. Phone No. +91-11-41406149. Fax No. +91-11-41709881. Email: admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Flat Products (HR Coils, HR Plates, CR Coils, Pipes and Electric Sheets, etc.)	330	52
2	Long Products (TMT Bars, Wire Rods, etc.)		38

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SAIL-Jagdisgpur Power Plant Limited, Ispat Bhawan, Lodhi Road, New Delhi	U40106DL2011GOI219901	SUBSIDIARY	100	2(87)
2.	SAIL Refractory Company Limited, Salem Steel Plant, Salem	U14200TZ2011GOI017357	SUBSIDIARY	100	2(87)
3.	SAIL Sindri Projects Limited Chasnala - 828135 Jharkhand	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited Bhilai Steel Plant, Ispat Bhawan, Bhilai, Chhattisgarh	U27100CT2015GOI001627	SUBSIDIARY	74	2(87)
5.	IISCO Ujjain Pipe & Foundry Co. Limited (Under Liquidation) 50, Chowringhee Road, Kolkata-700071	U28113WB1964PLC026148	SUBSIDIARY	100	2(87)
6.	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
7.	NTPC-SAIL Power Company Ltd., Core-3, 5th Floor, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	U74899DL1999PTC098274	JOINT VENTURE	50	2(6)
8.	Bokaro Power Supply Company Pvt. Ltd., Ispat Bhawan, Lodi Road, New Delhi-110003.	U40300DL2001PTC112074	JOINT VENTURE	50	2(6)
9.	North Bengal Dolomite Limited 28-B, Shakeshkpeare Sarani, Neelamber", Flat No.10A, 10th Floor, Kolkata-700017	U14109WB1980PLC033031	JOINT VENTURE	50	2(6)

10.	UEC SAIL Information Technology Ltd. (under liquidation) C/o I.M. Puri & Co., C-30. Chiragh Enclave, New Delhi-110048.	U74899DL1995PLC064072	JOINT VENTURE	40	2(6)
11.	Romelt-SAIL (India) Limited No.25/2, Madanpur, Khadar, Near Sunder Public School Opp. F Block, New Delhi-110 076	U74899DL1997PLC090025	JOINT VENTURE	15	2(6)
12.	mjunction Services Limited TATA Centre, 43, Jawaharlal Nehru Road, Kolkata-700071.	U00000WB2001PLC115841	JOINT VENTURE	50	2(6)
13.	SAIL-Bansal Service Centre .Limited, 12/2, Park Mansion 57-A, Park Street, Kolkata-700 016.	U27310WB2000PLC092486	JOINT VENTURE	40	2(6)
14.	Bhilai Jaypee Cement Ltd. JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110057.	U26940CT2007PLC020250	JOINT VENTURE	26	2(6)
15.	SAIL & MOIL Ferro Alloys Pvt. Ltd., Sector-1, Bhilai - 490 001.	U27101CT2008PTC020786	JOINT VENTURE	50	2(6)
16.	S&T Mining Co. Pvt. Ltd Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071	U13100WB2008PTC129436	JOINT VENTURE	50	2(6)
17.	International Coal Ventures Private Limited 20th Floor, Scope Minar, Laxmi Nagar District Centre Delhi - 110 092	U10100DL2009PTC190448	JOINT VENTURE	48.72	2(6)
18.	SAIL SCI Shipping Private Limited, Shipping House, 13 Strand Road, Kolkata - 700 001	U61100WB2010PTC148428	JOINT VENTURE	50	2(6)
19.	SAIL-SCL Kerala Limited P.B. No. 42, Feroke - 673 631, Kozhikode, Kerala	U27104KL1969SGC002253	JOINT VENTURE	49.26	2(6)
20.	SAIL-RITES Bengal Wagon Industry Pvt. Ltd. Scope Minar, Laxmi Nagar, Delhi - 110092.	U35200DL2010PTC211955	JOINT VENTURE	50	2(6)
21.	SAIL-Kobe Iron India Private Limited, Ispat Bhawan, Lodi Road, New Delhi	U27100DL2012PTC236499	JOINT VENTURE	50	2(6)
22.	SAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi	U28111DL2012PLC231225	JOINT VENTURE	26	2(6)
23.	TMTSAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi	U28113DL2012PLC231234	JOINT VENTURE	26	2(6)
24.	SAIL- Bengal Alloy Castings Private Limited (SBACPL) 22B, Raja Santosh Road, Kolkata - 700 027	U35122WB2013PTC190532	JOINT VENTURE	50	2(6)
25.	VSL-SAIL JVC Limited Door No.2-51, Near Darga, Kardnur, Postpati Patan Cheruvu Mandal, Hyderabad - 502 300	U27106TG2012PLC083896	JOINT VENTURE	20.58	2(6)
26.	Prime Gold-SAIL JVC Limited 5/2, Punjabi Bagh Extn., Club Road, New Delhi - 110026.	U28113DL2012PLC245537	JOINT VENTURE	26	2(6)
27.	Abinav-SAIL JVC Limited 401, Mahaveer Ji Complex, LSC Rishab Vihar Delhi - 110 092.	U27100DL2012PLC245749	JOINT VENTURE	26	2(6)
28.	NMDC SAIL Limited 10-3-311/A, Khanij Bhavan Castle Hills, Masab Tank, Hyderabad, Hyderabad TG 500028 IN.	U27320TG2016GOI109798	JOINT VENTURE	49	2(6)
29.	Bastar Railway Private Limited Global Exploration Centre, NMDC Building Geens Villey City, Housing Board Colony Boriyakala Raipur Raipur CT 492015 IN	U74900CT2016PTC007251	JOINT VENTURE	21	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
a) Individual/ |HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	51275023	127300	51402323	1.24	110886637	124800	111011437	2.69	1.45
b) Banks/FI	163134585	61976	163196561	3.95	138930829	59876	138990705	3.36	(-)0.59
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	471423860	1900	471425760	11.41	417264778	1900	417266678	10.10	(-)1.31
g) FIIs	175934683	48526	175983209	4.26	174998847	41126	175039973	4.24	(-)0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)IEPF	-	-	-	-	1731709	-	1731709	0.04	0.04
Sub-Total(B)(1):	**861768151**	**239702**	**862007853**	**20.86**	**843812800**	**227702**	**844040502**	**20.43**	**(-)0.43**
2. Non-Institutions									
a) Bodies Corp.	18172250	70342	18242592	0.44	29693002	53342	29746344	0.72	0.28
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual Shareholders holding nominal share capital upto ₹1 lakhs	104957731	5636489	110594220	2.68	101387379	3972860	105360239	2.55	(-)0.13

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	18138783	112100	18250883	0.44	27350054	87100	27437154	0.66	0.22
c) Other (specify)NBFC	11065	0	11065	0.00	1033155	-	1033155	0.02	0.02
i) Non Resident Indian	17530562	396500	17927062	0.43	17904363	396500	18300863	0.44	0.01
ii) Trust & Foundation	5403330	2800	5406130	0.13	6519248	2300	6521548	0.16	0.03
iii)Cooperative Societies	200400	0	200400	0.00	200400	-	200400	0.01	0.01
Sub-Total(B)(2)	**164414121**	**6218231**	**170632352**	**4.13**	**184087601**	**4512102**	**188599703**	**4.57**	**0.44**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1026182272**	**6457933**	**1032640205**	**25.00**	**1027900401**	**4739804**	**1032640205**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	48435	69200	117635	0.00	48435	69200	117635	0.00	0.00
Grand Total (A)+(B)+(C)	**4123998156**	**6527133**	**4130525289**	**100.00**	**4125716285**	**4809004**	**4130525289**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Govt. of India	3097767449	75.00	0	3097767449	75.00	0	-
	Total	3097767449	75.00	0	3097767449	75.00	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Government of India At the beginning of the year	3097767449	75.00	3097767449	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	-	-	-	-
	At the End of the year	3097767449	75.00	3097767449	75.00

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2017-18	
			No. of Shares at the Beginning (31-03-17) /End of the Year (31-03-18)	% of total shares of the Company				Shares	% of total Shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	441874667	10.70	31.03.2017				
					26.01.2018	-3358000	Sale	438516667	10.62
					02.02.2018	-10881968	Sale	427634699	10.35
					16.02.2018	-9602901	Sale	418031798	10.12
					23.02.2018	-10713437	Sale	407318361	9.86
					02.03.2018	-11867003	Sale	395451358	9.57
			395451358	9.57	31.03.2018				
2	IN30081210498007	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	51099546	1.24	31.03.2017				
			51099546	1.24	31.03.2018	NIL	NIL		
3	IN30014210753517	KOTAK FUNDS - INDIA MIDCAP FUND	0	0.00	31.03.2017				
					12.01.2018	5969031	Purchase	5969031	0.14
					19.01.2018	6117779	Purchase	12086810	0.29
					26.01.2018	4150251	Purchase	16237061	0.39
					02.02.2018	3005592	Purchase	19242653	0.47
					09.02.2018	3250000	Purchase	22492653	0.54
					16.02.2018	1721334	Purchase	24213987	0.59
					23.02.2018	1326985	Purchase	25540972	0.62
					02.03.2018	2535000	Purchase	28075972	0.68
					09.03.2018	2089817	Purchase	30165789	0.73
			30165789	0.73	31.03.2018				
4	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	39886617	0.97	31.03.2017				
					26.01.2018	-1100000	Sale	38786617	0.94
					02.02.2018	-2640000	Sale	36146617	0.88
					16.02.2018	-3938136	Sale	32208481	0.78
					23.02.2018	-755000	Sale	31453481	0.76
					02.03.2018	-5600236	Sale	25853245	0.63
			25853245	0.63	31.03.2018				
5	IN30081210497730	LIC OF INDIA MARKET PLUS GROWTH FUND	17677583	0.43	31.03.2017				
			17677583	0.43	31.03.2018	NIL	NIL		

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2016-17	
			No. of Shares at the Beginning (31-03-16) /end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total Shares of the Company
6	IN30343810016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANG		0	0.00	31.03.2017			
					23.03.2018	16721322	Purchase	16721322	0.40
			16643922	0.40	31.03.2018	-77400	Sale		
7	IN30005410094202	POLUNIN DEVELOPING COUNTRIES FUND, LLC	0	0.00	31.03.2017				
					31.10.2017	6243683	Purchase	6243683	0.15
					03.11.2018	1708306	Purchase	7951989	0.19
					10.11.2017	5102227	Purchase	13054216	0.32
					02.02.2018	221675	Purchase	13275891	0.32
					09.03.2018	226745	Purchase	13502636	0.33
			13502636	0.33	31.03.2018				
8	IN30343810003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	12316054	0.30	31.03.2017				
					30.06.2017	574970	Purchase	12891024	0.31
					26.01.2018	341843	Purchase	13232867	0.32
			13232867	0.32	31.03.2018				
9	IN30343810003972	CAPITAL GROUP EMERGING MARKETS TOTAL OPPORTUNITIES (LUX)	15631981	0.38	31.03.2017				
					09.06.2017	2282700	Sale	17914681	0.43
					02.03.2018	-1712783	Sale	16201898	0.39
					09.03.2018	-3753249	Sale	12448649	0.30
			12448649	0.30	31.03.2018				
10	1203280000374484	YUSUFFALI MUSALIAM VEETTIL ABDUL KADER	11900000	0.29	31.03.2017				
			11900000	0.29	31.03.2018	NIL	NIL		
11	IN30081210497789	LIC OF INDIA MONEY PLUS GROWTH FUND	11754806	0.28	31.03.2017				
			11754806	0.28	31.03.2018	NIL	NIL		
12	IN30012611241922	LIC OF INDIA PROFIT PLUS GROWTH FUND	11655668	0.28	31.03.2017				
			11655668	0.28	31.03.2018	NIL	NIL		
13	IN30005410009134	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	0	0.00	31.03.2017				
					05.01.2018	2452000	Purchase	2452000	0.06
					12.01.2018	1700000	Purchase	4152000	0.10

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2016-17	
			No. of Shares at the Beginning (31-03-16) /end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total Shares of the Company
					09.02.2018	4720000	Purchase	8872000	0.21
					02.03.2018	2400000	Purchase	11272000	0.27
			11272000	0.27	31.03.2018				
14	IN30005410009118	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	10962415	0.27	31.03.2017				
			10962415	0.27	31.03.2018	NIL	NIL		
15	IN30012611218322	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	22192424	0.54	31.03.2017				
					31.10.2017	-7115936	Sale	15076488	0.37
					03.11.2017	-518996	Sale	14557492	0.35
					17.11.2017	-1500000	Sale	13057492	0.32
					24.11.2017	-1740000	Sale	11317492	0.27
					29.12.2017	-4704000	Sale	6613492	0.16
					05.01.2018	-6613492	Sale		
			0	0.00	31.03.2018				
16	IN30016710011470	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	18306191	0.44	31.03.2017				
					07.04.2017	178685	Purchase	18484876	0.45
			0	0.00	31.03.2018				
17	IN30005410013042	ACACIA PARTNERS, LP	15102193	0.37	31.03.2017				
					06.10.2017	-15102193	Sale	0	0.00
			0	0.00	31.03.2018				
18	IN30343810013442	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	14398000	0.35	31.03.2017				
					28.04.2017	-6876200	Sale	7521800	0.18
					05.05.2017	-7521800	Sale	0	0.00
			0	0.00	31.03.2018				

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Shri Anil Kumar Chaudhary**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	**Shri Atul Srivastava**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Shri M.C Jain**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	68	0.00	68	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	68	0.00	68	0.00

Note: All other Directors do not hold any shares of the Company at the beginning, during and at the end of the Financial Year 2017-18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	17575.36	17566.04	-	35141.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	787.13	137.55	-	924.68
Total (i+ii+iii)	**18362.49**	**17703.59**	**-**	**36066.08**
Change in Indebtedness during the Financial Year				
- Addition	15006.45	46466.40	-	61472.85
- Reduction	11737.95	43480.65	-	55218.60
Net Change	**3268.50**	**2985.70**	**-**	**6254.25**
Indebtedness at the end of the Financial Year				
i) Principal Amount	20843.86	20551.79	-	41395.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	832.85	243.24	-	1076.09
Total (i+ii+iii)	**21676.71**	**20795.03**	**-**	**42471.74**

Note: The opening balances has been regrouped in accordance with India Accounting Standard (INDAS)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager								Total Amount (₹)
		Shri P.K. Singh	**Shri Anil Kumar Chaudhary**	**Shri G. Vishwakarma**	**Shri Raman**	**Shri Kalyan Maity (Upto 28.02.18)**	**Dr. N. Mohapatra (Upto 30.06.17)**	**Ms. Soma Mondal**	**Shri Atul Srivastava (From 12.03.18)**	
		Chairman	Director (Finance)	Director (P&BP)	Director (Technical)	Director (RM&L)	Director (Personnel)	Director (Commercial)	Director (Personnel)	
1.	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,66,223	39,87,266	27,66,215	39,27,267	37,25,174	9,12,778	42,37,436	6,99,478	2,46,21,837
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,06,929	5,23,062	6,61,400	8,80,206	4,17,788	5,44,085	5,13,745	24,072	40,71,287
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-	-	-
2.	**Stock Option**	-	-		-	-	-	-	-	-
3.	**Sweat Equity**	-	-		-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-		-	-	-	-	-	-
5.	Others, specify	-	-		-	-	-	-	-	-
	Total (A)	**48,73,152**	**45,10,328**	**34,27,615**	**48,07,473**	**41,42,962**	**14,56,863**	**47,51,181**	**7,23,550**	**2,86,93,124**
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Fee For attending Board/ Committee Meetings	Commission	Others, Please Specify	Total Amount
1.	**Independent Directors***				
	CA Parmod Bindal	8,20,000	-	-	8,20,000
	Sh. P.K. Dash (upto 03.10.2017)	4,20,000	-	-	4,20,000
	Mrs. Anshu Vaish	6,40,000	-	-	6,40,000
	Prof. Ashok Gupta	8,20,000	-	-	8,20,000
	Dr. Samar Singh	5,40,000	-	-	5,40,000
	Sh. Nilanjan Sanyal	9,80,000	-	-	9,80,000
	CA K.S. Chauhan(from 22.09.2017)	2,60,000	-	-	2,60,000
	Prof. N.K. Taneja (from 22.09.2017)	2,40,000	-	-	2,40,000
	Total(1)	**47,20,000**	**-**	**-**	**47,20,000**
2.	**Other Non- Executive Directors****				
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**47,20,000**	**-**	**-**	**47,20,000**
	Total Managerial Remuneration				
	Ceiling as per the act ((@1% of profits calculated under section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

*Only sitting fee is paid to Independent Directors

**No sitting fee is paid to other Non-Executive Directors

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Shri. M. C Jain Company Secretary	Total
1.	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 25,95,742 3,70,071 -	 25,95,742 3,70,071 -
2.	**Stock Option**	-	-
3.	**Sweat Equity**	-	-
4.	**Commission** - as % of profit - others, specify…	-	-
5.	Others, please specify	-	-
	Total (A)	**29,65,813**	**29,65,813**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding of Fees imposed	Authority (RD/NCLT/Court)	Appeal Made, if any
A. COMPANY	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. DEFAULT					
Penalty					
Punishment					
Compounding					

Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013

i) Amount outstanding as at 31st March, 2018

Particulars	Amount (₹ crore)
Loans given *	234.11
Investments made	1491.30

* ₹1.00 crore provided for.

ii) Investments made during the year ended 31st March, 2018

Name of the Entity	Relation	Amount (₹ crore)	Purpose for which the Investments are proposed to be utilised
International Coal Ventures Pvt. Limited	Joint Venture	100.00	Business Purpose
NMDC SAIL Limited	Joint Venture	0.02	Business Purpose
Bastar Railway Pvt. Limited	Joint Venture	0.01	Business Purpose
Chattisgarh Mega Steel Limited	Subsidiary	0.04	Business Purpose

For and on behalf of the Board of Directors

Sd/-

(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi
Dated: 3rd August, 2018

Annexure-XI to the Board's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014]

(A) Conservation of energy

i) Steps taken or impact on conservation of energy

Bhilai Steel Plant (BSP)

a. Utilization of waste steam at 10 ata and 18 ata from CDCP boilers of COB-11 as process steam from October 2017.
b. Best ever CDI rate of 44.6 kg/thm in Blast Furnaces (1-7).
c. Lowest ever specific water consumption at 2.774 m^3/tcs against previous best of 2.779 m^3/tcs in 2016-17.
d. Total coke rate (on dry basis) at Blast Furnaces (1-7) has reduced to 491.7 kg/thm in 2017-18 as compared to 506.5 kg/thm in 2016-17.
e. Total fuel rate (on dry basis) at Blast Furnaces (1-7) has reduced to 559.3 kg/thm in 2017-18 as compared to 563.1 kg/thm in 2016-17.
f. Specific LD gas recovery, in SMS-2, has improved to 47.83 cum/tcs as compared to 40.77 cum/tcs in 2016-17.
g. VVVF drive installed in ladle drier no. 5, 6, 7 & 8 in ladle preparation bay of SMS-2.
h. Optimization of contract demand with Chhattisgarh State Power Distribution Company Limited (CSPDCL) by reduction from 225 MVA to 200 MVA.
i. Plant specific overall energy consumption - 6.58 Gcal/tcs.
j. Plant specific overall power consumption - 534 kWh/tss.

Durgapur Steel Plant (DSP)

a. Lowest ever Blast Furnace coke rate of 474.2 kg/thm.
b. Stoppage of idle running of three ID Fans of BOF converters.
c. Best ever production through caster route (96.6%).
d. Replacement of CBM with CO Gas in gas mixing station for NDP and MSM.
e. Achieved lowest ever specific boiler coal consumption at 11.7 kg/t of steam.
f. Achieved lowest ever yearly specific energy consumption at 6.19 Gcal/tcs.
g. Plant specific overall power consumption - 390.1 kWh/tss.

Rourkela Steel Plant (RSP)

a. Increased power generation from BPTG to 2.20MW resulting in reduced import power from grid.
b. Reduction in coke consumption at BF from 418 kg/thm to 410 kg/thm.
c. Hot slab charging in HSM furnace.
d. Plant specific energy consumption - 6.33 Gcal/tcs.
e. Plant specific overall power consumption - 477 kWh/tss.

Bokaro Steel Plant (BSL)

a. Commissioning of Battery #7, thereby improving CO gas yield.
b. Commissioning of acid plant with waste heat steam generation facilities.
c. Revival of cooling towers in BRP to increase the tar yield.
d. Replacement of 200 kW motor at quenching tower #4 with energy efficient motor.
e. Full repair of 02 nos. of pits along with recuperators and partial repair of 04 nos. of soaking pits to reduce wastage of fuel.
f. Commissioning of new ID fan no-1 with VFD in SMS-II.
g. Liquidation of 115 nos. of steam leakages.
h. Plant specific overall energy consumption - 6.68 Gcal/tcs.
i. Plant specific overall power consumption - 459 kwh/tss.

IISCO Steel Plant (ISP)

a. Increase in
   - Coke oven gas yield to 339 Nm^3/tdc as against 323 Nm^3/tdc in 2016-17.
   - BOF gas yield to 87 Nm^3/tcs as against 81 Nm^3/tcs in 2016-17.
   - Power generation from Top-pressure Recovery Turbine (TRT) to 7.81 MW, as against 7.52 MW in 2016-17.
   - Coal Dust Injection (CDI) rate at BF #5 to 97 kg/thm, as against 62 kg/thm in 2016-17.
b. Decrease in coke rate at BF#5 to 442 kg/thm, as against 479 kg/thm in 2016-17.
c. Installation of LED based lightings in different areas of the plant resulting in energy savings of 11 MWh/annum.
d. Achieved lowest ever yearly specific energy consumption at 6.484 Gcal/tcs.
e. Plant specific overall power consumption - 715 kWh/tss.

ii) Capital Investment on energy conservation equipments

A Capital expenditure of ₹77.38 crore, as detailed below, has been incurred during the Financial Year 2017-18:

Particulars	₹ Crore
Recovery of sensible heat of Coke by Installation of Coke Dry Quenching System in Coke Oven Battery #11 at ISP, # 6 at RSP, #11 at BSP	38.47
Bell Less Top Charging System in Blast Furnace # 3 of DSP	0.08
Top Pressure Recovery Turbine System at Blast Furnace # 5 of ISP	3.19
Coal Dust Injection System in Blast Furnace #5 at ISP, #4 at RSP (usage of auxiliary fuel to reduce Coke charging)	0.23
Installation of energy efficient Walking Beam Type Furnace at BSP, DSP, RSP, BSL & ISP	21.42
Torpedo Ladle for Hot Metal handling at BSP, RSP & ISP	4.22
Cast House Slag Granulation System at BSL	9.77
Total	**77.38**

(B) Technology absorption

i) Efforts made towards technology absorption

Research and Development Centre for Iron & Steel(RDCIS) is the Corporate R&D Unit of SAIL. Over the years, RDCIS has earned credentials of being an R&D Centre of international repute in the field of ferrous metallurgy. The major thrust of RDCIS is to plan, demonstrate and implement multi-disciplinary R&D programmes in SAIL Plants to improve their key performance indices related to quality, productivity and yield. RDCIS works with steel Plants and Central Marketing Organisation of the Company to reduce product cost, develop value added market centric products and demonstrate the application of SAIL products amongst the customers. Specific areas in which R&D activities were carried out by the Company in 2017-18 are as under:

a) Process Developments

Raw Materials

- Process up-gradation in slime beneficiation unit at CSW Plant, Dalli Mines, BSP

Coke Making

- Improvement in coke quality by optimization of operating parameters, BSL
- Development of an advanced process control system for COB #3 & 4 , BSL

Agglomeration

- Improvement in performance of M/c # 2 & 3 of SP#2 through improvement of under-grate suction, BSP
- Improvement in performance of mixer tools of intensive Sinter Mixer of Machine #2 of SP-III, BSP

Blast Furnaces

- Introduction of coated tuyere in BF # 4, RSP
- Blast Furnace slag characterization for BF #5, ISP

Steel Making, Casting and Refractory

- Use of alternate coolant in BOF at SMS, DSP.
- Development of process technology for low Si ($\leq$0.030%) steels, BSL.
- Improvement in cast quality of slabs from Caster #1 & 2 of SMS-II, RSP.
- Development of alternate quality refractory for improvement in performance of preheating zone hearth of reheating furnace of Merchant Mill, DSP.
- Development of refractory plastic mass for RHF, SRU.
- Development of tundish spray mass, SRCL.

Rolling Mills

- Introduction of die lubrication system at Wheel & Axle Shop, DSP.
- Reduction of cobble generation at HSM, RSP.
- Improvement in surface quality of CR coils at CRM, RSP.
- Study of ridge defect in CR coils produced through HSM-CRM # 3 route, BSL.
- Implementation of an information system for streamlining of inventory at CRM 1 & 2 complex, BSL.
- Improvement in surface quality of CR Coils at CRM-III, BSL.

Energy Conservation and Environment

- Improving suspension-dissolution efficiency of scrubber-clarifier-thickener circuit at BOF, DSP.
- Design improvement of combustion system of oxidizing furnace of Galvanising line # 1 of CRM, RSP.
- Electrical energy conservation through emulsion flow control in TCM #2, CRM, BSL.

b) Laboratory based work

- Development of Texture in CRNO Steel, RDCIS.
- To study the effect of microlithotype distribution on coke quality, RDCIS.
- Development of nano structured steels, RDCIS.
- Exploring use of air cooled BF slag in construction of rigid concrete pavement in RDCIS complex, RDCIS.
- Designing of heat transfer laboratory to simulate secondary cooling of continuous caster, RDCIS.
- Studies on effect of membrane processes on quality improvement of biologically treated discharge water for in-plant closed loop recycling, RDCIS.
- Study the effect of CaO, FeO, MgO, MnO, SiO_2 and Al_2O_3 contents of slag on dephosphorisation of steel, RDCIS.
- Correlative investigation of Polycyclic Aromatic Hydrocarbons (PAHs) with select process parameters in coke oven effluent of integrated steel plants, RDCIS.
- Development of a coupled abiotic-biotic process for improved treatment and recyclability of organic waste water generated in an Integrated Steel Plant, RDCIS.
- Development of press hardening steel with crash resistant material properties by Nb microalloying, RDCIS .
- Development of a laboratory for industrial robotics, RDCIS.
- Computerisation of HR functions and its integration with Finance software, RDCIS.
- Development of software for bank guarantee, budget control, estate dues, invoicing for external earning & PF functions and its integration with Finance, RDCIS.

c) Product Development & Application

RDCIS, through continuous technological inputs, has been helping the Company in producing value added steel products at a competitive price. Several new products, particularly special steels, having superior product quality attributes have been developed and commercialized for meeting stringent application requirement of various market segments. Principle of cost effective alloy design and optimization of process parameters were the prime consideration for development of the new market oriented products. During the year 2017-18, the following 21 nos. of products have been developed. Out of these, 12 products have been developed using the newly commissioned production facilities viz., CRM III (BSL), NPM (RSP), MSM (DSP), WRM (ISP), BRM (ISP) and USM (ISP).

S.No.	Product Details	Plant	Application
1	ASTM A572 Gr 50 (Type 1)	BSL	Structurals
2	EN 10130 DC 01 CR Coils	BSL	Cold forming for general engineering
3	High Strength IS 15914 Gr 2.2 mm Coils	BSL	LPG Cylinders
4	SAIL HT-700 HR Coils	BSL	Tipper-body
5	API X-70 PSL-2 Grade Plates (up to 23.8 mm)	RSP	Gas Pipelines
6	Customized IS 2062 E 250 C/ E 410 C Plates (54 J at -20, ASTM Grain Size 8)	RSP	Chenab Bridge
7	Boiler Grade IS 2002 Gr3 Plates	RSP	Pressure Vessels & Boilers
8	SAILARM Q&T Plates (ASP-RSP Route)	RSP	Defense
9	Al-killed blooms for IS 2062 E 410	DSP	TLT Segment
10	IS 2062 E 350 BR / B0 WPB 160 x 4.5 / 6 mm	DSP	Structurals
11	IS 2062 E 410 BR / B0 WPB 160 x 4.5 / 6 mm	DSP	Structurals
12	IS 2879 EWNR Wire Rod	ISP	Electrode
13	SAE 1008 Wire Rod	ISP	Wire Drawing
14	BS 4449 TMT Bar	ISP	Construction
15	IS 2062 E 350 NPB and Angles	ISP	Structurals
16	IS 2062 E 410 NPB	ISP	Structurals
17	ISH 5986 Gr. 590R 12 mm Plates	BSP	Railway Wagons
18	Non - microalloyed E 350 C Gr. Plates	BSP	Structurals
19	IS 2062 E 250 B0 Si-killed Channels	BSP	Construction
20	HSFQ 450 Grade 10 / 12 mm Plates	BSP	Auto
21	Seismic Resistant (IS 15962) Channels	BSP	Construction

(ii) Benefits derived from key projects in 2017-18:

- **Process Area**

Project Title	Benefits Derived
Improvement in performance of machine # 1 & 3 of SP # 2, BSP through improvement of under-grate suction.	• Side leakages through track sealing have reduced drastically which is also indicated by reduction in suction loss of under grate to wind leg segment, resulting increase of air filtration velocity from 0.2 m/sec to 0.263 m/sec. • Average wind main suction increased from 382 to 392 mmwc. • DTI of sinter has been improved from 84 to 88%. • Productivity of sinter machine-1 & 3 increased by 2%.
Waste heat recovery from sinter cooler for jot water generation at SP-III, BSP.	• The hot water is used for effective granulation of sinter-mix in mixing drum, which resulted into raised mix temperature. • Moisture re-condensation reaction is hence suppressed and resultantly sinter machine productivity has improved.
Improvement in performance of reheating furnaces by enhancing the life of skid pipe insulation in Rail & Structural Mill, BSP.	• Life of skid pipe insulation improved from around 3 months to more than 15 months (still in operation).
Development of High Toughness Corrosion Resistant (HTCR) Rails, BSP.	• Developed a new grade of rail with improved mechanical properties suitable for higher axle load and enhanced durability.
Blowing-in burden for BF # 4, DSP.	• New Blowing-in burden was designed & charged with dolomite in the burden. Furnace became stable within three days (80 % of rated capacity) and achieved the normal production level within seven days after capital repair.
Use of alternate coolants in BOF at SMS,DSP.	• Process technology established for use of iron ore (~ 18 kg/tcs) and sinter (3t/heat) as replacement of scrap.
Introduction of die lubrication system at wheel and axle plant, DSP.	• Improvement in die life and wheel quality through uniform lubrication of dies.
Introduction of Coated Tuyeres in BF # 4, RSP.	• Reduction of Temperature Difference of cooling water for installed coated tuyeres are varying from 1.0 to 2.0°C (about 15% of base value) and reduction in heat loss through tuyeres is about 15000 kcal/hr/tuy (15% of base value).
Improvement in cast quality of slabs from Caster 1 & 2 of SMS-II, RSP.	• Technological intervention in secondary cooling and mould oscillation lead to reduction in incidences of edge crack from 11.7% (May'16 to Sept '16) to 3.32% (Oct'16 to Feb '18).

Project Title	Benefits Derived
Reduction of cobble generation at HSM, RSP.	• Reduction in cobble generation from 0.47% (2015-16) to 0.25% (2017-18).
Improvement in surface quality of CR coils at CRM, RSP.	• Reduction in diversion due to black patch from 12% (2015-16) to 7% (2016-17).
Improvement in Coke Quality by Optimization of Operating Parameters, BSL.	• M_{10} (Micum indices) improved from 9.6 to 9.4.
Process Technology for Low Si ($\leq$0.030%) Steels, BSL.	• Si reversal in tundish has been controlled to $<$ 0.002% in tundish as compared to $\sim$0.005% in normal condition.
Improvement in surface quality of CR coils at CRM-III, BSL.	• Reduction in diversion on account of surface defects (black patch, iron particle, rusting) from 30% (2015-16) to 3% (2017-18).
Study of ridge defect in CR coils produced through HSM-CRM-III route, BSL.	• Reduction of diversion due to ridge defect by 50% (2015-16).
Development of an advanced process control system for Coke Oven Battery # 3 & 4, BSL.	• Reduction in specific heat consumption due to accurate heating control from 0.7317 to 0.673 Gcal/TDCC.
Electrical Energy Conservation through Emulsion Flow Control in Tandem Mill # 2, CRM, BSL.	• Electrical Energy saving of 16.2 kWh/coil/day. • Reduction mechanical delays by 66%. • Reduction in motor failure by 83%.
Blast Furnace Slag Characterization for BF# 5, ISP.	• Slag samples were collected and their viscosity was measured using high temperature viscometer at different temperature levels with different compositions. Optimum slag regime was recommended to take care of high alumina in BF Slag.
Process Technology for Production of Special Quality Steels, ISP.	• Steel making process technology established for close casting and casting of Al-killed steels through billet/bloom casters.
Reduction in ladle bottom build-up & Improvement in Steel ladle lining life, ISP.	• Ladle life gradually improved to monthly avg. of 44 heats from 35 heats. • Ladle bottom buildup and purging failure cases almost eliminated.
Control of strand breakout in billet caster, ISP.	• Proper maintenance practices in secondary cooling zone, spray nozzles and mould coupled with superheat control has been implemented for reducing breakouts more than 20 per month to 7.8 per month.
To Study the effect of microlithotype distribution on Coke Quality, RDCIS, Ranchi.	• Correlation developed between coal microlithotype distribution and coke quality.

- **Product Area**

Product	Benefits Derived
ASTM A572 Gr 50 (Type1), BSL	Grade 50 is a high strength, low alloy steel that finds its suitable application where there is need for more strength per unit of weight. It is commonly used in structural applications, heavy construction equipment, building structures, heavy duty anchoring systems, truck frames, poles, liners, conveyors, boom sections, structural steel shapes, and applications that require high strength per weight ratio.
EN 10130 DC01, BSL	This European Standard applies to cold rolled uncoated low carbon steel flat products in rolled widths equal to or over 600 mm for cold forming, with thickness in the range of 0.35 mm - 3 mm, delivered in sheet, coil, slit coil, or cut lengths. About 314 tons of material has been dispatched to M/s M7 Metals GmbH, Switzerland.
High Strength IS 15914 Gr 2.2 mm Coils, BSL	One heat of IS 15914 HS345 grade was made with modified chemistry and successfully hot rolled into coils of size 2.2 x 1160 mm. Mechanical property requirement in hot rolled coils have been achieved successfully for the first time.
HT700 Grade HR Coil, BSL	HT700 grade is an advancement over HT600 grade, a high-strength advanced ferritic steels that find widespread application in automobiles (tipper bodies to reduce the weight of such commercial vehicles). Hot-rolled microalloyed ferritic steel offers adequate strength ($\sim$780 MPa) and good stretch flangibility. The product has been successfully processed at BSL.
API X-70 PSL2 grade plates, RSP	Processed plates have fully met the GAIL-MECON specification in terms of tensile, Charpy V-notch impact and DWTT properties. As a result of this successful trial, RSP is now an approved supplier of API X70 plates steel for GAIL's pipeline projects.
Customized IS 2062 E 250 C / E 410 Plates (54 J at -20 °C), RSP	The Chenab bridge project requires steel plates in 40, 50 and 63 mm thickness of IS 2062 E410 C and IS E250 C grade with enhanced Charpy impact toughness of 54 Joules at - 20°C and ferrite grain size of minimum ASTM 8. Mechanical properties of the plates including their microstructures were evaluated and found to meet all the quality requirements including the stringent Charpy impact toughness ($>$ 54 J at - 20°C) and ferrite grain size of ASTM no. 8. Based on the results of this trial RSP is in process of getting approved for empanelment as supplier of PM Plates from NPM for the prestigious Chenab Bridge project.
Boiler Grade IS 2002 Gr3 Plates, RSP	Process technology has been established for IS 2002 Grade 3 high tensile plates using non-microalloyed (NMA) steel chemistry through BOF-LHF-RHOB-CC-NPM route. Around 1500 tons of high tensile plates have been processed at RSP for first time through adoption of appropriate slab chemistry & normalizing rolling.

Product	Benefits Derived
SAILARM Q&T Plates (ASP-RSP Route)	Under the Make in India initiative of Govt. of India, Ordnance Factory Khamaria, placed an order on RSP to supply 70 tons of rolled homogeneous armour (RHA) steel plates conforming to MIL-A-12560H Class-3 specification in the size of 150x1000x2000 mm. About 45 tons of RHA plates have been sent to OF Khamaria. Results of mechanical testing at Khamaria have found the properties of supplied plates okay in all respect.
ISH 5986 Gr 590R Plates, BSP	The order of 300 T of 12 x 2500 x 11200 mm new grade IS 5986 ISH 590 R was accepted by BSP under new product development for wagon building under the new design of RDSO for Indian railways. Processed plates have successfully qualified for IS 5986 ISH 590R grade and the same have been dispatched to Railways.
Non Micro alloyed E350 C Gr Plates, BSP	SAIL has been producing IS 2062 E350 grade with microalloying under the brand name of SAILMA350 having microalloying elements like Nb or V or Ti or their combination. For enhancing the NSR through cost reduction by saving microalloying additions, efforts were on to achieve properties including impact toughness at different temperatures. Evaluated properties underline that product technology for production of non-microalloyed plates upto 20 mm thickness is established at BSP.
IS 2062 E250 B0 Si K , BSP	IS 2062 B0 250(SK) Grade Channel of size 75 X 40 mm was rolled in Merchant Mill. Mechanical properties conforming to IS 2062 E250 B0 is a new product developed at BSP.
HSFQ 450 Grade 10/12 mm Plates, BSP	High Strength Formable Quality (HSFQ) grade steels are designed to have combination of mechanical and formability properties. This grade finds application for Pre Engineered Building (PEB) segments, steel construction, tool boxes, cabinets, and storage bins etc. Higher strength enables higher load bearing ability in steel, which often allows use of thinner sections for the same application leading to reduced material cost. Market acceptability of HR coils of HSFQ 350 grade steel has been good. In light of above, development of HSFQ 450 plates from BSP was undertaken in plate form.
Seismic Resistant (IS 15962) Channels, BSP	Channel of size 75 x 40 mm conforming to IS 15962 E250S mm were rolled at Merchant Mill. Total 331 T was generated.
IS 2879 EWNR Wire Rod, ISP	IS 2879:1998 grade Electrode Wire Non-Rimming (EWNR) is used as electrode for arc-welding to join steels. This product has been developed by ISP. ISP is now making this grade without difficulty. More than 3,500 tons of this grade has been made so far.
SAE 1008 Wire Rod, ISP	SAE 1008 (IS 7887 Gr. 3 /SWR 10) is a special grade wire rods used for Cable armouring, wire mesh and other low carbon applications. These billets were rolled at WRM into 5.5 & 6 mm sizes and achieved desired properties. More than 32000 tons has been produced at ISP till date.
BS 4449 TMT bars, ISP	Corrosion resistant TMT bar with Cu and Cr as per BS 4449 grade B500B for BHEL Bangladesh power plant project has been successfully developed at ISP. Cast billets were rolled into 10 mm TMT Coil (BS4449 B500B, HCR) at wire rod mill of ISP and achieved desired mechanical properties. About 2050 ton has been exported to Bangladesh.
IS 2062 E 350 NPB and Angles, ISP	IP 300, IP 450, IP 600 Narrow Parallel Beam and Angle 200x200x20 find application in construction segment. For development and stabilization of these products corresponding to IS 2062 E 350 BR grade, heats were made as per the specifications of IS 2062 E 350 and continuously cast into blooms / beam blanks. These were subsequently rolled into IP 300, IP 450, IP 600 and Angle 200x200x20 at USM, ISP. Properties achieved in the processed structurals of USM, ISP met the specification of IS 2062 E 350 BR grade in all respect. Above grade is developed and stabilized in USM at ISP. More than 2700 T of IS 2062 E350 BR grade structurals have been produced.
IS 2062 E 410 NPB, ISP	IS 2062:2011, E410C grade is used for Structural applications in construction segment. These beam blanks were rolled into IPE 600 (600X200 mm) parallel flange beams in Universal Section Mill, ISP with dimensional tolerances and sectional weight variation within the standard limits as per IS: 12779:1989. Mechanical properties achieved satisfies the requirement of IS:2062: 2011, E410C grade. Impact properties were found to be well above the specifications (44.46 J against 25 J at - 20^0C)
Al-killed blooms for IS 2062 E 410, DSP	One heat of IS 2062 E 410 was made with 0.18% C, 1.43% Mn, 0.24% Si, 0.062% V, 0.020% S, 0.038% P and 0.002% Al and it was successfully cast into 300 x 150 mm blooms. Charpy impact property was evaluated and was found to be satisfactory with 28 J (average) at - 20^0 C. Trial processed steel met the specification of IS 2062 E 410 BR.
IS 2062 E 350 BR & B0 WPB 160 x 4.5 /6 mm, DSP	Heats were made meeting the chemistry requirements specified by IS 2062 E 350 grade and were continuously cast into blooms of 350 x 240 mm. These blooms were hot rolled into Wide Parallel Beam (WPB) 160 x 4.5 / 6 mm at MSM, DSP. Process capability for production of WPB of (a) IS 2062 E350 BR Grade, (b) IS 2062 E350 B0 Grade have been established at MSM, DSP More than 650 T E350 grade in WPB 160 x 4.5 & 6 mm profiles have been produced and dispatched from DSP.
IS 2062 E 410 BR & B0 WPB 160 x 4.5 /6 mm, DSP	A trial heat was made meeting the chemistry requirements specified by IS 2062 E 410 and was continuously cast into blooms of 350 x 240 mm. These blooms were hot rolled into Wide Parallel Beam (WPB) 160 x 4.5 / 6 mm at MSM, DSP. Processed WPB met properties corresponding to the specifications of IS 2062 E 410 in all regards including toughness requirements of ambient and 0^{o}C Charpy specified for BR and B0 grades. Process capability for production of WPB of (a) IS 2062 E410 BR Grade and (b) IS 2062 E410 B0 Grade have been established at MSM, DSP.

Other Technology Absorption, Adaption & Innovation Measures

Technology development, absorption, adaption and further improvement are continuously taking place in the Company in different areas of Steel Plant Operation through a definitive technology strategy. A number of new technologies are installed / being installed as a part of modernization/continuous improvement. These area-wise include:

Sl. No.	Description	Year	Status
COKE MAKING			
1.	New 7 m tall environment friendly Coke Oven Battery No.9 at BSP	2017	Commissioned
2.	Rebuilding of environment friendly Coke Oven Battery No. 7 at BSL	2017	Commissioned
SINTER MAKING/AGGLOMERATION			
1.	Revamping of sinter cooler at SP II (Machine no.-1) at BSP	2017	Commissioned
2.	Installation of Sinter Plant II, BSL	2018	Likely to be commissioned
IRON MAKING			
1.	**Blast Furnace (BF) with modern facilities such as:** • Conveyor charging system • Closed Loop Cooling System with soft water as an efficient cooling system • Modern refractory design • Flat Cast House Design with ramp for use of mobile equipment for maintenance etc.		
i)	BF#8 at BSP	2018	Commissioned
ii)	BF#1 RSP	2018	Likely to be commissioned
2.	**Gas Cleaning Plant (GCP) for improvement in quality of BF gas**		
i)	GCP in BF#8, BSP	2018	Commissioned
3.	**INBA Cast House Slag Granulation Technology at BSL**		
i)	BF#2, Cast House 4	2018	Likely to be commissioned
ii)	BF#3, Cast House 5	2018	Likely to be commissioned
iii)	BF #1, Cast House 1 & 2	2018	Likely to be commissioned
4.	**High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200ºC**		
i)	Stoves System in BF#8, BSP	2018	Commissioned
ii)	Stoves System in BF#1, RSP	2018	Likely to be commissioned
iii)	Stoves System in BF#1, BSL	2018	Likely to be commissioned
5.	**Top Recovery Turbine in Blast Furnaces for generation of power**		
	BF#8, BSP	2018	Likely to be commissioned
6.	**Coal dust injection system**		
i)	BF#4, BSP	2018	Likely to be commissioned
ii)	BF#8, BSP	2018	Likely to be commissioned
STEEL MAKING			
1.	Installation of 45 MVA SAF at CFP	2018	Likely to be Commissioned
2.	SMS III at BSP	2018	Likely to be Commissioned
ROLLING & FINISHING			
1.	**Universal Rail Mill, BSP**		
i)	Walking-beam (WB) type re-heating furnaces	2018	Under Commissioning
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		

Sl. No.	Description	Year	Status
2.	**Bar & Rod Mill**		
i)	Hot charging of billets to reduce specific fuel consumption	2018	Likely to be commissioned
ii)	Walking-beam (WB) type re-heating furnaces		
iii)	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars		
iv)	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods		
v)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
3.	**Medium Structural Mill, DSP**		
i)	Walking-beam (WB) type re-heating furnaces	2018	Likely to be commissioned
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
iii)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		

Expenditure on Research & Development		**(₹ Crore)**
(a) Capital	:	20.79
(b) Revenue	:	314.71
Total	:	335.50
Total R&D Expenditure as a % of Total Turnover	:	0.58
Foreign Exchange Earnings and Outgo		**(₹ Crore)**
i) Foreign Exchange earned from exports and other activities	:	2243.70
ii) Foreign Exchange used:		
a) CIF Value of imports	:	3771.22
b) Other expenditure in foreign currency	:	180.62

For and on behalf of the Board of Directors

(Saraswati Prasad)
Special Secretary & Financial Adviser,
Ministry of Steel, Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi
Dated: 3rd August, 2018

ANNUAL REPORT ON CSR ACTIVITIES 2017-18

1. A brief outline of the CSR Policy, including overview of Projects proposed to be undertaken and a reference to the web link to the CSR Policy and Projects.

1(A) Brief Outline (Objectives) of SAIL CSR Policy:

- Create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill towards the Company from those living along the periphery by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged.
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future to meet its needs.
- Support local populace by building the image of SAIL as patron of diverse pastoral sports, art & cultures.
- To operate in a socially, environmentally and economically responsible manner, so as to succeed by seeking social license.

1(B) Overview of SAIL CSR Projects/Activities:

All the CSR activities/projects fall in line with Schedule VII of the Companies Act, 2013 focussing on issues which are of foremost concern in the national development agenda:

i. Promoting healthcare including preventive health care, sanitation and access to drinking water.
ii. Promotion of education, employment/livelihood enhancing vocation skills.
iii. Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups.
iv. Ensuring environmental sustainability, animal welfare and agro-forestry.
v. Protection of national heritage, art and culture.
vi. Training to promote rural sports.
vii. Rural development.

1(C) Web-link for SAIL CSR Policy and Projects: https://sail.co.in/sites/default/files/sail-pages/company/csrpolicy.pdf

2. Composition of the CSR Committee:

A Board Level Committee on Corporate Social Responsibility comprising Independent and Functional Directors is in place. The members of the CSR Committee as on 30th June, 2018 are:

Sl.No	Name	Designation
1	CA K.S. Chauhan	Independent Director & Chairman
2	Mrs. Anshu Vaish	Independent Director
3	Prof. Ashok Gupta	Independent Director
4	Dr. Samar Singh	Independent Director
5	Shri Anil Kumar Chaudhary	Director (Finance)
6	Shri Raman	Director (Technical)
7	Shri Atul Srivastava	Director(Personnel)

3. Average Net Profit for last three FYs : ₹(-)3278.28 crores

4. Prescribed CSR Expenditure : 'Nil' as 2% of amount as in Item 3 above is in the negative

5. Details of CSR spent during FY 2017-18 :

a) Total amount to be spent : "Nil" **

b) Amount unspent, if any : "Nil" **

**(NIL as per the provisions of Companies Act, 2013. However, for ongoing core CSR activities the Board decided to spend ₹ 26.00 crore)

c) Manner in which the amount spent : Details furnished in prescribed format at **Annexure-A**

6. In case the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Board's Report to disclose reasons for such non-compliance.

In terms of Section 135(5) of the Companies Act, 2013, 2% of average net profit during the three immediately preceding Financial Years i.e. FY 2014-15 to FY 2016-17 is "Nil". However, the Board of Directors in order to sustain the ongoing CSR activities in the periphery of Plants and Mines of the Company(which primarily consist of the backward districts) allocated budget for carrying out CSR interventions in consonance with Schedule-VII of the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

It may be noted that SAIL has continuously been incurring losses since Financial Year 2015-16. The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

During 2017-18, SAIL mainly focused on sustenance of ongoing core CSR activities which were primarily in the areas of education of children in CSR run schools, support for mid-day meals in Government schools, scholarships for children, educational schemes for tribal/backward children adopted for providing comprehensive facilities, operation of Primary Health Centres for under-privileged people, organisation of medical camps and operation of mobile medical units, skills development and women empowerment programmes and assistance to differently abled people, Sr. Citizens, etc. All these CSR endeavors were in accordance with provisions specified in Schedule-VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

In addition, 845 rural youths have been sponsored for ITI trainings. Over 600 youths & 1468 women folks have undergone Skills Development Trainings in industrial trades, soft skills, hospitality, handlooms, handicrafts, improved agriculture techniques, domestic products, farmhouse produce, etc. at Bhilai Ispat Kaushal Kutir, Swayamsiddha & PG College of Nursing: Bhilai, Shilpangan: Durgapur, Kishori: Rourkela, Jharcraft: Bokaro, Vocational Training Centre & Mahila Mangal Sabha: Burnpur, Garment Technician Training: Salem, Kiran : Kiriburu & Meghahathaburu, Aashaye Handloom Center: Gua mines, etc. SAIL is also instrumental in marketing of the products manufactured at such centres.

The major CSR activities undertaken by SAIL during 2017-18 have been elaborated in the prescribed format at **Annexure-A.**

Sd/- **(Atul Srivastava)** Director (Personnel) SAIL	Sd/- **(Anil Kumar Chaudhary)** Director (Finance) SAIL	Sd/- **(CA K.S. Chauhan)** Chairman, CSR Committee SAIL

SAIL CSR PROJECTS/ACTIVITIES UNDERTAKEN DURING 2017-18

(₹ crore)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered Schedule VII of the Companies Act, 2013	Projects (State & District where projects were undertaken)	Amount outlay (budget) projects wise	Amount spent on the projects: Direct expenditure or Overheads	Cumulative expenditure up to the reporting period (2014-15 to 2017-18)	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation, construction of toilets under SVA and making available safe drinking water;	Cl.(i) Healthcare, Drinking Water & Sanitation	In the peripheral areas of SAIL Plants and Units. The districts covered are Durg, Bilaspur, Balod, Kanker, Narayanpur, Dhamtari, Rajnandgaon, Champa in Chhattisgarh, Burdwan, Bankura, South 24 Pargnas, Nadia and Kolkata in W.Bengal, Sundergarh & Keojhar in Odisha, Bokaro, Deoghar, W.Singhbhum, Garhwa, Dhanbad, Ranchi & Khunti in Jharkhand, Salem & Cuddalore in Tamil Nadu, Chikamangaluru in Karnataka, Chandrapur in Maharashtra, Gwalior in MP, Guntur in Andhra Pradesh, etc.	5.58	7.01	49.06	Direct and through Implementing Agencies, viz. Akshay Patra Fdn, Sw. Vivekakanda Vani Prachar Samity, Mahila Samity, Ramakrishna Mission, Bharati Bhaban, Women Voluntary Services, Burnpur Mahila Samaj, Dipanwita Sab Payechhir Asar, Shamayita Math, Burnpur Ambagan Vol. Social Wel. Org., Kartavya, Durgapur Mishra Ispat Abasik Mahila Samaj, Peace House Welfare Trust, Gopalmath Sisu Kalyan Samity, Industrial Training Institute, CIPET, Intensive Khadi Rural Dev. Center, Jharcraft, State agencies, Bhilai Ispat Kaushal Kutir, Swayamsiddha, DSP Mahila Samaj, Jan Shikshan Sansthan, AROH Foundation, SRREOSHI, Sona College of Technology, SCEWASTAMB & Balagoda SHG Aashaye, Gua, Deen-Disha Centre(S.E.C.) Manoharpur, Society for Rural Industrialisation, Missionaries of charity, Cheshire Home, etc.
2	Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	Cl.(ii) Education & Livelihood Generation		14.85	11.19	51.27	
3	Promotion of gender equality and empowering women, setting up homes and hostel for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Cl.(iii) Women Empowerment & Care for Sr. Citizens & PwDs		1.37	1.08	9.60	
4	Protection of heritage, art, culture & Training to promote rural sports,Nationally recognised sports, paralympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture		1.88	1.92	14.85	
5	Ensuring environmental sustainability, flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Cl.(iv) Environment sustainability		0.99	2.20	22.06	
6	Rural development projects	Cl.(x) Infrastructure & Rural Development		0.92	2.07	15.77	
7	Capacity Building CSR Rules, 2014 Cl.4(6)			0.13	0.23	3.34	
8	Provisions for Disaster Relief & Additional allocation for CSR projects as per Schedule-VII General Circular No. 21/2014 dt.18/8/14 Annexure Pt.7 of Para (i)			0.28	0.00	0.00	
	Total			26.00	25.70	165.95	

Note: Project-wise outlay amount of ₹26 crore includes unspent amount of ₹0.29 crore of 2016-17 Budget.

PRINCIPAL EXECUTIVES AS ON 03.08.2018

CORPORATE OFFICE

NEW DELHI

Special Secretary & Financial Advisor, Ministry of Steel and Chairman & Managing Director (Additional Charge)
Saraswati Prasad

Directors
Finance
Anil Kumar Chaudhary
Projects & Business Planning
Dr. Ganesh Vishwakarma
Commercial
Ms. Soma Mondal
Personnel
Atul Srivastava
Technical
Harinand Rai

Executive Directors
Power, Elec. & SAILCON
Tejveer Singh
Chairman's Sectt.
P. K. Jha
Coal Import Group
S. Sitapati
Special Assignment
Kalyan Maity

ED(F&A) & Secretary
M. C. Jain

Chief of Corporate Affairs
M. C. Agrawal

Safety
General Manager
K. B. Sunil

Management Training Institute
Mrs. Kamakshi Raman

STEEL PLANTS / UNITS

Bhilai Steel Plant
Chief Executive Officer
M. Ravi
Executive Directors
Projects
A. K. Mathur
Works
P. K. Dash
Materials Management
Ms. Reeta Banerjee
M&HS - Director I/c
Dr. K. N. Thakur
Finance & Accounts
B. P. Nayak

Durgapur Steel Plant
Chief Executive Officer
A. K. Rath
Executive Directors
B. P. Verma
Works
T. B. Singh
Projects
A. R. Dasgupta

Rourkela Steel Plant
Chief Executive Officer
Ashwini Kumar
Executive Directors
Personnel & Administration
P. K. Pradhan
Projects
R. Agarwal

Bokaro Steel Plant
Chief Executive Officer
P. K. Singh
Executive Directors
M&HS - Director I/c
Dr. A. K. Singh
Materials Management
H. P. Singh
Works
S. K. Singh
Projects
R. C. Srivastav

IISCO Steel Plant
Chief Executive Officer
Anirban Dasgupta
Works
Wakil Singh
Personnel & Administration
C. S. Sinha

Alloy Steels Plant
Executive Director
Santosh Kumar Misra

Salem Steel Plant
General Manager
A. Chidambaram

Visvesvaraya Iron & Steel Plant
Executive Director
V. Gupta

UNITS

Raw Materials Division
Executive Director
In Charge with Addnl. Charge of ED, Collieries
P. Saidev
Personnel & Administration
Amitabha Bhattacharya
RP&E
P. C. Naik
Projects
Alok Kr. Kabisatapathy

Centre for Engineering & Technology
Executive Director
K. Das

Central Marketing Organisation
Executive Directors
Marketing - Commercial
Alok Sahay
Marketing - LP & FP
Biswajit Chongdar
Marketing - ITD
Deb Kalyan Mohanty

Transport & Shipping
Executive Director
L. N. Mallick

SAIL Refractory Unit
General Manager I/c
R. K. Ahuja

Chandrapur Ferro Alloy Plant
Executive Director
S. K. Saha

Environment Mgmt. Division
General Manager
S. K. Das

STEEL AUTHORITY OF INDIA LIMITED

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003

CIN: L27109DL1973GOI006454

NOTICE

NOTICE IS HEREBY GIVEN THAT the 46th Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Thursday, the 20th September, 2018, at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with Reports of the Board of Directors and Auditors thereon.

   (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Report of the Auditors thereon.

2. To appoint a director in place of Dr. G. Vishwakarma (DIN:07389419), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

3. To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2018-19.

SPECIAL BUSINESS

4. To appoint CA Kartar Singh Chauhan (DIN:07811175) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, CA Kartar Singh Chauhan (DIN:07811175), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto 21st September, 2020."

5. To appoint Prof. Narendra Kumar Taneja (DIN:07938062) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Prof. Narendra Kumar Taneja (DIN:07938062), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto 21st September, 2020."

6. To appoint Shri Atul Srivastava (DIN:07957068) as a Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Shri Atul Srivastava (DIN:07957068) who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To appoint Shri Harinand Rai (DIN:08189837) as a Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Shri Harinand Rai (DIN:08189837) who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To obtain consent for Borrowings and creation of charge on the assets of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

   "**RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to make Offer(s) or Invitation(s) to raise funds through Private Placement of Secured Non-convertible Debentures/Bonds of up to ₹5,000 crore, during a period of one year from the date of this Annual General Meeting, in one or more tranches to such person or persons, including eligible investors (whether residents and/or non-residents and/or institutions/corporate bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets), Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Developments Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public, or other entities, authorities and such other persons, who may or may not be the bond/debenture holders of the Company, in one or more combinations thereof, including the green-shoe option (within overall limit of ₹5,000 crore, as stated above), as the Board may, at its sole discretion decide on such terms and conditions as may be finalized by the Board or any Committee thereof as may be approved and authorized by the Board or such other functionary of the Company as may be approved by the Board/ or such Committee."

   "**RESOLVED FURTHER THAT** consent of the Company be and is hereby accorded in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, to the Board of Directors of the Company (the "Board") or any Committee thereof, to create charge, hypothecate, mortgage, pledge in addition to existing charges, mortgages and hypothecations created by the Company on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporates, trustees for the holders of Debentures/ Bonds/Other Instruments/Securities or any other persons on such terms and conditions and covenants as the Board or any Committee thereof may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of Term Loans, External Commercial Borrowings, issue of Debentures/Bonds, etc. not exceeding the limit approved by the Shareholders in terms of Section 180(1)(c) of the Companies Act, 2013.

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to authorize the Committee of the Board to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking, etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company and /or a Committee thereof as may be approved and authorized by the Board, if any, be and are hereby authorized to do all necessary acts, deeds, actions, and other things and to take all such steps as may be required or considered necessary or incidental thereto for giving effect to this resolution."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

9. To ratify the remuneration of the Cost Auditors of the Company and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹9,75,000/-plus taxes as applicable and reimbursement of Daily Allowance, travelling expenses and out of pocket expenses to be paid to the Cost Auditors viz. M/s. R.J. Goel & Co., New Delhi (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Shome& Banerjee, Kolkata (for Bokaro Steel Plant and Rourkela Steel Plant), M/s. Sanjay Gupta & Associates, New Delhi (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) for the Financial Year 2018-19, as approved by the Board of Directors, be and is hereby ratified."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

(M.C. Jain)
ED (F&A) and Secretary

Place: New Delhi
Dated: 3rd August, 2018
Registered Office:
Ispat Bhawan, Lodi Road, New Delhi-110003.
CIN: L27109DL1973GOI006454

Notes:

1. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business Item Nos. 4 to 9 above is annexed hereto. The relevant details under Item No.2 of the Notice of the person(s) seeking re-appointment as Director required vide Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Only Members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.

4. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to submit to the Company a certified true copy of the relevant Board Resolution alongwith the specimen signature(s) of the representative(s) authorised to attend and vote on their behalf at the meeting.

5. Members attending the meeting are requested to bring their copy of the Annual Report as provided.

6. The Register of Members of the Company will remain closed from 21st August, 2018 to 24th August, 2018 (both days inclusive).

7. M/s. MCS Share Transfer Agents Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities viz. Transfer/ transmission/ transposition/ dematerialisation/ rematerialisation/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfer and allied activities with this agency only at the following address:

   M/s. MCS Share Transfer Agents Limited,
   F-65, 1st Floor, Okhla Industrial Area, Phase-I,
   New Delhi-110020
   Phone No.011-41406149, E-mail: admin@mcsregistrars.com

8. **Dematerialisation**

i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. **Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, has mandated that w.e.f. 4th December, 2018, transfer of shares in a Listed Company shall only be in Dematerlised Form.Though most of the shareholders have converted their holdings into Demat Form, it is seen that some shareholders still hold their shares in paper form (Physical). In this connection, shareholders are advised, to open a Demat Account with any depository participant authorized by either National Securities Depository Ltd. or Central Depository Services Ltd. and dematerialize their shares, to avoid inconvenience at later stage.**

ii) Members holding shares in the physical form should notify change in their addresses, if any, to the R&TA specifying full address in block letters with **PIN CODE** of their post offices, which is mandatory. Members holding shares in the Electronic Form (Demat), should inform the change of address to their Depository Participant.

iii) For making nomination, Members holding shares in physical form are advised to collect the Nomination Form from the Company's Share & Transfer Agents and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).

iv) **EFT MANDATE**

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT), for any future payouts from the Company. Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has directed to make payment of dividend only through approved electronic mode and Bank Details and PAN of the shareholders be obtained, updated against their folio, if not already available with the Company. Under EFT, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority (RBI or SBI). The clearing authority provides credit reports to the payee's Bank, who credits the amount to their respective accounts. It becomes inevitable that the shareholders opting for EFT should provide details of their Bank Name, IFSC Code, A/c No., A/c Type, Branch Name, 9 digit MICR No. along with their Name and Folio Number (DP-ID/Client ID) to the Company if their holding is in Physical Form and to the Depository participant, if their holding is in Demat Form. Accordingly, Shareholders holding shares in Physical form and receiving dividend by Dividend Warrant/Demad Draft, etc. are requested to fill the attached Form and submit it along with a copy of the Self-attested PANCARD, an Original Cancelled Cheque Leaflet/ Attested Bank Passbook Copy showing Name of the Account Holder(s) to M/s. MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent of SAIL, to update the records for payment of any dividend in future.

9. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Shares Department/R&TA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.

10. The Company has transferred to Investor Education and Protection Fund (IEPF), unclaimed dividends till Financial Year 2010-11(Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2010-2011	-	12.00
2011-2012	12.00	8.00
2012-2013	16.00	4.00
2013-2014	20.20	-
2014-2015	17.50	2.50
2015-2016	-	-
2016-2017	-	-
2017-2018	-	-

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016,

("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all upaid/unclaimed dividend declared by it upto Financial year 2010-11 (interim dividend). Upon completion of a period of seven years, the Company would transfer the unclaimed /unpaid dividend (final) of Financial year 2010-11 in November, 2018.

Section 124(6) of the Companies Act, 2013 read with Rules provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. Accordingly, the Company has initiated the compliance process for transfer of the shares to IEPF. The Company has sent individual communication(s) to the concerned shareholders whose dividend has remained unpaid or unclaimed for seven consecutive years, providing complete details of the shares due for transfer to IEPF. The Company has also published Notice in the newspapers advising such shareholders to encash their unclaimed dividend to avoid transfer of the shares. Details of such Shareholders and Shares due for transfer to IEPF has been uploaded on the Company's website.

Claimants of the dividend /shares transferred to IEPF are entitled to claim refund by applying to IEPF.

11. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

12. **Green Initiative in Corporate Governance of Ministry of Corporate Affairs**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars issued by the MCA, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Board's Report, Auditors' Report, etc.) to their shareholders through electronic mode, to the registered email address of the shareholder(s).

Members are requested to opt for receipt of the above notices/documents through electronic mode. They are requested to register their e-mail ID for this purpose with their respective depository participant or with the Company's Registrar and Transfer Agent i.e. M/s. MCS Share Transfer Agents Limited at the address given above or e-mail at **admin@mcsregistrars.com**

Please note that these documents will also be available on the Company's website www.sail.co.in and physical copies of the same will also be available at the registered office as mentioned herein above for inspection during office hours.

13. **Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance Slip.**

14. **No Brief case or Bag or mobile phone will be allowed to be taken inside the auditorium.**

15. **General Information and Instructions for E-voting:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014 as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electric voting system from a place other than the venue of the AGM (remote e-voting).

II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot paper voting system.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The Company has engaged the services of M/s. National Securities Depository Limited(NSDL) as the Agency to provide the remote e-voting facility.

V. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates and in his absence Ms.Karishma Singh of M/s. Agarwal S. & Associates as Scrutiniser to scrutinize the remote e-voting and voting at the venue of the AGM through ballot paper in a fair and transparent manner and he has communicated his willingness to be appointed and available for same purpose.

VI. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 13th September, 2018 only shall be entitled to avail the facility of remote e-voting or voting at the venue of the AGM through ballot paper.

VII. A person who becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on cut-off date i.e.13th September, 2018, can follow the process for generating the Login ID and Password as provided in the Notice of the AGM.

VIII. The remote e-voting period commences on 17th September, 2018 (9:00 am - IST) and ends on 19th September, 2018 (5:00 pm - IST) (provided at Sl. XII). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th September, 2018, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**

IX. The Scrutinizer, after scrutinizing the votes cast at the venue of the AGM(ballot paper) and through remote e-voting, will, not later than 48 Hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith with the consolidated scrutiniser's report shall be placed on the website of the Company-www.sail.co.in and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.

X. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 20th September, 2018.

XI. The process and manner for remote e-voting are as under:

A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who holdshares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

(a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

(vi) If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then,click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sachinag1981@gmail.com with a copy marked to NSDL's email ID-evoting@nsdl.co.in.

C. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

D. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

XII. Those who became Members of the Company after dispatch of the Notice but on or before **cut-off date** may mail to NSDL at **evoting@nsdl.co.in**, requesting for user ID and password. On receipt of user ID and password, the details on step 2 in A above should be followed for casting of vote.

XIII. In case of any query/grievance, you may refer to the Frequently Asked Questions (FAQs) and e-voting Manual available under the Help section of NSDL's e-voting website www.evoting.nsdl.com or contactMr.MandarGaikwad, Assistant Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 at telephone no. 91 22-24994200/91 22 24994559 or toll free No. 1800 222 990 or at email ID: evoting@nsdl.co.in

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

On nomination by the President of India vide Government's Order F.No. 1(10)/2015-BLA(Vol-III) dated 6th September, 2017, CA Kartar Singh Chauhan (DIN:07811175) was appointed as an Additional Director of the Company with effect from 22nd September, 2017. His tenure as Non-Official Independent Director is for a period of three years with effect from 22nd September, 2017 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, CA Kartar Singh Chauhan would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of CA Kartar Singh Chauhan for the office of Director of the Company.

CA Kartar Singh Chauhan obtained his Post Graduate Degree in Commerce from Chaudhary Charan Singh University, Meerut in 1987. He passed the CA Final examination in 1991 from the Institute of Chartered Accountants of India (ICAI) and became the Fellow Member of ICAI in 1996. His areas of specialisation include Audit, Taxation, Finance, etc.and is presently practicing as a Chartered Accountant. He has also done Certificate Course in Concurrent Audits of Banks and Certificate Course in Forex and Treasury Management, both from ICAI. He has presented various programs related to Finance & Income Tax on National Channel of Prasar Bharti.

CA Kartar Singh Chauhan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from CA Kartar Singh Chauhan that he meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act. He is a member of Stakeholders Relationship Committee.

Save and except CA Kartar Singh Chauhan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.4 of the Notice.

Keeping in view the vast expertise and knowledge of CA Kartar Singh Chauhan, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 5

On nomination by the President of India vide Government's Order F.No. 1(10)/2015-BLA(Vol-III) dated 6th September, 2017, Prof. Narendra Kumar Taneja (DIN:07938062) was appointed as an Additional Director of the Company with effect from 22nd September, 2017. His tenure as Non-Official Independent Director is for a period of three years with effect from 22nd September, 2017 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Prof. Narendra Kumar Taneja would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Prof. Narendra Kumar Taneja for the office of Director of the Company.

Prof. Narendra Kumar Taneja, is a distinguished academician and is presently Vice-Chancellor of Chaudhary Charan Singh University, Meerut. He is a Post Graduate in Economics and Ph.D. He has over 35 years of experience in Research and Teaching. He has to his credit several Research Papers published in national and international journals. His area of specialization is Micro Economics, Industrial Economics, Development Theory & Policy and Indian Economy Problems & Policies.

Prof. Narendra Kumar Taneja is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Prof. Narendra Kumar Taneja that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act. He is a Member of the Nomination & Remuneration Committee of the Company.

Save and except Prof. Narendra Kumar Taneja and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.5 of the Notice.

Keeping in view the vast expertise and knowledge of Prof. Narendra Kumar Taneja, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 6

On nomination by the President of India vide Government's Order No.6/3/2016-BLA dated 12th March, 2018, Shri Atul Srivastava (DIN:07957068) was appointed as an Additional Director of the Company with effect from 12th March, 2018 subject to his re-appointment by the shareholders in the Annual General Meeting. His tenure as Director is for a period of five years from 12th March, 2018 or till the date of his superannuation or until further orders, whichever is earliest. He is liable to retire by rotation in terms of provision of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received proposing the name of Shri Atul Srivastava as a candidate for the office of Director of the Company.

Shri Atul Srivastava is a Mechanical Engineer from IIT, Kanpur and holds Post Graduate Diploma in Management with specialization in HR. He has over 33 years of experience in HR matters, both at Corporate and Plant level, in dealing with diverse areas like HR Policies, Manpower Planning, HRD/OD Interventions, Performance Management, Employee Engagement Initiatives and IR Management. Prior to joining as Director (Personnel) of SAIL, Shri Srivastava held the position of Executive Director (P&A), Durgapur Steel Plant of the Company as Head of HR function. He has also successfully led Personnel and Administrative functions at Bokaro Steel Plant of the Company and also at its Corporate Office.

Shri Atul Srivastava is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Save and except Shri Atul Srivastava and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 7

On nomination by the President of India vide Government's Order No.6/2/2016-BLA dated 3rd July, 2018, Shri Harinand Rai (DIN:08189837) was appointed as an Additional Director of the Company with effect from 1st August, 2018 subject to his re-appointment by the shareholders in the Annual General Meeting. His tenure as Director is for a period of five years from 1st August, 2018 or till the date of his superannuation or until further orders, whichever is earliest. He is liable to retire by rotation in terms of provision of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received proposing the name of Shri Harinand Rai as a candidate for the office of Director of the Company.

Shri Harinand Rai is a Metallurgical Engineer from IIT, BHU. He has over 32 years of experience of working in the Company in different capacities at both Plant level at Bhilai Steel Plant, Bhilai (BSP) and Durgapur Steel Plant, Durgapur (DSP) as well as at Corporate Office. He has rich and varied experience in various functions of Plant Operations, Planning and Coordination for ensuring availability of raw materials at the Plants including Logistics.

Shri Harinand Rai is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Save and except Shri Harinand Rai and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 8

As informed in the previous years, your Company has taken up a massive Modernisation & Expansion programme of its Plants and also for augmentation of Raw Material supplies from its own mines. The expansion programme has been decided to be funded through a mix of debt and equity. The Company has already spent about ₹67,432crore on its expansion programme till 30th April, 2018. In order to part finance the expansion programme as well as to convert short loans into medium and long term loans, your Company plans to borrow about ₹ 5,000 crore during the period of one year from the date of this Annual General Meeting or such other period as may be permitted under the Companies Act, 2013 and other applicable laws.

On analysis of the various options of raising funds through borrowing in Domestic and International Market, it has been decided by the Board of Directors to raise the funds through private placement of Secured Non-convertible Debentures / Bonds upto ₹ 5,000 crore during the year.

The provisions of Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures/bonds. Accordingly, approval of Shareholders for the resolution as set out in Item No.8 of the Notice is being sought to borrow funds by offer or invitation to subscribe to Secured Non-convertible Debentures/ Bonds for an amount upto ₹5,000 crore. This resolution would be valid for the period of one year from the date of this AGM. The terms and conditions of Secured Non-convertible Debentures / Bonds shall be decided by the Board of Directors / Committee thereof or any one or more Directors, as may be required.

The borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. Consent of the members is being sought in terms of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create charge, hypothecate, mortgage, pledge on any movable, immovable properties of the Company both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company and wherever situated and to authorize the Board to take necessary action in this regard.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and /or Key Managerial Personnel of the Company or their relative(s) is / are concerned or interested in the Resolution set out at Item No. 8 of the Notice.

Item No.9

The Board of Directors of the Company, on the recommendation of the Audit Committee, has considered and approved the appointment of M/s. R.J. Goel & Co., New Delhi (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Shome & Banerjee, Kolkata (for Bokaro Steel Plant and Rourkela Steel Plant), M/s. Sanjay Gupta & Associates, New Delhi (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2018-19 at a remuneration of ₹9,75,000/- plus taxes as applicable and reimbursement of Daily Allowance, travelling expenses and out of pocket expenses. In addition, M/s Sanjay Gupta & Associates have been designated as Lead Cost Auditor for XBRL conversion and filing of Consolidated Cost Audit Report of the Company at an additional fee of ₹35,000/- plus taxes as applicable.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the Resolution for ratification of the fee of the Cost Auditors as set out at Item No.9 of the Notice is submitted for approval of the Shareholders.

The Board recommends the resolution for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the resolution.

By order of the Board of Directors

(M.C. Jain)
ED (F&A) and Secretary

Place: New Delhi
Dated: ....
Registered Office:
Ispat Bhawan, Lodi Road, New Delhi-110003.
CIN: L27109DL1973GOI006454

Details of Directors seeking re-appointment in forthcoming Annual General Meeting furnished in terms of SEBI Regulations:

Name of the Director	**Dr. G. Vishwakarma**
Date of Birth	18th January, 1960
Date of Appointment	31st December, 2015
Expertise in Specific functional areas	Projects, Business Planning
Qualifications	BE(Mech.), ME(Env.Sc.), PG Diploma in Business Management, Ph.D (Project Management), PGDADR
List of Companies in which outside Directorship is held.	International Coal Ventures Pvt. Ltd. (ICVL)
Chairman/Member of the Committees of the Board of the Companies on which he is a Director.	Chairman of CSR Committee in ICVL

TALKATORA STADIUM – ROUTE MAP

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454

Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003

Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

ATTENDANCE SLIP

46th Annual General Meeting to be held on Thursday, 20nd September, 2018 at 10.30 hours

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No. / Client ID No.	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 46th Annual General Meeting of the Company to be held on Thursday, 20thSeptember, 2018 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

*Applicable in case of Shares held in Physical Form

Member's/Proxy's Signature ____

NOTE:

1. The attendance slip should be signed as per the specimen signature registered with the R&TA/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the registration counter(s) at the venue against which R&TA will issue admission card.
2. Entry to the hall will be strictly on the basis of admission card as provided by R&TA.
3. Members in person/Proxy holders may please carry photo-ID card for identification/verification purposes.
4. Shareholder(s) present in person or through registered proxy shall only be entertained.
5. Briefcase, mobile phone, bag, eatables, helmets and other belongings will not be allowed to be taken inside the venue of the meeting for security purposes and shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
6. No gifts will be distributed at the Annual General Meeting.

. . . .

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454

Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003

Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
Folio No./DP ID-Client ID	
Email ID	

I/We, being the member(s) of ……..….. shares, hereby appoint:

1.Name: .... Address: ....

E-mail Id: .... Signature: .... , or failing him

2.Name: .... Address: ....

E-mail Id: .... Signature: .... , or failing him

3.Name: .... Address: ....

E-mail Id: ....Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held on 20th September, 2018 at 1030 hours at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
	Ordinary Business
1.	To receive, consider and adopt the (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with Reports of the Board of Directors and Auditors thereon.
	(ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Report of the Auditors thereon.
2.	To appoint a director in place of Dr. G. Vishwakarma (DIN:07389419), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
3.	To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2018-19.
	Special Business
4.	To appoint CA Kartar Singh Chauhan (DIN:07811175) as an Independent Director of the Company.
5.	To appoint Prof. Narendra Kumar Taneja (DIN:0007938062) as an Independent Director of the Company.
6.	To appoint Shri Atul Srivastava (DIN:07957068) as a Whole-time Director of the Company.
7.	To appoint Shri Harinand Rai (DIN:08189837) as a Whole-time Director of the Company.
8.	To obtain consent for Borrowings upto ₹5,000 crore through private placement and creation of charge on the assets of the Company.
9.	To ratify Remuneration of Cost Auditors of the Company for the Financial Year 2018-19.

Please affix ₹ 1 Revenue Stamp

Signed this ………..day of …………...……........2018

Signature of Member(s)...

Signature of proxy holder(s) ....

NOTE:

This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Ispat Bhawan, Lodi Road, New Delhi-110003 not less than 48 hours before the commencement of the Annual General Meeting.

FORMAT FOR FURNISHING THE BANK DETAILS, PAN, EMAIL ID, ETC.

To
MCS Share Transfer Agent Limited
Unit : Steel Authority of India Limited
F-65, Okhla Industrial Area, phase-I,
New Delhi - 110020

Dear Sir,

I/We, give my/our consent to update the following details in your records to effect payments of dividend or sending other communications by electronic means in compliance with the circular(s) issued by SEBI for equity shares of Steel Authority of India Limited.

FOLIO NO. :____

NAME OF THE FIRST / SOLE HOLDER :____

BANK'S NAME :____

BRANCH'S NAME & ADDRESS :____

____

ACCOUNT NO. :____________________ ACCOUNT TYPE (SB / CURRENT) :____________________

IFSC CODE : ____________________ MICR CODE :____________________

EMAIL ID : ____________________ PHONE NO. :____________________

PARTICULARS	**NAME OF SHAREHOLDER(S)**	**PAN**
FIRST / SOLE SHAREHOLDER		
1ST JOINT SHAREHOLDER		
2ND JOINT SHAREHOLDER		

____________________ ____________________ ____________________

Signature of 1st Shareholder   Signature of 1st Joint Shareholder   Signature of 2nd Joint Shareholder

Date :____________________

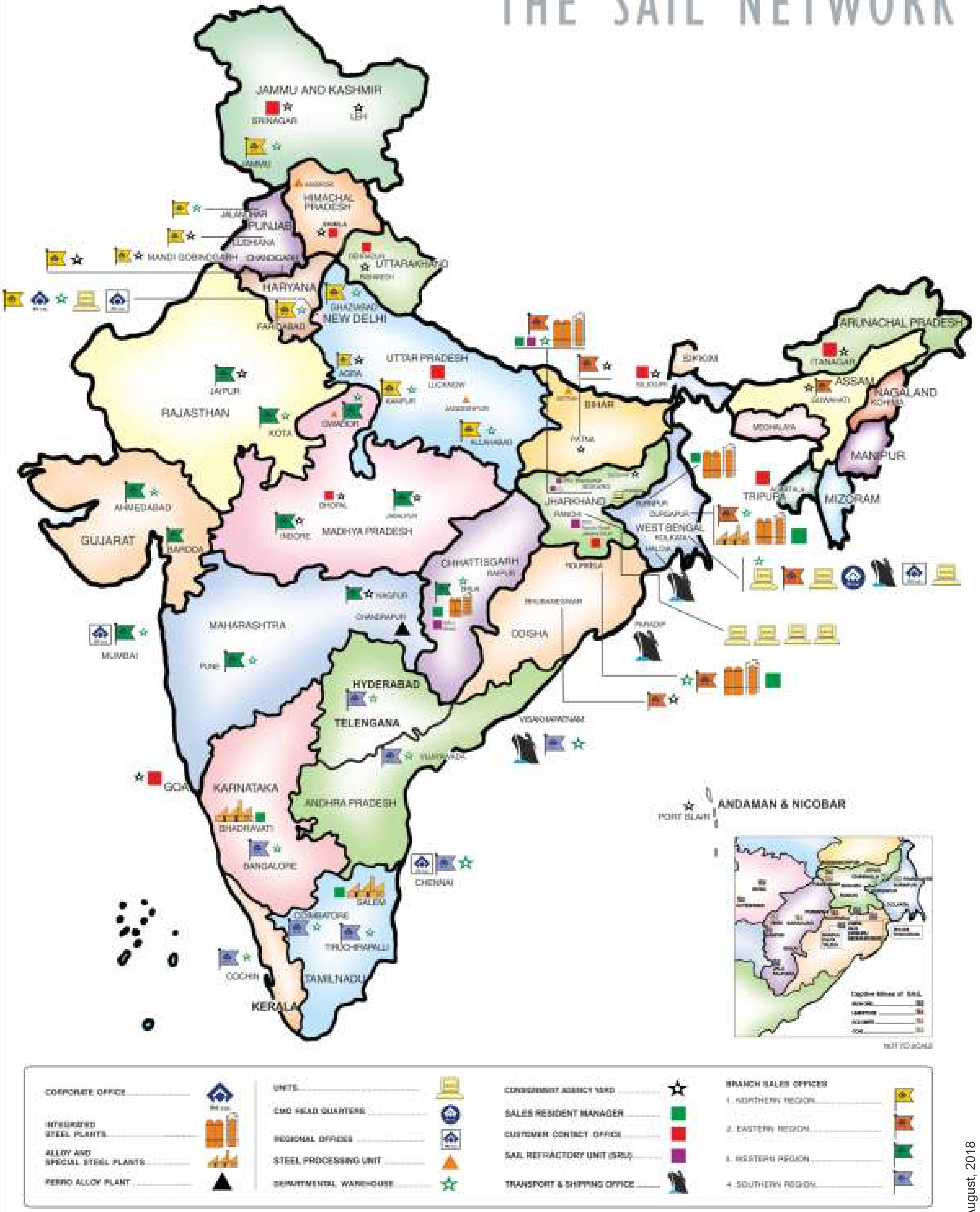
Place:____________________

Encl : Original cancelled cheque leaflet or attested copy of bank pass book showing name of account holder and self-attested copy of PAN Card(s).

सेल SAIL

A MAHARATNA COMPANY

THE SAIL NETWORK



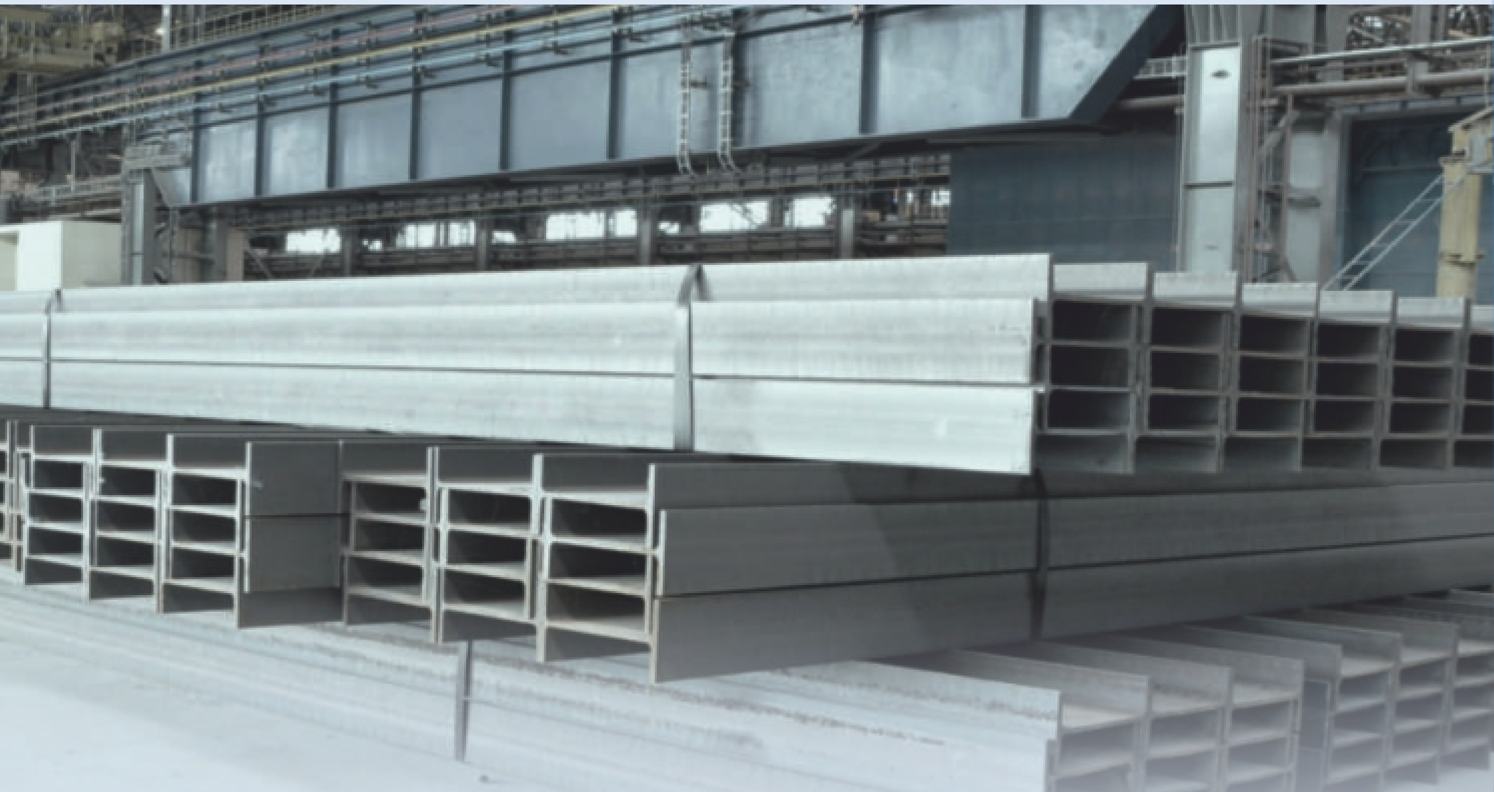
There's a little bit of SAIL in everybody's life

26th August, 2018

BOOK POST

"Permitted to post on prepayment of postage in cash at BPC, SJ Stg., New Delhi - 110003, under CPMG, Delhi Circle, License No. DEL/BDM/BNPL SP Hub, Basant Lok/SAIL/06/16-08-2017 to 28-08-2017/139866/19 dated 04-08-2017.

To,



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड

STEEL AUTHORITY OF INDIA LIMITED

Ispat Bhawan, Lodi Road, New Delhi-110 003

website: www.sail.co.in

There's a little bit of SAIL in everybody's life