



सेल SAIL

ANNUAL REPORT 2015-16

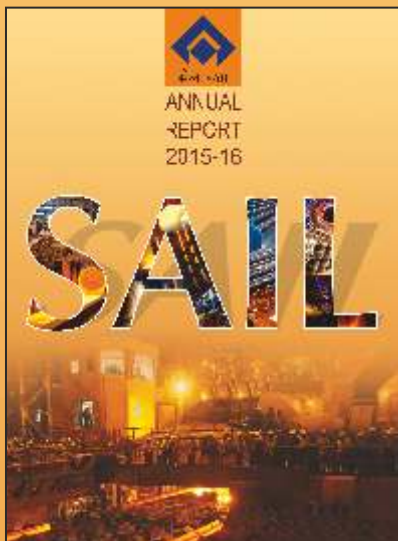


Vision

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.



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Letter to Shareholders



Dear Shareholders,

The year 2015-16 was an eventful one for the Country and also the Indian steel industry. While almost all the major economies of the world witnessed sluggish growth, India emerged as the world's fastest growing major economy. As far as steel is concerned, the year also witnessed India going ahead of the United States of America to become world's 3rd largest steel producing nation.

During the year, India was the only major steel consuming market in the world which exhibited a growth. However, due to the oversupply scenario globally, there was an unprecedented surge in imports which increased by 27% over 2014-15 and by 123% over 2013-14. In fact, the increase in net imports in the year was more than the increase in domestic steel consumption. These imports, often at predatory prices, forced significant price cuts by the Indian steel producers, leading to severe margin squeeze.

I would like to thank the Government of India for stepping in at this critical juncture and undertaking necessary corrective trade measures. The Government introduced the Minimum Import Price (MIP) mechanism in February 2016, to curb dumping of steel in the Country. But for this step, the steel industry would have been reeling under a lot more pressure. However, as per the projected demand-supply situation, global oversupply would persist in the near future and there is a need for protracted trade measures to provide the Indian steel industry with a level playing field.

I would like to emphasize that while these trade measures are essential in the present context, the long term competitiveness of the steel industry in India will depend on amongst other, providing the Indian steel

industry with a level playing field vis-à-vis other major steel producing nations with respect to freight rates, cost of borrowing, regulatory costs and availability of energy at competitive prices.

With this backdrop, the year 2015-16 was an extremely challenging one for your Company. The free fall in steel prices to a historic low had an adverse impact on profitability of SAIL. While production of hot metal and crude steel was the highest ever, a commensurate increase in production of saleable steel and sales could not be achieved due to the depressed market condition and a major shutdown taken for upgrading the Hot Strip Mill in our Bokaro Steel Plant.

However, I am confident that the worst is behind us and your Company would turnaround in this financial year as most of the enablers are in place. Ramp-up of production from our new Units under modernization and expansion plan is not just increasing production and leading to better quality, but has also helped us in reducing cost of production. Higher production from the new efficient Units and rationalizing production from cost intensive routes have manifested in the form of a reduction in variable cost of production by 10% in Q4 compared to Q1 of 2015-16 and the same trend continues. This financial year we have targeted to increase our production and sales by more than 20% over last year.

The products being manufactured by our new rolling mills have been received well by the customers and it is our constant endeavor to add more and more value added grades from these mills. In conjunction with increased production, focus is being given to efficient and strategic marketing for improving sales and

realisations. More emphasis is being given on marketing in regions where we have natural freight advantage, increasing retail sales and leveraging the brand image of SAIL.

In this year we shall be completing the balance modernization and expansion projects in our Bhilai Steel Plant. The facilities include a state of the art Universal Rail Mill capable of producing the longest single piece rail in the world. Commissioning of this mill would provide SAIL with the capability of producing high quality rails to meet the requirements of the Indian Railways, Metro projects, dedicated freight & passenger corridors as well as the exports market.

Besides the ongoing Modernization and Expansion Program, which is on the verge of completion, we have taken up new projects to improve our product mix and profitability. The significant one being installation of a 3.0 MTPA capacity 2250 mm wide Hot Strip Mill in our Rourkela Steel Plant. This mill scheduled to be commissioned in 2018 will enable us to produce very high quality hot rolled coils including advanced high strength grades for the growing automotive industry in the Country.

With regard to the raw materials security of your Company, the entire requirement of iron ore is being met from the captive mines. The capacities of existing iron ore mines are being expanded and new iron ore mines are being developed to meet the increasing requirement of iron ore. We have been allotted the Parbatpur Coking Coal block in Jharkhand which will add to our coking coal security. We intend to commence production from this block at the earliest after the approval of the revised mine plan based on simultaneous extraction of coking coal by SAIL and Coal Bed Methane (CBM) by ONGC.

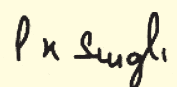
Your Company has always been in the forefront in preservation of environment and sustainable development. In this direction, SAIL Plants have taken various initiatives to reduce environmental footprint and minimising emissions. In addition, the state of the art facilities installed under the current Modernisation & Expansion Program has led to significant improvement in environmental parameters, enabling us to produce steel in a greener and more environmental friendly

manner than before. Realizing the significance of plantation in overall environment, till date close to 2 crore trees have been planted in SAIL Plants and Mines locations with more than 4.6 lakh trees planted in 2015-16 itself.

Despite the present challenges, India's long-term outlook for the steel sector continues to be bright. The Government of India is taking appropriate steps to bolster the growth of the sector. In the Union Budget 2016-17, a sum of ₹ 218,000 crore has been earmarked for infrastructure like roads and railways. Such a scenario augurs well for the domestic steel sector. Other initiatives of the Government such as Housing for All by 2022, Power for All by 2019, 100 Smart Cities by 2022 and Atal Mission for Rejuvenation & Urban Transformation (AMRUT) are likely to drive steel demand in the Country significantly.

In conjunction with the initiatives by the Government for increasing steel demand, it is our responsibility as the leading steel producer in the Country to increase steel consumption through initiatives like increasing the steel intensity in construction and infrastructure projects by propagating the advantages of steel over other materials with respect to Life Cycle Analysis based costing, assured quality, safety and pace of construction. We are taking a special drive towards this initiative. As the per capita steel consumption in the Country, increases from the current 61 kg even to the world average level of 208 kg, there is no looking back for the Indian steel industry.

Finally, I would like to take this opportunity to thank you as the shareholders of the Company for your constant support and trust. I would also like to thank our customers, suppliers, the Central and the State Governments and our employees, who have always stood by the Company and I look forward for their continued support in the future.



(P.K. Singh)
Chairman

Place: New Delhi

Dated: 11th August, 2016

BOARD OF DIRECTORS (As on 11.08.2016)

Chairman and Managing Director
Shri P.K. Singh

Functional Directors

Finance
Shri Anil Kumar Chaudhary

Raw Materials & Logistics
Shri Kalyan Maity

Commercial
Shri Binod Kumar

Personnel
Dr. N. Mohapatra

Projects & Business Planning
Shri G. Vishwakarma

Technical
Shri Raman

Government Directors

Ms. Bharathi S. Sihag,
Special Secretary & Financial Adviser
Ministry of Steel, Government of India

Shri Sunil Barthwal
Joint Secretary, Ministry of Steel, Government of India

Independent Directors

Shri P.K. Dash

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Chief Executive Officers (Permanent Invitees)

Bokaro Steel Plant
Shri Anutosh Maitra

Bhilai Steel Plant
Shri M. Ravi

Rourkela Steel Plant
Shri Ashwini Kumar

Durgapur Steel Plant
Shri A.K. Rath

IISCO Steel Plant
Shri R.K. Rath

Company Secretary
Shri M.C. Jain

Bankers

Axis Bank Ltd.
Bank of India
Bank of Tokyo-Mitsubishi UFJ Ltd.
Barclays Bank PLC
Canara Bank
Corporation Bank
Deutsche Bank
Development Bank of Singapore Ltd.
HDFC Bank Ltd.
Hong Kong Shanghai Banking Corporation Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
Jammu & Kashmir Bank Ltd.
Kotak Mahindra Bank Ltd.
Mizuho Bank Ltd.
Punjab National Bank
State Bank of Hyderabad
State Bank of India
Sumitomo Mitsui Banking Corporation
United Overseas Bank
Vijaya Bank
Yes Bank Limited

Statutory Auditors

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

M/s. Sharma Goel & Co. LLP.
Chartered Accountants

M/s. Singhi & Co.
Chartered Accountants

M/s. Chatterjee & 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@sail.co.in
CIN: L27109DL1973GOI006454

Board of Directors



Shri P.K. Singh



Ms. Bharathi S. Sihag



Shri Sunil Barthwal



Shri Anil Kumar Chaudhary



Shri Kalyan Maity



Shri Binod Kumar



Dr. N. Mohapatra



Shri G. Vishwakarma



Shri Raman



Shri P.K. Dash



Prof. Ashok Gupta



CA Parmod Bindal



Smt. Anshu Vaish

Ten Years at a Glance

FINANCIAL HIGHLIGHTS

(₹ crore)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Gross Sales	43337	50627	51866	49350	50348	47041	43935	48738	45555	39189
Net Sales	38514	45208	46189	43961	45654	42719	40551	43204	39508	33923
Earnings before depreciation, interest & tax (EBIDTA)	(3052)	5586	5909	5621	7658	9030	11871	10946	12955	10966
Depreciation	2100	1773	1717	1403	1567	1486	1337	1288	1235	1211
Interest & Finance charges	2047	1454	968	748	678	475	402	259	251	332
Profit before exceptional items	(7198)	2359	4184	3470	5413	7069	-	-	-	-
Exceptional items : Gain(+)/Loss(-)	-	-	959	(229)	(262)	125	-	-	-	-
Profit before tax (PBT)	(7198)	2359	3225	3241	5151	7194	10132	9399	11469	9423
Provision for tax / Income Tax Refund and Deferred Tax Asset(-)	(3061)	266	608	1070	1608	2289	3378	3228	3932	3221
Profit after tax (PAT)	(4137)	2093	2616	2170	3543	4905	6754	6170	7537	6202
Dividends	-	826	834	826	826	991	1363	1074	1528	1280
Equity Capital	4131	4131	4131	4131	4131	4130	4130	4130	4130	4130
Reserves & Surplus (net of DRE)	35151	39374	38536	36894	35680	32939	29186	24018	18874	13054
Net Worth (Equity Capital and Reserves & Surplus)	39281	43505	42666	41025	39811	37069	33317	28148	23004	17184
Total Loans	33217	29898	25281	21597	16320	19375	16511	7563	3045	4181
Net Fixed Assets	44262	36169	26771	16777	17127	15059	13615	12305	11571	11598
Capital Work-in-progress	24884	29196	33651	35891	28205	22226	14953	6550	2390	1199
Current Assets (including short term deposits)	22174	28482	26891	27616	28431	36544	39154	34676	26318	20379
Current Liabilities & Provisions	18792	16338	15212	13012	12225	12172	11073	12277	9439	6500
Working Capital (Current Assets less Current liabilities)	3382	12145	11679	14604	16206	24372	28081	22398	16879	13879
Capital Employed (Net Fixed Assets + Working Capital)	47644	48314	38450	31381	32921	39431	41696	34704	28450	25476
Mkt price per share (In ₹) (As at the end of the period)	43.00	68.35	71.40	62.35	94.05	170.00	252.55	96.45	184.75	113.00
Key Financial Ratios										
EBIDTA to average capital employed (%)	(6.4)	12.9	16.9	17.5	21.0	21.7	31.1	34.7	48.0	46.4
PBT to Net Sales (%)	(18.7)	5.2	7.0	7.4	11.3	16.8	25.0	21.8	29.0	27.8
PBT to average capital employed (%)	(15.0)	5.4	8.4	10.1	14.2	17.3	26.6	29.8	42.5	39.9
Return on average net worth (%)	(10.0)	4.9	6.1	5.4	9.2	13.9	22.0	24.1	37.5	42.0
Net worth per share of ₹ 10 (₹)	95.1	105.3	103.3	99.3	96.4	89.7	80.7	68.1	55.7	41.6
Earnings per share of ₹ 10(₹)	(10.0)	5.1	6.3	5.3	8.6	11.9	16.4	14.9	18.2	15.0
Price - earning ratio (times)	(4.3)	13.5	11.3	11.9	11.0	14.3	15.4	6.5	10.1	7.5
Dividend per share of ₹ 10 (₹)	0.0	2.0	2.0	2.0	2.0	2.4	3.3	2.6	3.7	3.1
Effective dividend rate (%)	0.0	2.9	2.8	3.2	2.1	1.4	1.3	2.7	2.0	2.7
Debt - Equity (times)	0.8	0.7	0.6	0.5	0.4	0.5	0.5	0.3	0.1	0.2
Current ratio (times)	1.2	1.7	1.8	2.1	2.3	3.0	3.5	2.8	2.8	3.1
Capital employed to turnover ratio (times)	0.9	1.0	1.3	1.6	1.5	1.2	1.1	1.4	1.6	1.5
Working capital turnover ratio (times)	12.8	4.2	4.4	3.4	3.1	1.9	1.6	2.2	2.7	2.8
Interest coverage ratio (times)	(1.9)	1.8	2.3	2.6	3.8	7.1	14.4	29.0	46.4	29.3
Dividend Payout Ratio (%)	0.0	39.4	31.9	38.1	23.3	20.2	20.2	17.4	20.3	20.6

PRODUCTION

(Unit: '000T)

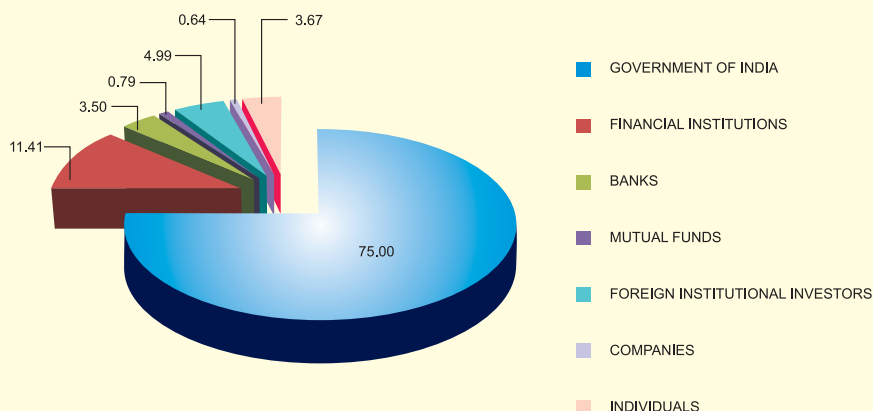
Item	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Hot Metal	15721	15413	14447	14266	14116	14888	14505	14442	15199	14606
Crude Steel	14279	13908	13579	13417	13350	13761	13506	13411	13964	13506
Pig Iron	642	634	223	214	106	261	323	267	441	509
Saleable Steel	12381	12842	12880	12385	12400	12887	12632	12494	13044	12581
- Semi Finished Steel	3054	3007	2760	2422	2527	2394	2392	2206	2243	2278
- Finished Steel	9327	9835	10120	9962	9872	10493	10240	10288	10801	10303

VALUE ADDED STATEMENT

		(₹ crore)	
For the year	2015-16	2014-15	
Value of own production	43366	52724	
Other Revenues	1122	1486	54210
Less: Cost of Raw Materials	17151	18523	
Stores and Spares	3244	3305	
Power and Fuel	5621	5423	
Excise Duty	4823	5419	
Freight Outward	1131	993	
Other Operating Cost	5676	5260	38923
Total Value Added	6842	15289	
Establishment Cost	9894	9736	
Financing Cost	2047	1454	
Dividend Provision	-	826	
Corporate Income Tax	-3061	266	
Dividend Tax	-	165	
Income Retained in Business			
Depreciation	2186	2003	
Retained in Business	-4224	837	2840
Total Value Applied	6842	15287	

SHAREHOLDING PATTERN (AS ON 31.03.2016)

Category	Number of Holders	Number of Equity Shares	Amount (₹/Crore)	% of Equity
GOVERNMENT OF INDIA	1	3097767449	3097.78	75.00
FINANCIAL INSTITUTIONS	12	471434879	471.43	11.41
BANKS	67	144389233	144.39	3.50
MUTUAL FUNDS	29	32534871	32.53	0.79
FOREIGN INSTITUTIONAL INVESTORS	111	206229237	206.22	4.99
GLOBAL DEPOSITORY RECEIPTS	2	132635	0.13	-
COMPANIES (including Trusts & Clearing Members)	2813	26600282	26.60	0.64
INDIVIDUALS (including NRI & Employees)	393548	151436703	151.44	3.67
TOTAL	396583	4130525289	4130.52	100.00



DIRECTORS' REPORT

To,

The Members,

The Board of Directors has the pleasure of presenting the 44th Annual Report of the Steel Authority of India Limited (SAIL, the Company) together with Audited Accounts for the Financial Year ended 31st March, 2016.

A. FINANCIAL REVIEW

Your Company achieved a turnover of ₹43,337 crore during the Financial Year 2015-16, which is lower by 14% over previous year, mainly due to decrease in Net Sales Realisation of Saleable Steel of 5 Integrated Steel Plants by about 20%. The prices of steel products kept falling throughout the year due to fall in Global Steel Prices leading to predatory imports from China, Japan, Korea, etc. However, there has been an increase in price realisation after imposition of Minimum Import Price(MIP) w.e.f. 5th February, 2016. The loss after tax of your Company for the Financial Year 2015-16 was ₹4,137 crore compared to net profit after tax of ₹ 2,093 crore in the previous Financial Year.

The performance of the Company during the year was adversely affected due to lower Net Sales Realisation, lower saleable steel production, adverse financial impact of on account of contribution to District Mineral Foundation and National Mineral Exploration Trust w.e.f. 12th January, 2015, higher usage of relatively expensive imported coal in the blend due to lower availability of indigenous coal, higher salaries & wages, higher repairs & maintenance expenditure, higher interest charges and reduction in interest earnings on term deposits, higher depreciation due to

capitalisation of new facilities and non-availability of gain on sale of investment in Bokaro Jaypee Cement Limited considered in the previous financial year. However, the adverse factors have been partially offset by higher sales volume and lower imported & indigenous coal prices, reduction in coke rate, reduction in demurrage expenses, reduction in price of ferro alloys, etc.

SAIL continued its thrust on optimum utilisation of funds by better fund management. This included replacement of high cost short term loans with low cost debts, timely repayment of loans including interest, strategic parking of surplus funds with scheduled banks, advance actions for future fund raising, etc. to meet our growth objectives. Further, the Company hedged the foreign currency risk on Buyer's Credit depending on market conditions. The Company had borrowings of ₹33,217 crore as on 31st March 2016. The debt equity ratio of the Company increased to 0.85:1 as on 31st March 2016 from 0.69:1 as on 31st March 2015 due to increase in borrowings as well as reduction in net worth during the year. The net worth of Company declined from ₹43,505 crore as on 31st March 2015 to ₹39,281 crore as on 31st March 2016.

M/s India Ratings & Research Pvt. Ltd., M/s CARE and M/s Brickwork Ratings, RBI approved credit rating agencies, assigned 'IND AA Negative Outlook', 'AA+' and 'BWR AA+ outlook stable' ratings respectively for SAIL's long term-borrowing programme.

B. OPERATIONS REVIEW

Production Review

Financial Year 2015-16 witnessed several landmark achievements by your Company. The Company achieved highest ever Hot Metal production of



Hon'ble Prime Minister, Shri Narendra Modi, dedicating SAIL's Modernised & Expanded IISCO Steel Plant, Burpur to the Nation on 10th May, 2015.



Hon'ble Union Minister of Steel, Chaudhary Birender Singh addressing the Northern Region Customers' Meet at Jind, Haryana. Chairman SAIL, Shri P.K. Singh was also present on the occasion.

15.7 Million Tonne(MT) surpassing its previous best of 15.4 MT achieved in 2014-15 and crude steel production of 14.3 MT surpassing previous best of 13.9 MT achieved in 2007-08. The new Bloom cum Round Caster, new Dolomite Plant and 125 Tonne Ladle Furnace have been commissioned in Durgapur Steel Plant. The Medium Section Mill(MSM) started trial production from January, 2016. Production from new facilities is being ramped up to the rated capacity. Total Hot Metal production from new facilities was 3.54 MT, Crude Steel production was 1.86 MT and Saleable Steel production was 1.5 MT. SAIL has achieved all time best performance in case of Continuously-Cast Steel and Sinter production, with a production of 10.8 MT & 22.6 MT and growth of 4% & 10% respectively over last year.

SAIL's various initiatives to reduce environmental footprint and enhance operational efficiency have led to a significant improvement in environmental parameters as well as in techno-economic efficiency. This has enabled your Company to produce steel in a greener and more environmental friendly manner than ever before. SAIL Plants recorded the best ever Coke Rate at 489 kg/thm and Specific Energy Consumption of 6.51 Gcal/tcs. This was achieved as a result of higher volume of Hot Metal produced through new state of the art Blast Furnaces (23% of total Hot Metal) and increased Crude Steel production through energy efficient CC route (up by 4% over corresponding period of last year). In addition, SAIL achieved the lowest ever Particulate Matter (PM) Emission Load (0.81 kg/tcs), Specific Water Consumption (3.51 m³/tcs) and Specific Effluent load (0.09 m³/tcs). SAIL Plants have also reduced their CO₂ emission levels to 2.61 T/tcs which is their lowest ever emission, showing significant improvement over previous years.

Maintaining the fervor for continuous improvement, your Company has developed several new products during the year including earthquake resistant structurals as per IS15962:2012 and two new grades of TMT

rebars namely Fe 415S and Fe 500S as per IS1786:2008 standard on "High strength deformed bars and wires for concrete reinforcement", further enhancing its extensive product portfolio. A total of 24 new products were developed during the Financial Year 2015-16, catering to industry sectors including automobiles, construction, engineering, defense, etc.

Power

Average power requirement of SAIL Plants during the Financial Year 2015-16 was 1180 MW, which was higher by 40 MW compared to last year due to increased operations following commissioning of expansion facilities at Rourkela Steel Plant and IISCO Steel Plant. Captive Power Plants supplied about 67% of the total power requirement and balance 33% was purchased from grid utilities. The percentage of power requirement met through captive power generation in 2015-16 had increased to 67% from 61% in the previous year due to enhanced power generation by captive facilities.

The practice of gainful utilization of surplus captive power through inter-plant wheeling of power was continued during the year. Rourkela Steel Plant, Salem Steel Plant and Chandrapur Ferro Alloy Plant (CFP) received wheeled power of about 140MU from Power Plant-3(PP-3) at Bhilai Steel Plant. Wheeling from PP-3 was started for the first time to CFP during the year, which helped in replacing costly grid power and thereby, resulting in substantial cost savings.

For cost optimisation, about 100 Million Units of cheaper power were purchased from Power Exchange which contributed to substantial cost savings. Further, various other measures for reducing the grid power costs, including reduction of contract demand of Plants with respective grid supply utilities to optimum levels, were also undertaken during the year, resulting in cost savings.

Augmentation of the Company's captive power generation capacity by installation of Captive Power Plants as a part of ongoing expansion as well as new capacity addition through joint venture company, NTPC-SAIL Power Company Pvt. Ltd.(NSPCL), is underway. Out of total 216MW envisaged capacity addition under ongoing expansion, 160 MW capacity has been added so far and balance is expected in the next year. Proposed installation of 290 MW capacity through NSPCL is also in advanced stage.

With regard to Company's commitment towards renewable power sources, actions have been initiated for development of 200 MW renewable capacity by the year 2019 through NSPCL. This includes 1MW capacity grid interactive Solar PV Plant at RSP which was commissioned during the year.

Raw Materials

During the Financial Year 2015-16, total requirement of iron ore was met from captive sources. The Company's captive iron ore mines produced about 24.83 million tonnes(MT). However, in case of coking coal, around 14% requirement was met from indigenous sources (Coal India Limited & captive sources) (2.08MT) and for the balance requirement of coking coal (13.30 MT), the Company has to depend on imports due to limitation of availability within the Country. In the Financial Year 2015-16, production in captive collieries of the Company was about 0.73 MT, out of which 0.56 MT was raw coking coal and balance 0.17MT being non coking coal. In case of fluxes, around 1.28 MT of limestone and 0.98 MT of dolomite were produced, giving a production of 2.26 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, suspended since 17th May, 2014 as per the direction of the Hon'ble Supreme Court, is yet to resume. In

the matter of restarting operations in ML-162 lease of Barsua mine, the Hon'ble Supreme Court passed interim order on 2nd March 2016 and directed to revert back after obtaining Stage-II FC for diversion of forest land in ML-162 lease of SAIL Barsua mine.

In order to expedite capacity expansion projects of mines, following environment and forest clearance have been obtained during the Financial Year 2015-16:

- Environment clearance for setting up of 1 MTPA Pellet Plant with upstream slime beneficiation facilities at Dalli-Rajhara Iron ore Complex, Chhattisgarh was granted by Ministry of Environment, Forests and Climate Change (MoEFCC) on 17th April, 2015.
- Environment clearance for capacity expansion of Kuteshwar Limestone mine from Right Bank lease to 2.32 MTPA was granted by MoEFCC on 2nd August, 2015.
- Environment clearance for 0.06 MTPA capacity production from Left Bank lease of Kuteshwar Limestone mine was granted by MoEFCC on 17th August, 2015.
- Environment clearance for re-opening of Baraduar Dolomite mine with capacity of 2 MTPA with a condition to obtain Stage-I Forestry Clearance within 18 months was granted by MoEFCC on 2nd September, 2015.
- Environmental Clearance for Topailore Iron Ore Mining Project has been granted by Jharkhand SEIAA, Ranchi vide letter dated 17.08.2015 for production of 0.6 MTPA iron ore.
- Stage-II forest clearance for diversion of 60 Ha of forest land in Mahamaya & Dulki iron ore mining lease of Bhilai Steel Plant's mine was granted by MoEFCC on 7th August, 2015.



A batch of Management Trainee (Technical) at SAIL's Bhilai Steel Plant.



Hon'ble Minister of Steel, Chaudhary Birender Singh in a meeting with H.E.Kenji Hiramatsu, Ambassador of Japan to India. Among others, Steel Secretary, Ms. Aruna Sharma, Jt. Secretary (Steel) Shri Sunil Barthwal were also present.

- Stage-II forest clearance for diversion of 37.66 Ha of Jungle Jhar land for creating infrastructure for Gua capacity expansion project in Surface lease of Gua mine was granted by Regional office of MoEFCC on 4th March, 2016.

However, the Stage-II forest clearance for the Duargaiburu lease of Gua mine is yet to be granted by MoEFCC. In view of its criticality to the Gua capacity expansion project, the matter is being actively pursued at various levels in the Government.

In view of promulgation of MMDR Amendment Act, 2015, Order of Ministry of Mines, Government of India dated 6th February, 2015 regarding extension of leases period for Government Companies till 31st March, 2020, and Mineral (Mining by Government Company) Rules, 2015 dated 3rd December, 2015, following mining lease periods have been extended by respective State Governments:

- Government of Odisha vide Order dated 10th February, 2016 has extended the period of the original grant of mining lease of ML-139 of Barsua-Kalta to 50 years i.e. from 17.01.1975 to 16.01.2025
- Government of Odisha vide Order dated 14th March, 2016 also extended the validity period of the Purnapani Limestone & Dolomite mining lease from the date of expiry of the last validity period of lease up to 31st March, 2020.
- Government of Chhattisgarh vide Order dated 14th March, 2016 has extended the period of the original grant of mining lease of Kalwar-Nagur of Bhilai Steel Plant for 50 years i.e. from 01.04.1975 to 31.03.2025.

Under notified coal blocks for allotment to Government Companies, two coal blocks namely Sitanala and Parbatpur Coking Coal Mines have been allocated to SAIL and Agreements in this regard with the Nominated Authority for Sitanala and Parbatpur were signed on 31st August, 2015 and 26th October, 2015 respectively. Further, Allotment Orders for the Sitanala and Parbatpur Coking Coal Mines were issued by Nominated Authority, Ministry of Coal on 31st August, 2015 and 23rd March, 2016 respectively.

Sales & Marketing

In spite of the challenging market conditions, your Company achieved a total sales volume of 12.2 million tonnes during the Financial Year 2015-16, registering a growth of about 4% over the previous year. With regard to Dealer Sales, the best ever sales of 0.79 million tonnes were achieved during the Financial Year 2015-16, thereby registering a growth of 29% over such sales during 2014-15. Stainless Steel Cold Rolled Coils were exported to Brazil for the first time.

Your Company achieved highest ever sales of Plate Mill Plates of 1.79 million tonnes with a growth of 16% over previous year. Similarly, sales of Long Products also registered a growth of 21% with best ever sales of TMT & WRC at 1.68 million tonnes & 0.41 million tonnes respectively.

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 2015-16 and 2014-15 is given below:

(₹ Crore)

Particulars	2015-16	2014-15
Total Amount of Procurement	3211.93	3372.98
Total Procurement from MSE	677.53	737.60
%age Procurement from MSE	21.09	21.87

C. GROWTH PLAN AND MODERNISATION & EXPANSION PROGRAMME

Growth Plan

To maintain its current dominance in the domestic market and to meet the future challenges, your Company is working on a long term strategic plan 'Vision 2025', which will steer the Company towards a target of 50 million tonnes of Hot Metal capacity, thereby meeting the strategic objectives of maintaining leadership in Indian Steel sector and a position amongst the top Steel companies globally. The growth plan, besides targeting higher production, also addresses the need for eliminating technological obsolescence, achieving energy savings, enriching product-mix, reducing pollution, developing mines and collieries, introducing customer centric processes and developing matching infrastructure facilities.

Modernisation & Expansion Programme

Your Company is nearing towards the last leg of implementation of current phase of Modernisation & Expansion Programme. At present, the installed Hot Metal capacity of the Company is 19.73 million tonnes per annum and the envisaged Hot Metal capacity of 23.46 million tonnes per annum will be achieved in 2017.

During the Financial Year 2015-16, your Company has achieved many milestones. At Bokaro Steel Plant, Roughing Mill Up-gradation of Hot

Strip Mill has been completed and has become operational. At Durgapur Steel Plant, New Medium Structural Mill has become operational. At Bhilai Steel Plant, New Rail Welding Line is in operation and Hot trials in Universal Rail Mill have been carried out. A capital expenditure of ₹6,034 crore has been incurred during Financial Year 2015-16 and Capex planned for 2016-17 is ₹4,000 crore.

The details of Addition, Modification & Replacement (AMR) Schemes under implementation are given in the Management Discussion & Analysis (MD&A) Report, which is attached and forms part of the Annual Report.

D. 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, whose 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.

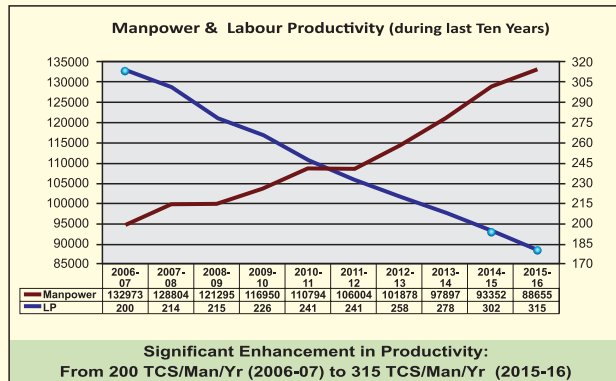
Enhanced Productivity with Rationalized Manpower

Your Company achieved the Labour Productivity (LP) of 315 TCS/Man/Year in 2015-16. The manpower strength of the Company as on 31st March, 2016 was 88,655 nos. with manpower rationalization of 4,697 nos. achieved during the year. The enhanced productivity with rationalized



Chairman SAIL, Shri P.K. Singh interacting with SAIL employees.

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 2006-07 onwards is depicted below:



Developing Employee Capabilities & Competencies

Your Company believes that training facilitates the development of employee's knowledge and skills so that the resultant growth 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, 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 was given a major thrust.

Overall 33,563 employees were trained against target of 31,049 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 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 maintaining a peaceful IR 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 a periodic basis and jointly evolve recommendations/ action plans for ensuring a safe and harmonious work culture, which gets substantiated from the harmonious Industrial Relations enjoyed over the years by SAIL Plants/Units, marked with diverse work culture at multi-locations.

In addition, Quality Circles, Suggestion Schemes, Shop Improvement Group workshops 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 CEO / Senior Officers' level involving structured discussion with large group of employees. These



The committed workforce at Sinter Plant of SAIL's Rourkela Steel Plant.

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

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

Against 7 staff grievances pending at the start of the year (i.e. as on 1.4.2015) and 416 staff grievances received during the year, SAIL disposed 422 staff grievances during the year 2015-16, achieving 99.76% fulfilment.

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 01/01/2007 was done in accordance with Presidential Directives dated 05/10/2009. As per this, variable pay in the form of Performance Related Pay (PRP) has been introduced for executives. The PRP is based on the performance / profitability of the Company as well as individual performance rating which is aligned to the organization's objectives. 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 01.07.2014, which resulted in pay revision of non-executive employees w.e.f. 01.01.2012. In terms of notification issued by the 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 on the remuneration of Directors and other prescribed details are not included in this Report.

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

Presidential Directives on Reservation for Scheduled Castes and Scheduled Tribes in Appointments in Public Enterprises continue to be implemented. As on 1.4.2016, out of total manpower of 88,655 nos., 14,454 belonged to SCs (16.30%), 12,587 belonged to STs (14.20%) and 10,768 belonged to OBCs (12.15%).

SAIL Plants and Units including Mines are situated in economically backward regions of the Country with predominant SC/ST population. Therefore, your Company 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 of over 84% of the total employees, are carried out mainly on regional level and hence a large number of SCs/STs and other weaker sections 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 employees.

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 the five integrated Steel Plant locations. The facilities provided include free education, mid-day meals, uniforms including shoes, text books, stationery items, school bag, water bottle 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, Burnpur (Gutgutpara) 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, textbooks, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, such as 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. It is ensured to keep minimum one SC/ST category member on every selection panel. 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.
- National Commission for Scheduled Tribes reviewed position of SAIL w.r.t. implementation of reservation policy and CSR schemes in respect of Scheduled Tribes on 2nd February, 2016 at New Delhi.



Employees having result-oriented discussions at Wheels & Axle plant of SAIL's Durgapur Steel Plant.

Hon'ble Chairperson, Dr. Rameshwar Oraon praised the efforts of SAIL towards rehabilitation of tribals and other schemes of SAIL.

Implementation of Right to Information Act, 2005

Your Company has been occupying a pioneer position in implementation of Right to Information (RTI) Act, 2005 in letter and spirit. The Company has designated Public Information Officers (PIO) / Assistant Public Information Officers and Appellate Authorities and Transparency Officer under Section 5 and Section 19(1) of RTI Act in each Plant and Unit for speedy redressal of the queries received under the Act. The provisions under the Act are being complied with by all the Plants and Units of the Company. All statutory reports including Annual Report are sent to Ministry of Steel, besides uploading on website of the Company- www.sail.co.in. 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 providing of information to the applicant.

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

Workshops on 'Obligation of Public Authorities under RTI Act, 2005' are being organised at Corporate Office/Plants/Units and a Information Commissioner has been present in most of these programs. Further, awareness programmes on RTI Act are also held at Plants/ Units including Corporate Office on a regular basis.

A total of 3758 applications and 639 appeals were received under RTI Act, during the Financial Year 2015-16, all of them have been disposed off within the stipulated time prescribed under the Act. 90 number of cases were taken up with the CIC and all of them 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. The Citizen's Charter of SAIL may be summarized in four objectives, as given below:

- Ensuring citizen-centric focus across all its processes by adopting Total Quality Management principles for improvement of products and services.
- 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 in place a system of Complaints Committees (under SAIL Conduct, Discipline and Appeal (CDA Rules, 1977)) in line with the requirements 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 this Policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

Number of complaints received : 5

Number of complaints disposed off : 4

E. AWARDS & ACCOLADES WON DURING THE YEAR

Company level

- Your Company has won 4 Prime Minister's Shram Awards (involving 23 employees) for the year 2014.
- Your Company has won 15 Vishwakarma Rashtriya Puraskar Awards (involving 86 employees) for the performance year 2013.
- Bhilai Steel Plant (BSP), bagged the Prime Minister's Trophy for the Best Performing Integrated Steel Plant in the Country for the year 2011-12, declared in 2014-15, for a record 11th time. Chairman, SAIL and Chief Executive Officer, BSP received the trophy from Hon'ble Prime Minister Shri Narendra Modi at Rourkela on 1st April, 2015.
- Your Company won Dainik Bhaskar India Pride Award 2015-16 under Corporate Social Responsibility award category.
- Your Company won CII-ITC Sustainability 2015 Award for 'Corporate Excellence - Commendation for Significant Achievement' in recognition of its exemplary performance and contribution in the economic, social and environmental segment.
- Your Company won India Today - MDRA CPSE Best HR Excellence Award - 2015.
- Your Company was awarded with the prestigious EEPC India National Awards for Engineering Export Excellence as the Star Performer for

the year 2013-14 in the Basic Iron and Steel - Large Enterprise product group category.

- Town Official Language Implementation Committee (PSU), Delhi under the Chairmanship of SAIL was been adjudged 3rd in Northern Region for commendable performance in implementing the Official Language Policy of the Union during the year 2014-15.
- Hindi in-house journal of SAIL 'Isbat Bhasha Bharti' bagged Shiromani Patrika Puraskar at town level.
- Your Company was conferred with the first award in the 12th National Award for Excellence in Cost Management 2014 under the category of Public Manufacturing Organization.
- Your Company was awarded India Pride Awards 2014-15 for Excellence in Environment Protection and Conservation by Dainik Bhaskar Group.
- Your Company won BT-STAR PSU Award 2015 for its R&D and innovations in the Category of Maharatna and Navratna PSUs.

Bhilai Steel Plant

- CREDA Energy Efficiency & Innovation Award for the year 2014-15 in the category of Integrated Steel Plants under Iron & Steel Sector in August, 2015 by Chhattisgarh State Renewable Energy Development Agency (CREDA)
- CII Exim Bank Award 2015 - 'PRIZE' for exceptional business excellence initiatives.
- Golden Peacock Environment Management Award 2015 in the category of Steel in July, 2015.
- NARAKAS, Bhilai-Durg bagged the Rajbhasha Kirti Puraskar in September, 2015.



Felicitations of proud recipients of Vishwakarma Rashtriya Puraskar winners - 86 out of total 132 awardees for the year 2013 (awarded in 2015) are from SAIL.



Dr. N. Mohapatra, Director (Personnel) receiving Dainik Bhaskar India Pride Award from Shri Venkaiah Naidu, Hon'ble Minister of Urban Development, Housing & Urban Poverty Alleviation & Parliamentary Affairs and Shri Radha Mohan Singh, Hon'ble Minister of Agriculture.

- Best Rajbhasha implementation award in Central Region for the third consecutive year in February, 2016.
- Businessworld HR Excellence Awards 2015 under award category of "Best Initiative for Connect with Family" in recognition of effective implementation of an Innovative workplace practice "Aap Bhi Janiye".

Durgapur Steel Plant

- Greentech Environment Award - Gold for the year 2014-15 by Greentech Foundation, New Delhi in November, 2015.
- CII Exim Bank Award 2015 - 'Commendation for significant achievement'.
- Greentech Safety Award 2015 - Certificate of Appreciation in Metal and Mining Sector for the year 2014 in recognition of Safety by Greentech Foundation.
- Greentech HR Award 2015 (Training Excellence) - Silver organized by Greentech Foundation, New Delhi.
- Ispat Suraksha Puraskar for No Fatal Accident in Rolling Mills during 2013 & 2014 by JCSSI.
- Srishti Good Green Governance Award 2015 - Certificate of Commendation in recognition of Environment for the year 2013-14 organized by Srishti Publications.

Rourkela Steel Plant

- CII National HR Excellence Award 2015-16 (Strong commitment to HR Excellence) on 15th February, 2016.
- 1st Prize in 'National Energy Conservation Award 2015' in Integrated Steel Plant sector for fiscal year 2014-15.

- 5th Annual Greentech CSR Award 2015 - Gold Award under the category Metal & Mining organized by Greentech Foundation in November, 2015.
- CII Exim Bank Award 2015 - 'Commendation for significant achievement'.
- OTV CSR Award in the Water and Sanitation Category for CSR initiatives in October, 2015.

Bokaro Steel Plant

- Green-Tech Award - 2015 to Environment Control Department of BSL from Greentech Foundation.
- CII Exim Bank Award 2015 - 'Commendation for significant achievement'.
- Greentech HR Award 2015 (Corporate Category of Training Excellence) - Gold organized by Greentech Foundation.

Alloy Steels Plant

- Green Tech Environment Award 2015 - Gold in Metal & Mining Sector for outstanding contribution in Environment Management from Greentech Foundation.
- Ispat Suraksha Puraskar 2015 for No Fatal Accidents for regular employees and contract labour separately.

Salem Steel Plant

- SSP won the Ispat Suraksha Puraskar - 2016 award under JCSSI for achieving "No Fatal Accident" during the calendar year 2015 for regular employees and contract labour separately.

- National Sustainability Award (First Prize) for the year 2014-15 from the Indian Institute of Metals, Kolkata in Secondary Steel Plants / Alloy Steel Plants category. SSP has achieved this award for the 18th time since inception.

Raw Materials Division

- Barsua Iron Mine bagged 1st Prize in "Installation & Use of Mineral Beneficiation Equipments including Crushing" & 2nd Prize in "Noise, Vibration & other Scientific Studies" in the category of fully Mechanized Mines in 17th Mines Environment and Mineral Conservation Week-2014-15 held on 17th May, 2015 at Puri, Odisha under the aegis of IBM, Bhubaneswar.
- The mines of RMD have won the following prizes in the Annual Safety Week-2015 celebrations:
- BOM - 1st Prize in Publicity & Propaganda, 1st Prize in Survey & Mining Software, 1st Prize in First Aid Trade Test, 1st Prize in Mechanical Trade Test, 2nd Prize in Illumination, 3rd Prize in General Working.
- GOM - 1st Prize in Mechanical Trade Test, 2nd Prize in Dozer Operator Trade Test, 2nd Prize in Survey & Scientific Study, 2nd Prize in Workshop Facilities, 2nd Prize in Statutory Provision & Compliances, 3rd Prize in Overall Performance, 3rd Prize in Publicity & Propaganda.
- BIM - 1st Prize in Workshop Facilities, 1st Prize in Poster, 1st Prize in Trade Test(Drill), 2nd Prize in Safe Handling of Explosives.
- KIOM - 2nd Prize in Plant & Equipment, 2nd Prize in First Aid Trade Test, 2nd Prize in Trade Test(Drill), 3rd Prize in Survey & Scientific Study, 3rd Prize in GVTC.
- MIOM - 1st Prize in Trade Test(Shovel), 3rd Prize in Safe Handling of Explosives, 3rd Prize in Mechanical Workshop.

Chandrapur Ferro Alloy Plant

- Ispat Suraksha Puraskar under Scheme-II & IV, Group-B (amongst Special Steel Plants) for achieving "No Fatal Accident" involving regular employees and contract labour separately during calendar years 2013 & 2014 from JCSSL.
- Ispat Suraksha Puraskar under Scheme II, Group - B (amongst Special Steel Plants) for achieving "NO FATAL ACCIDENT" during calendar years 2013 & 2014 from Joint Committee on Safety, Health & Environment in the Steel Industry.

Research & Development Centre for Iron & Steel

- The BT Star PSU for Excellence in Innovation (Tech/R&D) under category Maharatna & Navratna.
- 2nd Prize for "Best IT Practices of Govt. organizations for the citizens/ employees and students" in Digital India Week - 2015, Ranchi.

F. ENVIROMENT PROTECTION AND CONSERVATION

As a responsible Corporate Citizen, your Company is committed to improve its environmental footprint. With determined efforts, the Company has been able to achieve the best ever environmental performance indicators, during the Financial Year 2015-16. In addition, efforts for eco-restoration of mined-out areas, greening of warehouses and other environmental projects have yielded positive results.

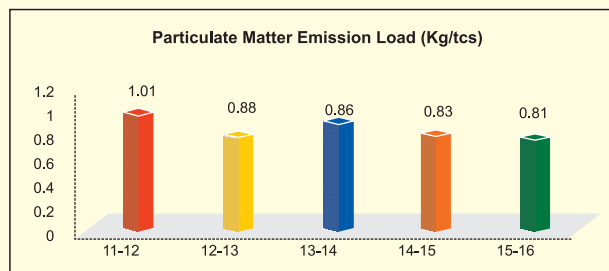
Corporate Environmental Vision, Policy and Responsibility

A comprehensive report on "Corporate Environmental Vision, Policy and Responsibility", conceptualised and recommended by the Board Sub Committee on Health, Safety and Environment, has been approved by

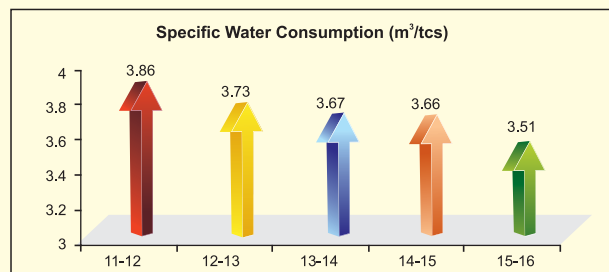
the Board of Directors in January 2016. As per the approved report, to achieve the objectives articulated under the strategic action points, Unit-wise action plans are to be prepared and implemented.

Improvement in Environmental Footprints and Operational Efficiency

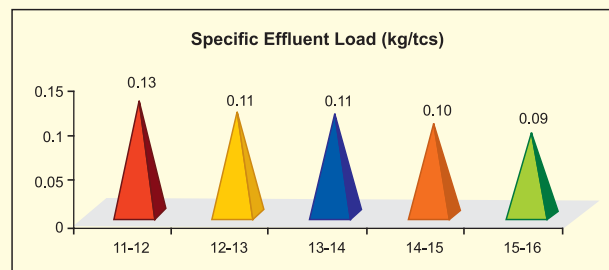
The Company's commitment to "comply with applicable environmental regulations and striving to go beyond", results from concerted efforts by the SAIL collective towards environmental stewardship and protection of the environment in and around its operating Units, leading to consistent improvement in the environmental indices over the years, are shown below:



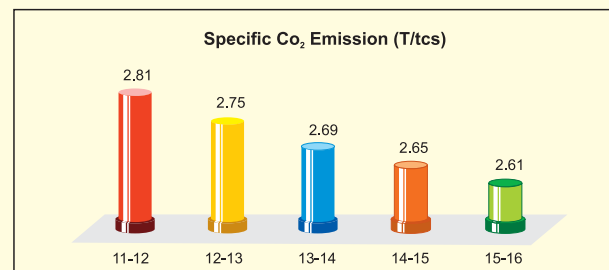
Particulate Matter (PM) Emission Load has reduced by more than 19% in the last five years.



Specific water consumption has reduced by more than 9% in the last five years.



Specific Effluent load has reduced by more than 30% in the last five years.



Specific CO₂ emission has reduced by more than 7% over the last five years.

Major Pollution Control facilities installed during the year

- Augmentation of ESPs with Boiler#1, 2 & 5 of the Power Plant-I at BSP.
- Sodium Hypochlorite dosing system at the BOD Plant outlet of DSP for further reduction of cyanide level.
- Cast House De-fuming system at BF#4 at RSP.
- Primary emission control facility with the Converter#5 of SMS-I at RSP.
- Revival of the existing dust extraction and dust suppression system of the Crushing & Screening Plants, both at Dalli (Mech) I/o Mine and Rajhara Mech I/o Mines. Dust Injection (CDI) facility at BF #2 and augmentation of CDI facility with BF-3, at DSP

New Initiatives

a. Use of Weathered LD Slag as Rail track Ballast

The physical properties of weathered LD slag (WLD Slag) meet the specification required for stone ballast for use as rail track ballast. In response to a proposal by the Company, South Eastern Railway (SER) has agreed to conduct field trials at the Bokaro Rail Yard with the weathered LD Slag from Bokaro Steel Plant. Field trials in association with SER has started from June 2015, at Ispat Nagar Railway Yard, Bokaro. Inspections of the track parameters are being carried out jointly by the representatives of SER and SAIL, on monthly basis, which shall continue for a total period of two years.

b. Use of BF-BOF slag as replacement of natural aggregates (Sand) in IS: 383

Through regular pursuance/follow-ups with the Bureau of Indian Standards (BIS), the relevant IS code (IS: 383) has now been amended (Amendment-III), as a result of which, iron and steel slag can now be utilised as a replacement of sand upto the extent as has been given in the amended IS code.

c. Bio-sequestration of CO₂

Job has been assigned to M/s. Tropical Forest Research Institute as the sequestration partner for the project being implemented at Rourkela Steel Plant. The following activities were completed during the Financial Year 2015 -16:

- Vegetation survey by laying quadrats in and around RSP and in nearby forests.
- Maintenance of plantation of twelve different selected tree species in the designated site for identification of high carbon sequestering species.
- Submission of Biodiversity report, Soil Organic Carbon report and Soil Characterisation report.

Scheduled completion of the project is by March 2019.

Use of Renewable Energy

RSP

- 1 MW Solar Power Plant has been commissioned. The Power Plant is connected with the electrical grid system of the State Electricity Board.
- 6 nos. solar water heating systems have been installed at the Rourkela House and action has been initiated for 90 more such heaters at the Ispat General Hospital.
- Two nos. of 5 KW capacity Solar Power Packs have been installed and installation of another seven nos. at various locations (inside and outside works premises) has been planned.

BSL

- A total of 65 nos. Solar Street Lights have been installed at various locations of the Plant.



Coir Mat with Grass Seedling at SAIL's MIOM Waste Dump. The mines of Raw Materials Division tirelessly work to maintain the forest ecology and environment which is essential for scientific and sustainable mining.

Environmental Management System (EMS) linked with ISO-14001:2004

Implementation of EMS, which is essentially a voluntary initiative, has become an effective tool in your Company towards protection of the environment. It has helped the Plants and the Mines to ensure that their performance remain within the regulatory requirements, and the ISO 14001 accredited Units have been able to minimise environmental liabilities, maximize the efficient use of resources, reduce wastes, build awareness of environmental concern among employees, improve environmental performance through more efficient operations and demonstrate a good corporate image.

During the Financial Year 2015-16, implementation of EMS-ISO 14001:2004 was completed at the following Plants/Units:

- Alloy Steels Plant, Durgapur
- CMO Warehouse at Durgapur

Sustainable Development Projects

Bio-diversity Conservation and CO₂ Sequestration at Bolani Ores Mine:

- Ecological restoration of 75 acres of de-graded landscape has been taken up through collaboration with the Delhi University and Ambedkar University, Delhi. During 2015-16 (till end of the assigned time period i.e., Oct. 2015), 65,000 saplings and 5,000 seeds of different native tree species were planted. Also more than 2,500 saplings of fruit yielding trees were planted to enrich the project site.
- Long term maintenance of ecologically restored 250 acres Lime Stone mined out area at Purnapani Lime Stone & Dolomite Quarry is a five year project started in Dec. 2014 towards sustainability of the restored ecosystems while providing ecological services and goods to the local communities.

Plantation

Extensive afforestation programme has been consistently followed in all the Plants and the Mines over the last few decades. The green belt developed by afforestation adds not only to aesthetic environment but also helps in watershed management, soil protection, erosion control and landslide stabilization. Around 4.67 lakhs saplings were planted in and around SAIL Plants and Mines during the year 2015-16, thus bringing to a total of more than 195 lakhs saplings since the initiation of such schemes.

Other Environmental Efforts

- Continuous Emission Monitoring System (CEMS) and Effluent Quality Monitoring System (EQMS) have been installed at all the integrated steel Plants, along with the facility for up-linking of the real time data for onward visibility by the Central Pollution Control Board (CPCB) and the respective State Pollution Control Boards (SPCBs).
- Corporate Sustainability Report, 2014-15 has been published as per GRI G4 Guidelines (New Guidelines of GRI) after having been confirmed by GRI to have successfully completed the GRI content index service and receiving the organisational mark of GRI.
- For conducting Environmental Compliance Audit cum Consultancy Service at BSP through an external agency, consultant has been selected during March, 2016. This effort is first of its kind to be implemented in an integrated steel Plant in India.
- SAIL is empanelled with the Delhi Pollution Control Committee (DPCC) for preparation of adequacy reports for pollution control devices. EMD inspected and prepared Adequacy Reports for four bus depots of Delhi Transport Corporation during the Financial Year 2015-16.

G. 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 through acquisition and development of new mines, diversifying in allied areas, R&D Master Plan and a Technology Plan. Such a strategy of investing in different areas will mitigate risk and help in maximizing returns.

Over a span of last few years, SAIL has formed Joint Venture companies in different areas viz. power generation, rail transportation, slag cement production, securing supplies of key input raw materials viz. coking coal (from indigenous as well as imported sources), etc. New joint venture in the area of production of specialized products to cater to automotive sector, etc. is being envisaged. The Strategic Initiatives taken by your Company include the following:

Ultra Mega Steel Project in Bastar Distt., Chhattisgarh : With the aim to develop large capacity mega steel projects in the Country, which would help India in achieving the capacity growth of 300 million tonnes of crude steel by 2025-26, Ministry of Steel has evolved a concept of developing Ultra Mega Steel Plants. SAIL is participating for setting up of an Ultra Mega Steel Plant of capacity (3+3) or (4+2) MTPA (million tonnes per annum) in Bastar, Chhattisgarh. An MoU to this effect was signed between SAIL, NMDC, Ministry of Steel and Government of Chhattisgarh in May 2015 at Dantewada in the presence of Hon'ble Prime Minister. Definitive Agreements amongst the Parties have been signed and action has been initiated for identification of suitable site for the project.

Development of Rail Corridor from Rowghat to Jagdalpur 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 and Government of Chhattisgarh in May 2015 for development of a rail corridor from Rowghat to Jagdalpur. The rail corridor with a proposed length of 140 kms would also pass through Narayanpur and Kondagaon in Chhattisgarh. A Shareholders Agreement (SHA) has been signed amongst the Parties in January 2016 and a joint venture company has been incorporated under the name "Bastar Railway Private Limited". Survey work and feasibility study for Railway line are being undertaken by IRCON.

Automotive steel joint venture in India: SAIL and ArcelorMittal are in discussions for exploring the possibility for setting up an automotive steel manufacturing facility under a Joint Venture (JV) arrangement in India. The two companies signed an MOU on May 22, 2015 to this effect. The proposed JV will construct a state-of-the-art Cold Rolling Mill (CRM) and other downstream finishing facilities in India which will offer technologically advanced steel products to India's rapidly growing automotive sector. The input material for the CRM would come from SAIL's new Hot Strip Mill being set up at Rourkela Steel Plant, with capacity of 3 Million Tonne Per Annum (MTPA). The annual capacity of the CRM is targeted at 1.5 MTPA. A task force comprising representatives from both SAIL and ArcelorMittal will be completing a Feasibility Study and Business Model as a part of comprehensive due diligence for the proposed JV.

Business Excellence Initiatives

Enterprise Scorecard

Fifth Enterprise Scorecard of SAIL was prepared for the Financial Year 2015-16 comprising of 74 Strategic Objectives; 13 in Financial Perspective, 9 in Customer Perspective, 29 in Internal Business Process Perspective and 23 in Organisational Capability Building Perspective. Enterprise Scorecard not only brings integration with Memorandum of Understanding with Government of India and Annual Business Plan of the Company, but also facilitates deployment of the strategy across organisation through Unit Scorecards and individual Scorecards of top three leadership levels.

Excellence Model

Your Company has adopted European Foundation of Quality Management (EFQM) Model which is implemented in India through CII-EXIM Bank Award for Business Excellence. Four Plants of your Company i.e., BSP, DSP, BSL and RSP participated in the process of CII-EXIM Bank Award for Business Excellence 2015. The highlight of this year is BSP crossing 600 Score and receiving PRIZE. Amongst PSUs, BSP is the second PSU Unit ever to achieve the Prize in 23 years of Award history. All other participating Plants i.e. DSP, RSP & BSL have scores of more than 500 and have received "Commendation Award for Significant Achievement". Further, all the four Plants have exhibited continuous improvement in nine Award criteria.

Total Quality Management (TQM)

Most of Plants/Units of your Company are certified to ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems. DSP & BSL have also implemented ISO 50000 (Energy Management System). DSP in addition has also implemented ISO 270000 (Information Security System). Some other Plants/Units have also started implementation of ISO 50000 & ISO 27000. Following Certifications were achieved during 2015-16:

- DSP - First SAIL Unit to achieve ISO : 50000 EnMS certification.
- ISO 14000 EMS & OHSAS 18000 at ASP
- ISO: 50000 EnMS at BSL

IT Related Initiatives

Your Company, being a progressive and vibrant organization, has always believed in keeping pace with the changing times. The old business models and overall business strategy are being redefined by moving ahead in innovative usage of Information Technology (IT).

With the objective of bringing in efficiency & transparency in operations of the Company, SAIL with its consistent efforts has been able to cover the entire spectrum of business operations under the sphere of Enterprise Resource Planning (ERP). Four Integrated Steel Plants at Bhilai, Durgapur, Bokaro and Rourkela and Central Marketing Organization have already implemented ERP and are reaping its benefits. ERP implementation at 5th

Integrated Steel Plant i.e. IISCO Steel Plant at Burnpur and at Corporate Office for data consolidation through integration of data of all Plants/Units is in progress. A comprehensive ERP Implementation Roadmap has been finalized for ERP implementation at other remaining Plants/Units.

The production data has its roots in the strong foundation of 'Manufacturing Execution Systems' (MES) which has benefitted the Plants in reducing steel defects, improving order delivery and complete synchronized data for analysis and optimum utilization of mills.

Hospital facility automation with web-based IT interface has been done for streamlining procurement of medicines, viewing of on-line patient medical history, prescription & lab test results.

Continuous efforts are being made for paperless working to promote 'Digital India Initiative'. Systems have been modified for generation of automatic SMS/e-mail facility for employees, customers & suppliers.

Currently, the Company is working on strengthening Network & Communication facilities through Video Conference for reduction in tour & travel expenses.

Corporate Communication

The Corporate communication activities for the year 2015 -16 have been centered on strengthening the image of 'Brand SAIL' wherein your Company employed strategic tools of communication while reaching out to stakeholders.

Your Company participated in a number of high profile events and exhibitions during the year which included; Make in India Summit, Indo African Summit, Indian Maritime Summit, Railway Summit, IITF 2015, Steel Mart 2015, Bhopal Vigyan Mela, India Industrial Fair, among others. These events generated business queries from India and abroad, which in future may lead to business opportunities for SAIL.

Media features in national and vernacular publications across India have helped in increasing your Company's visibility among stakeholders. The prestigious events - "Dedication to the Nation of the modernized & expanded Rourkela and IISCO Steel Plants by Hon'ble PM - Shri Narendra Modi have also accounted for tremendous media coverage for SAIL. Your



Hon'ble Union Minister of Steel, Chaudhary Birender Singh conferred SAIL logo on Rio Olympics Wrestler Yogeshwar Dutt, in New Delhi on July 15, 2016. Chairman SAIL, Shri P. K. Singh was also present on the occasion.

Company continued to attract attention and interest of international media such as Platts, metal bulletin, etc.

Your Company identified several sponsorship initiatives of various important events to enhance the image of SAIL brand and, association of SAIL brand with worthwhile causes in the interest of national and social development.

Advertisements released by your Company at Plants, Corporate Office and Central Marketing Organization during the year, have a special focus on SAIL's product portfolio. These advertisements were released in leading publications with high readership and circulation. Similarly radio jingles created by your Company also have a way of connecting deeply with core target audiences both in the rural and urban areas.

The Corporate Communications department also regularly holds internal communication exercises in order to convey thoughts, long term vision & strategy and expectations of the top management to employees present at various locations, down to the last man on the shop floor level. Face to face interactions, video conferences, in house television programmes, newsletters, e-portal, intranet web alerts, essay and slogan competition are some of the internal communication tools that your Company regularly utilizes to convey a message to personnel.

SAIL website has been revamped with a new layout and design-introducing theme based displays on the days of national and international importance. An interactive online 'order booking' feature engaging with the end user of steel has been added to the SAIL website. Additionally, your Company's foray into Digital and Social media has received widespread attention during the year. Special efforts have been undertaken to enhance SAIL's presence on sites such as Facebook, Twitter, Flickr and Slideshare. Other initiatives of communication of your Company during the year have been in line with various ongoing initiatives which include Swachh Bharat Abhiyan, Make in India, and Digital India.

H. 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 2015-16:

- To increase vigilance awareness amongst employees, vigilance awareness sessions and workshops were regularly held at various Plants and Units. A total of 141 workshops involving 2938 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 2765 periodic checks including file scrutiny and joint checks were conducted at different Plants / Units. A saving of approx. ₹ 10.12 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 Intensive Examination, high value procurement / contracts were scrutinized comprehensively and necessary recommendations were forwarded to concerned departments for implementing suggestions for improvement.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in all the Plants and Units during the

period 26.10.2015 to 31.10.2015, on the theme of "Preventive Vigilance as a tool of Good Governance".

- The following three (3) thrust areas were identified by SAIL Vigilance:
 - Scrutiny of files pertaining to high value projects undertaken at various Plants / Units, in line with the Guidelines of Chief Technical Examiner of CVC.
 - Scrutiny of the contracts awarded on single tender enquiry (proprietary purchase basis) of value more than Rs 5 lakhs
 - Surveillance in the areas of receipt, sampling & testing of high value raw materials
- Certain vulnerable points were identified in the Plants/Units such as weigh bridges, dispatch and unloading points, entry and exit points for personnel and goods, places of chemical analysis of received materials, etc. To monitor these areas closely, CCTV and allied data recording systems have been installed at these places which would help in curbing illegal activities at the above vulnerable points.
- After incorporating the suggestions of Vigilance amongst others and vetting by SAIL Vigilance, revised Recruitment Policy & Recruitment Manual was issued on 12.05.2015.
- '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.

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 the Annual Report.

AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2016 along with Management's replies thereon is placed at **Annexure-I**. The Comments of Comptroller and Auditor General of India (C&AG) on the accounts of the Company for the Financial Year ended 31st March, 2016 under section 143(6) of the Companies Act, 2013 and the Managements replies thereto are placed at **Annexure-II**.

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 2016-17.

SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have 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, 2016. Secretarial Audit Report is placed at **Annexure-III**.

With regard to the observation of the Secretarial Auditor that composition of the Board of Directors of the Company was not in compliance with Regulation 17(1) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49(II) (A) & (B) of the Listing Agreement) and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Enterprises, 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.

CORPORATE GOVERNANCE

In terms of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and Auditors' Certificate thereon form part of the Annual 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 the 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 wholly owned subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL has taken over the Salem Refractory Unit of Burn Standard Company Limited on 16th December, 2011 and is operating the same. 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 are yet to commence operations pending relevant approvals. 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 of the subsidiary companies concerned during the office hours between 11 AM to 1 PM. A hard copy of the details of accounts of subsidiaries shall be furnished to the shareholders on receipt of written request.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129 (3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements are placed at **Annexure-IV**. The Statutory Auditors' Report on the Consolidated Financial Statements along with the Management's replies thereon is placed

at **Annexure-V**. The Comments of Comptroller and Auditor General of India (C&AG) on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 and the Management's replies thereto are placed at **Annexure-VI**. Further, the statement containing salient features of the financial statements of the subsidiary, joint venture and associate companies in the prescribed Form AOC-I is placed at **Annexure -VII**.

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-VIII**.

BOARD MEETINGS

During the year, 12 meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report forming part of the Annual 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 included in the Corporate Governance Report.

INTERNAL FINANCIAL CONTROLS (IFCs) 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, in order to enable the Statutory Auditors of the Company to report on adequacy of IFCs as per the Companies Act, 2013, the Company has engaged M/s Grant Thornton India LLP to study the existing framework of IFCs in the Company and suggest improvement thereon and design a suitable framework for IFCs covering Financial Reporting and Operational Controls.

First phase of exercise involving Financial and Financial Reporting Controls including Test of Design and Test of Operating Effectiveness was taken up in Feb, 2016 and has been successfully completed by the Consultant in March, 2016. Based on the control gaps emerging from Test of Design and Test of Operating Effectiveness, the Management has initiated the remedial measures.

Similarly, the Operational Control reporting exercise has been taken up in the second phase starting from June, 2016, which, inter alia, covers review of operational sub areas within the processes viz. Fixed Assets Management, Financial Reporting, Inventory Management, Order to Cash, Procurement to Pay, HR & Payrolls, Project & Capital Expenditure, Cash Management, Production, Shipping & Logistics, Operations and Quality Assurance, Safety, Security and Environment. Based on the control gaps, mitigation plan will be drawn by the respective Plant/Unit for remediation.

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

The details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2016 are given in **Annexure-IX** in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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 2015-16, 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.

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-X** to this Report.

RISK MANAGEMENT POLICY

Your Company is conscious and sensitive to the challenges posed to its business by the events unfolding in global and domestic business environment including competitors which could give rise to substantive risks. With this in view, the Company has instituted a robust Enterprise Risk Management (ERM) System to help the organization to efficiently manage risk, sustain growth and create value for the stakeholders. The Risk Management Policy of SAIL was approved by the Board in August 2009 and since then the risk management has matured in SAIL. The Policy provides guidance for the management of the business risks across SAIL. 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 of a well- designed multilayered organization structure, with

each Plant/Unit having its perceived Risks which are under the constant monitoring of Risk Owners / Risk Champions who frame and implement the mitigation strategy and take it to its logical conclusion. Risk Management Committee (RMC) of the Plants/Units chaired by the Head of the Plant /Unit, periodically reviews the risks and its mitigation status and reports the same to Chief Risk Officer (CRO) of SAIL.

Due to the changing operational requirements and greater emphasis on ERM outlined in the Companies Act, 2013 and SEBI Regulations and in accordance with the SEBI Regulations, a SAIL Risk Management Committee (SRMC) has been constituted. SRMC oversees the Risk Management function in SAIL by addressing issues pertaining to the policy formulation as well as evaluation of risk management function to assess its continuing effectiveness. It also assists the Board in framing and monitoring risk management systems for the Company and guiding the Risk Policy. It is a high level committee Chaired by Chairman Audit Committee and has Independent Directors, Functional Directors, and CEOs of some Integrated Plants as its Members.

Key risks at Company level and their mitigation plans have been presented to the Board. These risks along with mitigation plans are continuously reviewed and monitored by Risk Management Committees at Plant/Unit level. Communication is being maintained across the organization regarding Risks and a suitable Risk Response to mitigate the risk.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 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.

CSR initiatives of your Company have always been undertaken in conformity to the prevalent guiding principles issued by Government like applicable DPE Guidelines, Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. SAIL's CSR projects are carried out in and around steel townships, mines and far flung locations across the Country in the areas of education, providing 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 Corporate Social Responsibility (CSR) initiatives taken by the Company along with the Report on CSR in prescribed format are placed at **Annexure-XI**. The CSR Policy of the Company is available on SAIL website-www.sail.co.in.

Swachha Bharat Abhiyaan-Swachha Vidhyalaya Abhiyaan: Your Company has been actively participating in the "Swachh Bharat Abhiyan" initiated by the Hon'ble Prime Minister of India. Under the campaign, construction of 672 toilets falling within the periphery of its Plants & Mines in the States of Chhattisgarh, West Bengal, Odisha, Jharkhand, Madhya Pradesh and Tamil Nadu, as allocated to SAIL by Ministry of HRD, were undertaken and completed. Facilities like squatting units, urinals, washbasin and overhead water storage have been provided. Apart from toilet construction, cleanliness campaigns have been undertaken all across the Organisation. Cleanliness drive is going on at various locations including the works premises, awareness campaigns are being run and proper house-keeping is being practiced throughout the Company.

Healthcare: SAIL's extensive and specialised healthcare infrastructure provided specialized and basic healthcare to 96 lakh people living in the



Kiran - thread preparation by Weaker Section of women under self-employment generation scheme of SAIL.

vicinity of its Plants and Units during the period 2011-16. Surgeries like Cataract and lens implant, cleft lip and palate disorder, polio-leg correction, etc. are conducted. Treatment of hearing impaired, anemia and identification & counseling of Sickle cell & Thalassemia patients, women with gynecological disorders, leprosy & tuberculosis patients is provided free of cost.

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 year 2015-16, more than 3800 Health Camps have been organized benefitting over 97,000 villagers. 36 Mobile Medical Units running in the Plant's peripheries have benefitted around one lakh villagers at their doorsteps.

24 exclusive Health Centers at Plants are providing free medical care and medicines to around 100,000 poor and needy beneficiaries every year. During 2015-16, more than 1.32 lakh villagers have availed free healthcare at these Health Centers.

Education: To develop the society through education, your Company is supporting over 145 schools in the steel townships to provide modern education to more than 55,000 children and is assisting over 636 Government schools in Bhilai and Rourkela with about 75,000 students by providing Mid-day meals in association with Akshya Patra Foundation. 21 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting over 3600 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 in some cases. 335 number of Tribal children are getting free Education, Accommodation, Meals & Uniforms, textbooks, etc. at Saranda Suvan Chhatravas, Kiriburu; RTC Residential Public School, Manoharpur; Gyanodaya Chhatravas, BSP School Rajhara, Bhilai; Kalinga Institute of Social Sciences, Bhubaneswar; Gyanjyoti Yojna, Bokaro.

Over 2100 school students have been awarded annual scholarships in Plant peripheries.

Bokaro Steel Plant has introduced "Gyan Jyoti Yojana" scheme for providing education and holistic development for the children of Birhor tribe, which

is at the verge of extinction. 15 Birhor children were adopted and provided free education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere. They are the first Matriculates and 12th pass from their community. Inspired from their achievements, another batch of 15 new Birhor children have been adopted, who are all set to begin their life in new surroundings. For Skill Development and better employability, 9 Matriculate Birhor Boys adopted under Gyan Jyoti Yojana have been sponsored for ITI training in "Welder trade" along with stipend of ₹2500/- each, accommodation and food facility at Bokaro Pvt. ITI.

Women Empowerment & Sustainable Income Generation: Vocational and specialised skill development training targeted towards sustainable income generation has been provided during the year 2015-16 to 947 youths and 1785 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. These activities are being carried out at various centres located in and around the Plants/Mines locations. Your Company is also instrumental in marketing of the products manufactured at such centres.

Infrastructure Development in Rural Areas: Over 77.84 lakh people across 435 villages have been connected to mainstream by your Company since its inception by constructing and repairing of roads. It has installed over 7907 water sources during last four years thereby enabling easy access to drinking water to over 45.96 lakh people living in far-flung areas.

Environment Conservation: To promote renewable sources of energy, Solar street lights have been installed in rural areas, Solar Lanterns and smokeless chullahs have been distributed among the rural people of Saranda and other locations. Maintenance of parks, water bodies and botanical gardens in its townships and plantation & maintenance of over 3.85 lakh trees at various locations has also been undertaken. Further, your Company has also supported setting up and operation of 100 KW Capacity Solar Power Plant at Jari, Gumla in Jharkhand.

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 centers at Plants 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" and "Durgapur Handicapped Happy Home" at Durgapur, "Cheshire Home" at Burnpur. Support has also been provided to NGOs 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. Besides, your Company has also adopted, developed and is maintaining a Lepers Colony at Kajora through Durgapur Steel Plant wherein all the social and infrastructure facilities have been maintained.

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), Rourkela (Hockey) - with world class astro-turf ground, Bhilai (Athletics for boys), Durgapur (Athletics for girls) and Kiriburu, Jharkhand (Archery). Musical Instruments were distributed in 6 Peripheral Villages of Gua (Lipunga, Thakura, Guasai, Baihatu, Jojogutu & Rajabera) to improve the Tribal Culture in Villages. Cultural events like Chhattisgarh Lok Kala Mahotsav, Gramin Lokotsav are organised every year. Conservation and maintenance of National heritage sites such as 5 monuments in the Lodhi Garden at New Delhi, "Ved-vyas" of Mahabharat fame historical site in Rourkela, etc. are supported by your Company.

Disaster Relief: SAIL, as a responsible corporate citizen, supported the rehabilitation initiatives for the people affected by Natural Calamities, like flood ravaged in Jammu & Kashmir, Phyllin cyclone in Odisha, Flash Floods in Uttarakhand, etc.

Saranda Forest Development: In an effort to bring the marginalized masses of the remote forest areas to the mainstream of development, your Company in association with Government of Jharkhand and Ministry of Rural Development, Government of India actively participated in the development process of Saranda forest, Jharkhand. SAIL provided ambulances, 7000 each of bicycles, transistors, solar lanterns and established an Integrated Development Centre (IDC) at Digha village in Saranda forest. IDC comprises of facilities like Bank, Panchayat Office, Ration shop, Telecom office, Anganwadi Centre, Meeting room, etc. for the local populace.

Model Steel Villages: In order to bridge the gap between rural and urban areas and to provide comprehensive development of both physical and social infrastructure, 79 villages were identified as "Model Steel Villages" (MSV) across the Country (in eight States). The developmental activities undertaken in these villages include medical & health services, education, roads & connectivity, sanitation, community centers, livelihood generation, sports facilities, etc. The facilities developed at these MSVs are being run and maintained regularly.

SAIL's efforts as a responsible corporate citizen in Nation building have been recognized by various organizations in the form of awards and accolades during the year such as Dainik Bhaskar India Pride Award for CSR 'Greentech Gold Award for CSR-2015' for Durgapur and Rourkela Steel Plants, etc.

GENERAL DISCLOSURES

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

- 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.

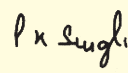
DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Shri C.S.Verma ceased to be Chairman of the Company w.e.f. 10th June, 2015(A/N).
- Shri Rakesh Singh, Secretary to the Government of India, Ministry of Steel assumed Additional Charge as Chairman of the Company from 11th June, 2015 to 30th September, 2015(A/N).
- Dr. Anup K. Pujari, Secretary to the Government of India, Ministry of MSME assumed Additional Charge as Chairman of the Company from 1st October, 2015 to 10th December, 2015 (F/N).
- Shri P.K. Singh, has been appointed as Chairman of the Company w.e.f. 10.12.2015(F/N).
- Shri T.S. Suresh ceased to be Director of the Company w.e.f. 31.05.2015(A/N).
- Shri P.K. Das, Prof. Ashok Gupta, Shri Parmod Bindal and Mrs. Anshu Vaish have been appointed as Independent Directors w.e.f. 18.11.2015.
- Dr. N. Mohapatra has been appointed as Director w.e.f. 27.11.2015 (F/N).
- Shri G. Vishwakarma has been appointed as Director w.e.f. 31.12.2015(F/N).
- Shri S.S. Mohanty ceased to be Director w.e.f. 30.06.2016(A/N).
- Shri Raman has been appointed as Director w.e.f. 01.07.2016(F/N).
- Dr. Atmanand and Shri J.M. Mauskar, Independent Directors have ceased to be Directors w.e.f. 18th July, 2016 on completion of their tenure.
- Government of India has extended the tenure of Shri A.K. Chaudhary, Director (Finance) beyond 31st August, 2016 till 31st December, 2020 i.e. the date of his superannuation or until further orders, whichever is the earliest.

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


(P.K. Singh)
Chairman

Place: New Delhi
Dated: 11th August, 2016

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 economy output grew by 3.1% in 2015, as estimated by IMF in its April, 2016 World Economic Outlook update. The growth was driven largely by emerging market and developing economies that grew by an estimated 4.0%, while advanced economies registered a growth of 1.9%. Global outlook continues to be impacted by the slowdown and rebalancing of the Chinese economy, lower commodity prices (oil prices decreased further by around 30% during the second half of 2015-16), and the gradual tightening of monetary policy in the United States.

For 2016, IMF forecasts world output growth to remain stable at around 3.2 %, and pick up to 3.5% in 2017. This projected growth, albeit modest, is contingent on growth in emerging market and developing economies, as growth in advanced economies is expected to remain modest. Growth in emerging market and developing economies is projected to increase marginally to around 4.1% in 2016, with India expected to grow by 7.5% while growth in China is expected to fall to 6.5%. On the other hand, growth in advanced economies in 2016 is expected to remain stagnant at 1.9%.

World Steel Scenario

In 2015, World Crude Steel production stood at 1,623 million tonnes, a decline of 2.8% vis-à-vis 2014, as estimated by World Steel

Association (WSA). All major steel producing countries witnessed a decline in Crude Steel output, except India which registered a 2.6% increase in its Crude Steel output for the calendar year 2015. India produced about 90 million tonnes of Crude Steel in 2015 to rise to the third rank amongst top steel producing countries, displacing United States which saw a 10.5% decline in Crude Steel output.

China continues to dominate Global Crude Steel production accounting for almost 50% of total production. In 2015, China produced 804 million tonnes of Crude Steel, down by 2.3% as compared to 2014. For Asia as a whole, total Crude Steel production in 2015 stood at 1,114 million tonnes.

WSA has forecast that Global steel demand will decrease by 0.8% to 1,488 MT in 2016 following a contraction of 3.0% in 2015. In 2017, it is forecast that World steel demand will return to growth of 0.4% and will reach 1,494 MT.

Indian Economic Environment

The Indian Economy had registered a growth of 7.2% in 2014-15 according to First Revised Estimates published by the Central Statistical Organisation. The growth momentum has continued in the current fiscal with the economy registering growth of 7.6% during Financial Year 2015-16.

Growth in the Index of Industrial Production (IIP) is estimated at 2.4% for the period April-March, 2015-16, over the same period of last year. The Indices of Industrial Production for the Mining and Manufacturing have both shown growth of 2.2% and 2.0% respectively in the April-March 2015-16 period over CPLY. Consumer Durables have grown by



SAIL's modern Stock Yard at Jaipur - continuously focussing on developing fatigue free surrounding for proper storage and ease of handling materials thereby enhancing customer satisfaction.

11.2%, while Capital Goods has shrunk by 2.9% during April-March 2015-16 period.

India's growth trajectory is expected to benefit from the Government's commitment to reforms. IMF, in its latest outlook in April, 2016, has estimated India's economic growth for the calendar year 2015 at 7.3 percent and projects a 7.5 percent growth in 2016 & 2017. A growth rate of 7.6% has been projected overall for Financial Year 2015-16 in the Economic Survey 2015 by the Govt. of India.

Indian Steel Scenario

During 2015, India overtook USA to emerge as the 3rd largest producer of Crude Steel after China & Japan (World Steel Association). During April-March 2015-16, Crude Steel production was reported at 89.3 million tonnes, growth of about 0.4 % over the same period last year. However, Finished Steel production registered a decline of 1.1% during Financial Year 2015-16. Import of total finished steel was at 11.2 million tonnes in Financial Year 2015-16 and saw a growth of 20.2 % compared to same period of last year.

India's consumption of total Finished Steel grew by 4.3 % in Financial Year 2015-16 compared to same period of last year. However, such growth was mostly catered to by imports given that production for sale was down by 1.1% during this period.

In February 2016, the Government has imposed the Minimum Import Price (MIP) condition on imports of 173 steel items. The MIP conditions laid down in the Notification are valid for six months from the date of notification or until further orders, whichever is earlier. The notification covers all major flat and long steel products. Further, in March 2016, the Government has extended the Safeguard Duty on HRC imports that was placed in September 2015, till March 2018. However, the Duty would be reduced to 10% in stages over the next two years. It is largely believed that the cumulative impact of these recent and other existing policy measures would lead to further reduction in imports into the Country in the coming days. Further, during April, 2016, the Government of India has initiated Countervailing Duty/Anti-subsidy investigation on imports of certain "Hot Rolled and Cold Rolled Stainless Steel Flat Products" from China.

With the Government's focus on manufacturing and industry coupled with spending on infrastructure (roads, rail and ports, etc.), the demand for steel is going to increase in the coming years.

B. OPPORTUNITIES & THREATS FOR SAIL

Opportunities:

- With an accelerated push from the policies proposed by the Government regarding steel intensive segments such as infrastructure, capital goods and construction, India is all set to become the 2nd largest steel consumer in the World in the coming years.
- High export potential for markets of Middle East, South East Asia.
- Potential for improving product quality and reducing cost through operational efficiency and utilization of the modernized units.

Threats

- Dumping of steel from abroad and increased competition from domestic and international steel companies.
- Cheap sourcing of steel from countries with whom India has Free Trade Agreement(FTA).

C. RISKS AND CONCERNS

- The Indian Metals and Mining Sector has been impacted by the ongoing crisis and is facing a multitude of challenges like tightened liquidity position, leveraged balance sheets, surge in imports and declining sales realization. SAIL's profits have been impacted due to lower NSR of products, higher Royalty rate on Iron Ore, depressed domestic demand and a surge in imports which has gained market share at the expense of domestic producers.
- Internally, there have been deficiencies in the form of delays in the

ramping up of production, due to initial stabilization factors. Further, higher capital related charges on account of incremental Depreciation and Interest related charges of new facilities have also increased expenses.

- Lease extension Orders for six sub-judice iron ore leases in Jharkhand are awaited. Also, lease extension Orders for two iron ore and one bauxite mining leases in Odisha are awaited.
- In view of revised Guidelines dated 1.4.2015, issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, there is a requirement of payment of NPV (about ₹1100 crore) for entire forest land within mining lease area by 30th September, 2016 as per the revised date. The matter has been taken up with MoEFCC, Gol for exemption to SAIL, being a Government Company.
- With the enactment of MMDR Amendment Act, 2015 and Mineral (Mining by Government Company) Rules, 2015, the lease period of the Government companies has been defined. Execution of the mining lease deeds for the extended period may have concerns on account of interpretation of the amended Act and Rules by the concerned State Governments.
- MoEFCC Guidelines dated 10th March, 2015 stipulate fresh approval to be obtained for areas which were or are recorded as 'forest' in Government records on or after enactment of Forest Conservation Act, but while processing the proposals were treated as 'non forest'. With these Guidelines, mining operations at two of the leases at Bolani iron ore mine may get affected. Timeline for implementation of the Guidelines has been extended by six months i.e. upto 30.09.2016 provided the State Government submits proposal to MoEFCC by 30.06.2016, failing which mining in such broken up forest areas will be discontinued.
- After signing of Allotment Agreement with strict "Efficiency Parameters" on 26.10.2015, Allotment Order for the Parbatpur Coal Mine was issued by Ministry of Coal on 23.03.2016. Non compliance of the Efficiency Parameters may lead to encashment of the Bank Guarantee and even de-allocation of the coal mine.

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

- With ~14 million tonne Crude Steel production and ~ 16 million tonne Hot Metal, SAIL continues to be the leading steel producer of the Nation.
- Multi located production units give us an edge over other domestic steel players.
- Reasonably modernised Units after completion of the on-going modernisation and expansion.
- Well established nationwide marketing and distribution network helps in enhancing the reach of SAIL products all across the Country.
- Most diverse product range offered by any domestic steel company.

- Availability of land bank at existing Plant/Unit locations for future brown-field expansion.
- Input security - 100 per cent integration in iron-ore.
- Large skilled manpower with highly qualified professionals with experience in steel making is a source of strength.

Weaknesses

- Dependence on external sources for key input - coking coal leads to exposure of the Company to the market risk.
- Newly commissioned large volume blast furnaces are more demanding with respect to raw material quality and consistency. To address this issue, higher percentage of prepared burden with increased proportion of pellets is planned.
- High manpower cost and relatively low manpower productivity.
- Currently, around 25% of the products are in the form of semi-finished steel, resulting in lower value addition to the product portfolio. The share of semis is being targeted to be brought down by increasing the output from new rolling mills.
- Adverse employee age-mix, with the average age of 46.4 years as on 31.03.2016 is an area of concern. Skilled and competent manpower is being inducted for improving the manpower mix (age & qualification).

F. REVIEW OF FINANCIAL PERFORMANCE

I. FINANCIAL OVERVIEW OF SAIL

SAIL achieved sales turnover of ₹43,337 crore during the Financial Year 2015-16, which was lower by 14% over last year's turnover of ₹50,627 crore. During the Financial Year 2015-16, there was Loss after Tax of ₹4,137 crore as compared to Profit after Tax of ₹2,093 crore during the last year. The comparative performance of major financial parameters during the Financial Years 2015-16 and 2014-15 is given below:

(₹ crore)		
Particulars	2015-16	2014-15
Sales Turnover	43336.99	50626.65
Profit before interest, depreciation, exceptional items and tax (EBIDTA)	-3052.15	5586.42
Less: Interest and Finance Charges	2046.75	1454.23
Less: Depreciation	2099.54	1773.28
Profit (+) / Loss (-) before Tax	-7198.44	2358.91
Less: Provision for Taxation	-3061.18	266.23
Profit before Tax (PBT) after Exceptional Items	-4137.26	2092.68
Dividend (as a % of Equity) :		
Interim Dividend (%)	-	17.50
Final Dividend (%)	-	2.50
Net-worth	39281	43505
EBIDTA to Net sales (%)	-7.9	12.4
Return (PAT) on Net worth (%)	-10.5	4.8
EBIDTA to Average Capital Employed (%)	-6.4	12.9
Earning per share of Rupee 10/- each	-10.0	5.1
Debt-equity Ratio	0.85:1	0.69:1

In the current Financial Year, the profitability of your Company has been adversely affected by lower Saleable Steel production on account of adverse market conditions, lower net sales realisation, and adverse financial impact of contribution to District Mineral Foundation and National Mineral Exploration Trust w.e.f. 12th January, 2015, higher usage of imported coal in the blend due to lower availability of indigenous coal, lower usage of CDI, higher salaries and wages, higher repairs & maintenance, security expenses, higher interest charges and reduction in interest earning on term deposits and higher depreciation due to capitalisation of new facilities. The adverse impact has partially been offset by higher sales volume and lower coal prices, reduction in coke rate, reduction in demurrage expenses, reduction in price of ferro alloys, etc.

I.2 Initiatives taken by the SAIL Management

I.2.1 Turnaround Plan

The Company's performance has come under considerable stress from the second quarter of 2015-16 triggered by unfavourable business environment. A combination of external and internal factors has led to the financials of the Company coming under acute strain.

SAIL has initiated a 'Turnaround Plan' for improving the Company's performance and recouping its financial health. The Plan focuses on optimizing production and sales volume, while reducing in-process inventory and minimizing production from inefficient routes. Enhancing operational and techno-economic efficiency, product mix enrichment and stabilization of production from new facilities are other key areas identified in the Turnaround Plan along with measures for cost reduction and expenditure control for managing the critical area of liquidity.

I.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.
- Savings in centrally purchased items, reduction in ocean freight, higher washed coal dispatches from SAIL collieries and usage of imported limestone reduced procurement cost for SAIL.
- Further, with a view to rationalise manpower, Voluntary Retirement Scheme was implemented w.e.f. 1st May, 2016 to 30th June, 2016 through which 1038 employees have separated.

I.2.3 Marketing

Number of initiatives were taken during 2015-16 for improving customer satisfaction and strengthening our position in the steel market, some of which are as under:

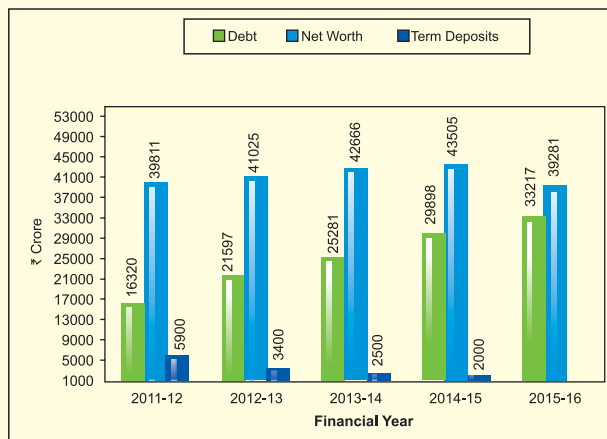
- Intensive efforts were made to promote products from new mills at ISP, DSP, BSL and RSP. Segment specific meets were organized for prospective customers with cross functional teams of executives from Plants, marketing, etc. to engage with them about new mills commissioned as part of SAIL's ongoing expansion and modernization plan. Technical presentations were made about products from these mills like plates from New Plate Mill at RSP, structurals from DSP and ISP, Seismic resistant TMT bars from BSP/DSP, CR from BSL, etc. Visits were made to customers' premises for better understanding of their requirements/end use and Plant visits for customers were also organised for their understanding of our production and testing facilities.

- Product development has been a continuous endeavour at SAIL for meeting specific application requirement of our customers. 24 new products were developed during 2015-16 for a wide variety of applications. Some of the products developed are as under:

- ❖ ASTM A 387 Gr. I I Cl. 2 Plates for boilers and pressure vessels.
- ❖ IS 2062 E 450 Thicker Plates (70 & 80 mm) with Z directional properties for offshore structures.
- ❖ DMR 249 BK Q&T Plates for Naval warship vessels.
- ❖ High Tensile Plates with Z Directional properties for Wind Mill Components and for Railway bridges.
- ❖ IS 2062 E 410C PM Plates for construction.
- ❖ IS 2062 E 350 BR (non micro alloy) grade Plates for auto components.
- ❖ Parallel Flange Beam (IPE 300) & Narrow Parallel Flange Beam (NPB 100) for construction sector.
- ❖ Boiler quality thick plates (140mm) for Boilers and Pressure vehicles.
- WAP-5 Locomotive wheel for passenger trains has been developed as an import substitution product for Indian Railways and 48 nos. of wheels have been supplied to CLVV, Chittaranjan in 2015-16.
- While the Service Centre facilities at Jamshedpur have commenced operations, the service centre facility at Faridabad is at an advanced stage of rolling out production.
- Durgapur warehouse of CMO has been accredited with ISO:14001 during 2015-16 as per the norms of the Environment Management Systems (EMS) taking the total number of green SAIL warehouses to nine.
- SAIL has the largest marketing network among all steel producers in the Country. As on 1st April, 2016, SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 10 active Customer Contact Offices, 25 Departmental Warehouses and 21 functional Consignment Agency yards. In addition, marketing effort is supplemented by a strong dealer network of 2172 dealers spread across the Country with 170 dealers being appointed during the year 2015-16. The huge network spread across the Country helps in meeting requirements of a wide range of customers across the Country.

1.3 Funds Management

During the year, the Company continued its thrust on better funds management. The high cost short-term loans were replaced with low cost debts. Also, the Company earned interest of ₹182 crore through short-term deposits with scheduled banks which have been liquidated during the year. The total borrowings at ₹33,217 crore as on 31st March, 2016 increased by ₹3,319 crore as compared to CPLY. The Company hedged the foreign currency risk on Buyers' Credit availed during the year. M/s India Ratings & Research Pvt. Ltd; M/s CARE and M/s Brickwork Ratings, RBI approved credit rating agencies assigned "IND AA Negative Outlook", "CAREAA+" ratings and BWR AA+ Outlook Stable respectively, to SAIL's long-term borrowing programme. The trend of borrowings, net worth and term deposits is given as under:



1.4 Contribution to SAIL Gratuity Trust

The total contribution made by the Company to SAIL Gratuity Trust upto 31.03.2016 was ₹3,349.09 crore. The fund size has grown to ₹5,494.67 crore as on 31.03.2016, net of settlement done towards payment of Gratuity.

2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

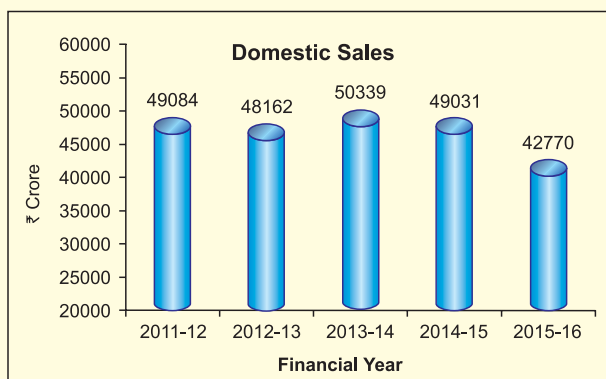
2.1 Revenue from Operations

a) Sale of Products

(₹ crore)

Particulars	FY 2015-16	FY 2014-15	Change %
Sales of Saleable Steel Products	40922.45	48343.78	-15.3
Sales of Other Products	2414.54	2282.87	5.7
Total Sales Turnover	43336.99	50626.65	-14.3
Less: Excise Duty	4823.29	5418.60	-10.9
Net Sales Turnover	38513.70	45208.05	-14.8

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, Structurals, 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 2015-16 is given as under:

Products Category	% of Sales value
Saleable Steel:	
Flat Products (including Pipes & Electrical sheets) (a)	46
Long Products (b)	43
Integrated Steel Plants - Mild Steel (c = a + b)	89
Alloy & Special Steel Plants - Alloy & Special Steel (d)	5
Total Saleable Steel (e = c + d)	94
Secondary Products (Pig Iron, Scrap, Coal Chemicals, etc.) (f)	6
Total (g = e + f)	100

c) Sale of Services - Service Charges

(₹ crore)

FY 2015-16	FY 2014-15	Change %
33.90	24.11	40.6

Revenue from sale of services increased by about ₹10 crore during the current year.

d) Other Operating Revenues

(₹ crore)

FY 2015-16	FY 2014-15	Change %
538.64	498.20	8.1

Other operating revenues increased by about ₹40.44 crore over previous year primarily on account of higher realisation from social amenities and sale of sundries.

2.2 Other Income

(₹ crore)

FY 2015-16	FY 2014-15	Change %
580.60	1001.19	-42.0

Other income decreased by ₹420.59 crore mainly due to decrease in interest income from customers and term deposits, decrease in dividend income and non-availability of gain on sale of investment in Bokaro Jaypee Cement Limited considered in CPL.

2.3 Expenditure

(₹ crore)

Particulars	FY 2015-16	FY2014-15	Change %
Raw Materials Consumed	17151	18523	-7.4
Employee Remuneration & Benefits	9894	9736	1.6
Finance Cost	2047	1454	40.7
Depreciation	2100	1773	18.4
Other Expenses	15118	14205	6.4

The decrease in raw materials cost was on account of reduction in input prices, particularly of imported coal and lower consumption of purchased BF coke, etc. During the year, the Employees' Remuneration & Benefits have increased mainly due to travel concession and welfare expenses. 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, power & fuel, repairs & maintenance, freight outward, handling expenses, conversion expenses, security expenses, royalty & cess, etc.

2.4 Contribution to Exchequer

During the year, SAIL contributed ₹ 8,496 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	2015-16	2014-15	Change %
a Non-Current Assets			
Fixed Assets			
- Tangible	42716.20	34658.40	23.2
- Intangible	1546.20	1510.21	2.4
Capital Work-in-Progress	24884.26	29195.82	-14.8
Non Current Investments	1243.04	919.07	35.2
Deferred Tax Assets (net)	707.85	0.00	
Long Term Loans & Advances	4958.44	4507.25	10.0
Other Non- Current Assets	39.84	53.83	-26.0
Total Non Current Assets (a)	76095.83	70844.58	
b Current Assets			
Inventories	15134.94	17735.39	-14.7
Trade Receivables	2833.19	3192.00	-11.2
Cash & Bank Balances	297.65	2305.24	-87.1
Short Term Loans & Advances	2128.91	3064.14	-30.5
Other Current Assets	1778.92	2185.52	-18.6
Total Current Assets (b)	22173.61	28482.29	-22.1
Total (a + b)	98269.44	99326.87	-1.1

- Fixed assets increased by ₹8,094 crore mainly due to capitalization of new facilities.
- The capital work-in-progress decreased by ₹4,312 crore on account of capitalization of various capital schemes in steel Plants.
- Long Term Loans & Advances increased by ₹451 crore. The increase was on account of capital advances, security deposits and deposits with other agencies.
- Other Non-Current Assets decreased by ₹14 crore mainly due to decrease in Long Term Trade Receivables.
- The inventories decreased by ₹2,600 crore mainly on account of decrease in raw materials inventory by ₹1,590 crore, finished/semi-finished products inventory by ₹674 crore and stores & spares inventory by ₹336 crore.
- Decrease in trade receivables was by ₹359 crore mainly on account of reduction in debtors.
- The cash & bank balances decreased by ₹2,008 crore.

- Short Term Loans & Advances decreased by ₹935 crore, mainly on account of bills receivable and advances recoverable from others.
- Other Current Assets decreased by ₹407 crore, mainly on account of claims recoverable from others.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	2015-16	2014-15	Change %
a Non Current Liabilities			
Long-Term Borrowings	15980.72	14025.56	13.9
Deferred Tax Liability (Net)	0.00	2395.19	
Other Long-Term Liabilities	1289.98	1239.22	4.1
Long-Term Provisions	3642.85	3705.34	-1.7
b Current Liabilities			
Short-Term Borrowings	15530.31	14195.16	9.4
Trade Payables	4002.66	3606.38	11.0
Other Current Liabilities	15805.26	14016.53	12.8
Short-Term Provisions	2736.40	2638.71	3.7
Total (a + b)	58988.18	55822.09	5.7

- Increase in long term borrowings by 14% was due to issue of non-convertible bonds.
- The decrease in long term provisions by ₹62 crore was mainly on account of decrease in the Gratuity and others.
- The short term borrowings increased by ₹1,335 crore on account of raising of loans from banks.

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

(₹ crore)

Plant/Unit	2015-16	2014-15
Bhilai Steel Plant (BSP)	405.22	2232.42
Durgapur Steel Plant (DSP)	-526.68	506.12
Rourkela Steel Plant (RSP)	-2523.52	232.04
Bokaro Steel Plant (BSL)	-2202.96	451.37
IISCO Steel Plant (ISP)	-1939.45	-1072.17
Alloy Steels Plant (ASP)	-83.12	-134.15
Salem Steel Plant (SSP)	-465.53	-355.09
Visvesvaraya Iron & Steel Plant (VISP)	-115.55	-97.31
SAIL Refractory Unit (SRU)	21.29	7.42
Chandrapur Ferro Alloys Plant (CFP)	-78.03	-45.22
Raw Materials Division/Central Units*	309.89	633.48
SAIL: Profit Before Tax (PBT)	-7198.44	2358.91
SAIL: Profit After Tax(PAT)	-4137.26	2092.68

*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:

Cost Reduction

- By adopting multi-pronged strategy in purchase of bulk items/Central Procurement Agency(CPA) items, savings of about ₹400 crore were achieved in several areas like Rolls, Low silica Limestone, Coal Bed Methane gas, Silico Manganese, etc.
- E-Procurement including use of SRM/EPG platform increased to 37.04% from 36.83% on Y-o-Y basis.

- Specifications of two different grades of steel strapping i.e. Grade-1431 and Grade-1450 were rationalized into one; and clearance thereon was obtained from RDSO, Lucknow for using the steel strappings of international standard EN-13246 type 3.2/ASTM D 3953. This would result in about 20% cost savings on recurring basis with the following benefits for SAIL Plants as agreed by Ministry of Railways for adoption of international standard:

- ❖ Reduction in quantity to be consumed (as Grade 1450 was thicker and will be substituted by thinner gauge).
- ❖ Better competitive pricing due to enhancement of supplier base globally, by adopting international standard.
- ❖ Correspondingly, variety of seals would also get reduced.

Systems Improvement

- **Review of Idle Assets Policy:** Idle Assets Policy of March, 2002 was reviewed after extensive deliberations with concerned department of Plants and other users. The revised Policy became effective from 1st January 2016.
- **Updation of Sampling Procedure for Ferro Alloys:** The existing Sampling Procedure effective since 1.2.2015 was further reviewed and updated based on Plants' experience gathered during its implementation.

Additional Key Initiatives: Initiatives across Plants/Units were undertaken for reduction of input material costs by the process of re-negotiation with the vendors and also for reduction of inventory holding by implementing various other initiatives like Receipt/Delivery Control; Indenting Holiday; Indent Screening; Order Deferment/Cancellation; De-Proprietarisation; and Vendor Meets.

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 & output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facility for sustaining the existing operation, 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 facility like Coke Oven Batteries after its useful life is one of the types of replacement scheme. Accordingly, a number of AMR schemes costing around ₹8,020 crores are under implementation in different SAIL Plants as under:

- Installation of Oxygen Evacuation Facilities for 2x1250 TPD New Oxygen Plant, Up-gradation of Stoves of Blast Furnace-4, Modification of Mid Stack Cooling System of Blast Furnace -7, Construction of Permanent Barrack at 21 location for Rowghat Deposit, Revamping of Sinter Cooler of Sinter Plant-3, Installation of Cast House De-fuming System in Blast Furnace No.-7 at Bhilai Steel Plant.
- Up-gradation of Blast Furnace -I and Installation of New Hot Strip Mill at Rourkela Steel Plant.



SAIL is committed to continuous Research & Development.

- Augmentation of Wheel Machining Facilities of Wheel & Axle Plant and Installation of New Rotary Hearth Furnace at Wheel & Axle Plant at Durgapur Steel Plant.
- Replacement of Battery Cyclones with ESPs in Sinter Plant, Replacement of Converter Shell Trunion Ring & Pedestal Assembly in Steel Melting Shop-2, Rebuilding of Coke Oven Battery-7, Provision of Hydraulic Mudgun cum Drill Machine for BF-I, Alternate Gas Network, New Sinter Plant and Modernisation of Steel Melting Shop-I at Bokaro Steel Plant.
- Installation of one 45 MVA Sub-merged Arc Furnace; 4 MW Power Plant and 220 kV Sub-station 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 260 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, IT services, automation and many other related areas. The current major projects in its basket include the new 3.0 MT Hot Strip Mill at RSP, Up-gradation of BF #1 at RSP and Modernisation of SMS-I at BSL.

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 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. 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. To scale up the activities and to further reinforce the brand image of SAIL as a consultant, SAILCON is continuously

exploring the market, both within and outside the Country for possible business opportunities as well as joint ventures with Global consultants for commercialization of SAIL's expertise.

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

During the Financial Year 2015 -16, 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. SAILCON also focused on Consultancy Services related to preparation of Adequacy Report as per the guidelines of Delhi Pollution Control Committee (DPCC).

Consultancy is also being extended for setting up of Power Plants, based on waste heat recovery from the flue gases released out of Blast Furnace and non-recovery type of Coke Oven batteries, as an environment friendly measure and as a step to combat global warming.

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, your Company 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 2015-16, 96 projects were pursued and 45 projects completed with substantial benefits to the organization.

R&D Centre 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 twenty four products have been developed and some of the noteworthy products include resistant steels for Indian construction segment, Steel for Earthmovers &

Heavy Machineries, Boilers & Pressure Vessels, Transmission Line Tower Naval Warship Vessels, Wind Mill Components, Elevator, Washing machine & Kitchenware.

The Centre in its pursuit for excellence in various research fields enters into collaboration mode of research in specific areas with renowned research institutions and academia. During the year 2015-16, MOU/ Collaboration agreements have been entered into with institutions such as Carnegie Mellon University, USA, Swerea - MEFOS, Sweden, Indian Institutes of Technology at Roorkee, Mumbai and Kanpur, NRDC, New Delhi, BIT Mesra, National Institute of Technology, Rourkela, Jadavpur University, MIDHANI, Hyderabad, C-DAC, New Delhi .

In order to maintain market leadership, improve operational efficiencies, nurture process innovations and enhance quality of products to international levels, SAIL has embarked upon an ambitious Master plan for R&D during 2011-12 aiming at integrating R&D initiatives towards business & operational goals of the Company. This called for creating Centre of Excellence (CoE) in all the Plants and implementing High Impact Projects (HIP) and Technology Missions (TM) so as to achieve technological eminence. This initiative has taken roots and is under different stages of implementation. The revised R&D Master Plan: 2015 was released on 9th September, 2015.

The efforts of RDCIS engineers and scientists have culminated in filing of 35 patents and 36 copyrights in association with SAIL Plants during 2015-16. As many as 105 technical papers (32 international) were published and 159 papers (79 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, RDCIS has bagged several prestigious awards (17 in total) during 2015-16 like, THE BT-STAR PSU FOR EXCELLENCE IN INNOVATION (Tech/ R&D)" under category Maharatna & Navratna, National Metallurgist (Industry), Metallurgist of the Year, Young Metallurgist of the Year, IIM- TSL New Millennium Award, SAIL Award 2015, 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 the 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 has taken a number of steps to make the audit function more effective. The Internal Audit is subjected 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 operation of the Company. In order to bring in more transparency in the system and to supplement the efforts of in-house internal audit department and enhance effectiveness of internal audit, the internal audit at Durgapur Steel Plant has been got carried out by an external auditor. The same is being further extended to Bokaro Steel Plant and IISCO Steel Plant. 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 ascertained 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 the following areas:

- Issue of unauthorized occupation of Land and quarters in SAIL Townships.
- Energy Audit.
- IT strategy and ERP implementation at Plants and Units of SAIL.
- Reconciliation of Title Deeds of land at different Plants/Units.
- Periodic review of Enterprise Risk Management (ERM).
- Trade remedial measures.
- Turnaround Plan of SAIL
- Borrowing limits of the Company

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 Company.

Pursuant to requirement of the Companies Act, 2013, the Company is implementing the Internal Financial Controls (IFCs) across all Plants/Units of the Company. The frame work of IFCs over Financial Reporting, inter-alia, covers the Risk and Control Matrices involving Financial and Financial reporting controls and Control Gap Summary including Test of Design and Test of Operating Effectiveness. Based on the control gaps emerging from Test of Design and Test of Operating Effectiveness, Management initiated action to mitigate the same.

Operational Control, inter-alia, covers review of Fixed Asset Management, Financial Reporting, Inventory Management, Order to Cash, Procurement to Pay, HR & Payroll, Project & Capital Expenditure, Cash Management, Production, Shipping & Logistic, Operations and Quality Assurance, Safety, Security and Environment.

In order to accomplish this maiden objective, SAIL has appointed a Consultant, for designing and implementing IFCs across all the Plants/Units of SAIL. The Consultant is carrying out the entire exercise in 2 phases viz. Financials and Financial Reporting Controls in Phase-I and Operational Controls in Phase-II. The frame work would also encapsulate the Information Technology General Controls (ITGC) and framework around the same.

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, 2016

(₹ crore)

	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	4130.53	4130.53
(b) Reserves and Surplus	3	35150.73	39374.25
Non-Current Liabilities			
(a) Long-Term Borrowings	4	15980.72	14025.56
(b) Deferred Tax Liabilities (Net)		-	2395.19
(c) Other Long Term Liabilities	5	1289.98	1239.22
(d) Long-Term Provisions	6	3642.85	3705.34
Current Liabilities			
(a) Short-Term Borrowings	7	15530.31	14195.16
(b) Trade Payables	8	4002.66	3606.38
(c) Other Current Liabilities	9	15805.26	14016.53
(d) Short-Term Provisions	10	2736.40	2638.71
TOTAL		98269.44	99326.87
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	42716.20	34658.40
(ii) Intangible Assets	11B	1546.20	1510.21
(iii) Capital Work-in-Progress	12	24884.26	29195.82
(b) Non-Current investments	13	1243.04	919.07
Deferred Tax Assets (Net)		707.85	-
(c) Long-Term Loans and Advances	14	4958.44	4507.25
(d) Other Non-Current Assets	15	39.84	53.83
Current Assets			
(a) Inventories	16	15134.94	17735.39
(b) Trade Receivables	17	2833.19	3192.00
(c) Cash and Bank Balances	18	297.65	2305.24
(d) Short-Term Loans and Advances	19	2128.91	3064.14
(e) Other Current Assets	20	1778.92	2185.52
TOTAL		98269.44	99326.87
Significant Accounting Policies	I		
Other Notes to Financial Statements	29-41		

The Notes referred to above form integral part of these financial statements

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

In terms of our report of even date

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[B.N.Misra]
Partner
(M. No. 083927)

For Sharma Goel & Co., LLP
Chartered Accountants
Firm Registration no.000643N

Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[S.K Chatterjee]
Partner
(M. No. 003124)

Place : New Delhi
Dated : May 30, 2016

Statement of Profit & Loss

For the year ended 31st March, 2016

(₹ crore)

	Note No.	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
Revenue from Operations	21	43909.53		51148.96	
Less : Excise Duty		4823.29	39086.24	5418.60	45730.36
Other Income	22		580.60		1001.19
Total Revenue			39666.84		46731.55
Expenses					
Cost of Materials Consumed	23	17150.61		18522.90	
Purchase of Stock in Trade		-		0.48	
Changes in Inventories of Finished Goods and Work-in-Progress.	24	540.61		(1408.12)	
Employee Benefits Expense	25	9893.81		9736.35	
Finance Costs	26	2046.75		1454.23	
Depreciation and Amortisation Expense		2099.54		1773.28	
Other Expenses	27	15118.45	46849.77	14205.29	44284.41
			(7182.93)		2447.14
Add: Adjustments pertaining to Earlier Years	28		(15.51)		(88.23)
Profit / (Loss) before Tax			(7198.44)		2358.91
Less: Tax Expense					
Current Tax		-		499.15	
Deferred Tax		(2984.67)		282.76	
MAT Credit		-		(499.15)	
Earlier Years		(76.51)	(3061.18)	(16.53)	266.23
Profit / (Loss) after Tax			(4137.26)		2092.68
Earnings per Share					
Profit / (Loss) after Tax			(4137.26)		2092.68
Average Number of Equity Shares (Face Value Rupees 10/- each)			4130525289		4130525289
Basic and Diluted Earnings per Share (Rupees)			(10.02)		5.07
Significant Accounting Policies	I				
Other Notes to Financial Statements	29-41				

The Notes referred to above form integral part of these financial statements

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

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For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[S.K Chatterjee]
Partner
(M. No. 003124)

Place : New Delhi
Dated : May 30, 2016

Cash Flow Statement

(₹ crore)

For the Year	2015-16	2014-15
A. Cash flow from Operating Activities		
Net Profit / loss (-) before taxation	(7198.44)	2358.91
Add / (Less) Adjustments for:		
Depreciation	2121.96	1790.42
Interest and Finance Charges	2046.75	1454.23
Bad debts written-off	0.27	0.33
Provision for Others	159.48	336.60
Profit on sale of Investments	(7.31)	(199.81)
Loss on sale of Fixed Assets	25.18	(11.40)
Interest Income	(337.04)	(475.10)
Dividend Income	(70.85)	(103.00)
Operating cash flow before working capital change	(3260.00)	5151.18
Adjustments for changes in:		
(Increase) / Decrease in Inventories	2600.45	(2535.55)
(Increase) / Decrease in Sundry Debtors	380.14	2275.04
(Increase) / Decrease in Loans and Advances	547.76	(2043.04)
Increase in Current liabilities	2141.96	334.19
Decrease in Other Current Assets	440.68	81.99
Cash generated from Operations	2850.99	3263.81
Direct Taxes Paid	(33.12)	(519.69)
Net Cash from Operating Activities	2817.87	2744.12
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(6205.37)	(6326.72)
Proceeds from sale of Fixed Assets	75.00	93.16
Loans to Other Companies	(3.51)	1.21
(Increase) / Decrease in Term Deposits with Banks	1989.36	495.84
Purchase/Sale of investments (Net)	(316.66)	0.94
Interest received	295.35	472.07
Dividend received	70.85	103.00
Net Cash from / (used in) Investing Activities	(4094.98)	(5160.50)
C. Cash flow from Financing Activities		
Prime Minister's Trophy Award Fund	0.32	1.34
Proceeds from borrowings (Net)	3164.23	4682.90
Interest and Finance Charges paid	(1781.39)	(1421.08)
Dividend Paid	(103.26)	(722.84)
Tax on Dividend paid	(21.02)	(143.77)
Net Cash from / (used in) Financing Activities	1258.88	2396.55
Cash flow from CSR Activities	-	(35.04)
Net Increase in Cash & Cash Equivalents (A+B+C)	(18.23)	(54.87)
Cash & Cash Equivalents (Opening) (Refer note 18)	160.04	214.91
Cash & Cash Equivalents (Closing) (Refer note 18)	141.81	160.04
(Represented by Cash & Bank balances)		

Notes :

- Figures in bracket indicate cash outflow.
- Significant Accounting Policies and Other Notes to Financial Statements (29 to 41) form an integral part of the Cash Flow Statement.
- Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

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

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(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[S.K Chatterjee]
Partner
(M. No. 003124)

Place : New Delhi
Dated : May 30, 2016

I. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India, and the provisions of the Companies Act, 2013, including accounting standards notified thereunder.

B. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

C. Fixed Assets

Fixed assets are stated at cost of acquisition less depreciation, except land gifted by the State Governments, which is stated at notional/nominal value with corresponding credit to capital reserve.

Expenditure on development of land, including leasehold land, is capitalised as part of cost of land. Cost of Lease hold land is amortised over the period of lease.

Cost includes all identifiable expenditure including trial-run expenses, net of revenue.

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.

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.

D. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expense in the period in which these are incurred.

E. Depreciation

Depreciation 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 life assumed by the technical experts is as under :

Assets	Estimated useful life
Factory Buildings	35 to 40 Years
Plant and Machinery	10 to 40 years
Water Supply & Sewerage	25 to 40 years
Railway Lines & Sidings	35 to 40 years

For these class 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.

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.

F. Investments

Long-term investments (including investments in subsidiary companies and joint ventures) are carried at cost, after providing for diminution (other than temporary) in value. Current investments are carried at lower of cost and market value.

G. 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 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.

H. Grants

Grants relating to the acquisition of a specific asset are adjusted against the cost of the concerned asset. Grants relating to the revenue expenditure are adjusted against the related expenses.

I. Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at Year-end rates.

The exchange differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets, are recognised in the Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts entered into to hedge foreign currency risks, the difference between the contract rate and spot rate on the date of the transaction is recognised in the Statement of Profit and Loss over the period of the contract.

The Company had 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). 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.

J. Employees' Benefits

Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due. The provisions/liabilities towards gratuity, accrued leave, long term service awards, post-retirement medical and settlement benefits, future payments to the disabled employees/legal heirs of deceased employees under the Employees' Family Benefit Scheme, are made based on the actuarial valuation as at the end of the year and charged to the Statement of Profit and Loss after considering along with actuarial gains/losses.

K. Adjustments pertaining to earlier years and prepaid expenses

Income / expenditure relating to prior period and prepaid expenses, which do not exceed ₹ 10 lakhs in each case, are treated as income/expenditure of current year.

L. Revenue Recognition

Sales include excise duty and are net of 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 recognized as income on certainty of realisation.

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

M. Claims for Liquidated Damages/Price Escalation

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

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

N. Deferred Tax

The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a reasonable certainty that the assets can be realised in future.

O. Overburden Removal

The expenditure on removal of backlog of over burden is charged to revenue, based on stripping ratio as per 5 year mining plan for mines except collieries which is based on project report.

P. Contingent Liabilities

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 Financial Statements.

Note (Forming Part of the Balance Sheet)

2. SHARE CAPITAL

(₹ crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Authorised		
5,00,00,00,000 equity shares of ₹ 10 each	5000.00	5000.00
(5,00,00,00,000 equity shares of ₹ 10 each)		
Issued, Subscribed & Fully Paid-up		
4,13,05,25,289 equity shares of ₹ 10 each fully paid	4130.53	4130.53

(i) Reconciliation of equity shares at the end of the year

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Numbers	Amount (₹)	Numbers	Amount (₹)
– Equity shares with voting rights				
Shares outstanding at the beginning of the year	4130092154	41300921540	4130071104	41300711040
Shares Converted into shares with Voting Rights during the year	300500	3005000	21050	210500
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4130392654	41303926540	4130092154	41300921540
– Equity shares without voting rights *				
Shares outstanding at the beginning of the year	433135	4331350	454185	4541850
Shares Issued during the year	-	-	-	-
Shares Converted into shares with Voting Rights during the year	300500	3005000	21050	210500
Shares outstanding at the end of the year	132635	1326350	433135	4331350

* Represented by one Global Depository Receipt (GDR) issued @ US\$ 29.55 each for an 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 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3097767449	75.00
LIC of India	441874667	10.70	417717206	10.11

(v) 1,24,43,82,900 equity shares of ₹ 10 each (net of adjustment on reduction of capital) were allotted as fully paid up for consideration other than cash

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

Note (Forming Part of the Balance Sheet)

3. RESERVES AND SURPLUS

(₹ crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
Capital Reserve		2.99		2.99
Securities Premium Reserve		235.10		235.10
Bond Redemption Reserve				
As per last Balance Sheet	1008.88		817.21	
Additions during the year	504.11		270.49	
Deductons during the year	63.03	1449.96	78.82	1008.88
General Reserve		5095.13		5095.13
Prime Minister's Trophy Award Fund *				
As per last Balance Sheet	26.63		25.29	
Additions	4.51		2.33	
Less: Utilisation	4.19	26.95	0.99	26.63
Surplus in Statement of Profit & Loss				
Balance as per last account	33005.52		32360.10	
Add: Surplus / Loss (-) of Current Year	(4137.26)		2092.68	
Less: Expenditure on Corporate Social Responsibility	-		35.04	
Less: Impact of Depreciation (refer Note 32.7)	86.58		229.66	
Less: Proposed Dividend	-		103.26	
Less: Interim Dividend Paid	-		722.84	
Less: Tax on Proposed Dividend	-		21.02	
Less: Tax on Interim Dividend paid	-		143.77	
Less: Transfer to Bond Redemption Reserve	441.08	28340.60	191.67	33005.52
		35150.73		39374.25

* Prime Minister's Trophy Award Fund

The Fund has been created out of 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 employees in Bhilai.

Note (Forming Part of the Balance Sheet)

4. LONG TERM BORROWINGS

(₹ crore)

						As at 31 st March, 2016	As at 31 st March, 2015
Sl No.	Interest (%)	Maturity	Call/Put option (year)	Security Ref.			
SECURED							
A.	Taxable Redeemable Non-convertible Bonds						
1	9.35	9-Sep-2026	12/nil	(a)	455.00		455.00
2	9.00	14-Oct-2024		(a)	1000.00		1000.00
3	8.70	25-Aug-2024		(a)	300.00		300.00
4	8.35	19-Nov-2022		(a)	1185.00		-
5	9.30	23-Aug-2021		(a)	400.00		400.00
6	8.55	11-Aug-2021		(a)	700.00		700.00
7	8.27	25-Aug-2020		(a)	265.00		-
8	8.72	30-Apr-2020		(a)	660.00		660.00
9	8.75	23-Apr-2020		(a)	545.00		545.00
10	8.65	1-Feb-2020	5/nil	(a)	242.00		242.00
11	8.30	21-Jan-2020		(a)	500.00		500.00
12	8.65	30-Dec-2019		(a)	450.00		450.00
13	8.50	7-Dec-2019		(a)	120.00		120.00
14	8.60	19-Nov-2019		(a)	335.00		335.00
15	8.75	15-Sep-2019		(b,d)	100.00		100.00
16	8.80	22-Jun-2019		(a)	825.00		825.00
17	7.70	11-May-2019	5/5	(a)	25.00		25.00
18	8.90	1-May-2019	5/nil	(b)	950.00		950.00
19	8.18	10-Aug-2018		(a)	1000.00		-
20	8.25	27-Jul-2018		(a)	500.00		-
21	8.35	9-Jun-2018		(a)	420.00		-
22	9.30	25-May-2018		(a,k)	360.00		360.00
23	8.25	6-May-2018	3/3	(a)	800.00		800.00
24	7.95	9-Apr-2018		(a)	670.00		-
25	8.38	16-Dec-2017		(a)	645.00		645.00
26	8.75	8-Nov-2017	3/3	(a)	-		500.00
27	8.80	26-Oct-2017		(b,c)	126.00		140.00
28	9.18	27-Aug-2017		(a)	300.00	13878.00	300.00
							10352.00
UNSECURED							
B.	Term Loans						
1			(e)	KFW, Germany	377.17		355.19
2			(f)	Bank of Tokyo Mitsubishi	-		416.67
3			(g)	Bank of Tokyo Mitsubishi	441.73		833.33
4			(h)	Sumitomo Mitsubishi Banking Corp	509.20		1018.40
5	2.00		(i)	Natexis Banque	18.56		17.96
			(j)	Mizuho Corporate Bank Ltd	551.90	1898.56	827.85
						204.16	204.16
						15980.72	14025.56
C.	Steel Development Fund		(l)				

- (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 October 2016 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 I(a), I(b) and I(c) at an interest rate of 8.75% p.a. The Interest on I(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of I(b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on I(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 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly.
- (g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1%. Interest is paid half yearly.
- (h) 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.
- (i) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- (j) 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.
- (k) Redeemable in 5 equal yearly instalments starting w.e.f. 25th May 2018.
- (l) Terms of Repayment is to be decided by SDF management Committee.

Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

5. OTHER LONG TERM LIABILITIES

Interest accrued and not due on borrowings	707.92	700.46
Trade payables	6.83	0.71
Others	575.23	538.05
	<u>1289.98</u>	<u>1239.22</u>

6. LONG TERM PROVISIONS

Provisions for Employee Benefits

- Gratuity	-	182.62
- Accrued Leave	2293.62	2190.68
- Employee Defined Benefit Schemes	1172.51	1172.09

Others

- Mines closure	127.23	118.01
- Others	49.49	41.94
	<u>3642.85</u>	<u>3705.34</u>

7. SHORT TERM BORROWINGS

Secured

Loans repayable on demand

- From Banks	(a)	2256.04	5552.55
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Other Loans and Advances

From Banks	(a)	-	1005.00
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Unsecured

Other Loans and Advances

Other Loans	-	800.00
Commercial Paper	7721.23	-
Foreign Currency Loans	5553.04	6837.61
	<u>15530.31</u>	<u>14195.16</u>

(a) Secured by hypothecation of all Current Assets

(b) The Company does not have any continuing default in repayment of Loans and Interest on the Balance Sheet date.

8. TRADE PAYABLES

Micro and Small Enterprises	29.46	27.27
Subsidiary Company	12.91	7.38
Others	3960.29	3571.73
	<u>4002.66</u>	<u>3606.38</u>

Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

9. OTHER CURRENT LIABILITIES

Current maturities of long term debts	1705.57		1677.01
Interest accrued but not due on borrowings	924.68		666.78
Advance from			
Customers	1837.84	801.07	
Others	50.18	53.67	854.74
Liability towards Investor Education and Protection Fund, not due			
Unpaid Dividends	9.23	11.73	
Unclaimed Matured Deposits and Interest Accrued thereon	1.03	1.03	12.76
Security Deposits	1079.08	782.08	
Less: Investments received as security deposit	-	0.01	782.08
Other payables			
For Capital works	2046.81		2246.92
Others	8150.84		7776.24
	<u>15805.26</u>		<u>14016.53</u>

10. SHORT TERM PROVISIONS

Provisions for Employee Benefits

- Gratuity	198.11	213.82
- Accrued Leave	242.31	221.16
- Employee Defined Benefit Schemes	188.07	167.28

Others

- Taxation	11.90	11.90
- Pollution Control & Peripheral Development	53.65	83.93
- Exchange Fluctuation	-	15.29
- Proposed Dividend	-	103.26
- Tax on Dividend	-	21.02
- Wage Revision	1428.87	1279.58
- Mines Afforestation/Overburden removal	323.22	280.98
- Others	290.27	240.49
Total	<u>2736.40</u>	<u>2638.71</u>

Note (Forming Part of the Balance Sheet)

I A. TANGIBLE FIXED ASSETS

(₹ crore)

Description	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 31 st March, 2015	Additions / Adjustments	Deductions	As at 31 st March, 2016	Up to 31 st March, 2015	For Less: On Sales/ the Adjustments Year	Up to 31 st March, 2016	As at 31 st March, 2015
A. PLANTS, MINES & OTHERS								
Land (including cost of development)								
- Freehold Land	261.15	1.52	-	262.67	0.87	-	0.87	260.28
- Leasehold Land	645.38	21.81	1.53	665.66	113.86	49.89	162.42	531.52
Buildings*	3940.69	641.94	(511.17)	5093.80	1386.01	158.52	1496.27	2554.68
Plant & Machinery								
- Steel Plant	50977.22	9171.10	700.75	59447.57	22667.00	1533.48	24272.93	28310.22
- Others	2568.42	154.26	(5.76)	2728.44	1825.13	113.69	1876.02	743.29
Furniture & Fittings	131.15	4.43	0.68	134.90	88.46	6.53	94.47	42.69
Vehicles	1268.84	50.88	14.02	1305.70	643.32	65.05	698.36	625.52
Office Equipments	57.53	4.51	2.07	59.97	44.58	3.40	46.07	12.95
Miscellaneous Articles	302.36	27.65	20.95	309.06	198.39	14.08	198.02	103.97
Roads, Bridges & Culverts	257.55	51.97	1.16	308.36	175.53	33.04	207.78	82.02
Water Supply & Sewerage	636.22	31.20	115.57	551.85	314.15	17.87	305.97	322.07
EDP Equipments	392.46	10.40	1.27	401.59	323.26	22.51	343.39	69.20
Railway Lines & Sidings	609.37	62.55	42.09	629.83	239.59	13.05	233.02	369.78
Sub-total 'A'	62048.34	10234.22	383.16	71899.40	28020.15	2031.11	29935.59	41963.81
Figures for the previous year	51123.51	11377.31	452.48	62048.34	26486.11	1724.15	28020.15	34028.19
B. SOCIAL FACILITIES								
Land (including cost of development)								
- Freehold Land	10.88	-	-	10.88	-	-	-	10.88
- Leasehold Land	6.89	-	-	6.89	5.78	0.11	5.89	1.11
Buildings	626.76	35.16	(1.75)	663.67	284.70	17.74	301.76	342.06
Plant & Machinery- Others	134.17	7.27	0.48	140.96	89.12	5.72	94.55	45.05
Furniture & Fittings	25.42	2.03	0.73	26.72	17.96	1.39	18.98	7.46
Vehicles	11.19	-	0.21	10.98	9.23	0.55	9.58	1.96
Office Equipments	4.20	0.52	0.17	4.55	3.41	0.29	3.58	0.79
Miscellaneous Articles	205.37	9.74	0.19	214.92	115.33	11.19	126.68	90.04
Roads, Bridges & Culverts	93.36	29.85	(0.63)	123.84	55.53	14.11	70.23	37.83
Water Supply & Sewerage	122.71	6.18	(93.68)	222.57	107.28	4.36	119.40	154.3
EDP Equipments	12.74	0.24	1.13	11.85	11.12	0.61	10.66	1.62
Sub-total 'B'	1253.69	90.99	(93.15)	1437.83	699.46	56.07	761.31	554.23
Figures for the previous year	1207.62	56.81	10.74	1253.69	617.60	46.84	699.46	554.23
C. ASSETS RETIRED FROM ACTIVE USE								
Unserviceable / Obsolete Assets	75.98	6.51	6.62	75.87	-	-	-	75.98
Figures for the previous year	29.10	49.97	3.09	75.98	-	-	-	75.98
Total ('A'+ 'B'+ 'C')	63378.01	10331.72	296.63	73413.10	28719.61	2087.18	30696.90	34658.40
Figures for the previous year	52360.23	11484.09	466.31	63378.01	27103.71	1770.99	28719.61	34658.40

* Figures in Deduction Column include Regrouping from one asset class to another

Note (Forming Part of the Balance Sheet)

I B. INTANGIBLE FIXED ASSETS

(₹ crore)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	As at 31 st March, 2015	Additions / Adjustments	Deductions	As at 31 st March, 2016	Up to 31 st March, 2015	For the Year	Less: On Sales/ Adjustments	Up to 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016
A. PLANTS, MINES & OTHERS										
Computer Software	99.34	1.18	0.02	100.50	90.80	3.75	0.01	94.54	8.54	5.96
Mining Rights	1727.27	75.99	-	1803.26	225.74	37.40	-	263.14	1501.53	1540.12
Sub-total 'A'	1826.61	77.17	0.02	1903.76	316.54	41.15	0.01	357.68	1510.07	1546.08
Figures for the previous year	1807.50	23.78	4.67	1826.61	293.41	27.60	4.47	316.54	1510.07	1510.07
B. SOCIAL FACILITIES										
Computer Software	0.75	0.07	0.20	0.62	0.61	0.08	0.19	0.50	0.14	0.12
Sub-total 'B'	0.75	0.07	0.20	0.62	0.61	0.08	0.19	0.50	0.14	0.12
Figures for the previous year	0.63	0.12	-	0.75	0.59	0.02	-	0.61	0.14	0.14
Total ('A'+ 'B')	1827.36	77.24	0.22	1904.38	317.15	41.23	0.20	358.18	1510.21	1546.20
Figures for the previous year	1808.13	23.90	4.67	1827.36	294.00	27.62	4.47	317.15	1510.21	1510.21

(₹ crore)

Note: Allocation of Depreciation

	Current Year	Previous Year
(a) Charged to Profit & Loss Account	2099.54	1773.28
(b) Charged to expenditure during construction	6.45	8.19
(c) Adjustments pertaining to earlier years	22.42	17.14
Total	2128.41	1798.61

Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

12. CAPITAL WORK-IN-PROGRESS

Expenditure during construction pending allocation (Note 12.1)		7.91		5.58
Capital Work-in-progress				
Steel Plants & Units	24573.41		28872.07	
Township	110.40		153.85	
Ore Mines and Quarries	348.48		262.79	
	<u>25032.29</u>		<u>29288.71</u>	
Less: Provisions	187.32	24844.97	131.77	29156.94
Construction Stores and Spares	34.67		36.07	
Less: Provision for non-moving items	3.29	31.38	2.77	33.30
		<u>24884.26</u>		<u>29195.82</u>

12.1: EXPENDITURE DURING CONSTRUCTION (pending allocation)

Opening balance	(a)	5.58		4.40
Expenditure incurred during the year				
Employees' Remuneration & Benefits				
Salaries & Wages	133.58		141.82	
Company's contribution to Provident fund	12.51		13.73	
Travel Concession	4.00		2.87	
Welfare Expenses	0.13		-	
Gratuity	3.12	153.34	1.22	159.64
Technical Consultants' fees & know-how		7.92		18.89
Power & Fuel		84.76		198.69
Other expenses		30.37		47.67
Interest & Finance charges		643.73		637.89
Depreciation		6.45		8.19
		<u>926.57</u>		<u>1070.97</u>
Less: Recoveries				
Interest Earned	0.66		1.68	
Liquidated Damages	7.60		0.58	
Hire Charges	0.42		0.71	
Sundries	1.58	10.26	-	2.97
Net expenditure during the year	(b)	<u>916.31</u>		<u>1068.00</u>
Total (a)+(b)		<u>921.89</u>		<u>1072.40</u>
Less :Amount allocated to Fixed Assets/ Capital Work-in-progress		913.98		1066.82
Balance carried forward		<u>7.91</u>		<u>5.58</u>

Note (Forming Part of the Balance Sheet)

13. NON CURRENT INVESTMENTS (AT COST)

(₹ crore)

	Number of Fully Paid up Equity Shares	Face Value Per Share (₹)	As at 31 st March, 2016	As at 31 st March, 2015
(A) Unquoted				
Trade Investments				
Subsidiary Companies				
SAIL Refractory Company Limited	50,000 (50,000)	10	0.05	0.05
SAIL- Jagdishpur Power Plant Ltd	50000 (50,000)	10	0.05	0.05
IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)	30,00,000 (30,00,000)	10	3.00	3.00
SAIL Sindri Projects Limited	50000 (50,000)	10	0.05	0.05
			3.15	3.15
Joint Venture Companies				
UEC SAIL Information Technology Limited	1,80,000 (1,80,000)	10	0.18	0.18
North Bengal Dolomite Limited	97,900 (97,900)	100	0.98	0.98
NTPC- SAIL Power Company Pvt Limited	49,02,50,050 (49,02,50,050)	10	490.25	490.25
Bokaro Power Supply Company Pvt Limited	12,40,25,000 (12,40,25,000)	10	124.03	124.03
Bhilai Jaypee Cement Limited	9,87,18,048 (9,87,18,048)	10	52.51	52.51
VSL-SAIL JVC LIMITED	8,30,729 (0)	10	0.84	-
SAIL- Bansal Service Centre Limited	32,00,000 (32,00,000)	10	3.20	3.20
MJunction Services Limited	40,00,000 (40,00,000)	10	4.00	4.00
S&T Mining Company Private Limited	129,41,400 (129,41,400)	10	12.94	12.94
SAIL MOIL Ferro Alloy Pvt. Ltd.	1,00,000 (1,00,000)	10	0.10	0.10
International Coal Ventures Pvt. Ltd.	49,50,34,286 (18,20,00,000)	10	495.03	182.00
SAIL-SCL KERALA Ltd	1,30,17,801 (1,27,79,850)	10	18.75	18.10
SAIL-SCI SHIPPING PRIVATE LIMITED	1,00,000 (1,00,000)	10	0.10	0.10
Romelt SAIL (India) Limited	63,000 (63,000)	10	0.06	0.06
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	2,22,70,000 (1,49,00,000)	10	22.27	14.90
SAIL-KOBE iron India Pvt Ltd	2,50,000 (2,50,000)	10	0.25	0.25
Prime Gold -SAIL JVC Ltd.	46,80,000 (25,99,999)	10	4.68	2.60
SAIL-BENGAL ALLOY CASTINGS PVT LTD	10000 (10,000)	10	0.01	0.01
			1230.18	906.21

Contd.../

Note (Forming Part of the Balance Sheet)

13. NON CURRENT INVESTMENTS (AT COST) (Contd.)

(₹ crore)

	Number of Fully Paid up Equity Shares	Face Value Per Share (₹)	As at 31 st March, 2016	As at 31 st March, 2015
Others				
TRL Krozaki Refractories Limited	22,03,150 (22,03,150)	10	11.35	11.35
Almora Magnesite Limited	40,000 (40,000)	100	0.40	0.40
Indian Potash Limited	3,60,000 (3,60,000)	10	0.18	0.18
Haridaspur Paradeep Railway Co Ltd	50,00,000 (50,00,000)	10	5.00	5.00
Cement & Allied Products (Bihar) Limited	2 (2)	10	0.00 *	0.00 *
Chemical & Fertilizer Corporation (Bihar) Limited	1 (1)	10	0.00 *	0.00 *
Bhilai Power Supply Company Limited	5 (5)	10	0.00 *	0.00 *
MSTC Limited	80,000 (80,000)	10	0.01	0.01
Bihar State Finance Corporation	500 (500)	100	0.01	0.01
Investment in Mutual Funds			-	-
Shares in Co-operative Societies (Note No. 13.1)			0.18	17.13
Total (A)			<u>17.13</u>	<u>0.18</u>
(B) Quoted				
HDFC Limited	60,000 (60,000)	2	0.01	0.01
HDFC Bank Limited	2500 (2,500)	2	0.00 *	0.00 *
ICICI Bank Limited	1,43,000 (1,43,000)	2	0.05	0.06
Total (B)			<u>0.06 @</u>	<u>0.06</u>
Total (A+B)			<u>1250.52</u>	<u>926.55</u>
Less : Provision for diminution in value of investments			7.48	7.48
			<u>1243.04</u>	<u>919.07</u>
@ Market value of quoted investments			10.32	11.40

* Cost being less than ₹ 50,000/-, figures not given.

Note (Forming Part of the Balance Sheet)

13.1. SHARES IN CO-OPERATIVE SOCIETIES

			(₹)	
	Number of Fully Paid up Shares	Face Value Per Share (₹)	As at 31 st March, 2016	As at 31 st March, 2015
Bokaro Steel Employees' Co.-operative Credit Society Limited	116500 (116500)	10	1165000	1165000
Bokaro Steel City Central Consumers' Co.-operative Stores Limited	250 (250)	10	2500	2500
NMDC Meghahatuburu Employees' Consumers Co-operative Society Limited	25 (25)	100	2500	2500
DSP Employees' Co-operative Society Limited	1377 (1377)	100	137700	137700
Bolani Ores Employees' Consumer Co.-operative Society Limited	200 (200)	25	5000	5000
IISCO Employees Primary Co-operative Stores Limited	23000 (23000)	20	460000	460000
			1772700	1772700

Note (Forming Part of the Balance Sheet)

14. LONG TERM LOANS AND ADVANCES

(₹ crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
Capital Advances	199.11		130.16	
Less: Provision for doubtful capital advances	1.01	198.10	1.01	129.15
Security Deposits		86.85		68.48
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
Other loans and advances				
Loans				
Employees	211.08		270.21	
Others	0.04	211.12	1.11	271.32
Advances recoverable in cash or in kind or for value to be received				
Contractors & suppliers	257.31		173.94	
Employees	0.63		0.79	
Income tax paid in advance / recoverable	275.59		224.82	
MAT Credit Entitlement	1079.50		1088.24	
Others	3.57	1616.60	4.31	1492.10
Deposits				
Port trust, Excise authorities, Railways etc.	73.64		75.14	
Others	2806.53	2880.17	2503.11	2578.25
		5000.84		4547.30
Less: Provision for other Loans & Advances		42.40		40.05
		4958.44		4507.25
Particulars of long term loans and advances				
Secured, Considered Good		176.90		220.33
Unsecured, Considered Good		4781.54		4286.92
Doubtful		45.94		43.59
		5004.38		4550.84

Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

15. OTHER NON CURRENT ASSETS

Long Term Trade Receivables	43.77		65.37	
Less : Provision	<u>6.43</u>	<u>37.34</u>	<u>34.98</u>	30.39
Particulars				
Unsecured, considered good		37.34		28.14
Doubtful		<u>6.43</u>		<u>34.98</u>
		<u>43.77</u>		<u>63.12</u>
Long Term Claims Recoverable		-		21.39
Interest Receivable/Accrued - Employees		<u>2.50</u>		<u>2.05</u>
		<u>39.84</u>		<u>53.83</u>

16. INVENTORIES*

Stores & Spares				
Production	2426.36		2676.20	
Fuel Stores	77.31		119.38	
Others	<u>25.76</u>		<u>28.86</u>	
	2529.43		2824.44	
Add: In-transit	<u>140.76</u>		<u>169.74</u>	
	2670.19		2994.18	
Less: Provision for Non Moving/Obsolete items	<u>217.49</u>	2452.70	<u>205.37</u>	2788.81
Raw materials	2086.81		3125.58	
Add: In-transit	<u>674.68</u>		<u>1215.43</u>	
	2761.49		4341.01	
Less: Provision for unusable materials	<u>20.17</u>	2741.32	<u>9.81</u>	4331.20
Finished / Semi-finished products				
-- Finished Goods	5415.58		6912.59	
-- Work in Progress	<u>4337.55</u>		<u>3312.80</u>	
	9753.13		10225.39	
Add: In-transit	<u>187.79</u>	9940.92	<u>389.99</u>	10615.38
		<u>15134.94</u>		<u>17735.39</u>

* Valued as per accounting policy 'G'

Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

17. TRADE RECEIVABLES

Trade Receivables over six months	424.84		820.17	
Less : Provision	<u>137.27</u>	287.57	<u>122.03</u>	698.14
Trade Receivables less than six months	2545.62		2493.86	
Less : Provision	<u>-</u>	<u>2545.62</u>	<u>-</u>	<u>2493.86</u>
		<u>2833.19</u>		<u>3192.00</u>
Particulars				
Unsecured, considered good		2833.19		3192.00
Doubtful		<u>137.27</u>		<u>122.03</u>
		<u>2970.46</u>		<u>3314.03</u>

18. CASH & BANK BALANCES

(i) Cash and Cash Equivalents

Balance with Banks *				
Current account	2.21		1.87	
Term Deposits with maturity upto 3 months	0.16		0.14	
Term Deposits under Bank Lien / pledge against loan	0.14		0.14	
Term Deposits as per court orders with maturity upto 3 months	-		0.38	
Unpaid Dividend account	<u>9.23</u>	11.74	<u>11.73</u>	14.26
Cheques on hand		129.28		144.78
Cash and Stamps on hand		<u>0.79</u>		<u>1.00</u>
		<u>141.81</u>		<u>160.04</u>

(ii) Other Bank Balances *

Term Deposits with maturity more than 3 months	-		2000.00	
Term Deposits as per court orders	109.44		101.12	
Earmarked Term Deposits	<u>46.40</u>	155.84	<u>44.08</u>	2145.20
		<u>297.65</u>		<u>2305.24</u>

* Includes

- Maturity period upto 12 months		156.14		2145.86
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Note (Forming Part of the Balance Sheet)

(₹ crore)

As at 31st March, 2016

As at 31st March, 2015

19. SHORT TERM LOANS AND ADVANCES

Loans and advances to related parties	33.68		127.95	
Less: Provision for doubtful related parties advances	1.39	32.29	1.39	126.56
Other loans and advances				
Loans				
Employees	81.06		71.04	
Others	6.95	88.01	2.37	73.41
Advances recoverable in cash or in kind or for value to be received				
Contractors & suppliers	170.76		241.90	
Employees	6.75		19.17	
Income tax paid in advance / recoverable	2.51		385.08	
Bills receivable.	773.55		1181.12	
For purchase of shares	102.77		214.27	
Others	915.9	1972.24	767.34	2808.88
Deposits				
Port trust, Excise authorities, Railways etc.	83.38		89.53	
Others	1.40	84.78	1.87	91.40
		2177.32		3100.25
Less: Provision for other Loans & advances		48.41		36.11
		2128.91		3064.14
Particulars of short term loans and advances				
Secured, Considered Good		35.97		34.58
Unsecured, Considered Good		2092.94		3029.56
Doubtful		49.80		37.50
		2178.71		3101.64

20. OTHER CURRENT ASSETS

Gold Coins on hand		0.23		0.23
Interest Receivable/Accrued				
Loans to other companies	0.46		0.29	
Term Deposits	0.86		6.69	
Employees	2.69		3.41	
Others	89.19		41.23	
	93.20		51.62	
Less Provision for doubtful interest	3.73	89.47	3.39	48.23
Others				
Receivables other than Trade	168.76		136.51	
Claims recoverable	1661.49		2122.64	
Export Incentive	12.97		18.04	
	1843.22		2277.19	
Less Provision	154.00	1689.22	140.13	2137.06
		1778.92		2185.52

Note (Forming Part of the Statement of Profit & Loss)

(₹ crore)

		Year ended 31 st March, 2016	Year ended 31 st March, 2015
21. REVENUE FROM OPERATIONS			
Sale of Products			
Domestic		42770.20	49031.48
Exports		557.25	1567.68
Export Incentives		9.54	27.49
Sub Total	(a)	43336.99	50626.65
Sale of Services			
Service charges		33.90	24.11
Sub Total	(b)	33.90	24.11
Other Operating Revenues			
Social amenities-recoveries		309.24	301.34
Sale of empties etc.		62.23	57.62
Sundries		167.17	139.24
Sub Total	(c)	538.64	498.20
Total	(a+b+c)	43909.53	51148.96
22. OTHER INCOME			
Interest Income			
Loans & advances to other companies		0.89	0.29
Customers		91.69	136.06
Employees		16.65	19.38
Term Deposits		182.22	256.16
Others		45.59	63.21
Sub Total	(a)	337.04	475.10
Dividend Income			
Dividend from Subsidiaries		4.80	3.00
Dividend from Investments		66.05	100.00
Sub Total	(b)	70.85	103.00
Gain on Sale of Investment (Net)	(c)	7.31	199.81
Other Non-operating Income			
Subsidy, relief and concession		6.96	5.99
Grant-in-aid		0.01	-
Profit on sale of fixed assets (net)		-	11.39
Other Non-operating income		29.84	52.54
Write back of Other liabilities		49.33	98.31
Liquidated damages		47.97	18.01
Sub Total	(d)	134.11	186.24
Provisions no longer required written back			
Loans & Advances		5.81	5.30
Sundry Debtors		3.84	7.19
Stores & Spares		5.43	15.07
Others		16.21	9.48
Sub Total	(e)	31.29	37.04
Total	(a+b+c+d+e)	580.60	1001.19

Note (Forming Part of the Statement of Profit & Loss)

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
23. COST OF MATERIALS CONSUMED		
Iron ore	4160.07	3908.52
Coal	12083.07	13440.31
Coke	81.64	106.36
Limestone	1128.43	1080.70
Dolomite	482.95	478.41
Ferro Manganese	357.29	418.28
Ferro Silicon	187.47	204.97
Silico Manganese	845.75	868.15
Intermediary Products	-	31.76
Zinc	104.99	99.99
Aluminium	229.16	260.46
Others	1213.28	1305.19
	<u>20874.10</u>	<u>22203.10</u>
Less : Inter Account adjustments	3723.49	3680.20
	<u>17150.61</u>	<u>18522.90</u>

24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock

– Finished Goods	7302.58	6534.10
– Work in Progress	<u>3312.80</u>	<u>2437.42</u>
	10615.38	8971.52

Less : Closing stock

– Finished Goods	5603.37	7302.58
– Work in Progress	<u>4337.55</u>	<u>3312.80</u>
	9940.92	10615.38

Less : Excise Duty on accretion(-) / Depletion to stock

Net Accretion(-)/Depletion to stock

	674.46	(1643.86)
	<u>133.85</u>	<u>(235.74)</u>
	<u>540.61</u>	<u>(1408.12)</u>

Note (Forming Part of the Statement of Profit & Loss)

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
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25. EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	6900.68	6971.55
Leave Encashment	681.05	702.28
Company's contribution to Provident & other Funds	956.89	859.47
Travel Concession	251.34	32.54
Welfare Expenses	502.96	481.18
Gratuity	601.04	689.33
	<u>9893.96</u>	<u>9736.35</u>
Less : Grants in Aid received from Government of Karnataka	0.15	-
	<u>9893.81</u>	<u>9736.35</u>

26. FINANCE COSTS

Interest Cost

- Foreign Currency Loans	637.60	617.58
- Non Convertible Bonds	608.10	350.54
- Bank Borrowings - working capital	47.89	153.20
- Steel Development Fund Loans	3.20	3.73
- Others	741.76	322.11
Other Borrowing Costs	8.20	6.52
Interest under Income Tax Act	-	0.55
	<u>2046.75</u>	<u>1454.23</u>

Note:

Expenditure on Interest & Finance charges not included above & charged to:

Expenditure During Construction

Interest Cost

Foreign currency loans	147.72	188.15
Non Convertible Bonds	491.05	445.31
Steel Development Fund loans - Interest	4.96	4.43
	<u>643.73</u>	<u>637.89</u>

Note (Forming Part of the Statement of Profit & Loss)

27. OTHER EXPENSES

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015	
Consumption of Stores & Spares Parts			
Consumption of Stores & Spares Parts	4203.16	4281.77	
Less: Departmentally manufactured stores	959.11	975.39	
Less: Finished products internally consumed as stores and spares	567.05	670.89	2635.49
Power and Fuel	5621.18		5423.53
Repairs & Maintenance			
Buildings	199.48	223.31	
Plant & Machinery	702.19	609.28	
Others	222.23	208.13	1040.72
Freight Outward	1130.91		993.06
Handling Expenses			
- Raw Material	318.41	278.80	
- Scrap Recovery	314.33	289.90	568.70
Royalty and Cess	1344.07		1222.78
Conversion Charges	413.32		332.66
Excise Duty on Inter-Plant Transfer / Internal Consumption	305.40		367.97
Demurrage & Wharfage	48.64		100.17
Water Charges & Cess on Water Pollution	112.32		162.35
Insurance	29.35		21.34
Postage, Telegram & Telephone	18.68		22.80
Printing & Stationery	9.68		10.80
Rates & Taxes	50.13		44.93
Rent	25.76		27.09
Security Expenses	433.79		370.47
Travelling Expenses	149.79		186.52
Training Expenses*	41.03		46.81
Expenditure on Corporate Social Responsibility#	76.16		-
Foreign Exchange Fluctuation (Net)	68.65		46.16
Loss on sale/scraping of Fixed Assets (Net)	25.18		-
Remuneration to Auditors			
- Audit Fees	1.45	1.41	
- Tax Audit Fees	0.41	0.39	
- In other Services	0.98	1.13	
- Out of Pocket Expenses	0.89	0.87	3.80
Cost Audit Fee and Reimbursement of Expenses	0.20		0.14
Provisions			
- Doubtful Debts, Loans and Advances	28.05	45.86	
- Stores, Spares and Sundries	169.09	54.82	100.68
Write-Offs - Miscellaneous	0.27		0.32
Handling Expenses - Finished goods	181.24		142.01
Cash Discount (net)	56.42		70.82
Commission to Selling Agents	7.06		5.03
Export Sales Expenses	8.85		24.39
Miscellaneous	325.86		233.75
	15118.45		14205.29

Previous year figure shown as retained retainings.

* Training expenses not included above and charged to primary heads of account

51.11

62.34

Note (Forming Part of the Statement of Profit & Loss)

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
28. ADJUSTMENTS PERTAINING TO EARLIER YEARS		
Sales	4.51	(1.68)
Other revenues	(10.50)	4.28
Raw materials consumed	4.65	(3.42)
Stores & spares consumed	(0.49)	(10.57)
Power & fuel	10.47	-
Employee Remuneration and Benefits	-	(4.46)
Repair & Maintenance	-	(2.80)
Other expenses	19.69	89.74
Depreciation	22.42	17.14
Interest	(35.24)	-
Net Debit / Credit (-)	15.51	88.23

Other Notes to Financial Statements

29.1. CONTINGENT LIABILITIES

(₹ crore)

	As at 31 st March, 2016	As at 31 st March, 2015
(i) Claims against the Company pending appellate/judicial decisions :		
a) Excise Duty	2096.32	1667.91
b) Sales Tax on inter-state stock transfers from plants to stockyards*.	739.30	739.33
c) Other sales tax matters	717.49	230.26
d) Income Tax	1222.29	1184.58
e) Other duties, cess and levies	2967.88	2779.99
f) Civil matters **	6043.67	2776.79
g) Entry Tax	2050.71	1647.65
h) Miscellaneous **	14656.23	11238.66
* No liability is expected to arise, as sales tax has been paid on eventual sales. ** includes claims of ₹47.44 crore (₹47.43 crore), against which there are counter-claims of ₹26.30 crore (₹28.06 crore).		
(ii) Other claims against the Company not acknowledged as debt:		
a) Sales Tax	24.11	16.48
b) Duties, cess and levies	475.28	266.07
c) Civil Matters	82.67	55.23
d) Miscellaneous \$	1271.70	975.24
\$ includes claims of ₹100.94 crore (₹100.94 crore), against which there are counter-claims of ₹103.95 crore (₹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	33.79	31.59
(iv) Bills drawn on customers and discounted with banks.	329.77	420.15
(v) Price escalation claims by contractors/suppliers and claims by certain employees.	161.71	246.25

- 29.2 a)** Pending final decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Allahabad dismissing the writ petition of the Company, on levy of entry tax in the State of Uttar Pradesh, the entry tax amount included in Note No. 29.1(i)(g), includes disputed demand of ₹97.22 crore (₹94.89 crore). The Company has deposited ₹114.21 crore (₹96.45 crore) against the said demand which has been shown as deposit and disclosed under Long term Loans and Advances.

Pending final decision by the Hon'ble Supreme Court of India in SLP against order by the respective Hon'ble High Courts dismissing the writ petitions of the Company, the entry tax amount in Note No. 29.1(i)(g) includes disputed demands of ₹1091.02 crore (₹1084.32 crore) in Chhattisgarh State and ₹341.15 crore (₹333.95 crore) in Odisha State respectively.

In respect of the case pertaining to Chhattisgarh State, liability of ₹1409.23 crore (₹1251.41 crore), based on legal opinion, has been provided in the books towards entry tax @3% against the demand @6%. The Company has deposited ₹1409.23 crore (₹1251.41 crore) and ₹109.82 crore (₹103.27 crore) in Chhattisgarh and Odisha State respectively against the said demand which has been treated as Deposit and disclosed under Long term Loans and Advances.

- b)** Pending decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Jharkhand dismissing the writ petition of the Company, demands of ₹491.27 crore (₹393.59 crore) made by Damodar Valley Corporation (DVC) in respect of electricity supplied to Bokaro Steel Plant of the Company, have been disclosed as contingent liability included in Note No. 29.1(i)(f). Against the said demands, the entire amount have been paid to DVC against bills raised by them and disclosed under short term loans and advances.

- 29.3** Under the Jharkhand Mineral Area Development Authority (Amendment) Act, the State Government of Jharkhand has made a demand of ₹97.85 crore (₹63.31 crore) towards "Market Fee" on transaction value of coal. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 29.1(i)(e) above.

- 29.4** 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 ₹144.34 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 ₹144.34 crore (₹144.34 crore) has been included in the Contingent Liability, in Note No. 29.1(ii)(b) above.

30. FIXED ASSETS

30.1 Land:

- Includes 67681.64 acres (67354.96 acres) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- Includes 34061.08 acres (35334.08 acres) in respect of which title is under dispute.
- 8856.73 acres (8851.69 acres) 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.
- 7181.43 acres (6345.43 acres) given on lease to various agencies/ employees/ex-employees.
- Includes 4440.70 acres (4211.42 acres) under unauthorised occupation.
- 1762.92 acres (1762.92 acres) of Land which is not in the actual possession, shown as deemed possession.
- ₹64.18 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.

- 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) had notified its intention to acquire 9.553 acres of Land. The compensation for 7.895 acres of Land has already been received and accounted for. Any further acquisition in part or full from the balance 1.658 acres of the notified land shall be accounted for on receipt of compensation for the actual quantity of land acquired by NHAI in future, if any.

- 30.2** Buildings include net block of ₹21.73 crore (₹22.15 crore) for which conveyance deed is yet to be registered in the name of the Company.

- 30.3** Assets retired from active use and waiting for disposal amounting to ₹75.98 crore has been shown under note 11 (a) "Tangible Fixed Assets", the net realizable value of which in the opinion of the management, will not be less than the amount shown and does not require any provision.

- 30.4** The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Notification dated 31st March, 2009 issued by Ministry of Corporate Affairs on Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates'. During the Year ended 31st March, 2016, the net foreign exchange variations of ₹154.64 crore (net debit) [Year ended 31st March 2015 - ₹66.57 crore (net credit)] on foreign currency loans have been adjusted in the carrying amount of fixed assets/capital work-in-progress. Out of the exchange differences adjusted from 1st April, 2008 to 31st March, 2016, an amount of ₹496.39 crore (net debit) [₹414.55 crore (net debit)] is yet to be depreciated/amortised as at 31st March, 2016.

- 30.5** Estimated amount of contracts remaining to be executed and not provided for (net of advances), on capital account are ₹15688.09 crore (₹13013.17 crore) and on revenue account are ₹1444.26 crore (₹1399.69 crore).

31. INVESTMENT, CURRENT ASSETS, LOANS & ADVANCES AND CURRENT LIABILITIES & PROVISIONS

- 31.1** 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. 8- 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, 2015 are as under:

(₹ crore)

No.	Description	As at 31 st March, 2016	As at 31 st March, 2015
i.	The principal amount remaining unpaid to supplier as at the end of the year.	29.46	27.27
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 2016	31st March 2015
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.	-	-
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- 31.2** Balances of Trade Receivables and Recoverables shown under 'Current Assets' and Trade and Other Payables shown under 'Current Liabilities', include balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.

32. STATEMENT OF PROFIT & LOSS

- 32.1** Net Sales include sales to Government agencies recognised on provisional contract prices during the year ended 31st March 2016: ₹3376.11 crore (Previous year: ₹2907.36 crore) and cumulatively upto 31st March 2016: ₹13074.67 crore (Previous year: ₹9750.99 crore).

- 32.2** 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 ₹226.22 crore (₹232.06 crore) and ₹50.78 crore (₹32.14 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	
	31 st March 2016	31 st March 2015
Raw Materials	66.25	41.86
Employees Benefits Expenses	95.18	100.94
Stores & Spares Consumed	5.39	7.67
Power & Fuel	14.79	9.30
Repairs & Maintenance	4.78	4.65
Depreciation and Amortisation Expenses	6.04	9.06
Other Expenses	33.61	58.05
Finance Cost	0.18	0.53
Total	226.22	232.06

- 32.3** 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 2016, 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 and Bokaro 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 IISCO Steel Plant, Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant, as the net realisable value thereof, assessed by an independent agencies, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2014, for IISCO Steel Plant, Alloy Steels Plant, Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

In the opinion of the management, there is no impairment of assets in the Rotary Polisher unit in Salem amounting to ₹7.73 crore as the net realisable

value is higher than the book value. Similarly, the net realizable value of Pipe Coating Plant at RSP is higher than the book value at ₹36.60 crore.

- 32.4** As per section 135 of the Companies Act, 2013 effective from 1st April 2014, 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. Based on above, the CSR amount has been budgeted at ₹56 crore for the year 2015-16. Total amount to be spent by the Company is ₹ 98.96 crore (including unspent amount of ₹ 42.96 crore for previous year), out of which the Company has spent an amount of ₹76.16 crore on CSR activities during the year 2015-16 under the following heads :

Particulars	₹ crore
Education	12.95
Healthcare	5.72
Livelihood Generation	4.70
Women Empowerment	3.20
Drinking Water and Sanitation	19.51
Sports, Art & Culture	7.66
Rural Development	8.97
Social Security	1.20
Environment Sustainability	11.39
Capacity Building of Personnel	0.86
Total	76.16

The balance unspent amount of ₹22.80 crore will be spent in due course.

- 32.5** Information on leases as per Accounting Standard 19 on 'Leases':

- (a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received upfront, 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) 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 ₹13.96 crore (₹12.86 crore).

- 32.6** As per the Department of Public Enterprises (DPE)'s Guidelines, the Company is required contribute 30% of salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation Benefits. To comply with the DPE's Guidelines relating to contribution to Superannuation Benefits within overall limit of 30% of salary of executive employees, the provision for pension benefit has been made @ 9% (rounded-off) w.e.f. 1st January 2007. Further, as per agreement dated 1st July, 2014 between the Management and the Unions of non-executive employees, pension benefit for non-executives has been provided @ 6% of salary (Basic Pay + Dearness Allowance) w.e.f. 1st January, 2012.

The cumulative provision/liability towards pension benefit for executive (w.e.f. 1st January, 2007) & non-executive (w.e.f. 1st January, 2012) employees, amounting to ₹2043.12 crore (₹425.48 crore during the year) and ₹40.62 crore (₹7.60 crore during the year) have been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively.

- 32.7** The Company has assessed the useful life of the assets and major components of Plant & Machinery, Factory Buildings, Railway Line & Sidings and Water Supply & Sewerage based on the technical parameters/assessment and supported by external technical advice'. Accordingly, depreciation of

₹ 86.58 crore (net of deferred tax liability ₹ 45.82 crore) on account of fixed assets with no remaining useful life as on 1st April, 2015 has been adjusted in retained earnings.

In view of above, depreciation for the year ended 31st March, 2016 is higher by ₹ 54.07 crore.

32.8 The Government of India promulgated Mines and Minerals (Development & Regulation), Amendment Act, 2015 (MMDR, 2015), effective from 26th March, 2015. The Ministry of Mines, vide notification dated 17.9.2015, notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015, deemed to have come into force on 12.1.2015, specifying the contribution payable to the District Mineral Foundation. Vide Notification dated 14th August, 2015, the Ministry of Mines, established the National Mineral Exploration Trust, effective from the date of its publication in the official gazette. As per provisions of the MMDR, 2015, an amount of ₹ 398.97 crore towards contributions to District Mineral Foundation and National Mineral Exploration Trust has been charged to the Statement of Profit and Loss during the year. Hon'ble high Court of Delhi has stayed the recovery proceedings on the basis of petition filed by Federation of Indian Mineral Industries and others.

32.9 Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2015-16 to Railway authorities for laying out railway line from Rajhara to Rowghat would result in return of 7% of investment at the end of every year after commencement and fulfilment of assured traffic from Rowghat mines. Management has assumed that the criteria laid out in the Memorandum of Understanding will be met and interest will occur from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized at effective rate of interest as income during the year (₹ 44.02 crore). Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has opined to account for the same on recovery. To ascertain whether measurability and collectability criteria is being fulfilled or not in terms of AS-9, the matter has been referred to EAC of ICAI.

32.10 SAIL has invested a sum of ₹ 495.03 crore in Equity Shares in International Coal Venture Private Limited (ICVL), a Joint Venture with Rastriya Ispat Nigam Limited (RINL), NMDC Limited (NMDC), NTPC Limited (NTPC) and Coal India Limited. In addition, SAIL has provided a letter of comfort of

US\$ 30 million to Exim Bank. Presently, holding of SAIL in ICVL is 46.62% of the Equity Shares. ICVL has 100% subsidiary in Mauritius by the name of ICVL, Mauritius which has 100% step down subsidiary Riversdale Mining (Pty) Limited (RML) in Australia which in turn holds a share of 65% stake in Minas De Benga Mauritius Ltd. (a Joint Venture Enterprise operating coal mines in Mozambique) which is running into heavy losses due to fall in international coal prices and currently no mining operation are being carried out. In the absence of financial statements and relevant information, the investment in ICVL is being carried at book value. Based on valuation carried out by SBI Capital Markets Limited, no diminution in investment is anticipated.

33. GENERAL

33.1 DEFINED BENEFIT SCHEMES

33.1.1 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. Maximum amount of ₹ 10 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 allowed upto 30 days once in the financial year upto 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.

Employees' Family Benefit Scheme: Monthly payments to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation.

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

33.1.2 Other disclosures, as required under Accounting Standard (AS)-15 (revised) on 'Employees 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	Employees' Family Benefit Scheme
i)	Present Value of projected benefit obligations, as at the beginning of the year.	5457.40 (5085.19)	2411.84 (2263.42)	845.96 (843.22)	106.11 (109.65)	21.16 (22.02)	366.14 (331.85)
ii)	Service Cost	472.63 (209.88)	284.28 (132.93)	43.89 (8.26)	5.57 (5.75)	1.45 (2.76)	- (-)
iii)	Interest Cost	441.61 (450.04)	189.49 (190.12)	67.36 (74.64)	8.58 (10.26)	1.70 (2.18)	25.48 (26.69)
iv)	Actuarial Gains(-) / Losses(+)	123.62 (497.21)	216.52 (390.61)	6.38 (-3.82)	-16.93 (-12.34)	-1.05 (-3.47)	74.27 (87.89)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	802.48 (784.92)	566.20 (565.24)	90.97 (76.34)	8.86 (7.21)	2.26 (2.33)	93.40 (80.29)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	5692.78 (5457.40)	2535.93 (2411.84)	872.62 (845.96)	94.47 (106.11)	21.00 (21.16)	372.49 (366.14)

(b) Reconciliation of Fair Value of Assets and Obligations

The Company has partly 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	2015-16	2014-15
i)	Fair Value of plan assets as at the beginning of the year	5060.96	4594.37
ii)	Expected return on plan assets	404.88	367.55
iii)	Actual Company's contribution	802.51	784.92
iv)	Actuarial gain/(loss)	28.80	99.04
v)	Benefits payments	802.48	784.92
vi)	Fair value of plan assets as at the end of the year	5494.67	5060.96
vii)	Present value of defined benefit obligation [33.1.2)(a)(vii)]	5692.78	5457.40
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	198.11	396.44

* The Company does not expect to contribute any amount to the Gratuity Fund during the year 2016-17, after considering the return on the investments.

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

(c) Provident Fund: Company's contribution paid/payable during the year to Provident Funds are recognised in the Statement of Profit & Loss. The Company's Provident Fund Trusts are exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-à-vis statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

(d) 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	Employees' Family Benefit Scheme
i)	Service Cost	472.63 (209.88)	284.28 (132.93)	43.89 (8.26)	5.57 (5.75)	1.45 (2.76)	- (-)
ii)	Interest Cost	441.59 (450.04)	189.49 (190.12)	67.36 (74.64)	8.58 (10.26)	1.70 (2.18)	25.48 (26.69)
iii)	Actuarial Gains (-)/Losses	94.82 (398.17)	216.52 (390.61)	6.38 (-3.82)	-16.93 (-12.34)	-1.05 (-3.47)	74.27 (87.89)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	404.88 (367.55)	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	604.16 (690.54)	690.29 (713.66)	117.63 (79.08)	-2.78 (3.67)	2.10 (1.47)	99.75 (114.58)
vii)	Employees' Benefits Expenses :						
	a) Charged to Profit & Loss Account (Note 25)	601.04 (689.33)	681.05 (702.28)	116.33 (78.39)	- (-)	2.10 (1.47)	99.75 (114.58)
	b) Charged to Expenditure During Construction (Note 12.1)	3.12 (1.21)	9.24 (11.38)	1.30 (0.69)	- (-)	- (-)	- (-)
	c) Other Expenses - Charged to Profit & Loss Account (Note 27)	- (-)	- (-)	- (-)	-2.78 (3.67)	- (-)	- (-)
viii)	Actual Return on Plan Assets	433.71 (466.61)					

- (e) **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)	Increase/(decrease) on aggregate service and interest cost of post-retirement medical benefits	0.55	(0.48)
ii)	Increase/(decrease) on present value of defined benefit obligations as at 31 st March, 2016	24.21	(20.98)

- (f) **Investments of Gratuity Trust**

Particulars	% of Investment	
	As at 31.03.2016	As at 31.03.2015
Insurance Investments	83.60	82.16
Central Government Securities	1.57	1.71
State Government Securities	4.90	5.32
PSU Bonds	9.91	10.71
Treasury Bills	-	0.08
Cash at Bank	0.02	0.02
Total	100.00	100.00

- (g) **Actuarial Assumptions**

(₹ crore)

Sl. No.	Description	As at 31 st March, 2016	As at 1 st April, 2015
i)	Discount Rate (per annum)	8%	8%
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	8% p.a.	8% p.a.
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	

33.2 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 'Accounting Standard-17 - Segment Reporting' issued by Ministry of Corporate Affairs. Geographical segments have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.
- ii) In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Accounting Standard-17 - 'Segment Reporting', 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.

33.3 Related Party

As per Accounting Standard - 18 - 'Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties, excluding Government controlled enterprises, are given below:

A.	
Nature of Relationship	Name of the related party
Joint Venture	SAIL Bansal Service Centre Limited
	Mjunction Services Limited
	UEC-SAIL Information Technology Limited
	Romelt SAIL (India) Limited
	Bhilai Jaypee Cement Limited
	N.E Steel & Galvanising Pvt. Limited
	S & T Mining Co. Pvt. Limited
	SAIL Kobe Iron India Pvt. Limited
	TMTSAL SAIL JV Limited
	SAL SAIL JVC Limited
	Prime Gold-SAIL JVC Limited
	VSL SAIL JVC Limited
	Abhinav SAIL JVC Limited
Nature of Relationship	Name of the related party
Key Management Personnel	Shri C.S.Verma (upto 10.6.2015)
	Shri P.K. Singh
	Shri Anil Kumar Chaudhary
	Shri S.S. Mohanty
	Shri T.S.Suresh (upto 31.05.2015)
	Shri Kalyan Maity
	Shri Binod Kumar
	Shri N. Mahapatra (w.e.f.27.11.2015)
	Shri G.Vishwakarma (w.e.f. 31st December 2015)
	Shri A. Maitra
	Shri S. Chandrasekaran
	Shri G.S. Prasad (upto 30.09.2015)
	Shri A.K. Singh (w.e.f. 23.03.2016)
	Shri R.K. Rathi (w.e.f. 27.03.2016)
	Shri A.K. Rath (w.e.f. 23.03.2016)
	Shri P.S. Bhadauria
	Shri A. Shrivastava
	Shri I.C. Sahu
	Shri M. Ravi
	Shri M.R. Panda
	Shri B.K.Jha
	Shri Neeraj Mathur
	Shri Raman
	Shri Somdev Das
	Shri N. Bhattacharya
	Shri Siddharth Kaul
	Shri H.P. Singh (w.e.f. 11.01.2016)
	Shri Sudhir Kumar (from 12.12.2015 to 26.03.2016)
	Shri S.K. Jain (w.e.f. 13.01.2016)
	Shri U.K. De (w.e.f. 01.01.2016)
	Shri S. Kalay (w.e.f. 01.02.2016)

B. Details of transactions between the Company and the Related Parties during the Year

(₹ crore)

Sl. No.	Particulars	Associate/Joint Ventures	Key Management Personnel	Total	Note No. and Account Head
i)	Purchase of Investment	2.92 (6.50)	-	2.92 (6.50)	13 : Non-Current Investment
ii)	Advance for purchase of shares	0.45 (-)	-	0.45 (-)	19 : Short Term Loans and Advances
iii)	Services rendered	1.91 (1.69)	-	1.91 (1.69)	22 : Other income
iv)	Rental Income	0.07 (0.07)	-	0.07 (0.07)	
v)	Dividend Received	- (13.69)	-	- (13.69)	
vi)	Sale of Goods	30.17 (40.60)	-	30.17 (40.60)	21 : Revenue from Operations
vii)	Services received	41.04 (33.41)	-	41.04 (33.41)	27 : Other Expenses
		2.68 (2.23)	-	2.68 (2.23)	12 : Capital WIP
viii)	Managerial remuneration	-	6.22 (7.53)	6.22 (7.53)	25 : Employees' Benefits Expenses

C. Balances with Related Parties as at the end of the Year

(₹ crore)

Sl. No.	Particulars	Associate/Joint Ventures	Note No. and Account Head
i)	Investments	78.67 (75.74)	13 : Non-Current Investment
ii)	Provision for investments	3.44 (3.44)	
iii)	Other Loans and Advances	1.39 (1.39)	14 : Long Term Loans and Advances
iv)	Provision for Loans and Advances	1.39 (1.39)	
v)	Advance for Purchase of shares	0.47 (0.03)	19 : Short Term Loans and Advances
vi)	Trade Receivable	2.65 (0.66)	17 : Trade Receivables
vii)	Trade Payable	7.91 (3.00)	8 : Trade Payables
viii)	Security Deposit	0.33 (0.33)	5 : Other Long Term Liabilities

D. Disclosure of Material Transactions with Related Parties

(₹ crore)

	For the year ended 31 st March 2016	For the year ended 31 st March 2015	Note No. and Account Head
Purchase of Investment			
S & T Mining Co. Pvt. Limited	-	3.65	13 : Non-Current Investment
Prime Gold SAIL JVC Limited	2.08	2.60	
VSL SAIL JVC Limited	0.84	-	
SAIL Kobe Iron India Pvt. Limited	-	0.25	
Advance for Purchase of Shares			
VSL SAIL JVC Limited	0.45	-	19 : Short Term Loans and Advances
Sale of Goods			
Bhilai Jaypee Cement Limited	30.17	18.61	21 : Revenue from Operations
Bokaro Jaypee Cement Limited	-	21.99	
Services Rendered			
Bhilai Jaypee Cement Limited	1.80	1.52	22 : Other Income
Bokaro Jaypee Cement Limited	-	0.02	
Mjunction Services Limited	0.14	0.19	
SAIL-Bansal Services Centre Ltd.	0.04	0.02	
S & T Mining Co. Pvt. Limited	-	0.01	
Dividend Income			
Bokaro Jaypee Cement Limited	-	8.69	
Mjunction Services Limited	-	5.00	
Auction Services			
Mjunction Services Limited	39.38	32.57	27 : Other Expenses
	2.68	2.23	12 : Capital WIP
Conversion Charges			
SAIL-Bansal Services Centre Ltd.	1.66	0.84	27 : Other Expenses

33.4 In accordance with AS-22 on 'Accounting for Taxes on Income' issued by the Ministry of Corporate Affairs, net deferred tax, has been accounted for, as detailed below:
(₹ crore)

	As on 31 st March 2016	As on 31 st March 2015
Deferred Tax Liability		
Difference between book and tax depreciation	6104.36	4526.61
Total	6104.36	4526.61
Deferred Tax Assets		
Retirement Benefits	66.45	135.08
Others	6745.76	1996.34
Total	6812.21	2131.42
Net Deferred Tax Liability/asset(-)	(-) 707.85	2395.19

The Company is having accumulated business losses of ₹15,377.55 crore (including accumulated unabsorbed depreciation of ₹ 8851.44 crore) as on 31.03.2016 as per the provisions of the Income Tax Act, 1961.

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.

Accordingly, the Company has recognized deferred tax asset (gross) of ₹5321.86 crores on accumulated business losses (including accumulated unabsorbed depreciation). However, Net Deferred Tax Assets of ₹707.85 crore has been recognised after netting of Deferred Tax Assets and Deferred Tax Liabilities.

33.5 As per Accounting Standard - 27 - 'Financial Reporting of Interest in Joint Ventures' issued by the Ministry of Corporate Affairs, the Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture companies, all incorporated in India, are given below:

(₹ crore)

Sl. No	Name of the Joint Venture Company	% of Company's ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	NTPC SAIL Power Company Pvt. Ltd. (*)	50	1560.14	687.75	857.90	726.87	43.78	87.01
2.	Bokaro Power Supply Co. Pvt. Ltd. (**)	50	599.43	296.45	484.56	451.44	10.26	15.45
3.	Mjunction Services Limited (**)	50	155.35	61.33	92.74	61.49	2.08	1.13
4.	SAIL Bansal Service Centre Ltd (**)	40	2.16	3.92	0.97	0.85	-	-
5.	Romelt SAIL (India) Ltd (\$)	15	-	-	-	-	-	-
6.	UEC SAIL Information Technology Limited (\$\$)	40	-	-	-	-	-	-
7.	North Bengal Dolomite Ltd (\$)	50	-	-	-	-	-	-
8.	N.E Steel & Galvanising Pvt. Limited (\$\$)	49	-	-	-	-	-	-
9.	Bhilai Jaypee Cement Limited (*)	26	219.20	175.55	104.45	134.50	5.15	2.20
10.	S & T Mining Co. Pvt. Limited (*)	50	3.86	1.83	0.20	2.27	-	-
11.	International Coal Ventures Private Limited (*)	46.62	569.60	1.15	0.47	2.89	-	-
12.	SAIL-MOIL Ferro Alloys Private Limited (**)	50	6.53	8.01	0.05	0.26	-	-
13.	SAIL SCI Shipping Pvt. Limited (*)	50	0.07	-	-	-	-	-
14.	SAIL SCL Kerala Limited (**)	49.26	36.02	46.62	2.67	9.24	-	-
15.	SAIL RITES Bengal Industry Pvt. Limited (**)	50	55.37	36.52	0.21	3.69	-	-
16.	SAIL Kobe Iron India Pvt. Limited (**)	50	0.26	-	-	-	-	-
17.	SAL SAIL JVC Limited (**)	26	0.56	0.58	-	-	-	-
18.	TMT SAL SAIL JV Limited (**)	26	0.52	0.52	-	-	-	-
19.	SAIL-BENGAL Alloy Castings Private Limited (*)	50	0.45	0.45	-	0.01	-	-
20.	Prime Gold-SAIL JVC Limited (**)	26	23.02	17.69	2.22	2.39	1.06	-
21.	VSL SAIL JVC Limited (*)	26	1.42	0.08	-	-	-	-
22.	Abhinav SAIL JVC Ltd (**)	26	0.01	0.02	-	0.01	-	-

* Based on audited accounts for the year 2015-16

** Based on unaudited accounts for the year 2015-16

\$ Information not available

\$\$ Under winding up

33.6 Disclosures of provisions required by Accounting Standard (AS) 29 '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, 2015	211.38	118.01	69.60	398.99
Additions during the Year	69.43	12.94	37.32	119.69
Amounts utilised during the Year	42.09	-	8.87	50.96
Unused amount reversed during the Year	-	3.72	13.55	17.27
Balance as at 31 st March, 2016	238.72	127.23	84.50	450.45

33.7 Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013.

i) Amount outstanding as at 31st March, 2016

(₹ crore)

Particulars	Amount
Loans given	6.15*
Investments made	1243.04

* ₹1.15 crore provided for.

ii) Investments made during the year ended 31st March, 2016

Name of the Entity	Relation	Amount (₹ crore)	Purpose for which the Investments are proposed to be utilised
International Coal Ventures Pvt. Limited	Joint Venture	313.03	Business Purpose
SAIL RITES Bengal Wagon Industry Pvt. Limited	Joint Venture	7.37	Business Purpose
VSL SAIL JVC Limited	Joint Venture	0.84	Business Purpose
Prime Gold-SAIL JVC Limited	Joint Venture	2.08	Business Purpose
SAIL-SCL KERALA Limited	Joint Venture	0.65	Business Purpose

33.8 i) 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.

34. Opening Stock, Purchases, Turnover and Closing Stock

(Quantity: Tonnes)

(Value: ₹ crore)

Class of Products	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
OWN PRODUCTS								
Main Steel Plants								
Pig Iron	250454 (43951)	512.10 (104.06)	- (-)	- (-)	612939 (320140)	1111.33 (757.84)	198437 (250454)	375.62 (512.10)
Steel Ingots	77893 (101120)	229.31 (306.97)	- (-)	- (-)	1625 (1540)	4.12 (4.77)	161450 (77893)	385.60 (229.31)
Saleable steel	1358117 (1006565)	4343.80 (3590.32)	- (-)	- (-)	11689387 (11230046)	38559.12 (45373.33)	1125961 (1358118)	3042.18 (4343.80)
In process material	852062 (514706)	2431.24 (1404.34)	- (-)	- (-)	- (-)	- (-)	1485184 (852062)	3644.65 (2431.24)
ALLOY STEELS PLANTS								
Pig Iron	15722 (7831)	45.46 (23.32)	- (-)	- (-)	1225 (1016)	3.77 (3.24)	21792 (15722)	62.52 (45.46)
Steel Ingots	28181 (21695)	127.33 (85.16)	- (-)	- (-)	- (-)	- (-)	29776 (28181)	132.07 (127.33)
Saleable steel	79291 (95283)	550.73 (644.34)	- (-)	- (-)	432348 (479474)	2363.43 (2970.76)	81688 (79291)	565.80 (550.73)
In process material	55092 (68836)	461.13 (560.85)	- (-)	- (-)	- (-)	- (-)	49903 (55092)	398.65 (461.13)
SUNDRIES								
Calcium Ammonium	1023	-	-	-	-	-	1023	-
Nitrate(in terms of)25% N)	(1023)	(-)	(-)	(-)	(-)	(-)	(1023)	(-)
Middlings/Rejects	798785 (785677)	- (-)	- (-)	- (-)	67747 (161340)	52.98 (66.31)	196705 (798785)	- (-)
Others (By-products etc.)		1914.28 (2252.16) 10615.38 (8971.52)		- (-) - (-)		1242.24 (1450.40) 43336.99 (50626.65)		1333.83 (1914.28) 9940.92 (10615.38)

35. Expenditure incurred in foreign currency on account of

(₹ crore)

	Current Year	Previous Year
Know-how	39.02	53.12
Interest	74.96	230.81
Professional and consultation fees	68.64	72.55
Others	201.97	165.14
Total	384.59	521.62

36. Earnings in foreign exchange on account of

(₹ crore)

	Current Year	Previous Year
Export of goods(Calculated on FOB basis)	557.13	1567.71
	557.13	1567.71

37. Value of imports (Calculated on CIF basis)

(₹ crore)

	Current Year	Previous Year
Raw materials	10257.24	12058.91
Capital goods	703.04	584.39
Components & Spare parts	334.99	419.15
Total	11295.27	13062.45

38. Value of raw materials consumed

	₹/crore	%	₹/crore	%
Imported	11456.19	54.88	11718.59	52.78
Indigenous	9417.91	45.12	10484.51	47.22
	20874.10	100.00	22203.10	100.00
Less: Inter Account Adjustments	3723.49		3680.20	
	17150.61		18522.90	

39. Value of Components and Spare Parts consumed

	₹/crore	%	₹/crore	%
Imported	378.36	9.00	416.88	9.74
Indigenous	3824.80	91.00	3864.89	90.26
	4203.16	100.00	4281.77	100.00
Less: Inter Account Adjustments	1526.16		1646.28	
	2677.00		2635.49	

40. Remittance in foreign currencies for dividends :

The Company has not remitted any amount in foreign currencies on account of interim / final dividend during the year and does not information as to the extent to which remittances, if any, in foreign currencies on account of interim / final dividends have been made by / on behalf of non-resident shareholders. The particulars of final dividend for the year 2014-15 on account of non-resident shareholders are as under:

	Current Year	Previous Year
Final Dividend (2014-15)		
a) Number of non-resident shareholders	4689	*
b) Number of ordinary shares held by them	260214361	*
c) Amount of Dividend (₹crore)	6.51	*
* No Final Dividend was declared in 2013-14		
Interim Dividend (2015-16)		
a) Number of non-resident shareholders	*	4655
b) Number of ordinary shares held by them	*	276474036
c) Amount of Dividend (₹crore)	*	48.38
* No Interim Dividend was declared in 2015-16		

41. Previous year's figures have been re-arranged/re-grouped/re cast, wherever necessary. Figures in brackets pertain to previous year.

Segment Information for the year ended 31st March, 2016

A. BUSINESS SEGMENT

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	SAIL
REVENUE											
- External Sales											
Current Year	14654.53	6098.45	7711.94	9097.91	3318.79	393.42	1774.01	219.47	68.47		43336.99
Previous Year	(16650.74)	(7643.11)	(9283.60)	(12890.53)	(1081.68)	(552.61)	(2206.95)	(233.04)	(84.39)		50626.65
- Inter Segment Sales											
Current Year	684.85	178.49	100.86	122.67	46.33	200.13	11.25	32.42	3822.65	-5199.65	-
Previous Year	(1075.80)	(369.42)	(299.45)	(284.84)	(833.28)	(227.42)	(9.10)	(46.29)	(3630.52)	(-6776.12)	-
- Total Revenue											
Current Year	15339.38	6276.94	7812.80	9220.58	3365.12	593.55	1785.26	251.89	3891.12	-5199.65	43336.99
Previous Year	(17726.54)	(8012.53)	(9583.05)	(13175.37)	(1914.96)	(780.03)	(2216.05)	(279.33)	(3714.91)	(-6776.12)	50626.65
RESULT											
- Operating profit / (-) loss (Before Interest expenses and exceptional items)											
Current Year	708.20	-392.40	-1964.85	-1776.96	-1454.50	-60.86	-348.76	-115.54	253.98		-5151.69
Previous Year	(2490.04)	(622.05)	(618.63)	(786.49)	(-835.85)	(-117.72)	(-249.55)	(-97.29)	(596.34)		3813.14
- Interest expenses											
Current Year											2046.75
Previous Year											(1454.23)
- Exceptional items (Foreign exchange variation & write back of entry tax liability)											
Current Year											-
Previous Year											(-)
- Income tax											
Current Year											-3061.18
Previous Year											(266.23)
- Net Profit / Loss (-)											
Current Year											-4137.26
Previous Year ended											(2092.68)
OTHER INFORMATION											
- Segment Assets											
Current Year	24327.08	5596.68	18596.12	14038.02	18804.53	580.24	2768.09	637.10	12213.73		97561.59
Previous Year	(22811.33)	(5227.07)	(18544.86)	(13817.64)	(18308.44)	(630.54)	(3038.27)	(631.46)	(16317.26)		(99326.87)
- Segment Liabilities											
Current Year	6377.64	1996.16	3481.91	3095.05	1414.08	221.71	425.11	128.88	25866.92		43007.46
Previous Year	(6092.97)	(1893.89)	(3637.46)	(2743.51)	(1211.75)	(231.16)	(342.07)	(173.04)	(23075.49)		(39401.34)
- Capital expenditure											
Current Year	1686.13	543.63	1196.29	1034.20	1120.61	-3.50	55.06	19.74	445.24		6097.40
Previous Year	(2219.69)	(659.74)	(1448.63)	(804.91)	(1389.04)	(5.10)	(-6.12)	(4.71)	(545.74)		(7071.44)
- Depreciation											
Current Year	346.66	132.83	566.37	278.81	486.89	9.29	80.27	6.04	192.38		2099.54
Previous Year	(304.25)	(128.50)	(440.34)	(270.47)	(317.90)	(10.87)	(103.16)	(5.89)	(191.90)		(1773.28)
- Non Cash expenses other than depreciation											
Current Year	21.98	6.24	35.81	16.81	63.63	13.17	1.45	2.23	35.82		197.14
Previous Year	(14.85)	(18.94)	(7.51)	(8.48)	(5.31)	(15.33)	(1.03)	(1.40)	(27.83)		100.68

SOCIAL AMENITIES

A. BUSINESS SEGMENT

(₹ crore)

Expenses	Township	Education	Medical	Social & cultural activities	Co-operative societies	Transport & Dairy	Total	Previous Year
Employees' Remuneration & Benefits								
- Salaries & Wages	204.78	96.25	291.75	7.48	3.36	9.10	612.72	675.50
- Company contribution to Provident Fund	23.92	11.21	32.67	1.06	0.36	1.17	70.39	75.07
- Travel concessions	11.20	4.27	11.54	0.24	0.01	1.44	28.70	3.09
- Welfare expenses	8.31	8.16	86.36	4.75	-	1.22	108.80	105.64
- Consumption of medicines	4.22	0.72	64.52	1.62	0.23	0.41	71.72	70.09
- Gratuity	25.44	12.46	20.35	0.64	0.35	2.02	61.26	71.30
Total	277.87	133.07	507.19	15.79	4.31	15.36	953.59	1000.69
Stores & Spares	23.47	0.71	6.12	1.36	-	0.55	32.21	35.06
Repair & Maintenance	130.15	1.24	29.25	0.37	0.19	0.29	161.49	144.56
Power & Fuel	415.38	4.71	12.99	3.04	-	0.29	436.41	415.19
Miscellaneous expenses	41.56	5.53	21.10	2.53	-	5.70	76.42	125.86
Depreciation	37.93	3.01	13.61	0.55	0.35	0.70	56.15	46.86
Total	926.36	148.27	590.26	23.64	4.85	22.89	1716.27	1768.22
Less: Income	215.36	5.42	87.84	0.14	-	0.48	309.24	301.34
Net Deficit	711.00	142.85	502.42	23.50	4.85	22.41	1407.03	1466.88

Independent Auditors' Report

Comments	Management's Replies
To the Members of Steel Authority of India Limited Report on the Standalone Financial Statements We have audited the accompanying standalone financial statements of STEEL AUTHORITY OF INDIA LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended. Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 financial statements based on 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 thereunder. 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements. Basis for Qualified Opinion The Company has not provided for: - entry tax amounting to ₹97.22 crore (current year ₹2.33 crore and last year ₹ 3.34 crore) in the state of Uttar Pradesh, ₹1091.02 crore (current year ₹ 6.70 crore and last year ₹ 13.04 crore) in the state of Chhattisgarh and ₹341.15 crore (current year ₹ 7.20 crore and last year ₹119.14 crore) in the state of Odisha (refer note no. 29.1(i)(g)); - amount paid to DVC against bills raised for supply of power and retained as advance by Bokaro Steel Plant amounting to ₹491.27 crore (current year- ₹ 97.68 crore and last year- ₹101.83 crore) (refer note no. 29.1(i)(f)); The total impact of above para (i) and (ii) has resulted in understatement of Loss after Tax for the year by ₹ 1,321.35 crore (Over statement of profit of Previous Year ended 31st March, 2015 by ₹ 1906.75 crore), overstatement of Reserves & Surplus by ₹ 1321.35 crore (As at 31st March, 2015 ₹ 1906.75 crore), understatement of Current Liabilities by ₹ 2020.66 crore (As at 31st March, 2015- ₹ 1906.75 crore) and understatement of Total Assets by ₹ 699.31 crore (Previous Year ended 31st March, 2015 ₹ Nil). Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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 2016 and its loss and its cash flows for the year ended on that date. Emphasis of Matter We draw attention to the net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no. 32.1);	

The mentioned cases are sub-judice and pending before the Hon'ble Supreme Court and other courts for a long time. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist on the Balance Sheet date. Therefore, there is no adverse impact on loss. There is no change in the status of these cases till date.

Comments

Management's Replies

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements/information of 8 branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 44971.85 crore as at 31st March, 2016 and total revenues of ₹ 15,849.68 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information 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 qualified 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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.
 - b. Except for the effects of the matter 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 it 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 branch auditors have been sent to us and have been properly dealt with by us in preparing this report
 - d. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - e. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone 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 matter 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 Annexure 'B', 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 Auditors) Rules, 2014, 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 financial statements - Refer note No. 29.1 to 29.4 to the financial statements;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
3. As required by section 143(5) of the Act, we give in Annexure 'C', a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

For B.N. Misra & Co

Chartered Accountants

Firm Registration no.321095E

Sd/-

[B.N.Misra]

Partner

(M. No. 083927)

For Singh & Co.

Chartered Accountants

Firm Registration no.302049E

Sd/-

[Shrenik Mehta]

Partner

(M. No. 063769)

For Sharma Goel & Co., LLP

Chartered Accountants

Firm Registration no.000643N

Sd/-

[Amar Mittal]

Partner

(M. No. 017755)

For Chatterjee & Co.

Chartered Accountants

Firm Registration no.0302114E

Sd/-

[S.K Chatterjee]

Partner

(M. No. 003124)

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Dated : 30th May, 2016

Place : New Delhi
Date : 11th August, 2016

Independent Auditors' Report

(Annexure-A to the Independent Auditors' Report)

Comments

Management's Replies

Annexure 'A' referred to in paragraph I under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Steel Authority of India Limited ('the Company')

i. In respect of its fixed assets:

- 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 few in respect of land 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.
- 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 to us, no material discrepancies have been noticed on such verification.
- According to the information and explanations given to us and on basis of our examination of records of the Company, the title deed of immovable property are held in name of company except in following instances:

Particulars	Freehold Land	Leasehold Land	Building
Not in name of company	40565.76 acres	17297.73 acres	1312 sq. Mtr and 1 case
Gross block of land not in name of Company (₹ in Crore)	120.52	146.62	0.69
Net block of land not in name of Company (₹ in Crore)	120.52	126.25	0.44

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.

Necessary action is being taken to evict the occupants from land and buildings under encroachment/unauthorised occupation.

ii. In respect of physical verification of Inventory:

- 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.
 - In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories were not material and 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 or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a) and (iii) (b) of Paragraph 3 of the Order are not applicable to the Company
- iv. The Company has not granted any loans or made any investments or given any guarantee and security covered under Sections 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Company has made and maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us in respect of statutory dues:
- 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, Cess and other Statutory Dues to 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, 2016.
 - According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2016 as given herein below:

Statute	Nature of Dues	Amount (₹ crore)	Forum where disputes are pending
Sales Tax & VAT	Sales tax and VAT Demands	6.51 604.06 624.35 121.01	Supreme Court High Courts Sales Tax Tribunals Sales Tax Departments
Entry Tax	Entry tax	1091.02 666.29 12.14 20.44	Supreme Court High Courts Tribunal Department

Comments
Management's Replies

Central Excise Act, 1944	Excise Duty	152.02 140.14 990.00 751.55	Supreme Court High Courts CESTAT Department
Service Tax	Service Tax	137.96 82.29	CESTAT Department
Customs Duty	Customs Duty	5.09	CESTAT
Income Tax Act, 1961	TDS on Perks	46.74 105.94	Supreme Court High Courts
	Other TDS matters	105.79 1.67 0.89	High Courts ITAT Department of Income Tax
	Income Tax Disputes	194.52 522.33 350.85	High Courts ITAT Department of Income Tax
	TOTAL	6733.60	

- viii. The Company has not defaulted in repayment of loans or borrowings to a 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. The Company did not raise 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. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 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 Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. 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.
- 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 financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given 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.
- 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.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B.N. Misra & Co

Chartered Accountants
Firm Registration no.321095E

Sd/-

[B.N.Misra]

Partner

(M. No. 083927)

For Singhi & Co.

Chartered Accountants
Firm Registration no.302049E

Sd/-

[Shrenik Mehta]

Partner

(M. No. 063769)

For Sharma Goel & Co., LLP

Chartered Accountants
Firm Registration no.000643N

Sd/-

[Amar Mittal]

Partner

(M. No. 017755)

For Chatterjee & Co.

Chartered Accountants
Firm Registration no.0302114E

Sd/-

[S.K Chatterjee]

Partner

(M. No. 003124)

For and on behalf of Board of Directors

Sd/-

(P.K. Singh)

Chairman

Place : New Delhi
Dated : 30th May, 2016

Place : New Delhi
Date : 11th August, 2016

Independent Auditors' Report

(Annexure-B to the Independent Auditors' Report)

Comments	Management's Replies
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 2016 in conjunction with our audit of the 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 controls 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 ('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. Auditor's 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 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 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.	

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, 2016, 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 B.N. Misra & Co

Chartered Accountants
Firm Registration no.321095E

Sd/-

[B.N.Misra]

Partner

(M. No. 083927)

For Singhi & Co.

Chartered Accountants
Firm Registration no.302049E

Sd/-

[Shrenik Mehta]

Partner

(M. No. 063769)

For Sharma Goel & Co., LLP

Chartered Accountants
Firm Registration no.000643N

Sd/-

[Amar Mittal]

Partner

(M. No. 017755)

For Chatterjee & Co.

Chartered Accountants
Firm Registration no.0302114E

Sd/-

[S.K Chatterjee]

Partner

(M. No. 003124)

Place : New Delhi

Dated : 30th May, 2016

Independent Auditors' Report

(Annexure-C to the Independent Auditors' Report)

Questions	Auditors' Comments	Management's Replies
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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 Plants/Units and information and explanations given to us, we report that:

A. Directions under Section 143(5) of Companies Act, 2013

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.

The Company has clear title deeds for freehold land except as stated below:

- 40565.78 acres owned / possessed by the Company, in respect of which title deeds are pending for registration.
- 118.08 acres in respect of which title is under dispute.
- 5786.11 acres 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.
- 3966.86 acres given on lease to various agencies/employees/ex- employees.
- 2533.40 acres under unauthorised occupation.
- 832.83 acres of Land which is not in the actual possession, shown as deemed possession.

The Company has clear lease deeds for Leasehold land except as stated below:

- 20772.11 acres owned / possessed by the Company, in respect of which title deeds are pending for registration.
- 2647.79 acres in respect of which title is under dispute.
- 1162.97 acres 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.
- 667.09 acres given on lease to various agencies/employees/ex-employees.
- 526.79 acres under unauthorised occupation.
- 938.06 acres of Land which is not in the actual possession, shown as deemed possession.

Necessary action is being taken for registration of pending title deeds and eviction of unauthorised occupants of land.

2. Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.

Write offs are done on case to case basis with the approval of competent authorities. The details of the waiver/write off of debts/loans/interest is given below along with major reasons thereof :

Sl. No.	Plant	Nature of dues	Amount involved (₹ in crore)	Major reasons of waiver/ write off
1	ISP	Write off of Debtors	0.18	Non-Recoverable
2	RSP	Waiver of Hospital dues in Respect of Non-entitled Patients	0.08	Poor patient
3	RSP	Write off of Old outstanding Dues From OSEB/GRIDCO	0.01	old outstanding Since 1990 and remote chance of Realisation
4	CMO	Written off of Debtors	0.04	Non-Recoverable

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift 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.

B. Sub-Directions under section 143(5) of Companies Act 2013

Questions	Auditors' Comments	Management's Replies
1. Review the useful life fixed by the company for its fixed assets and componentization and report whether the same are as per provisions of the Companies Act, 2013 and if not whether there is reasonable basis for taking a different useful life like industry practice and the same have been consistently followed. Whether the same has been uniformly implemented across all the steel plants.	During the year, the Company has componentized Factory Building, Plant & Machinery, Water supply and sewerage and Railway line and sidings. Based on expert technical advice of M/s. MECON Limited, technical assessment for componentisation was done and life of such components was determined. Life of assets, other than above, was taken as per life specified in Schedule II of the Companies Act, 2013. Depreciation is provided on straight line method, considering residual value of 5% of the cost of tangible asset. We are of the opinion, that there is reasonable basis for taking different useful life as states above and the same are as per provisions of the Companies Act, 2013 and the same have been consistently followed.	
2. Examine the percentage escalation in salary assumed by management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the company to the Actuaries for actuarial valuation were correct, complete and valid.	Financial assumptions should be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.' Therefore, the financial assumptions, like salary escalation rates, are aligned to long term inflation rates for future. From the FY 2014-15 onwards, inflation has started moderating. As reported by the Ministry of Statistics and Programme Implementation (MOSPI), the inflation rate in India has reduced from 11.16% in November 2013 to 3.69% in July 2015. In March 2016 it was 4.83%. Further, RBI Governor, in its speech has also ensured that inflation remains on the projected path of 5% by the end of 2016-17. Also, decline in the yield on Government Securities, points towards a low inflation scenario which, in turn, may enable lower increases in salary. Secondly, salary increases may also be affected by physical and financial performance of an organisation. In our opinion the source data provided by the Plant to the actuary for actuarial valuation were correct, complete and valid.	
3. Examine the valuation of raw materials (iron ore, coal, limestone, dolomites etc) termed as carpet/ bed stock lying at steel plants.	The Plant has valued the visible physical stock of raw material inventory of iron ore, lime stones, dolomites, coal, etc., above the ground level and included such raw material in Inventory.	

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[B.N.Misra]

Partner
(M. No. 083927)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]

Partner
(M. No. 063769)

For Sharma Goel & Co., LLP
Chartered Accountants
Firm Registration no.000643N

Sd/-
[Amar Mittal]

Partner
(M. No. 017755)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[S.K Chatterjee]

Partner
(M. No. 003124)

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Date : 30th May, 2016

Place : New Delhi
Date : 11th August, 2016

(Annexure-II to the Directors' Report)

Comments of C&AG

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Comments	Management's Replies
The preparation of financial statements of Steel Authority of India Limited for the year ended 31 March 2016 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 30 May, 2016. 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, 2016. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report:	
A. COMMENTS ON PROFITABILITY Balance Sheet (i) Note 9: Other Current Liabilities: ₹15805.26 crore The Company, along with other steel makers in public and private sector, became (April 2015) the founder member of the Society 'Steel Research and Technology Mission of India' (SRTMI) to promote Research and Development for steel industry. Participating companies have to contribute towards the entry fees @ ₹25 per tonne of crude steel produced during 2013-14 by them or ₹5 crore whichever was higher, and annual recurring expenditure. The Empowered Committee headed by Secretary, Ministry of Steel, Government of India decided (29 March 2016) that full contribution towards entry fees be made. This was followed by a demand from the Member Secretary of the SRTMI. The Company however did not create liability for its share of entry fee amounting to ₹33.95 crore as a charge to expense. Non-provision of liability and expense has resulted in understatement of Other Current liabilities and Loss by ₹33.95 crore. (ii) Note-11 TANGIBLE ASSETS Non-current Assets Note 11A :Tangible assets - ₹42716.20 crore BSP, Bhilai paid ₹7.79 crore to Airport Authority of India for re-carpeting and repair of Nandini air-strip. The re-carpeting was done to restore the condition of the air strip and it should have been accounted for as revenue expenditure. The Company, however, capitalized the expenditure instead of charging it under repairs and maintenance. This has resulted in overstatement of Fixed Assets by ₹5.68 crore, depreciation by ₹2.11 crore and understatement of loss by ₹5.68 crore. (ii) Note 14: Long Term Loans and Advances :₹4958.44 crore The Company paid a refundable contribution of ₹270.34 crore to Indian Railways for construction of rail link between Dalli-Rajhara and Rowghat. Terms of MoU entered amongst Ministry of Railways, Government of Chhattisgarh, SAIL, cash at the rate of 7% per annum (includes principal and interest) for 37 years on total contribution towards redemption of SAIL's contribution. The payment of interest would commence from the 1st year	In the meeting of Governing Body of 'SRTMI' held on 29th March 2016, it was decided that initial funding of ₹5 crore each by SAIL, RINL, Tata Steel, JSW, JSPL and ₹1 crore each by NMDC and MECON and equal amount to total contribution made by members shall be put in by the Ministry of Steel initially as corpus money. Also, the Governing Body has not taken any decision about the date of contribution. As the amount is a mere commitment toward entrance fee in MoU and there is no inflow of goods and services, the same will be accounted for in the books as and when paid. Moreover, letter from Member Secretary (SRTMI), requesting for contribution was raised on 14th May, 2016. The Nandini Air Strip at Bhilai Steel Plant (BSP), originally built in 1963, had outlived its life. The job of re-carpeting of the Nandini Air Strip was outsourced to Airport Authority of India Limited and was treated as re-building of Air Strip. The job is highly technical in nature and heavy strength bearing. The rebuilt has given a fresh life to the Air Strip and made fit to earn a stream of revenue over the years in the form of usage charges payable by National Technical Research Organisation (NTRO), Government of India, to BSP, SAIL. The Civil Engineering Division of NTRO also confirmed that the life of the re-carpeting of the Air Strip will be 10 years. As the expenditure has been incurred with a view to bring into existence an asset or an advantage of enduring nature, the benefits of which are expected to arise over several future accounting periods, the expenditure has been correctly treated as capital expenditure and therefore, there is no overstatement of fixed assets & depreciation and understatement of loss. As per Accounting Standard-9 on 'Revenue Recognition', revenue is recognized when no significant uncertainty as to measurability or collectability exists and income from interest needs to be calculated on time-proportion basis on the outstanding amount. As the principal amount paid to Railways will be recovered, the collectability of interest thereon is also confirmed. Thus, there is no overstatement of long term loans and advances and understatement of loss.

Comments	Management's Replies
after commissioning of the Phase-I of the project, consisting of 95 Kms, provided that SAIL ensures a minimum of 4 million ton of iron ore traffic per year from the 1st year and 9 million ton from the 3rd year of operation onwards between Rowghat and Dalli Rajhara. Phase I of the project is still work-in-progress and there was no traffic movement on the line. Thus, the interest income has not accrued as milestones as given in the MoU have not been achieved. Bhilai Plant of the Company however recognised interest income of ₹44.02 crore as interest receivables from the Indian Railways. This has resulted in overstatement of long-term loans and Advances and understatement of Loss by ₹44.02 crore	
B. COMMENTS ON FINANCIAL POSITION Note No. 5: Other Long term Liabilities : ₹1289.98 crore Arrears of annual cash commitment for the period from 2013-14 to 2015-16 totalling ₹88 crore payable to Steel Development Fund under the Joint Plant Committee, Ministry of Steel are current liabilities but the Company classified it as Long Term Liability. This has resulted in overstatement of Other Long term Liabilities and understatement of Other Current Liabilities by ₹88 crore	Interest accrued but not due on loan from Steel Development Fund as on 31.3.2016, of ₹ 707.92 crore has been included under the head "Other long term liabilities". The amount includes the demand amount of ₹ 88 crore from 2013-14 to 2015-16, disputed by SAIL. As the matter is pending before JPC for decision in respect of the quantum of amount payable by the Company and a liability is be classified as current when it is due to be settled within twelve months after the reporting date, cash commitment amount of ₹88 crore, has been correctly included under 'Other Long Term liabilities.'
C. COMMENTS ON DISCLOSURE Other notes to Financial statements (a) Company has not disclosed the liability arising from the judgement of Calcutta Bench of Central Administrative Tribunal in respect of arrear payment of the revised allowance effective for the period between 26-11-2018 and 4-10-2009 along with interest which was not acknowledged by the company in its financial statements. Note No. 29.1 Contingent liabilities (b) Above does not include ₹139.65 crore claimed by a pellet manufacturer but not accepted by Bokaro Steel Plant of the Company.	In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that concerned 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 to the petitioner's members and all similarly situated persons from the date of issue of Department of Public Enterprises's Office Memorandum dated 26.11.2008. The Ministry of Steel has not issued any further direction in this regard. Therefore, the Company has not provided/disclosed any liability towards the arrears of perks and allowances. The purchase order with the pellet supplier provides that the Company reserves the right to suspend/terminate /short close the order if any supplier's performance is found unsatisfactory and the supplier will not be entitled to claim any loss or damage because of such suspension/ cancellation/ termination/short closure. Therefore, in this case there is no present/possible obligation arising out of past events and no disclosure of contingent liability is required.
For and on the behalf of the Comptroller & Auditor General of India Sd/- (Sushil K. Jaiswal) Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi Place : Ranchi Date : 27th July, 2016	For and on behalf of Board of Directors Sd/- (P.K. Singh) Chairman Place: New Delhi Date: 11th August, 2016

Annexure-III to the Directors' 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.

I 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 my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 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:

I 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, 2016 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

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable w.e.f. 1st July, 2015-Generally complied with.
- (ii) The Listing Agreements and the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.
- (iii) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines).

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:

Regulation 17 (1) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 (II) (A) & (B) of the Listing Agreement) and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises contain provision for composition of the Board of Directors of the Company.

I further report that in the absence of requisite number of Independent Directors, the Company has not complied with the requirement pertaining to the composition of the Board of Directors to be constituted as per the DPE Guidelines and SEBI (Listing Obligation & Disclosure Requirements) Regulations.

The Company has explained that the appointment of Independent Directors on the Board of the Company is made by the Company based

on nomination by the Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

I further report that as per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board was required to carry out evaluation of every director's performance. Further, Regulation 17(10) & 25(4) of SEBI (LODR) 2015 and the Code for Independent Directors pursuant to Section 149 (8) of the Companies Act, 2013 requires the performance evaluation of Independent Directors to decide their continuance or otherwise. Further, the MCA 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. 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 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 Administrative Ministry. Upon request and representations as received from CPSEs, the Department of Public Enterprises has also written to Department of Economic Affairs and Securities and Exchange Board of India to align the SEBI (LODR) Regulations, 2015 with the Companies Act, 2013 based on the Exemptions under Companies Act, 2013 as provided to the Government Companies.

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.

I 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.

I 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: July 01, 2016

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: July 01, 2016

CORPORATE GOVERNANCE REPORT

(a) Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully with laws, regulations and 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, 2016, the Board of Directors comprised of a full time Chairman, 6 Whole Time Directors (i.e. Executive Directors) and 8 Non-Executive Directors (Non-ED) (including 6 Independent Directors). During the year, 12 Board meetings were held on 08.04.2015, 19.05.2015, 29.05.2015, 03.07.2015, 14.08.2015, 24.09.2015, 06.11.2015, 19.11.2015, 08.12.2015, 12.01.2016, 09.02.2016 and 22.03.2016.

The names of Directors, their attendance at the Board meetings held during 2015-16 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 2015-16	Attendance at last AGM	No. of other Directorships held as on 31.3.2016 *	No. of Board Committee(s) as Chairman/Member as on 31.3.2016**
1. Shri C.S.Verma (upto 10.06.2015)	Executive Chairman	3	-	1	-
2. Shri Rakesh Singh (from 11.06.2015 to 30.09.2015)	Executive Chairman (Govt. Nominee)	3	Yes	1	-
3. Dr. Anup K. Pujari (from 01.10.2015 to 10.12.2015)	Executive Chairman (Govt. Nominee)	3	-	1	-
4. Shri P.K. Singh (from 10.12.2015)	Executive Chairman	3	-	1	-
5. Shri Anil Kumar Chaudhary	Executive Director	12	Yes	1	I-M
6. Shri S.S. Mohanty	Executive Director	12	Yes	5	I-M
7. Shri T.S. Suresh (upto 31.05.2015)	Executive Director	3	-	1	-
8. Shri Kalyan Maity	Executive Director	12	Yes	-	-
9. Dr. Atmanand	Independent Director	10	Yes	-	I-C
10. Shri J.M. Mauskar	Independent Director	11	Yes	-	I-M
11. Shri Binod Kumar	Executive Director	11	Yes	-	-
12. Shri Sunil Barthwal	Non-Executive Director (Govt. Nominee)	10	-	2	-
13. Mrs. Bharathi S. Sihag	Non-Executive Director (Govt. Nominee)	10	-	4	-
14. Shri P.K. Dash (from 18.11.2015)	Independent Director	5	-	1	I-M
15. Prof. Ashok Gupta (from 18.11.2015)	Independent Director	4	-	-	-
16. Shri Parmod Bindal (from 18.11.2015)	Independent Director	5	-	-	I-C I-M
17. Mrs. Anshu Vaish (from 18.11.2015)	Independent Director	4	-	-	-
18. Dr. N. Mohapatra (from 27.11.2015)	Executive Director	4	-	-	I-M
19. Shri G. Vishwakarma (from 31.12.2015)	Executive Director	3	-	-	-

* Includes Directorship in Private companies.

** Only Audit Committee and Stakeholders' Relationship Committee are considered for this purpose.

M = Member, C = Chairman

(c) Audit Committee:

1. 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 controls regarding finance, 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 major Accounting Policies followed by the Company. The Audit Committee reviews with 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.

2. Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31.03.2016, the Audit Committee consisted of Dr. Atmanand (Chairman), Shri J.M. Mauskar, Shri P.K. Dash, Shri Parmod Bindal and Shri S.S. Mohanty. During the last year, the Committee met 14 times and attendance of the Members at the meetings is given below:

Name of the Director	Status	No. of meetings attended
Dr. Atmanand, Independent Director	Chairman	13
Shri J.M. Mauskar, Independent Director	Member	14
Shri S.S. Mohanty, Director (Technical)	Member	14
Shri P.K. Dash, Independent Director (Member from 15.12.2015)	Member	3
Shri Parmod Bindal, Independent Director (Member from 15.12.2015)	Member	3

(d) Nomination & Remuneration Committee

- 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 Committee on Nomination & Remuneration 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, 2016, the Nomination & Remuneration Committee consisted of Shri J.M. Mauskar (Chairman), Shri P.K. Singh, Chairman, SAIL as Senior Member and Shri Sunil Barthwal, Government Nominee Director, Dr. Atmanand, Independent Director and Prof. Ashok Gupta, Independent Director as Members.
- The details of remuneration to whole time Directors are given below:

(₹)

Name of the Director	Salary as per section 17(1) of the Income Tax Act, 1961	Retirement & other Benefits	Total
Shri C.S. Verma (upto 10.06.2015)	1012495	-	1012495
Shri P.K. Singh (from 10.12.2015)	1022814	247378	1270192
Shri Anil Kumar Chaudhary	3189559	215277	3404836
Shri S.S. Mohanty	3248564	327792	3576356
Shri T.S. Suresh (upto 31.05.2015)	614065	-	614065
Shri Kalyan Maity	2880858	130954	3011812
Shri Binod Kumar	2739507	242532	2982039
Dr. N. Mohapatra (from 27.11.2015)	955154	76656	1031810
Shri G. Vishwakarma (from 31.12.2015)	590274	48094	638368
Total	16253290	1288683	17541973

- The Non-Executive Directors (other than Government Nominee Directors) are paid only sitting fee of ₹20,000/- for each Board/ Board Sub-Committee Meeting attended by them.

- 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 being 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 order, 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

- A Stakeholders' Relationship Committee under the Chairmanship of an Independent Director, namely Shri Parmod Bindal 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.
- Name of Compliance Officer: Shri M.C. Jain, Company Secretary.
- There were 2 number of complaints pending for redressal as on 31.03.2015. Number of shareholders complaints received during the year from 01.04.2015 to 31.03.2016 was 22. All 24 complaints were resolved and no complaint was pending for redressal as on 31.03.2016.
- 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.

- Corporate Social Responsibility (including Sustainability Development) 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.

- In addition to the above, the following Board Sub-Committees have been constituted by the Company so that the issues are examined in detail before the same are considered by the Board of Directors:
 - Evaluation of Capital Schemes - To evaluate and recommend all proposals of Capital Schemes, requiring approval of the Board.
 - Strategic Alliance(s) & Joint Ventures - To examine and recommend to the Board the issues relating to Strategic Alliance(s) and Joint Ventures of the Company.
 - Projects Monitoring Committee - To monitor and recommend to the Board the matters regarding implementation of major capital projects viz-a-viz approved plan.
 - MOU Committee - To recommend to the Board targets to be fixed under the annual MOU to be signed with the Government

and to evaluate the performance of the Company against the targets finalized under the MOU.

- Health, Safety & Environment - To review the Policy, Procedures, Systems, etc. on Health, Safety and Environmental matters and submit its recommendations to the Board.
- Technology Acquisition and Product Enrichment - Preparation of a Technology Vision and matters relating to Technology Acquisition and Product Enrichment.

(i) Details of Meetings of various Board Committees held during the year and Directors' attendance therein:

Board Sub-Committee	Audit Committee	Evaluation of Capital Schemes Committee	Strategic Alliance(s) & Joint Ventures Committee	Projects Monitoring Committee	HR, Nomination & Remuneration Committee	Corporate Social Responsibility Committee	MOU Committee	Health, Safety & Environment Committee	Technology Acquisition and Product Enrichment Committee	Stakeholders Relationship Committee
I.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Meetings held	14	2	4	5	8	2	2	3	1	1
Directors Attendance										
Dr. Atmanand	13	-	-	-	7	2	2	-	1	-
Shri J.M. Mauskar	14	2	4	5	8	-	1	3	1	-
Shri S.S. Mohanty	14	1	1	4	2	2	1	3	1	-
Shri Anil Kumar Chaudhary	-	2	4	5	5	2	2	-	-	1
Shri T.S. Suresh	-	2	1	1	-	-	-	-	-	-
Shri Kalyan Maity	-	-	-	4	-	-	-	3	-	-
Shri Binod Kumar	-	-	-	-	-	-	-	-	1	-
Shri Sunil Barthwal	-	2	3	4	8	-	2	-	1	-
Shri P.K. Singh	-	-	-	-	2	-	-	-	-	-
Shri P.K. Dash	3	-	2	2	-	-	-	-	-	-
Prof. Ashok Gupta	-	-	-	-	3	-	-	1	-	-
Shri Parmod Bindal	3	-	2	-	-	-	1	-	-	1
Ms. Anshu Vaish	-	-	-	-	-	1	1	1	-	-
Dr. N. Mohapatra	-	-	-	-	1	1	-	2	-	1
Shri G. Vishwakarma	-	-	2	2	-	-	1	1	-	-

(j) In addition to above, one meeting of Independent Directors was held during the Financial Year 2015-16.

(k) General Body Meetings:

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2014-15	24.09.2015	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2013-14	23.09.2014	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2012-13	20.09.2013	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

i) In the last 3 years, three Special Resolutions (2012-13-nil; 2013-14-2; 2014-15-1) 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:

- 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 for attending the meetings of the Board/ Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.
- Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Director 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, 4 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 the Government of India, while nominating/appointing the Independent Directors.
- iv) Familiarization programme for Independent Director: 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 the issues related to Corporate Governance, etc. The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company - <https://www.sail.co.in/sites/default/files/Familiarization-Programmes-Imparted-to-Independent-Directors.pdf>
- v) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter 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 issues. 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 behavior. 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 behavior, 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. 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 2015-16. However, there is shortfall of a few number of Independent Directors. 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 is under consideration of the Government. 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, 2016.
- 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. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC.

- 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 - https://www.sail.co.in/sites/default/files/policy_for_related_party.pdf
- xiii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy with regard to determination of Material Subsidiaries. The Policy is placed on the website of the Company - https://www.sail.co.in/sites/default/files/policy_on_material.pdf. The Company did not have any Material Subsidiary during 2015-16.
- xiv) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company.
- xv) The Company is following the DPE guidelines for distribution of dividend.

(m) Means of Communication:

Quarterly results have been published in prominent daily newspapers as per the requirement on the following dates:

Quarter Ending	30.06.2015	30.09.2015	31.12.2015	31.03.2016
Date of Publication	14.08.2015	06.11.2015	10.02.2016	31.05.2016(E) 01.06.2016(H)
Name of the Newspapers	Mint (E) Hindustan (H)	Business Line (E) Dainik Bhaskar (H)	Financial Express (E) Jansatta (H)	Business Standard (E) Dainik 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 21st September, 2016 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
- ii) Financial Year: 1st April, 2015 - 31st March, 2016.
- iii) Date of Book Closure: 23rd August, 2016 to 26th August, 2016 (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/I, 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 2015-16 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 last Financial Year at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) during the year 2015-16 are indicated below:

MONTH & YEAR	SENSEX		SAIL at BSE (₹)		NIFTY		SAIL at NSE (₹)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APR '15	29094.61	26897.54	78.95	66.70	8844.80	8144.75	79.00	66.55
MAY '15	28071.16	26423.99	73.75	65.15	8489.50	7997.15	73.70	65.10
JUN '15	27968.75	26307.07	67.20	59.15	8467.15	7940.40	67.30	59.05
JUL '15	28578.33	27416.39	65.30	55.90	8654.75	8351.55	65.35	56.00
AUG '15	28417.59	25298.42	62.00	47.10	8606.30	7667.25	62.10	47.10
SEP '15	26471.82	24833.54	55.05	46.20	8055.00	7539.50	55.15	46.25
OCT '15	27618.14	26168.71	58.20	50.40	8336.30	7930.65	58.15	50.50
NOV '15	26824.30	25451.42	53.35	43.70	8116.10	7714.15	53.50	43.65
DEC '15	26256.42	24867.73	49.95	43.35	7979.30	7575.30	49.40	43.25
JAN '16	26197.27	23839.76	51.95	40.50	7972.55	7241.50	52.10	40.50
FEB '16	25002.32	22494.61	43.50	33.50	7600.45	6825.80	43.45	33.50
MAR '16	25479.62	23133.18	45.40	35.10	7777.60	7035.10	45.45	35.10

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 Agreements.

viii) Distribution of Shareholdings as on 31st March, 2016:

Shareholding	Shareholders		Amount	
	Number	% of Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	350609	88.41	439617730	1.06
501-1000	24308	6.13	196302810	0.47
1001-2000	11690	2.95	178210650	0.43
2001-3000	3887	0.98	99278820	0.24
3001-4000	1610	0.41	58122620	0.14
4001-5000	1300	0.33	61607450	0.15
5001-10000	1792	0.32	131404420	0.32
10001- 50000	1085	0.27	216042130	0.52
50001- 100000	112	0.03	80745450	0.19
Above 100000	190	0.05	39843920810	96.46
Total	396583	100.00	41305252890	100.00

ix) Shareholding pattern as on 31st March 2016

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	32534871	0.79
b Banks & Financial Institutions	144389233	3.50
c Insurance Companies	471434879	11.41
d Foreign Institutional Investors (FIIs)	206229237	4.99
Sub-Total	854588220	20.69
4 Others		
a Private Corporate Bodies	21869115	0.53
b Indian Public	132645065	3.21
c NRIs/OCBs	23522805	0.57
d Any other (Please specify) - GDR	132635	0.00
Sub-Total	178169620	4.31
GRAND TOTAL	4,13,05,25,289	100.00

x) Status of dematerialization as on 31.03.2016

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4072538443	98.60	238773
CDSL	51381905	1.24	107246
Total Dematerialised	4123920348	99.84	346019
Physical- Government of India*	-	-	-
Physical - Other shareholders	6604941	0.16	50564
Total	4130525289	100.00	396583

All the Government of India's shares were dematerialized on 3.12.2010.

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

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, 2016, as stipulated in clause 49 of the Listing Agreements entered into by the Company with various stock exchanges and in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph 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 for the year ended 31st March, 2016;

We certify that the Company has complied with the other conditions of Corporate Governance except as stipulated above.

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 B.N. Misra & Co.
Chartered Accountants
FRN: 321095E
Sd/-
(B.N. Misra)
Partner
(M. No. 083927)

For Sharma Goel & Co. LLP
Chartered Accountants
FRN: 000643N
Sd/-
(Amar Mittal)
Partner
(M. No. 017755)

For Singhi & Co.
Chartered Accountants
FRN:302049E
Sd/-
(Shrenik Mehta)
Partner
(M.No. 063769)

For Chatterjee & Co.
Chartered Accountants
FRN:302114E
Sd/-
(Bedanta Bhattacharya)
Partner
(M.No. 060855)

Place : New Delhi
Date : 16th June, 2016

Business Responsibility Report

Section A: General Information about the Company

- Corporate Identity Number (CIN): L27109 DL 1973 GOI 006454
- Name of the Company: Steel Authority of India Limited
- Registered Address : Ispat Bhawan, Lodhi Road, New Delhi - 110003
- Website: www.sail.co.in
- Email id: investor.relation@sail.co.in
- Financial Year reported: 2015-16
- Sector(s) that the Company is engaged in (industrial activity code-wise):
Manufacture of Steel and Steel products, National Industrial Classification (NIC) Code: 330
- List three key products / services that the Company manufactures / provides (as in balance sheet):
 - Manufacture of Hot Rolled and Cold Rolled steel products
 - Manufacture of Rails
 - Manufacture of Wire Rods, Structural, etc.
- Total number of locations where business activity is undertaken by the Company:
 - International locations: Nil
 - 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 Chhattisgarh.

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 Mines (Flux) at Nandini, Hirri, Baraduar in Chhattisgarh;
- VISP Mines (flux) at Bhadigund, Kenchapada in Karnataka;
- Collieries Division (Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
- Centralised Marketing Organisation HQ at Kolkata,
- Central Coal Supply Organisation, Dhanbad,
- SAIL Consultancy Division at Delhi,
- R & D Center for Iron & Steel at Ranchi, SAIL Safety Organisation at Ranchi, Centre for Engineering & Technology at Ranchi, Management Training Institute at Ranchi,
- Environment Management Division at Kolkata; 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), 27 Customer Contact Offices (CCOs) and 67 Warehouses.

- Markets served by the Company - Local / State / National / International:
National & International

Section B: Financial Details of the Company

- Paid up capital (INR): ₹ 4130.53 Crore
- Total turnover (INR): ₹ 43,337.65 Crore
- Total loss after taxes (INR): ₹ 4,137 Crore
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.66%
- List of activities in which expenditure in 4 above has been incurred :
 - Promotion of Healthcare including Drinking Water facilities and Sanitation: Swachh Vidyalay Abhiyan

- Promotion of Education, Income Generation & Skill/Vocational Training
- Empowerment of Women, Care for Sr.Citizens and Differently-abled persons
- Environmental Sustainability
- Promotion of Heritage & Art & Culture
- Promotion of Sports
- 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.:

- SAIL Refractory Company Limited (SRCL)
- SAIL Jagdishpur Power Plant Limited
- SAIL Sindri Projects Limited
- Chhattisgarh Mega Steel Limited (CMSL)

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 to 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: 07352648
- Name: Dr. N. Mohapatra
- 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@sail.co.in

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:

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Businesses should promote the well-being of all employees.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Businesses should respect, protect, and make efforts to restore the environment.
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Businesses should support inclusive growth and equitable development.
- 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 (To internal stakeholders)	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

- 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 cover employees of the Company as well as suppliers/ contractors/ bidders, etc. The Company has put in place Conduct, Discipline & Appeal (CDA) Rules which prescribe the code of conduct and is 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 Govt. 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 SAIL 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.

- 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 912 complaints from various sources including those referred by Central Vigilance Commission, Ministry of Steel were received in SAIL Vigilance during 2015-16. 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 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

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

- TMT EQR (Thermo-mechanically treated earthquake resistant)
- EQR E250 Grade plates
- High strength cold rolled steel (CR1390) for lighter auto components

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

- 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/Ton of Crude Steel)	6.51	6.52
Specific water consumption (m ³ /TCS)	3.51	3.66
Particulate matter (PM) emission load (kg/TCS)	0.81	0.83

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The information is not maintained in this format.

- 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.

SAIL is highly efficient in its use of raw materials with the technology available today. Key raw materials needed in steelmaking include iron ore, coal, limestone, dolomite, etc. Iron ore and most of the fluxes are sourced through captive mines, most of which are situated close to the Plants and have Environment Management System (EMS) - ISO 14001 certification in place. Bulk requirement of coking coal with low ash content is imported from globally recognised suppliers, who make continuous efforts to minimise their environmental footprint. The transportation of all raw materials from mines and ports to Plants is carried through rail.

- 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?

The Company has a policy of procuring goods and services from nearby suitable sources of supply.

- 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 has effectively adopted waste minimization strategies including conservation at source, recovery and recycling. During the iron and steel making process, BF and SMS slag comprise the major portion of the solid waste which is generated. The slags are gainfully utilized internally as well as sold to outside agencies for production of other products. During the year 2015-16, 88.96% of BF slag and 78.0% of BOF slag were utilised.

Other wastes like, BF flue dust, mill scale, lime/dolo fines and refractory wastes are also used internally and sold to outside agencies. During 2015-16, 28.5% solid wastes were internally re-cycled out of total utilisation of 80.0% of solid wastes. Moreover, by-product gases like Coke Oven gas, BF gas and LD gas are used as fuels at the different shops of the Plants. Used oil is sold to the registered recyclers.

Principle 3: Business should promote the well-being of all employees

- Please indicate the Total number of employees.

As on 1/4/2016 total number of employees in SAIL : 88655 (Exe - 13968; Non-Exe - 74687)

- Please indicate the Total number of employees hired on temporary/ contractual/casual basis.

As on 1/4/2016, number of contract labour engaged at SAIL Plants/Units : 56055

- Please indicate the Number of permanent women employees.

As on 1/4/2016, permanent women employees in SAIL : 5173 (Exe - 1029; Non-Exe - 4144)

- Please indicate the Number of permanent employees with disabilities.

As on 1/4/2016, total number of permanent employees with disabilities in SAIL Plants/Units : 931 (Exe - 150; Non-Exe - 781)

- Do you have an employee association that is recognized by management?

Yes. For non executive employees, National Joint Committee for Steel Industry (NJCS) is the apex body which consists of representatives from central Trade Union organizations of INTUC, AITUC, HMS & CITU and representatives from recognized union of main Plants. Further, all Plants/Units have recognized union for non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants which are affiliated to Steel Executives' Federation of India (SEFI) - the apex body representing executives in SAIL.

- What percentage of your permanent employees is members of this recognized employee association?

All non-executive employees of SAIL are under the ambit of NJCS while all Executives are under the purview of SEFI.

- 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.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	5	1
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 = 37
- Permanent women employees = 38
- Casual / Temporary / Contractual employees = 100
- Employees with disabilities = 37

Training need of each individual in the organization is assessed. Under PMS each individual executive is even asked to inform the Management as to what training he 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) is imparted to all permanent employees including female employees and differently abled employees. During the year 2015-16 total 27,279 (31% 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 for 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 taken by the Company are :

- In an effort to align the marginalized masses, a project to promote comprehensive Water Supply and Sanitation has been initiated by Rourkela Steel Plant covering 897 households in 10 villages of Kuarmunda Block. Each household is being provided potable water through a ground water source, storage tank and supply network of pipelines with 3 tap points and Sanitation unit with RCC roof on partnership model. The villagers have been mobilized and empowered for their active participation in the project. Village level committees have been formed for long-term sustenance of the project.
- In an attempt to bring the future generations of tribals in the mainstream, 335 tribal children, i.e. 58 at Gyanodya Chatrawas, Bhilai, 115 at Rajhara, 15 Birhors (a tribe near extinction) under Gyanjyoti Yojna at Bokaro, 19 at Saranda Suvan Chhatravas, Kiriburu, 110 at Manoharpur Ore Mines and 18 at Kalinga Institute of Social Sciences sponsored by RSP 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.
- Learn to Read (L2R), a program to promote primary education through innovative learning techniques such as singing, dancing, games and other activities in 100 schools of Rourkela has been initiated by RSP. The learners are provided with free Learning Materials and teaching classes with the help of District Administration.
- Literate to Matriculate a mission program : 1400 school dropouts girls and women educated upto primary/middle class level, from peripheral villages of Bokaro have been identified and enrolled with the National Institute of Open Schooling, Ranchi. The women are provided with free

Training and Learning Materials and Preparatory classes so that they are able to appear for matriculation exam in 2016 session. The classes are being organised at Panchayat level through Zila Saksharta Samiti (ZSS).

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 practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

22 number of complaints were received from the stakeholders during 2015-16 in addition to the 2 numbers pending for redressal as on 31.03.2015. All the complaints were resolved during 2015-16.

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?

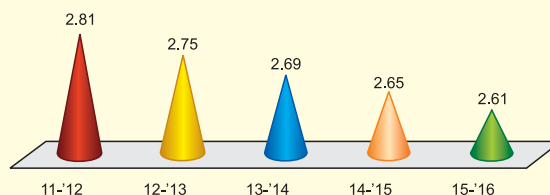
Corporate Environmental Policy of the Company affirms to maintain a clean and sustainable environment in and around its Plants and mines through sound environmental practices in all its activities, comply with legal and other requirements pertaining to the environment, forests and wildlife, contribute towards mitigation of climate change through the adoption of cleaner and energy efficient technologies, promote development of innovative environment-friendly processes and products, restore ecosystems in mined out landscapes and abandoned sites through ecological restoration, integrate the principle of "reduce, recover, recycle and reuse" in its operations for conservation of natural resources to ensure a sustainable future, strive for continual improvement of environmental performance by setting and achieving challenging targets, ensure regular monitoring and review of environmental performance through a robust audit mechanism and a transparent reporting system and continuously monitor emissions, discharges and ambient air quality and make data available in the public domain.

The Policy also includes communication of environmental performance to all stakeholders, improve employee commitment and responsibility towards environment protection through capacity building and promote environmentally responsible behaviour amongst contractual workforce and suppliers.

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, the Company is committed to contribute towards mitigation of climate change through the adoption of cleaner and energy efficient technologies and promote development of innovative environment friendly processes and products to ensure gradual reduction in emission of greenhouse gases. Specific Carbon Dioxide emission from SAIL Plants has gradually reduced over the years from 2.81 T/tcs in 2011-12 to 2.61 T/tcs in 2015-16, a reduction of more than 7%.

Specific CO₂ Emission (T/tcs)



The on-going project on "Carbon sequestration through afforestation at RSP", a Technology Mission project under R&D Master Plan, shall be contributing towards sequestration of CO₂ around the area.

The project on "Biodiversity Conservation & CO₂ Sequestration at Bolani Iron Ore Mine", undertaken with the help of Ambedkar University, Delhi shall also help in sequestering CO₂ in that area.

The Company has also adopted Sustainable Development Policy and has been publishing its Corporate Sustainability Report, as per Global Reporting Initiative (GRI) guidelines, since the last five years.

Corporate Sustainability Report, 2014-15, has been published as per GRI G4 guidelines (New Guidelines of GRI) after having been confirmed by GRI to

have successfully completed the GRI content index service and receiving the organisational mark of GRI. This is available in the Corporate Governance section of the Company's website (www.sail.co.in).

3. Does the Company identify and assess potential environmental risk? Y/N.

Yes. The Company has adopted Enterprise Risk Management Policy and has established mechanisms to identify and assess potential environmental risks and accordingly mitigation plan has been developed.

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.

The Company had identified several energy efficiency projects which were being implemented during the on-going expansion and modernization programme for availing the Clean Development Mechanism (CDM) benefits. Six projects have been validated as Verified Emission Reduction (VER) projects as per VCS and ISO standards. Around 1.37 Million Tonnes of CO₂ equivalent carbon credits have been accrued.

Implementation of an Environment Management System linked to ISO 14001 standard, which is essentially a voluntary initiative, has become an effective tool in SAIL towards protection of the environment. It has helped the Plants and mines to ensure that their performance is within regulatory requirements, and to keep ahead of more stringent regulations which might be introduced in the future. All the Plants and seven mines have been accredited to EMS:ISO 14001. The townships of BSP, RSP and SSP are also covered under ISO 14001.

SAIL has also implemented EMS in the warehouses of CMO at Faridabad, Dankuni, Kalamboli, Chennai, Hyderabad, Ahmedabad, Ghaziabad, Delhi and Vizag. EMS has been also implemented at BTSO, Vizag of T&S unit.

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, adoption of clean technologies and energy efficient technologies are part and parcel of all the on-going technological up-gradation cum expansion and modernisation programmes undertaken at SAIL Plants/mines. Several clean and green technologies are coming up as part of this programme.



Highly energy efficient Continuous Caster at ISP

The Company has also introduced various renewable energy initiatives and a 1 MW grid connected Solar Power Plant has been commissioned at RSP. Apart from this, solar water heating and street lighting systems have also been installed at various Plants of SAIL.

Also, agro based fuel in boilers and use of coal bed methane in re-heating furnaces are practiced in the Company.

6. Are the Emissions/Wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions are mostly within the permissible limits as prescribed by the CPCB/SPCB. Quality of effluent discharged from all the outfalls are also within the norms. The wastes generated are handled and managed as per the stipulated guidelines/rules. These are 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.

One direction was received from the CPCB during FY 2015-16. Action plan for compliance of the direction has been prepared in consultation with the statutory body and is under 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:

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- World Steel Association (WSA)
- Standing Conference of Public Enterprises (SCOPE)
- Indian Steel Association
- Institute for Steel Development & Growth

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 Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

- Sustainable Business Principles
- Waste Management
- Energy Conservation
- Inclusive Development Policies

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 guiding principles issued by Government like DPE Guideline on CSR & Sustainability till 2013-14, Companies Act-2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. SAIL's CSR projects are carried out in and around steel township, mines and far flung location across the country in the area of education, providing 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.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Under the guidance of CSR Committee (Board level) the CSR activities/projects listed in the approved Annual Plan of SAIL, are being implemented using internal resources 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, its 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 Rourkela & Ranchi through BAIF & Society for Rural Infrastructure (SRI, Ranchi) 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 partner 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 & execution of these projects as well as undertakes audits 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 as detailed below:

- Centre for Research in Rural & Industrial Development (CRRID), Chandigarh, an autonomous research institute, had undertaken the evaluation i.e. Impact assessment of the 5 MOU projects of SAIL CSR under their socio-economic industrial research during 2012-13 and 2013-14.
- The impact assessment of Rourkela Steel Plant's CSR projects has been carried out by NABCON - NABARD Consultancy in 2012-13.
- Indian Statistical Institute (ISI), Kolkata, has done Impact Assessment of 10 Model Steel Villages of Durgapur Steel Plant, during 2009-10

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?

Till the year 2013-14, DPE Guidelines provided for the linkage of Annual CSR budget with net profits/PAT of previous year. From April 1, 2014, the provisions of Company's Act - 2013 have come into effect for the CSR activities which require the CSR expenditure to be at least 2% of the average PBT of the immediately preceding 3 fiscals. CSR budget allocation and expenditure w.e.f. 2014-15 are as follows:

(₹ crore)

Year	CSR Allocation	CSR Expenditure
2014-15	78	35.04
2015-16	100.16 (including ₹42.96 crores, the unspent amount during 2014-15)	76.16

Apart from the exclusive CSR budget, SAIL also spends to the tune of ₹350 crores 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 availability, 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 has 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 "Swachh Vidyalaya Campaign".
- ❖ SAIL is providing healthy & nutritious Mid-Day Meals to around 63,000 students in 576 Govt. schools daily in and around Bhilai and Rourkela, in association with Akshya Patra Foundation.
- ❖ **Education:** To develop the society through education, SAIL is running over 145 schools within and outside its steel townships to provide modern education to more than 55,000 children and is assisting over 621 schools with about 75,000 students by providing Mid-day meals. 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, stationery 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 more than 56,000 villagers during April-December, 2015.
- ❖ 2400 health camps and Ambulances/MMUs provided the medical facilities like free health check-up, lab investigations, medicine, immunization, at the doorsteps of over 80,000 villagers during April-December, 2015.
- ❖ Over 77.84 Lakh people across 435 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 7907 water sources have been installed during last four years thereby enabling easy access to drinking water to over 45.96 lakh people living in far-flung areas.

- ❖ To promote renewable sources of energy, Solar street lights have been installed, Solar Lanterns and smokeless chullahs have been distributed among the rural people. 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 1669 village youths and 1525 women folks in 2015-16 in industrial & agriculture techniques, soft skills, handlooms, empowering them to bond with mainstream. About 739 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 7,000 rural youths. 7000 folk artists, students and viewers participated in the Lok Kala Mahotsava organised at Bhilai and Gramen Lokotsavas at Thanod and Aheri villages of Durg. Musical instruments were distributed in 6 Gua villages of Jharkhand. Two covered shades were constructed at Gairtalai village, Kuteshwar Mines in Madhya Pradesh for organising community events and promoting local tribal culture.

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 has 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 SAIL Plants/Units for planning, CSR activities in consultation with local authorities like Panchayats, District & State Authorities and various stakeholders.

Besides, at some of SAIL Plants locations the inputs from the Rehabilitation & Peripheral Development Committee (RPDAC), in which MPs & MLAs are members, are also taken into consideration before finalizing the CSR projects.

Further, impact assessment of CSR activities is carried out to assess the effects of our CSR initiatives. Also 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?

A total of 3593 quality complaints were received from customers in 2015-16, out of which 58 (around 1.6%) were pending as of March 31, 2016, while the rest were settled satisfactorily.

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 the customers with each supply. Packet / coil number, size, quality of the item is displayed on the product label for source authentication. In case of branded products, product brand is also displayed.

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.

Writ Petition No.8531/2008 (JSPL Vs. UOI & Others) was filed at Delhi High Court by JSPL for declaring MOU dated 01.02.2003 (between SAIL and Indian Railways), its continued operation without any review unconstitutional and void. The petition was dismissed on 02.11.2015 by the Delhi High Court as M/s JSPL withdrew their said Writ. At present no such case is pending.

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) which is computed by the Company every month in respect of Key Accounts of the Company based on the feedback collected from the Key Customers.

Annexure-IV to the Directors' Report

Consolidated Balance Sheet
as at 31st March, 2016

(₹ crore)

	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	4130.53	4130.53
(b) Reserves and Surplus	3	35798.67	39609.67
Share application money pending allotment		2.21	30.85
Minority Interest		(470.91)	(316.58)
Non-Current Liabilities			
(a) Long-Term Borrowings	4	16700.39	15715.20
(b) Deferred Tax Liabilities (Net)		-	2565.02
(c) Other Long Term Liabilities	5	1298.83	1240.86
(d) Long-Term Provisions	6	4397.43	4377.39
Current Liabilities			
(a) Short-Term Borrowings	7	15891.76	14613.27
(b) Trade Payables	8	4301.57	3812.14
(c) Other Current Liabilities	9	16006.79	14357.05
(d) Short-Term Provisions	10	2604.54	2498.10
TOTAL		100661.81	102633.50
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	44573.22	36544.37
(ii) Intangible Assets	11B	2237.10	2466.66
(iii) Capital Work-in-Progress	12	24954.73	29327.80
(b) Non-Current Investments	13	15.74	18.50
(c) Deferred Tax Assets (Net)		538.68	-
(d) Long-Term Loans and Advances	14	5210.65	4798.46
(e) Other Non-Current Assets	15	248.71	318.25
Current Assets			
(a) Current investments	13A	48.31	42.03
(b) Inventories	16	15363.61	18035.62
(c) Trade Receivables	17	2825.21	3250.14
(d) Cash and Bank Balances	18	692.76	2635.92
(e) Short-Term Loans and Advances	19	2113.85	2895.09
(f) Other Current Assets	20	1839.24	2300.66
TOTAL		100661.81	102633.50
Significant Accounting Policies	I		
Other Notes to Consolidated Financial Statements	29-35		

The Notes referred to above form 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)

Sd/-
(P. K. Singh)
Chairman

In terms of our report of even date

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[S.C Dash]
Partner
(M.No.050020)

For Sharma Goel & Co., LLP
Chartered Accountants
Firm Registration no.000643N

Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[Bedanta Bhattacharya]
Partner
(M. No. 060855)

Place : New Delhi
Dated : June 10, 2016

Consolidated Statement of Profit & Loss for the year ended 31st March 2016

(₹ crore)

	Note No.	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
Revenue from Operations	21	44461.74		51624.18	
Less: Excise duty		<u>4949.58</u>	39512.16	<u>5521.21</u>	46102.97
Other Income	22		593.41		980.82
Total Revenue			<u>40105.57</u>		<u>47083.79</u>
Expenses					
Cost of materials consumed	23	17927.67		19357.67	
Purchase of stock in trade		14.96		7.30	
Changes in inventories of finished goods, work in progress & stock in trade	24	590.87		(1368.70)	
Employee Benefits expense	25	10075.81		9899.61	
Finance Cost	26	2176.98		1555.18	
Depreciation and Amortisation expense		2254.31		1907.14	
Other expenses	27	<u>14492.88</u>	47533.48	<u>13392.28</u>	44750.48
			(7427.91)		2333.31
Add: Adjustments pertaining to earlier years	28		(15.37)		(88.60)
Profit / (Loss) before tax			(7443.28)		2244.71
Less: Tax Expense					
Current tax		60.80		549.29	
Deferred tax		(2985.34)		287.08	
Earlier years		(74.43)		(17.59)	
Mat Credit		<u>(27.52)</u>	(3026.49)	<u>(512.96)</u>	305.82
Profit / (Loss) for the year			(4416.79)		1938.89
Minorities Interest			119.78		(96.29)
Share of profit of associate			0.26		0.14
			<u>(4296.75)</u>		<u>2035.32</u>
Earnings per Share					
Profit after tax			(4416.79)		1938.89
Average Number of equity shares (Face value ₹ 10/- each)			4130525289		4130525289
Basic and Diluted Earnings per share (₹)			(10.69)		4.69

Significant Accounting Policies

I

Other Notes to Consolidated Financial Statements

29-35

The Notes referred to above form 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)

Sd/-
(P. K. Singh)
Chairman

In terms of our report of even date

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[S.C Dash]
Partner
(M.No.050020)

For Sharma Goel & Co., LLP
Chartered Accountants
Firm Registration no.000643N

Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[Bedanta Bhattacharya]
Partner
(M. No. 060855)

Place : New Delhi

Dated : June 10, 2016

Consolidated Cash Flow Statement

(₹ crore)

For the Year	2015-16	2014-15
A. Cash flow from Operating Activities		
Net Profit / (Loss) before taxation	(7443.28)	2244.71
Add / (Less) Adjustments for :		
Minority Interest	(34.55)	(220.29)
Share of Income of Associate	0.26	0.14
Depreciation	2276.73	1926.63
Interest and Finance Charges	2141.74	1555.18
Profit on Sale of Investments	(8.88)	(201.49)
Provision for Others	247.90	663.00
Unrealised Currency Translation (gain)/ Loss	588.46	(319.58)
Profit on sale of Fixed Assets	26.83	(10.55)
Interest Income	(383.30)	(524.48)
Dividend Income	(3.28)	(11.36)
Operating cash flow before working capital change	(2591.37)	5101.91
Adjustments for :-		
(Increase) /Decrease in Inventories	2672.01	(2679.92)
(Increase)/ Decrease in Sundry Debtors	424.93	2243.55
(Increase)/ Decrease in Loans and Advances	438.35	(1879.03)
Increase in Current liabilities	2109.60	571.27
Decrease in Other Current Assets	516.50	(204.56)
Cash generated from Operations	3570.02	3153.22
Direct Taxes Paid	(71.73)	(574.14)
Net Cash from Operating Activities	3498.29	2579.08
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(6659.25)	(7704.27)
Proceeds from sale of Fixed Assets	726.73	86.88
Loans to Other Companies	(2.38)	(0.60)
Decrease in Term deposits with Banks	1978.64	569.21
Purchase/ (sale) of investments (net)	5.36	229.15
Interest received	397.76	516.56
Dividend received	3.28	11.36
Net Cash from / (used in) Investing Activities	(3549.86)	(6291.71)
C. Cash flow from Financing Activities		
Share application money	(28.64)	27.64
Prime Minister's Trophy Award Fund & CSR	0.32	(33.70)
Increase in borrowings (net)	2130.31	6188.04
Interest and Finance Charges paid	(1876.38)	(1522.79)
Dividend Paid	(103.25)	(722.84)
Tax on Dividend	(35.31)	(161.14)
Net Cash from / (used in) Financing Activities	87.05	3775.21
Net Increase in Cash & Cash Equivalents (A+B+C)	35.48	62.58
Cash & Cash Equivalents (Opening) (Refer note 18)	355.92	293.34
Cash & Cash Equivalents (Closing) (Refer note 18)	391.40	355.92
(Represented by Cash & Bank balances)		

Notes :

- Cash Flow is prepared using indirect method as per Accounting Standard -3 on 'Cash Flow Statement'.
- Figures in bracket indicate outflow.
- Significant Accounting Policies and Consolidated Notes to Financial Statements form an integral part of the Consolidated Cashflow Statement.
- Previous year figures have been rearranged / regrouped wherever necessary.

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

In terms of our report of even date

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[S.C. Dash]
Partner
(M.No.050020)

For Sharma Goel & Co., LLP
Chartered Accountants
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Sd/-
[Amar Mittal]
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(M. No. 017755)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[Bedanta Bhattacharya]
Partner
(M. No. 060855)

Place : New Delhi
Dated : June 10, 2016

SIGNIFICANT ACCOUNTING POLICIES

A. Principles of consolidation of Financial Statements

A.1 The consolidated financial statements of Steel Authority of India Ltd. (SAIL) and its Subsidiary, Joint Venture and Associate Companies are prepared in accordance with Accounting Standard (AS) - 21 on "Consolidated Financial Statements", AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and AS-27 on "Financial reporting of interest in Joint Ventures" and are presented to the extent possible in the same manner as the Company's separate financial statement.

A.2 The financial statements of SAIL and Subsidiary Companies (SRCL, SJPL, SSPL and CMSL) are consolidated as per AS - 21 issued by Ministry of Corporate Affairs on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances / transactions and any unrealised profit/loss included therein. However, materials lying in stock against intra-group transfers and profit margins included therein, the quantum whereof is insignificant, have been accounted for based on the management certificates.

A.3 The interest in the Joint Venture Companies has been accounted by using the proportionate consolidation method as per AS-27, issued by Ministry of Corporate Affairs.

A.4 Investment in Associate Company has been accounted for using "equity method" as prescribed by AS - 23 issued by Ministry of Corporate Affairs whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the Associate.

The carrying amount of investment in Associate Company includes Capital Reserve of ₹0.56 crore, arising out of acquisition.

A.5 The excess of cost to SAIL, of its investment in its Subsidiary, Associate Company and Joint Ventures, over its portion of equity is recognised in the financial statements as Goodwill. The excess of SAIL portion of equity of the Subsidiary, Associate Companies and Joint Ventures over cost of its investment is treated as Capital Reserve. This has been calculated, presuming such acquisitions to be on the last date of the respective years, irrespective of the actual date of such acquisition.

B. Basis of Accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India, and the provisions of the Companies Act, 2013, including accounting standards notified thereunder and the provisions of the Electricity Act, 2003 to the extent applicable in case of NTPC-SAIL Power Company Private Limited.

C. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

D. Fixed Assets

Fixed assets are stated at cost of acquisition less depreciation, except land gifted by the State Governments, which is stated at notional/nominal value with corresponding credit to capital reserve.

Expenditure on development of land, including leasehold land, is capitalised as part of cost of land. Cost of Lease hold land is amortised over the period of lease.

Cost includes all identifiable expenditure including trial-run expenses, net of revenue.

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.

In case of SAIL Refractory Company Limited, 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.

In case of S&T Mining Company Private Limited, Computer Software are amortised over a period of 5 years.

In case of Mjunction Services Limited, intangible assets are amortised over a period of 3 years.

In case of NTPC-SAIL Power Company Private Limited, software is amortised over licence period or 3 years, whichever is less. Capital expenditure on assets not owned by the Company is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use. However, similar expenditure for community development is charged off to revenue.

In case of ICVL, capitalisation of exploration and evaluation expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Group.

E. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expense in the period in which these are incurred except in case of ICVL where borrowing costs incurred for obtaining assets which take more than 12 months to get ready for its intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

F. Depreciation

In case of SAIL, depreciation 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 life assumed by the technical experts is as under :

Assets	Estimated useful life
Factory Buildings	35 to 40 Years
Plant and Machinery	10 to 40 years
Water Supply & Sewerage	25 to 40 years
Railway Lines & Sidings	35 to 40 years

For these class 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.

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.

In case of Mjunction Services Limited, Assets given on lease are depreciated on a straight line method applying the useful life prescribed in Schedule II to the Companies Act, 2013 or based on the lease period whichever is higher.

In case of NTPC SAIL Power Company Private Limited, depreciation on the assets of the generation of the electricity business in respect of CERC Regulated plants 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. Further, depreciation on the following assets is provided based on their estimated useful life ascertained on technical evaluation:

a) Kutcha Roads	2 Years
b) Enabling works	
o residential buildings	15 Years
o internal electrification of residential buildings	10 Years
o non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 Years
c) Personal Computers and Laptops including peripherals	3 Years
d) Photocopiers, Fax Machines, Water Coolers and Refrigerators	5 Years
e) Temporary erections including wooden structures	1 Years
f) Telephone exchange	15 Years
g) Wireless systems, VSAT equipment, CCTV systems, access control system, audio video conferencing system and display devices viz. projectors, screens & TVs.	6 Years

In case of the CPP-II assets whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets. Capital expenditure on assets not owned by the company is amortised over a period of 4 years from the month in which the first unit of project concerned comes into commercial operation and thereafter from the month in which the relevant asset becomes available for use. However, similar expenditure for community development in case of stations under operation is charged off to revenue.

In case of Bokaro Power Supply Co. (P) Ltd., depreciation is provided on straight line method, considering the residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II to the Companies Act 2013 except for Plant and Machineries whose estimated useful life are determined

based on internal technical parameters/assessment and supported by external technical advice.

In case of Bhilai Jaypee Cement Limited, Premium paid on leased land is being amortised over the balance period of lease after commissioning.

In case of Abhinav SAIL JVC Limited depreciation is provided on pro-rata basis at the written down value method at rates prescribed in the Companies Act, 2013.

In case of ICVL, depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

	Annual rate %
Buildings	4
Plant and equipment	4 - 33
Mining development assets	Unit of Production basis
Transport equipment	10 - 25
Other tangible assets	10 - 20

G. Investments

Long-term investments (including investments in subsidiary companies and joint ventures) are carried at cost, after providing for diminution (other than temporary) in value. Current investments are carried at lower of cost and market value/fair value.

H. 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 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.

In case of Sail Bansal Service Centre Limited, raw materials are stated at lower of cost or net realisable value on First in First out Basis. Cost in respect of finished goods and stores and spares determined on average basis. Scrap generated is valued at net realizable value.

In case of Bhilai Jaypee Cement Limited, Stores and Spares are valued at cost.

In case of Prime Gold-SAIL JVC Limited, Raw Materials, Stores & Spares, Packing Materials, Fuels, Finished Goods and Stock in process are valued at cost, cost being determined using FIFO method, or net realisable value, whichever is less. Waste and Scrap are valued at net realisable value.

In case of SAIL-RITES Bengal Wagon Industry Private Limited, raw materials and consumable stores are stated at lower of cost or net realisable value at FIFO method. Machinery stores, spares and tools are valued at historical cost and Scrap is valued at estimated market price.

In case of SAIL-SCL Kerala Limited, materials and other items held for use in production are valued at cost. Inventories of finished goods are valued at net realisable value. Loose tools are recognized in the Statement of Profit and Loss.

In case of SAIL-KOBE Iron India Private Limited, by-products are valued at net realisable value.

I. Grants

Grants relating to the acquisition of a specific asset are adjusted against the cost of the concerned asset. Grants relating to the revenue expenditure are adjusted against the related expenses.

J. Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at year-end rates.

The exchange differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets, are recognised in the Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts entered into to hedge foreign currency risks, the difference between the contract rate and spot rate on the date of the transaction is recognised in the Statement of Profit and Loss over the period of the contract.

The Company had 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). 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.

In case of International Coal Ventures Private Limited, the functional currency of subsidiary companies are in US\$ except for Riversdale Mining Pty Ltd which is having AU\$ as functional currency.

Foreign currency transactions are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate in force on the balance sheet date.

Exchange differences arising from the translation are accounted for in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

K. Employees' Benefits

Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due. The provisions/liabilities towards gratuity, accrued leave, long term service awards, post-retirement medical and settlement benefits, future payments to the disabled employees/legal heirs of deceased employees under the Employees' Family Benefit Scheme, are made based on the actuarial valuation as at the end of the year and charged to the Statement of Profit and Loss after considering along with actuarial gains/losses.

L. Adjustments pertaining to earlier years and prepaid expenses

Income / expenditure relating to prior period and prepaid expenses, which do not exceed ₹10 lakhs in case of SAIL, ₹ 5 lakhs in case of NTPC-SAIL Power Company Private Limited and

SAIL & MOIL FerroAlloys Private Limited in each case, are treated as income/expenditure of current year.

M. Revenue recognition

Sales include excise duty and are net of 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 recognized as income on certainty of realisation.

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

In case of NTPC-SAIL Power Company Private Limited, Sale of Energy is accounted for based on tariff rates prescribed by the Central Electricity Regulatory Commission (CERC), in case of Bhilai Expansion Power Project (PP-III).

In case of S & T Mining Company Private Limited, Revenue from services rendered is recognized on pro-rata basis in proportion to the stage of completion of the related transaction.

In case of Mjunction Services Limited, revenue from services rendered is recognized on rendering of related service or on the basis of milestones specified in the related contracts being achieved.

N. Claims for Liquidated Damages/Price Escalation

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

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

O. Deferred Tax

The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a reasonable certainty that the assets can be realised in future.

P. Overburden Removal

The expenditure on removal of backlog of over burden is charged to revenue, based on stripping ratio as per 5 year mining plan for mines except collieries which is based on project report.

Q. Contingent Liabilities

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 Financial Statements.

Note (Forming Part of the Consolidated Balance Sheet)

2: SHARE CAPITAL

(₹ crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Authorised		
5,00,00,00,000 equity of ₹ 10 each (5,00,00,00,000 equity of ₹ 10 each)	5000.00	5000.00
Issued, Subscribed & Fully Paid-up		
4,13,05,25,289 equity shares of ₹ 10 each fully paid (4,13,05,25,289 equity shares of ₹ 10 each fully paid)	4130.53	4130.53

(i) Reconciliation of equity shares at the end of the year

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Numbers	Amount (₹)	Numbers	Amount (₹)
– Equity shares with voting rights				
Shares outstanding at the beginning of the year	4130092154	41300921540	4130071104	41300711040
Shares Issued / Converted into shares with Voting Rights during the year	300500	3005000	21050	210500
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4130392654	41303926540	4130092154	41300921540
– Equity shares without voting rights *				
Shares outstanding at the beginning of the year	433135	4331350	454185	4541850
Shares Issued during the year	300500	3005000	21050	210500
Shares Issued / Converted into shares with Voting Rights during the year				
Shares outstanding at the end of the year	132635	1326350	433135	4331350

* Represented by one Global Depository Receipt (GDR) issued @ US\$ 29.55 each for an 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) Details of the shareholders holding more than 5% of the shares in the company

Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3097767449	75.00
LIC of India	441874667	10.70	417717206	10.11

(iv) 1,24,43,82,900 equity shares of ₹ 10 each (net of adjustment on reduction of capital) were allotted as fully paid up for consideration other than cash.

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

3: RESERVES AND SURPLUS

(₹ crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
Capital Reserve				
As per last Balance Sheet	104.10	57.89		
Additions during the year (Refer note no 33.3)	463.45	567.55	46.21	104.10
Securities Premium Account		235.10		235.10
Foreign Currency Translation Reserve		(194.57)		(319.58)
Bond Redemption Reserve				
As per last Balance Sheet	1008.88		817.21	
Additions during the year	504.11		270.49	
Deductons during the year	63.03	1449.96	78.82	1008.88
General Reserve				
As per last Balance Sheet	5121.38		5118.08	
Additions during the year	1.55	5122.93	3.30	5121.38
Prime Minister's Trophy Award Fund*				
As per last Balance Sheet	26.63		25.29	
Additions	4.51		2.33	
	31.14		27.62	
Less: Utilisation	4.19	26.95	0.99	26.63
Surplus in Statement of Profit & Loss				
Balance as per last account	33433.16		32861.88	
Add: Surplus / Loss (-) of Current Year	(4296.75)		2035.32	
Less: Expenditure on Corporate Social Responsibility	-		35.04	
Less: Impact of Depreciation (Refer note 34.5)	86.58		230.06	
Add: Other provisions	-		0.03	
Less: Proposed Dividend	-		103.25	
Less: Dividend Paid	-		722.84	
Less: Tax on Proposed Dividend	6.27		25.14	
Less: Tax on Dividend Paid	10.18		152.77	
Less: Transfer to Bond Redemption Reserve	441.08		191.67	
Less: Transfer to General Reserve	1.55	28590.75	3.30	33433.16
		35798.67		39609.67

* Prime Minister's Trophy Award Fund

The Fund has been created out of 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 employees in Bhilai.

Note (Forming Part of the Consolidated Balance Sheet)

4. LONG TERM BORROWINGS

(₹ crore)

						As at 31 st March, 2016	As at 31 st March, 2015
Sl No.	Interest (%)	Maturity Date	Call/Put option (year)	Security Ref.			
SECURED							
A.	Taxable Redeemable Non-convertible Bonds						
1	9.35	9-Sep-2026	12/nil	(a)	455.00		455.00
2	9.00	14-Oct-2024		(a)	1000.00		1000.00
3	8.70	25-Aug-2024		(a)	300.00		300.00
4	8.35	19-Nov-2022		(a)	1185.00		-
5	9.30	23-Aug-2021		(a)	400.00		400.00
6	8.55	11-Aug-2021		(a)	700.00		700.00
7	8.27	25-Aug-2020		(a)	265.00		-
8	8.72	30-Apr-2020		(a)	660.00		660.00
9	8.75	23-Apr-2020		(a)	545.00		545.00
10	8.65	1-Feb-2020	5/nil	(a)	242.00		242.00
11	8.30	21-Jan-2020		(a)	500.00		500.00
12	8.65	30-Dec-2019		(a)	450.00		450.00
13	8.50	7-Dec-2019		(a)	120.00		120.00
14	8.60	19-Nov-2019		(a)	335.00		335.00
15	8.75	15-Sep-2019		(b,d)	100.00		100.00
16	8.80	22-Jun-2019		(a)	825.00		825.00
17	7.70	11-May-2019	5/5	(a)	25.00		25.00
18	8.90	1-May-2019	5/nil	(b)	950.00		950.00
19	8.18	10-Aug-2018		(a)	1000.00		-
20	8.25	27-Jul-2018		(a)	500.00		-
21	8.35	9-Jun-2018		(a)	420.00		-
22	9.30	25-May-2018		(a,j)	360.00		360.00
23	8.25	6-May-2018	3/3	(a)	800.00		800.00
24	7.95	9-Apr-2018		(a)	670.00		-
25	8.38	16-Dec-2017		(a)	645.00		645.00
26	8.75	8-Nov-2017	3/3	(a)	-		500.00
27	8.80	26-Oct-2017		(b,c)	126.00		140.00
28	9.18	27-Aug-2017		(a)	300.00	13878.00	300.00
B.	Term Loans from Banks						
1				(m,n)	Banks	160.23	177.08
2				(m)	Financial Institutions	132.78	293.01
							199.17
							376.25
UNSECURED							
Taxable Redeemable Non-convertible bonds							
C.	Term Loans						
1				(e)	KFW, Germany	377.17	355.19
2				(f)	Bank of Tokyo Mitsubishi	-	416.67
3				(g)	Bank of Tokyo Mitsubishi	441.73	833.33
4				(h)	Sumitomo Mitsubishi Banking Corp	509.20	1018.40
5	2.00			(i)	Natexis Banque	18.56	17.96
				(k)	Mizuho Corporate Bank Ltd	551.90	827.85
					Others	28.07	943.01
D.				(l)	Steel Development Fund	204.16	204.16
				(o)	Others	398.59	370.38
						16700.39	15715.20

- (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 October 2014 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 I(a), I(b) and I(c) at an interest rate of 8.75% p.a. The Interest on I(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of I (b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on I(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 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly.
- (g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1%. Interest is paid half yearly.
- (h) 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.
- (i) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- (j) Redeemable in 5 equal yearly instalments starting w.e.f. 25th May 2018.
- (k) 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.
- (l) Terms of Repayment is to be decided by SDF Management Committee.
- (m) Includes Term Loans from Banks and Financial Institutions payable in Instalments over a period of 5 to 15 yrs and carries interest rate between 8% and 11.25% after a moratorium period envisaged in each loan agreement. The term loans are secured by equitable mortgage of present and future immovable property & movable Fixed assets.
- (n) Includes loan Repayable in 30 quarterly instalments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. Repayment of Term Loan will start from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction. The term loan is secured by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal, Plant & Machinery and Furniture & Fixtures.
- (o) Unsecured loan others represent the proportionate share of loan of ₹ 398.33 crore taken by a Subsidiary company of ICLV.

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	As at 31 st March, 2016	As at 31 st March, 2015

5. OTHER LONG TERM LIABILITIES

Interest accrued and not due on borrowings	707.92	700.46
Trade payables	6.83	0.96
Others	584.08	539.44
	<u>1298.83</u>	<u>1240.86</u>

6. LONG TERM PROVISIONS

Provisions for Employee Benefits

- Gratuity	235.66	421.06
- Accrued Leave	2295.87	2193.03
- Employee Defined Benefit Schemes	1177.21	1175.74

Others

- Mines closure	522.54	412.47
- Others	166.15	175.09
Total	<u>4397.43</u>	<u>4377.39</u>

7. SHORT TERM BORROWINGS

Secured

Loans repayable on demand

- From banks (a)	2338.52	5647.04
- From other parties		

Other loans and advances

From Banks (a)	37.09	1030.00
Loans and advances from related parties	6.62	2.50

Unsecured

Other loans and advances

Other loans	235.26	803.65
Commercial Paper	7721.23	-
Foreign currency loans	5553.04	7130.08
	<u>15891.76</u>	<u>14613.27</u>

(a) Secured by hypothecation of current assets of the respective borrowing companies.

8. TRADE PAYABLES

Micro and small enterprises	29.46	27.27
Others	4272.11	3784.87
	<u>4301.57</u>	<u>3812.14</u>

	(₹ crore)	
	As at 31 st March, 2016	As at 31 st March, 2015

9. OTHER CURRENT LIABILITIES

Current maturities of long term debts	1839.07	1817.80
Interest accrued but not due on borrowings	926.30	668.40

Advance from

Customers	1929.85	869.27
Others	50.18	55.24
	<u>1980.03</u>	<u>924.51</u>

Liability towards Investor Education and Protection Fund, not due

Unpaid Dividends	9.23	11.73
Unclaimed matured deposits and interest accrued thereon	1.03	1.03
	<u>10.26</u>	<u>12.76</u>

Security deposits

Less : Investments received as Security deposit	-	0.01
	<u>1127.16</u>	<u>785.50</u>

Other payables

Sundry creditors for Capital works	2066.29	2265.38
Other payables	8057.68	7882.71
	<u>16006.79</u>	<u>14357.05</u>

10. SHORT TERM PROVISIONS

Provisions for Employee Benefits

- Accrued Leave	256.17	232.73
- Employee Defined Benefit Schemes	188.38	167.53

Others

- Taxation	29.90	29.21
- Pollution Control & Peripheral Development	53.65	83.93
- Exchange Fluctuation	-	15.29
- Proposed Dividend	-	103.25
- Tax on Dividend	6.33	25.19
- Wage Revision	1428.87	1279.58
- Mines Afforestation/Overburden removal	323.22	280.98
- Others	318.02	280.41
Total	<u>2604.54</u>	<u>2498.10</u>

Note (Forming Part of the Consolidated Balance Sheet)

IIA: TANGIBLE FIXED ASSETS

(₹ crore)

Description	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 31 st March, 2015	Additions / Adjustments	Deductions	As at 31 st March, 2016	Up to 31 st March, 2015	For the Year	Less: On Sales/ Adjustments	Up to 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
A. PLANTS, MINES & OTHERS										
Land(including cost of development)										
-Freehold Land	270.58	1.64	0.01	272.21	0.87	0.01	0.01	0.87	271.34	269.71
-Leasehold Land	741.30	28.28	1.53	768.05	130.32	52.49	1.33	181.48	586.57	611.00
Buildings*	4363.35	678.16	(503.13)	5544.64	1504.09	168.73	54.82	1618.00	3926.64	2859.26
Plant & Machinery										
-Steel Plant	50980.23	9194.82	700.80	59474.25	22669.37	1534.30	(72.45)	24276.12	35198.13	28310.86
-Others	5097.87	217.90	123.09	5192.68	3055.31	223.25	195.09	3083.47	2109.21	2042.56
Furniture & Fittings	152.43	6.07	0.76	157.74	97.59	8.07	0.53	105.13	52.61	54.84
Vehicles	1505.17	51.35	82.77	1473.75	753.45	73.96	51.70	775.71	698.04	751.72
Office Equipments	84.39	4.96	8.79	80.56	69.03	5.39	10.58	63.84	16.72	15.36
Miscellaneous Articles	321.95	27.73	20.91	328.77	207.45	14.53	14.38	207.60	121.17	114.47
Roads, Bridges & Culverts	269.73	51.97	1.16	320.54	178.21	33.65	0.79	211.07	109.47	91.52
Water Supply & Sewerage	648.06	31.22	114.32	564.96	316.18	18.37	26.05	308.50	256.46	331.88
EDP Equipments	414.61	12.19	2.38	424.42	334.64	25.80	3.42	357.02	67.40	79.97
Railway Lines & Sidings	623.48	62.66	42.08	644.06	242.56	14.10	19.61	237.05	407.01	380.92
Sub-total 'A'	65473.15	10368.95	595.47	75246.63	29559.07	2172.65	305.86	31425.86	43820.77	35914.07
Figures for the previous year	53457.38	12467.87	452.10	65473.15	27420.55	2330.23	191.70	29559.08	35914.07	

B. SOCIAL FACILITIES

Land(including cost of development)									
-Freehold Land	10.88	-	-	10.88	-	-	-	-	10.88
-Leasehold Land	6.89	-	-	6.89	5.80	0.12	-	5.92	1.10
Buildings	626.76	35.16	(1.75)	663.67	284.70	17.74	0.68	301.76	342.06
Plant & Machinery-Others	134.17	7.27	0.48	140.96	89.12	5.72	0.29	94.55	45.05
Furniture & Fittings	25.42	2.03	0.73	26.72	17.96	1.39	0.37	18.98	7.46
Vehicles	11.19	-	0.21	10.98	9.23	0.55	0.20	9.58	1.96
Office Equipments	4.20	0.52	0.17	4.55	3.41	0.29	0.12	3.58	0.79
Miscellaneous Articles	205.37	9.74	0.20	214.91	115.34	11.19	(0.16)	126.69	90.03
Roads,Bridges & Culverts	93.36	29.85	(0.63)	123.84	55.53	14.11	(0.59)	70.23	37.83
Water Supply & Sewerage	122.71	6.18	(93.68)	222.57	107.28	4.36	(7.76)	119.40	15.43
EDP Equipments	12.74	(0.04)	0.85	11.85	11.12	0.61	1.07	10.66	1.62
Sub-total 'B'	1253.69	90.71	(93.42)	1437.82	699.49	56.08	(5.78)	761.35	554.21
Figures for the previous year	1207.63	56.81	10.75	1253.69	617.60	46.86	(35.02)	699.48	554.21

C. ASSETS RETIRED FROM ACTIVE USE

Unserviceable / Obsolete Assets	76.09	6.51	6.62	75.98	-	-	-	-	76.09
Figures for the previous year	29.20	49.98	3.09	76.09	-	-	-	-	76.09
Total ('A'+B'+C)	66802.93	10466.17	508.67	76760.43	30258.56	2228.73	300.08	32187.21	36544.37
Figures for the previous year	54694.21	12574.66	465.94	66802.93	28038.15	2377.09	156.68	30258.56	36544.37

* Figures in Deduction Column include Regrouping from one asset class to another



Note (Forming Part of the Consolidated Balance Sheet)

I B : INTANGIBLE FIXED ASSETS

(₹ crore)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 31 st March, 2015	Additions / Adjustments	Deductions	As at 31 st March, 2016	Up to 31 st March, 2015	For the Year	Less: On Sales/ Adjustments	Up to 31 st March, 2016
A. PLANTS, MINES & OTHERS								
Good will	380.49	0.41	374.60	6.30	0.57	-	-	0.57
Computer Software	117.47	3.19	(1.02)	121.68	101.09	7.31	0.01	108.39
Mining Rights	3857.28	457.51	442.67	3872.12	1787.06	52.04	184.70	1654.40
Sub-total 'A'	4355.24	461.11	816.25	4000.10	1888.72	59.35	184.71	1763.36
Figures for the previous year	1823.77	2533.06	1.59	4355.24	301.63	1591.55	4.46	1888.72
B. SOCIAL FACILITIES								
Computer Software	0.75	0.35	0.20	0.90	0.61	0.12	0.19	0.54
Sub-total 'B'	0.75	0.35	0.20	0.90	0.61	0.12	0.19	0.54
Figures for the previous year	0.63	0.12	-	0.75	0.59	0.02	-	0.61
Total ('A'+ 'B')	4355.99	461.46	816.45	4001.00	1889.33	59.47	184.90	1763.90
Figures for the previous year	1824.40	2533.18	1.59	4355.99	302.22	1591.57	4.46	1889.33

Note: Allocation of depreciation

(a) Charged to Profit & Loss Account

(b) Charged to Others *

Total

Current Year	Previous Year
2254.31	1907.14
33.89	2061.52
2288.20	3968.66

* Includes charged to EDC and Primary heads of Accounts.

*PY fig Includes Depreciation on Assets Acquired by ICVL through its subsidiaries

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	As at 31 st March, 2016	As at 31 st March, 2015
12. CAPITAL WORK-IN-PROGRESS		
Expenditure during construction pending allocation (Note 12.1)	51.09	23.78
Capital Work-in-progress		
Steel Plants & Units	24629.19	28943.24
Township	122.79	193.67
Ore Mines and Quarries	349.70	263.88
	25101.68	29400.79
Less: Provisions	233.49	131.78
Construction Stores and Spares	38.74	37.78
Less: Provision for non-moving items	3.29	2.77
	24954.73	29327.80
12.1. EXPENDITURE DURING CONSTRUCTION (pending allocation)		
Opening balance (a)	23.78	15.39
Expenditure incurred during the year		
Employees' Remuneration & Benefits		
Salaries & Wages	134.28	143.22
Company's contribution to Provident fund	12.53	13.79
Travel Concession	4.00	2.87
Welfare Expenses	0.16	0.01
Gratuity	3.12	1.22
Technical Consultants' fees & know-how	8.00	23.02
Power & Fuel	84.76	198.71
Other expenses	54.51	50.27
Interest & Finance charges	643.73	638.51
Depreciation	6.46	8.21
	951.55	1079.83
Less: Recoveries		
Interest Earned	0.66	3.33
Liquidated Damages	7.60	0.58
Hire Charges	0.42	0.71
Others	1.58	-
Net expenditure during the year (b)	941.29	1075.21
Total (a)+(b)	965.07	1090.60
Less: Amount allocated to Fixed Assets/ Capital Work-in-progress	913.98	1066.82
Balance carried forward	51.09	23.78

					(₹ crore)	
	Number of Fully Paid up Equity Shares	Face Value Per Share (₹)		As at 31 st March, 2016		As at 31 st March, 2015
13. NON CURRENT INVESTMENTS (AT COST)						
(A) Unquoted						
Trade Investments						
Subsidiary Companies						
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)	30,00,000 (30,00,000)	10	3.00 \$	3.00	3.00	3.00
Joint Venture Companies						
N.E Steel & Galvanising Pvt. Ltd #	- (-)		-			-
UEC SAIL Information Technology Limited	1,80,000 (1,80,000)	10	0.18 \$		0.18	
North Bengal Dolomite Limited	97,900 (97,900)	100	0.98 \$		0.98	
Romelt SAIL (India) Limited	63,000 (63,000)	10	0.06 \$	1.22	0.06	1.22
Others						
TRL Krozaki Refractories Limited	22,03,150 (22,03,150)	10	11.35		11.35	
Almora Magnesite Limited	40,000 (40,000)	100	0.96		0.70	
Indian Potash Limited	3,60,000 (3,60,000)	10	0.18		0.18	
Cement & Allied Products (Bihar) Limited	2 (2)	10	0.00 *		0.00 *	
Chemical & Fertilizer Corporation (Bihar) Limited	1 (1)	10	0.00 *		0.00 *	
Bhilai Power Supply Company Limited	5 (5)	10	0.00 *		0.00 *	
MSTC Limited	80,000 (80,000)	10	0.01		0.01	
Bihar State Finance Corporation	500 (500)	100	0.01		0.01	
Investment in Mutual Funds			1.25		4.25	
Haridaspur Paradip Railway Company	5000000 (-)		5.00		5.00	
Minas de Changara LDA			-		0.01	
Benga Energia SA			-		0.01	
Shares in Co-operative Societies			0.18	18.94	0.18	21.70
Total (A)				23.16		25.92
(B) Quoted						
HDFC Limited	60,000 (60,000)	2	0.01		0.01	
HDFC Bank Limited	2500 (2,500)	2	0.00 *		0.00 *	
ICICI Bank Limited	28600 (28,600)	10	0.05	0.06	0.05	0.06
Total (B)				0.06 @		0.06
Total (A+B)				23.22		25.98
Less : Provision for diminution in value of investments				7.48		7.48
				15.74		18.50
@ Market value of quoted investments				10.32		11.40
* Cost being less than ₹ 50,000/-, figures not given						
\$ Not Consolidated -refer note no.29.3						
# The Company has entered into a joint venture with N.E Steel & Galvanising Pvt. Limited in an earlier year which is yet to take off.						
13.1: SHARES IN CO-OPERATIVE SOCIETIES						
Bokaro Steel Employees' Co-operative Credit Society Limited	116500 (116500)	10		1165000		1165000
Bokaro Steel City Central Consumers' Co-operative Stores Limited	250 (250)	10		2500		2500
NMDC Meghahatuburu Employees' Consumers Co-operative Society Limited	25 (25)	100		2500		2500
DSP Employees'Co-operative Society Limited	1377 (1377)	100		137700		137700
Bolani Ores Employees' Consumer Co-operative Society Limited	200 (200)	25		5000		5000
IISCO Employees Primary Co-operative Stores Limited	23000 (23000)	20		460000		460000
				1772700		1772700
13A. CURRENT INVESTMENTS (AT COST)						
(₹ crore)						

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)		
	As at 31 st March, 2016	As at 31 st March, 2015	
14. LONG TERM LOANS AND ADVANCES			
Capital Advances	201.02	129.31	
Less: Provision for doubtful capital advances	1.01	200.01	1.01
Security Deposits	91.22	73.00	
Loans and advances to related parties	6.47	15.22	
Less: Provision for doubtful related party advances	2.53	3.94	2.53
Other loans and advances			
Loans			
Employees	224.65	279.31	
Others	0.04	224.69	2.93
Advances recoverable in cash or in kind or for value to be received			
Contractors & suppliers	257.49	182.01	
Employees	0.63	0.79	
Income tax paid in advance / recoverable	407.67	383.49	
MAT Credit	1183.45	1188.24	
Others	3.57	4.31	1758.84
Deposits			
Port trust, Excise authorities, Railways etc.	73.84	75.16	
Others	2806.54	2880.38	2508.28
		5253.05	4838.51
Less : Provision for other Loans & advances		42.40	40.05
		5210.65	4798.46
Particulars of long term loans and advances			
Secured, Considered Good	184.89	228.32	
Unsecured, Considered Good	5025.76	4570.14	
Doubtful	45.94	43.59	
	5256.59	4842.05	

15. OTHER NON CURRENT ASSETS

Long Term Trade Receivables	43.87	65.37	
Less : Provision	6.43	37.44	34.98
Particulars			
Secured, considered good	-	2.25	
Unsecured, considered good	37.44	28.14	
Doubtful	6.43	34.98	
	43.87	65.37	
Long Term Claims recoverable	208.27	284.56	
Interest Receivable/Accrued			
Employees	2.50	2.05	
Others			
Pre operative expenses	0.50	1.25	
	248.71	318.25	

	(₹ crore)		
	As at 31 st March, 2016	As at 31 st March, 2015	
16. INVENTORIES			
Stores & spares			
– Production	2458.45	2716.19	
– Fuel Stores	118.86	158.23	
– Others	32.03	35.63	
	2609.34	2910.05	
Add: In-transit	142.77	171.45	
	2752.11	3081.50	
Less: Provision for Non Moving/ Obsolete items	218.05	2534.06	206.00
Raw materials	2150.43	3212.42	
Add: In-transit	695.63	1228.82	
	2846.06	4441.24	
Less: Provision for unusable materials	20.17	2825.89	9.81
Finished / Semi-finished products			
– Finished Goods	5473.29	7018.51	
– Work-in-Progress	4342.19	3319.91	
– Stock in Trade	0.39	0.28	
	9815.87	10338.70	
Add: In-transit	187.79	10003.66	389.99
	15363.61	18035.62	
17: TRADE RECEIVABLES			
Trade Receivables over six months	466.95	847.27	
Less : Provision	149.20	317.75	128.02
Trade Receivables less than six months	2507.49	2530.92	
Less : Provision	0.03	2507.46	0.03
	2825.21	2530.89	3250.14
Particulars			
Unsecured, considered good	2825.21	3250.14	
Doubtful	149.23	128.05	
	2974.44	3378.19	

Note (Forming Part of the Consolidated Balance Sheet)

18. CASH & BANK BALANCES

(i) Cash and Cash Equivalents

Balance with Banks *

Current account	108.84	105.64	
Term Deposit with maturity upto 3 months	143.02	92.13	
Term Deposit under Bank Lien / pledge against loan	0.14	0.14	
Term Deposit as per court orders with maturity upto 3 months	-	0.38	
Unpaid Dividend account	9.23	261.23	11.73
Cheques on hand	129.30	144.89	
Cash and Stamps on hand	0.87	1.01	
Sub total	391.40	355.92	

(ii) Other Bank Balances *

Margin Money	-	0.04	
Term Deposit with maturity more than 3 months	128.75	2116.42	
Term Deposit under Bank Lien / pledge against loan	1.04	-	
Term Deposit as per court orders	109.44	101.12	
Earmarked Term Deposit	62.13	301.36	62.42
Total	692.76	2635.92	

* Includes

- maturity period less than 12 months	443.90	2372.03	
- maturity period more than 12 months	0.62	444.52	0.62

Note (Forming Part of the Consolidated Balance Sheet)

(₹ crore)

	As at 31 st March, 2016	As at 31 st March, 2015
19. SHORT TERM LOANS AND ADVANCES		
Loans and advances to related parties	11.62	47.18
Less: Provision for doubtful related party advances	1.39	1.39
	10.23	45.79
Other loans and advances		
Loans		
Employees	83.43	72.85
Others	7.65	2.38
	91.08	75.23
Advances recoverable in cash or in kind or for value to be received		
Contractors & suppliers	224.75	297.43
Employees	8.03	20.34
Income tax paid in advance / recoverable	20.74	437.87
Bills Receivable	773.55	1181.21
For purchase of shares	11.95	3.53
Others	931.37	783.23
	1970.39	2723.61
Security Deposits	0.22	0.28
Deposits		
Port trust, Excise authorities, Railways etc.	89.20	3.09
Others	1.40	94.36
	90.60	97.45
	2162.52	2939.27
Less : Provision for other Loans & advances	48.67	44.18
	2113.85	2895.09
Particulars of short term loans and advances		
Secured, Considered Good	36.78	35.39
Unsecured, Considered Good	2077.07	2859.70
Doubtful	50.06	45.57
	2163.91	2940.66
20. OTHER CURRENT ASSETS		
Gold Coins on hand	0.23	0.23
Interest Receivable/Accrued		
Loans to other companies	0.46	0.29
Term Deposits	6.79	14.32
Employees	2.69	3.41
Others	123.85	130.34
	133.79	148.36
Less Provision for doubtful interest	3.73	3.39
	130.06	144.97
Others		
Receivables other than Trade	171.75	140.91
Claims recoverable	1679.74	2130.34
Export Incentive	12.97	18.04
	1864.46	2289.29
Less Provision	155.51	133.83
	1708.95	2155.46
	1839.24	2300.66

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
21. REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
Domestic	42972.12	49470.10
Energy & Steam	299.57	-
Exports	557.25	1567.68
Export Incentives	9.54	27.49
Sub Total	43838.48	51065.27
SALE OF SERVICES		
Service charges (Gross)	78.26	46.72
Sub Total	78.26	46.72
Other Operating Revenues		
Social amenities-recoveries	301.71	301.40
Sale of empties etc.	62.32	57.76
Sundries	180.97	153.03
Sub Total	545.00	512.19
Total (a+b+c)	44461.74	51624.18
Note (Forming Part of the Consolidated Statement of Profit and Loss)		
22. OTHER INCOME		
INTEREST INCOME		
Loans & advances to other companies	0.89	0.29
Customers	91.69	136.06
Employees	17.53	20.13
Term Deposits	208.15	283.92
Others	65.04	84.08
Sub Total	383.30	524.48
Dividend income		
Dividend from other investments	3.28	11.36
Sub Total	3.28	11.36
Gain on Sale of Investment (Net) Sub Total	8.88	201.49
Other Non-operating income		
Subsidy, relief and concession	15.14	5.99
Other Non-operating income	41.54	55.15
Foreign Exchange Fluctuation (Net)	-	17.14
Profit on sale of fixed assets (net)	-	10.55
Liquidated damages	47.97	18.01
Write back of liabilities	62.01	98.42
Sub Total	166.66	205.26
PROVISIONS NO LONGER REQUIRED WRITTEN BACK		
Loans & advances	5.81	5.30
Sundry debtors	3.84	7.22
Stores & spares	5.43	15.21
Others	16.21	10.50
Sub Total	31.29	38.23
Total (e+ a+b+c +d +e)	593.41	980.82

Note (Forming Part of the Consolidated Statement of Profit & Loss)

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
23. COST OF MATERIALS CONSUMED		
Iron ore	4160.07	3908.52
Coal	12801.21	14196.25
Coke	81.64	106.36
Limestone	1134.04	1089.85
Dolomite	482.95	478.41
Ferro Manganese	357.29	418.28
Ferro Silicon	187.47	204.97
Silico Manganese	845.75	868.15
Intermediary Products	-	31.76
Zinc	104.99	99.99
Aluminum	229.16	260.46
Others	1284.10	1394.97
	<u>21668.67</u>	<u>23057.97</u>
Less :Inter Account adjustment for Raw materials	3741.00	3700.30
	<u>17927.67</u>	<u>19357.67</u>

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

Opening stock

– Finished Goods	7408.47	6680.54
– Work in Progress	3319.94	2443.46
– Stock in Trade	0.28	0.25
	<u>10728.69</u>	<u>9124.25</u>

Less : Closing stock

– Finished Goods	5661.08	7408.47
– Work in Progress	4342.19	3319.94
– Stock in Trade	0.39	0.28
	<u>10003.66</u>	<u>10728.69</u>

725.03 (1604.44)

Less :Variation in Excise Duty on opening and closing stock of finished goods 134.16 (235.74)

Net Accretion(-)/Depletion to stock 590.87 (1368.70)

25. EMPLOYEE BENEFIT EXPENSE

Salaries & wages	7042.87	7101.80
Leave Encashment	681.98	703.00
Company's contribution to provident & other funds	971.43	873.95
Travel concession	251.46	32.65
Welfare expenses	526.57	497.70
Gratuity	601.65	690.51
	<u>10075.96</u>	<u>9899.61</u>
Less : Grants in Aid received from Government of Karnataka	0.15	-
	<u>10075.81</u>	<u>9899.61</u>

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
26. FINANCE COST		
Interest Cost		
– Foreign Currency Loans	694.12	637.55
– Non Convertible Bonds	608.10	350.54
– Bank Borrowings - working capital	66.29	171.52
– Steel Development Fund Loans	3.20	3.73
– Others	793.48	381.06
– Interest under income tax act	-	0.55
– Other Borrowing Cost	11.79	10.23
	<u>2176.98</u>	<u>1555.18</u>

Note:

Expenditure on Interest & Finance charges not included above & charged to: Expenditure During Construction

Interest Cost

Foreign currency loans	147.72	188.15
Non Convertible Bonds	491.05	445.31
Steel Development Fund loans - Interest	4.96	4.43
	<u>643.73</u>	<u>637.89</u>

27. OTHER EXPENSES

Consumption of Stores & Spares Parts	2699.08	2685.39
Power and Fuel	4585.58	4292.66
REPAIRS & MAINTENANCE		
Buildings	201.78	225.52
Plant & Machinery	757.30	667.55
Others	278.89	248.00
Freight outward	1159.12	1141.07
Handling expenses		1033.88
– Raw Material	325.56	286.17
– Scrap recovery	314.33	289.90
Royalty and cess	1345.15	576.07
Conversion charges	413.32	1225.90
Excise Duty on inter-plant transfer / internal consumption	305.40	332.85
Demurrage & wharfage	48.64	367.97
Water charges & Cess on water pollution	157.02	100.17
Insurance	39.83	198.90
Postage, Telegram & Telephone	25.14	26.97
Printing & Stationery	10.06	28.35
Rates & Taxes	53.16	11.16
Rent	30.83	48.90
Security expenses	448.63	31.79
Travelling expenses	157.95	389.39
Training expenses	42.19	199.18
Foreign Exchange Fluctuation	66.58	47.31
Loss on sale/scrapping of Fixed Assets (Net)	26.83	-
Expenditure on Corporate Social Responsibility	76.64	-
Remuneration to Auditors		
– Audit fees	1.60	1.69
– Tax Audit fees	0.42	0.40
– In other Services	1.02	1.13
– Out of pocket expenses	0.89	0.87
Cost Audit Fee and reimbursement expenses	0.20	4.09
Provisions		
– Doubtful debts, loans and advances	28.71	0.14
– Stores , Spares and Sundries	201.34	230.05
Write-offs	1.76	57.23
Handling expenses - Finished goods	237.18	104.15
Cash Discount (net)	56.42	1.89
Commission to selling agents	10.09	172.14
Export sales expenses	8.85	70.82
Sales expenses	11.70	12.72
Miscellaneous	363.69	24.39
	<u>14492.88</u>	<u>13392.28</u>

Note (Forming Part of the Consolidated Statement of Profit & Loss)

28 ADJUSTMENTS PERTAINING TO EARLIER YEARS

(₹ crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Sales	4.48	(1.72)
Other revenues	(10.50)	3.97
Raw materials consumed	4.65	(3.42)
Stores & spares consumed	(0.49)	(10.57)
Power & Fuel	10.47	-
Employee Remuneration and Benefits	-	(4.46)
Repair & Maintenance	-	(2.80)
Other expenses	19.58	88.11
Depreciation	22.42	19.49
Interest	(35.24)	-
Net Debit	15.37	88.60

Other Notes to Consolidated Financial Statements

29.1 The Subsidiary companies, Joint Venture Companies and Associate Company, all incorporated in India, considered in the consolidated financial statements, are as follows:

(₹ crore)

Sl. No.	Name of the Company	Proportion (%) of Company's ownership interest	
		(As on 31 st March, 2016)	(As on 31 st March, 2015)
A. Subsidiary Company			
	SAIL Refractory Company Limited (SRCL)	100	100
	SAIL-Jagdishpur Power Plant Limited (SJPL)	100	100
	SAIL Sindri Projects Limited (SSPL)	100	100
	Chhatisgarh Mega Steel Limited(CMSL)	100	-
B. Joint Venture Companies			
	NTPC SAIL Power Company Private Limited (NSPCL)	50	50
	Bokaro Power Supply Company Private Limited (BPSCCL)	50	50
	Sail Bansal Service Centre Limited (SBSCCL)	40	40
	Mjunction Services Limited (MSL)	50	50
	Bhilai Jaypee Cement Limited (BJCL)	26	26
	S&T Mining Company Private Limited	50	50
	SAIL & MOIL Ferro Alloys Private Limited	50	50
	International Coal Ventures Private Limited (ICVL)	46.62	49.59
	SAIL-SCI Shipping Private Limited	50	50
	SAIL SCL Kerala Limited	49.26	48.36
	SAIL-RITES Bengal Wagon Industry Private Limited (SRBW IPL)	50	50
	SAIL Kobe Iron India Private Limited	50	50
	SAL SAIL JVC Limited	26	26
	TMTSAL SAIL JV Limited	26	26
	Sail-Bengal Alloy Castings Private Limited	50	50
	Prime Gold-SAIL JVC Limited (PGS JL)	26	26
	VSL SAIL JVC Limited	26	26
	Abhinav SAIL JVC Limited	26	26
C. Associate Company			
	Almora Magnesite Limited (AML)	20	20

29.2 Subsidiary Companies are engaged/to be engaged in the business of:

- SRCL in manufacture of Refractories;
- SJPL in Power generation;
- SSPL in manufacture of Fertilisers; and
- CMSL in manufacture of Steel.

- 29.3 a) The accounts of UEC SAIL Information Technology Limited (USIT), Romelt SAIL (India) Limited, North Bengal Dolomite Limited and N.E. Steel & Galvanising Private Limited joint venture companies of SAIL have not been consolidated and the same have been fully provided for.
- b) The Financial Statements of Minas De Changara Lda, Mozambique and

Benga Energia SA, Mozambique have not been prepared as both the companies are defunct companies and hence their Financial Statements have not been considered for consolidation purpose by ICVL.

30.1 The accounts of IISCO-Ujjain Pipe & Foundry Company Limited, a wholly owned subsidiary company of SAIL have not been consolidated, being under liquidation.

30.2 The audited accounts of two foreign subsidiaries namely Riversdale Mining Pty Limited and Minas De Benga Mauritius Limited have not been made available as on 31.03.2016 and therefore management accounts have been considered for consolidation by International Coal Ventures Private Limited. In case of Riversdale Mining Pty Limited and Minas De Benga Mauritius Limited, the last audited account available is at 31.12.2014 and 31.12.2013 respectively.

31.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31 st March, 2016	As at 31 st March, 2015
(i)	Claims against the Group pending appellate/judicial decisions against which the Group has counter claims of ₹ 26.30 crores (₹ 28.06 crores) * includes sales tax on inter-state stock transfers from SAIL plants to stockyards - ₹ 739.30 crores (₹ 739.33 crores) for which no liability is expected to arise, as sales tax has been paid on eventual sales.	30509.54	22281.68
(ii)	Other claims against the Group not acknowledged as debts against which the Group has counter-claims of ₹ 103.95 crores (₹ 103.95 crores)	1913.79	1368.32
(iii)	Disputed income tax/service tax/other demand on joint venture company for which company may be contingently liable under the joint venture agreement	33.79	31.59
(iv)	Bills drawn on customers and discounted with banks.	329.77	420.15
(v)	Price escalation claims by contractors/suppliers and claims by certain employees, extent whereof is not ascertainable	161.71	246.25
(vi)	Groups proportionate share of bank guarantees given in favor of other parties by ICVL and its subsidiaries	12.30	-

31.1.1 Contingent liabilities includes :

- Contingent liabilities, incurred in relation to interest in joint ventures as on 31st March, 2016 : ₹ 33.79 crore (31st March, 2015: ₹ 31.59 crore).
- Share in contingent liabilities of joint ventures themselves for which the Group is contingently liable as at March 31, 2016 ₹ 181.07 crore (31st March, 2015: ₹ 71.81 crore).

31.2 Estimated amount of contracts remaining to be executed and not provided for (net of advances), on capital account are ₹ 15795.75 crore (₹ 13159.82 crore) and on revenue account are ₹ 1444.26 crore (₹ 1399.69 crore).

Capital commitments includes:

- Capital commitments in relation to interests in joint ventures as on 31st March, 2016: ₹ Nil crore (31st March, 2015: ₹ Nil crore).
- Share in Capital commitments of joint ventures themselves as on 31st March, 2016: ₹ 107.68 crore (31st March, 2015: ₹ 146.65 crore)

31.3 In respect of SAIL:

- Pending final decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Allahabad dismissing the writ petition of the Company, on levy of entry tax in the state of Uttar Pradesh, the entry tax amount included in Note No. 31.1(i), includes disputed demand of ₹ 97.22 crore (₹ 94.89 crore). The Company has deposited ₹ 114.21 crore (₹ 96.45 crore) against the said demand which has been shown as deposit and disclosed under Long term Loans and Advances.

Pending final decision by the Hon'ble Supreme Court of India in SLP against order by the respective Hon'ble High Courts dismissing the writ petitions of the Company, the entry tax amount in Note No. 31.1(i) includes disputed demands of ₹ 1091.02 crore (₹ 1084.32 crore) in Chhattisgarh State and ₹ 341.15 crore (₹ 333.95 crore) in Odisha State respectively.

In respect of the case pertaining to Chhattisgarh State, liability of ₹ 1409.23 crore (₹ 1251.41 crore), based on legal opinion, has been provided in the books towards entry tax @3% against the demand @6%. The Company has deposited ₹ 1409.23 crore (₹ 1251.41 crore) and ₹ 109.82 crore (₹ 103.27 crore) in Chhattisgarh and Odisha State respectively against the said demand which has been treated as Deposit and disclosed under Long term Loans and Advances.

- Pending decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Jharkhand dismissing the writ petition of the Company, demands of ₹ 491.27 crore (₹ 393.59 crore) made by Damodar Valley Corporation (DVC) in respect of electricity supplied to Bokaro Steel Plant of the Company, have been disclosed as

contingent liability included in Note No. 31.1(i). Against the said demands, the entire amount have been paid to DVC against bills raised by them and disclosed under short term loans and advances.

- Under the Jharkhand Mineral Area Development Authority (Amendment) Act, the State Government of Jharkhand has made a demand of ₹ 97.85 crore (₹ 63.31 crore) towards "Market Fee" on transaction value of coal. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 31.1(i) above.

- SAIL 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 ₹ 144.34 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 ₹ 144.34 crore (₹ 144.34 crore) has been included in the Contingent Liability, in Note No. 31.1(ii) above.

- ICVL, has given Corporate Guarantee of US\$ 30 million (equivalent to ₹ 198.78 crore) (proportionate share of Group is US\$ 13.99 million, equivalent to ₹ 92.67 crore) to EXIM Bank on behalf of ICVL Mauritius, in respect of Short Term Working Capital loan of US\$ 30 million (equivalent to ₹ 198.78 crore).

- BPSCL has undertaken construction of 2*250 MW project in the year 2006 and booked capital work in progress to the tune of Rs 19.10 crore (proportionate share of the Group is ₹ 9.55 crore), including ₹ 12.35 crore of bank guarantee invoked by CCL on 31 March 2011, due to non-fulfilment of the condition stipulated in the LOA (Letter of Assurance) for supply of coal to the said project. The implementation of the project is in process.

32. FIXED ASSETS

32.1 Land:

- Includes 67926.64 acres (67354.96 acres) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- Includes 34061.08 acres (35334.08 acres) in respect of which title is under dispute.
- 8856.73 acres (8851.69 acres) 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.
- 7181.43 acres (6345.43 acres) given on lease to various agencies/employees/ex- employees.
- Includes 4440.70 acres (4211.42 acres) under unauthorised occupation.
- 1762.92 acres (1762.92 acres) of Land which is not in the actual possession, shown as deemed possession.
- ₹ 64.18 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.
- 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) had notified its intention to acquire 9,553 acres of Land. The compensation for 7,895 acres of Land has already been received and accounted for. Any further acquisition in part or full from the balance 1,658 acres of the notified land shall be accounted for on receipt of compensation for the actual quantity of land acquired by NHAI in future, if any.
- In case of NTPC-SAIL Power Company Private Limited, leasehold land includes 879.05 Sqm. valuing at ₹ 10.95 crore, (previous year - 879.05 Sqm. valuing at ₹ 10.95 crore) acquired on perpetual lease and no depreciation has been charged thereof.

- In case of SAIL, Buildings include net block of ₹ 21.73 crore (₹ 22.15 crore) and in case of SRCL, Land and Building includes ₹ 6.78 crore (₹ 6.78 crore) respectively for which conveyance deed is yet to be registered in the name of the Companies.

- In case of SAIL, Assets retired from active use and waiting for disposal amounting to ₹ 75.98 crore has been shown under note 11 (a) "Tangible Fixed Assets", the net realizable value of which in the opinion of the management, will not be less

than the amount shown and does not require any provision.

In case of SRCL, in respect of Immovable Property, Revenue records, continue to remain in the name of Burn Standard Company Limited

- 32.4** SAIL has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Notification dated 31st March, 2009 issued by Ministry of Corporate Affairs on Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates'. During the Year ended 31st March, 2016, the net foreign exchange variations of ₹154.64 crore (net debit) [Year ended 31st March 2015- ₹66.57 crore (net credit)] on foreign currency loans have been adjusted in the carrying amount of fixed assets/capital work-in-progress. Out of the exchange differences adjusted from 1st April, 2008 to 31st March, 2016, an amount of ₹496.39 crore (net debit) [₹414.55 crore (net debit)] is yet to be depreciated/amortised as at 31st March, 2016.

33. INVESTMENT, CURRENT ASSETS, LOANS & ADVANCES AND CURRENT LIABILITIES & PROVISIONS.

- 33.1** The amount due to Micro and Small Enterprises as defined in the 'Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 8- Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with SAIL. The disclosures relating to Micro and Small Enterprises as at 31st March, 2016 are as under:

(₹ crore)

No.	Description	As at 31 st March, 2016	As at 31 st March, 2015
i.	The principal amount remaining unpaid to supplier as at the end of the year.	29.46	27.27
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 2016	31st March 2015
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.	-	-

- 33.2** Balances of Trade Receivables and Recoverables shown under 'Current Assets' and Trade and Other Payables shown under 'Current Liabilities', include balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.

- 33.3** In pursuant of Clause 3.4 of Share Sale Agreement (SSA) between ICVL and Rio Tinto Jersey Holdings 2010 Limited, the loan from RT Finance termed as RT Finance Loan of AUD 345,358,581.16 appearing in books of Riversdale Mining Pty Limited as Short term borrowings, has been assigned to ICVL Mauritius for US\$ 1. The assignment of loan to ICVL Mauritius had been effected in the financial year 2015-16. With this transaction, a capital reserve of US\$ 268,421,448 (INR 979.96 crore) has been created in the books of ICVL Mauritius (Group's proportionate share ₹ 456.86 crore) after adjustment of Goodwill as it is part of the same transaction.

- 33.4** In case of ICVL, while Tata Steel Global Minerals Holdings Pte Limited (TSGMH), a subsidiary of Tata Steel is holding 35% of the shareholding, Riversdale Mining Pty Limited (formerly Riversdale Mining Limited), a subsidiary of ICVL Mauritius, is holding 65% of the shareholdings.

As per clause 6 of the Shareholding Agreement, any capital which is required by the Group under a work program & Budget, in addition to the Capital of the Company subscribed at the date of this agreement, must be provided by the

shareholders in their respective specified proportion by subscribing for additional equity security in the Company. Clause 6.12(Incurring losses to be borne in specified proportion) states if a shareholder suffers any loss in relation to any financial accommodation, the other shareholder must make contribution to each other in the specified proportion. Accordingly, share of loss applicable to the minority shareholder amounting to ₹1010.10 crore (Group's proportionate share ₹470.91 crore) has been allocated to Tata Steel after adjustment made towards their equity contribution, against which amount of ₹854.42 crore (Group's proportionate share ₹398.33 crore) as on 31st March 2016 is appearing as Shareholder Loan.

34. STATEMENT OF PROFIT & LOSS

- 34.1** In respect of SAIL, Net Sales include sales to Government agencies recognised on provisional contract prices during the year ended 31st March 2016: ₹3376.11 crore (Previous year: ₹2907.36 crore) and cumulatively upto 31st March 2016: ₹13074.67 crore (Previous year: ₹9750.99 crore).

- 34.2** In respect of SAIL, 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 ₹226.22 crore (₹232.06 crore) and ₹50.78 crore (₹32.14 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:

Head of Account	For the year ended	
	31 st March, 2016	31 st March, 2015
Raw Materials	66.25	41.86
Employees Benefits Expenses	95.18	100.94
Stores & Spares Consumed	5.39	7.67
Power & Fuel	14.79	9.30
Repairs & Maintenance	4.78	4.65
Depreciation and Amortisation Expenses	6.04	9.06
Other Expenses	33.61	58.05
Finance Cost	0.18	0.53
Total	226.22	232.06

- 34.3** SAIL 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 2016, 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 and Bokaro 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 IISCO Steel Plant, Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant, as the net realisable value thereof, assessed by an independent agencies, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2014, for IISCO Steel Plant, Alloy Steels Plant, Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

In the opinion of the management, there is no impairment of assets in the Rotary Polisher unit in Salem amounting to ₹7.73 crore as the net realisable value is higher than the book value. Similarly, the net realizable value of Pipe Coating Plant at RSP is higher than the book value at ₹36.60 crore.

In case of ICVL, where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

- 34.4** As per section 135 of the Companies Act, 2013 effective from 1st April 2014, SAIL 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. Based on above, the CSR amount has been budgeted at ₹56 crore for the year 2015-16. Total amount to be spent by SAIL is ₹ 98.96 crore (including unspent amount of ₹ 42.96 crore for previous year), out of which SAIL has spent an amount of

₹76.16 crore on CSR activities during the year 2015-16 under the following heads :

Particulars	₹ crore
Education	12.95
Healthcare	5.72
Livelihood Generation	4.70
Women Empowerment	3.20
Drinking Water and Sanitation	19.51
Sports, Art & Culture	7.66
Rural Development	8.97
Social security	1.20
Environment Sustainability	11.39
Capacity Building of Personnel	0.86
Total	76.16

The balance unspent amount of ₹22.80 crore will be spent in due course by SAIL.

SRCL, NSPCL, BPSCCL and MSL have spent an amount of ₹0.48 crore, ₹2.42 crore, ₹0.27 crore and ₹0.37 crore respectively, on CSR activities during the year 2015-16.

- 34.5** SAIL has assessed the useful life of the assets and major components of Plant & Machinery, Factory Buildings, Railway Line & Sidings and Water Supply & Sewerage based on the technical parameters/assessment and supported by external technical advice'. Accordingly, depreciation of ₹ 86.58 crore (net of deferred tax liability ₹ 45.82 crore) on account of fixed assets with no remaining useful life as on 1st April, 2015 has been adjusted in retained earnings.

In view of above, depreciation for the year ended 31st March, 2016 is higher by ₹54.07 crore.

- 34.6** The Government of India promulgated Mines and Minerals (Development & Regulation), Amendment Act, 2015 (MMDR, 2015), effective from 26th March, 2015. The Ministry of Mines, vide notification dated 17.9.2015, notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015, deemed to have come into force on 12.1.2015, specifying the contribution payable to the District Mineral Foundation. Vide Notification dated 14th August, 2015, the Ministry of Mines, established the National Mineral Exploration Trust, effective from the date of its publication in the official gazette. As per provisions of the MMDR, 2015, an amount of ₹398.97 crore towards contributions to District Mineral Foundation and National Mineral Exploration Trust has been charged to the Statement of Profit and Loss during the year by SAIL. Hon'ble high Court of Delhi has stayed the recovery proceedings on the basis of petition filed by Federation of Indian Mineral Industries and others.

- 34.7** Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2015-16 to Railway authorities for laying out railway line from Rajhara to Rowghat would result in return of 7% of investment at the end of every year after commencement and fulfilment of assured traffic from Rowghat mines. SAIL Management has assumed that the criteria laid out in the Memorandum of Understanding will be met and interest will occur from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized at effective rate of interest as income during the year (₹44.02 crore). Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has opined to account for the same on recovery. To ascertain whether measurability and collectability criteria is being fulfilled or not in terms of AS-9, the matter has been referred to EAC of ICAI.

- 34.8** In respect of SAIL, information on leases as per Accounting Standard 19 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) 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 ₹13.96 crore (₹12.86 crore).

- 34.9** As per the Department of Public Enterprises (DPE)'s Guidelines, the Company is required contribute 30% of salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation Benefits. To comply with the DPE's Guidelines relating to contribution to

Superannuation Benefits within overall limit of 30% of salary of executive employees, the provision for pension benefit has been made @ 9% (rounded-off) w.e.f. 1st January 2007. Further, as per agreement dated 1st July, 2014 between the SAIL Management and the Unions of non-executive employees, pension benefit for non-executives has been provided @ 6% of salary (Basic Pay + Dearness Allowance) w.e.f. 1st January, 2012.

The cumulative provision/liability towards pension benefit for executive (w.e.f. 1st January, 2007) & non-executive (w.e.f. 1st January, 2012) employees, amounting to ₹2043.12 crore (₹425.48 crore during the year) and ₹40.62 crore (₹7.60 crore during the year) have been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively.

35. GENERAL

- 35.1** Disclosures as required under Accounting Standard (AS) - 15 (revised) on 'Employee Benefits' in respect of SAIL are given in Note No. 33.1 of 'Other Notes to Financial Statements' forming part of the independent Financial Statements of SAIL.

35.2 Segment Reporting

- i) **Business Segments:** The five integrated steel plants and three alloy steel plants of SAIL, two power joint venture companies being NTPC-SAIL Power Company Pvt. Ltd. and Bokaro Power Supply Co. Pvt. Ltd., one power subsidiary being SAIL-Jagdishpur Power Plant Limited (SJPL) have been considered as primary business segments for reporting under 'Accounting Standard-17 - Segment Reporting' issued by the Ministry of Corporate Affairs.
- ii) **Geographical segments** have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.
- iii) In respect of SAIL, in the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Accounting Standard-17 - 'Segment Reporting', 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. The disclosure of segment-wise information is given at Annexure-I.

35.3 Related Party

As per Accounting Standard - 18 - 'Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties are given below:

Nature of Relationship	Name of the related party
Key Management Personnel	Shri C.S.Verma (upto 10.6.2015)
	Shri P.K. Singh
	Shri Anil Kumar Chaudhary
	Shri S.S. Mohanty
	Shri T.S.Suresh (upto 31.05.2015)
	Shri Kalyan Maity
	Shri Binod Kumar
	Shri N. Mahapatra (w.e.f.27.11.2015)
	Shri G. Vishwakarma (w.e.f. 31 st December 2015)
	Shri A. Maitra
	Shri S. Chandrasekaran
	Shri G.S. Prasad (upto 30.09.2015)
	Shri A.K. Singh (w.e.f. 23.03.2016)
	Shri R.K. Rathi (w.e.f. 27.03.2016)
	Shri A.K. Rath (w.e.f. 23.03.2016)
	Shri P.S. Bhaduria
	Shri A. Shrivastava
	Shri I.C. Sahu
	Shri M. Ravi
	Shri M.R. Panda
	Shri B.K.Jha
	Shri Neeraj Mathur
	Shri Raman
	Shri Somdev Das
	Shri N. Bhattacharya
	Shri Siddharth Kaul
	Shri H.P. Singh (w.e.f. 11.01.2016)
	Shri Sudhir Kumar (from 12.12.2015 to 26.03.2016)
	Shri S.K. Jain (w.e.f. 13.01.2016)
	Shri U.K. De (w.e.f.01.01.2016)
	Shri S. Kalay (w.e.f. 01.02.2016)

- 35.4** In accordance with AS-22 on 'Accounting for Taxes on Income' issued by the Ministry of Corporate Affairs, net deferred tax, has been accounted for; as detailed below:

(₹ crore)

	As on 31 st March 2016	As on 31 st March 2015
Deferred tax liability		
Difference between book and tax depreciation	6351.12	4771.36
Total	6351.12	4771.36
Deferred tax assets		
Retirement Benefits	71.76	140.17
Others	6818.04	2066.17
Total	6889.80	2206.34
Net Deferred tax liability/asset(-)	(-) 538.68	2565.02

SAIL is having accumulated business losses of ₹ 15,377.55 crore (including accumulated unabsorbed depreciation of ₹ 8851.44 crore) as on 31.03.2016 as per the provisions of the Income Tax Act, 1961.

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.

Accordingly, the Company has recognized deferred tax asset (gross) of ₹ 5321.86 crores on accumulated business losses (including accumulated unabsorbed depreciation). However, Net Deferred Tax Assets of ₹ 538.68 crore has been recognised after netting of Deferred Tax Assets and Deferred Tax Liabilities.

- 35.5** Disclosures of provisions required by Accounting Standard (AS) 29 '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 affore- station costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2015	505.77	118.08	69.60	693.45
Additions during the Year	170.27	12.95	37.32	220.54
Amounts utilised during the Year	42.09	-	8.87	50.96
Unused amount reversed during the Year	-	3.72	13.55	17.27
Balance as at 31 st March, 2016	633.95	127.31	84.50	845.76

35.6 Additional information, as required under Schedule III to the Companies Act, 2013 enterprises consolidated as Subsidiary/Joint Venture/Associate.

Sl. No.	Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)	
		As a % of consolidated net Assets	Amount (₹ crore)	As a % of consolidated Profit or (Loss)	Amount (₹ crore)
	Parent				
	Steel Authority of India Limited	99.55	39281.26	(96.29)	(4137.26)
	Subsidiaries				
1.	SAIL Refractory Company Limited	0.24	94.51	0.36	15.46
2.	SAIL-Jagdishpur Power Plant Limited	-	0.03	-	(0.01)
3.	SAIL Sindri Projects Limited	-	0.02	-	(0.01)
4.	Chattisgarh Mega Steel Limited(CMSL)	-	0.05	-	-
	Joint Ventures (as per proportionate consolidation/ Investment as per the equity method)				
1.	NTPC SAIL Power Company Pvt. Limited	2.21	872.37	2.87	123.42
2.	Bokaro Power Supply Co. Pvt. Limited	0.77	302.98	0.48	20.83
3.	Sail Bansal Service Centre Limited	-	0.69	(0.01)	(0.31)
4.	Mjunction Services Limited	0.24	94.02	0.50	21.38
5.	Bhilai Jaypee Cement Limited	0.11	43.65	(0.48)	(20.77)
6.	S & T Mining Co. Pvt. Limited	-	2.03	(0.05)	(2.07)
7.	International Coal Ventures Pvt. Limited	0.10	37.64	(5.48)	(235.61)
8.	SAIL-MOIL Ferro Alloys Private Limited	-	(1.48)	-	(0.21)
9.	SAIL SCI Shipping Pvt. Limited	-	0.07	-	-
10.	SAIL SCL Kerala Limited	(0.03)	(10.60)	(0.15)	(6.57)
11.	SAIL RITES Bengal wagon Industry Pvt. Limited	0.05	18.78	(0.08)	(3.55)
12.	SAIL Kobe Iron India Pvt. Limited	-	0.26	-	0.01
13.	SAL SAIL JVC Limited	-	(0.02)	-	-
14.	TMT SAL SAIL JV Limited	-	-	-	-
15.	SAIL-BENGAL Alloy Castings Pvt. Limited	-	-	-	(0.01)
16.	Prime Gold-SAIL JVC Limited	0.01	5.37	(0.04)	(1.52)
17.	VSL SAIL JVC Limited	-	1.34	-	-
18.	Abhinav SAIL JVC Limited	-	(0.01)	-	(0.01)
	Associate (Investment as per the equity method)				
	Almora Magnesite Limited	-	0.96	-	0.26
	Sub Total	103.25	40743.92	(98.37)	(4226.55)
	Less: Effect of intercompany adjustments / eliminations	(3.25)	(1283.42)	(1.63)	(70.20)
	Total	100	39460.50	(100)	(4296.75)

35.7 The previous year figures considered this year are not same as those of the figures considered in the consolidated financial statements for the year 2014-15 due to unaudited financial statements of certain joint venture companies being audited during the year. Figures for the previous year have been updated based on audited/unaudited financial statements received for the Financial Year 2015-16. Further, the accounts of International Coal Ventures Private Limited was incorporated on standalone basis in previous year which have been updated based on unaudited Consolidated Financial Statement received during the year.

35.8 In case of Subsidiary and Joint Venture companies where accounting policies are different from the those followed by the Holding Company, have been suitably disclosed under respective head in Significant Accounting Policies in Note no. 1.2.

35.9 The previous year's figures have been re-arranged/re-grouped/re-cast, wherever necessary. Figures in brackets pertain to previous year.

Segment Information for the year ended 31st March, 2016

Annexure - I

A. BUSINESS SEGMENT

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	POWER COMPANIES	OTHERS	INTER SEGMENT SALES	SAIL
REVENUE												
- External Sales												
Current year	14654.53	6098.45	7711.94	9097.91	3318.79	393.42	1774.01	219.47	299.57	270.39		43838.48
Previous year	(16650.74)	(7643.11)	(9283.60)	(12890.53)	(1081.68)	(552.61)	(2206.95)	(233.04)	(0.00)	(523.01)		51065.27
- Inter Segment Sales												
Current year	684.85	178.49	100.86	122.67	46.33	200.13	11.25	32.42	1089.85	3822.65	-6289.50	-
Previous year	(1075.80)	(369.42)	(299.45)	(284.84)	(833.28)	(227.42)	(9.10)	(32.42)	(1275.48)	(3663.00)	-8070.21	-
- Total Revenue												
Current year	15339.38	6276.94	7812.80	9220.58	3365.12	593.55	1785.26	251.89	1389.42	4093.04	-6289.50	43838.48
Previous year	(17726.54)	(8012.53)	(9583.05)	(13175.37)	(1914.96)	(780.03)	(2216.05)	(265.46)	(1275.48)	(4186.01)	(-8070.21)	51065.27
RESULT												
- Operating profit / (-) loss (Before Interest expenses and exceptional items)												
Current year	708.20	-392.40	-1964.85	-1776.96	-1454.50	-60.86	-348.76	-115.54	225.30	-85.93		-5266.30
Previous year	(2490.04)	(622.05)	(618.63)	(786.49)	(-835.85)	(-117.72)	(-249.55)	(-97.29)	(228.96)	(354.13)		(3799.89)
- Interest expenses												
Current year												2176.98
Previous year												(1555.18)
- Exceptional items												
Current year												-
Previous year												(-)
- Income tax												
Current year												-3026.49
Previous year												(305.82)
- Net Profit / Loss (-)												
Current year												-4416.79
Previous year												(1938.89)
OTHER INFORMATION												
- Segment assets												
Current year	24327.08	5596.68	18596.12	14038.02	18804.53	580.24	2768.09	637.10	2159.55	13154.40		100661.81
Previous year	(22811.33)	(5227.07)	(18544.86)	(13817.64)	(18308.44)	(630.54)	(3038.27)	(631.46)	(2246.35)	(17377.54)		(102633.50)
- Segment Liabilities												
Current year	6377.64	1996.16	3481.91	3095.05	1414.08	221.71	425.11	128.88	523.81	26836.57		44500.92
Previous year	(6092.97)	(1893.89)	(3637.46)	(2743.51)	(1211.75)	(231.16)	(342.07)	(173.04)	(579.74)	(23993.22)		(40898.81)
- Capital expenditure												
Current year	1686.13	543.63	1196.29	1034.20	1120.61	-3.50	55.06	19.74	60.60	841.80		6554.56
Previous year	(2219.69)	(659.74)	(1448.63)	(804.91)	(1389.04)	(5.10)	(-6.12)	(4.71)	(41.37)	(1820.82)		(8387.89)
- Depreciation												
Current year	346.66	132.83	566.37	278.81	486.89	9.29	80.27	6.04	101.23	245.92		2254.31
Previous year	(304.25)	(128.50)	(440.34)	(270.47)	(317.90)	(10.87)	(103.16)	(5.89)	(94.63)	(231.13)		(1907.14)
- Non Cash expenses other than depreciation												
Current year	21.98	6.24	35.81	16.81	63.63	13.17	1.45	2.23	32.25	36.48		230.05
Previous year	(14.85)	(18.94)	(7.51)	(8.48)	(5.31)	(15.33)	(1.03)	(1.40)	(2.87)	(28.43)		(104.15)

B. GEOGRAPHICAL SEGMENT

(₹ crore)

Particulars	Current Year	Previous Year
Sales revenue		
India	43281.23	49497.59
Foreign Countries	557.25	1567.68
Total	43838.48	51065.27

Note :

- Business Segments: The five integrated steel plants and three alloy steel plants of SAIL, two power joint venture companies being NTPC-SAIL Power Company Pvt. Ltd. and Bokaro Power Supply Co. Pvt. Ltd., one power subsidiary being SAIL-Jagdishpur Power Plant Limited (SJPL) have been considered as primary business segments for reporting under 'Accounting Standard-17 - Segment Reporting' issued by the Ministry of Corporate Affairs.
- Geographical segments have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.
- In respect of SAIL, in the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Accounting Standard-17 - 'Segment Reporting', 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.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
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TO THE MEMBERS OF STEEL AUTHORITY OF INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 Associate and Jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate 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 of its associates and 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in term of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies	
Basis for Qualified Opinion		
i. Steel Authority of India Limited		
The Holding Company has not provided for;		
a) entry tax amounting to ₹ 97.22 crore (current year Rs 2.33 crore and last year ₹ 3.34 crore) in the state of Uttar Pradesh, ₹ 1091.02 crore (current year ₹ 6.70 crore and last year ₹ 13.04 crore) in the state of Chhatisgarh and ₹ 341.15 crore (current year ₹ 7.20 crore and last year ₹ 119.14 crore) in the state of Odisha (refer note no. 31.3(a);	The mentioned cases are sub-judice and pending before the Hon'ble Supreme Court and other various courts for a long time. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist on the Balance Sheet date. Therefore, there is no adverse impact on loss. There is no change in the status of these cases till date.	
b) amount paid to DVC against bills raised for supply of power and retained as advance by Bokaro Steel Plant amounting to ₹ 491.27 crore (current year ₹ 97.68 crore and last year ₹ 101.83 crore) (refer note no. 31.3(b);		
ii. Bokaro Power Supply Company Private Limited		
The Company has undertaken construction of 2*250 MW project in the year 2006 and has booked capital work in progress to the tune of ₹ 19.1 crores (proportionate share included in the Company is ₹ 9.55 crores), including ₹ 12.35 crores of BG invoked by CCL on 31 March 2011, due to non-fulfilment of the condition stipulated in the LOA (Letter of Assurance) for supply of coal to the said project. The status of the said project seems to be stagnant for last few years due to various reasons and there seems to be remote possibility of future revival of the project.		The implementation of the project by the Bokaro Power Supply Company Private Limited is in process.
The total impact of above para (i) and (ii) has resulted in understatement of Loss after Tax for the year by ₹ 1,330.90 crore (Over statement of profit of Previous Year ended 31 st March, 2015 by ₹ 1906.75 crore), overstatement of Reserves & Surplus by ₹ 1,330.90 crore (As at 31 st March, 2015 by ₹ 1906.75 crore), understatement of Current Liabilities by ₹ 2020.66 crore (As at 31 st March, 2015, ₹ 1906.75 crore) and understatement of Total Assets by ₹ 689.76 crore (Previous Year ended 31 st March, 2015 ₹ Nil).		
Qualified Opinion		
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.		
Emphasis of Matter		
Steel Authority of India Limited		
We draw attention to the net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no. 34.1);		
Our opinion is not qualified in respect of this matter.		
Other Matters		
(a) We did not audit the financial statements/ financial information of the following subsidiaries and jointly controlled entities, whose financial statements/ financial information reflect proportionate total assets of ₹4045.95 crore as at 31 st March, 2016, proportionate total revenues of ₹1915.08 crore and proportionate net cash flows amounting to ₹67.31 crore for the year ended on that date, as considered in the consolidated financial statements.		

Independent Auditors' Report on Consolidated Financial Statements

Comments

Management's Replies

(₹ Crore)

Name of the Subsidiary Company	Assets	Revenues	Net Cash Flow
SAIL Refractory Company Limited	149.08	124.49	(4.17)
SAIL-Jagdishpur Power Plant Limited	0.03	-	-
SAIL Sindri Projects Limited	0.03	-	(0.01)
Chhatisgarh Mega Steel Limited	0.05	-	0.05

(₹ Crore)

Name of the Joint Venture Company	Assets	Revenues	Net Cash Flow
NTPC-SAIL Power Company Private Limited	1560.12	857.90	43.91
Bokaro Power Supply Company Private Limited	599.43	484.56	42.61
Mjunction Services Ltd	155.35	92.74	6.11
Bhilai Jaypee Cement Limited	219.20	104.45	2.65
S&T Mining Company Private Limited	3.86	0.20	(1.21)
International Coal Ventures Private Limited	1273.21	248.24	(17.87)
SAIL SCI Shipping Private Limited	0.07	-	-
SAIL-Bengal Alloy Castings Private Limited	0.45	-	-
SAIL & MOIL Ferro Alloys Private Limited	6.53	0.05	(0.36)
SAIL-RITES Bengal Wagon Industry Private Limited	55.21	0.21	(1.85)
SAIL-Kobe Iron India Private Limited	0.26	0.01	-
Prime Gold-SAIL JVC Limited	23.06	2.23	(2.54)
Abhinav-SAIL JVC Limited	0.01	-	(0.01)

These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and Jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements/ financial information of following jointly controlled entities whose financial statements reflect proportionate total assets of ₹43.09 crore as at 31st March, 2016, proportionate total revenues of ₹3.64 crore and proportionate net cash flows amounting to ₹(-)1.02 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and Jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entities is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(₹ Crore)

Name of the Joint Venture Company	Assets	Revenues	Net Cash Flow
SAIL-Bansal Service Centre Ltd	4.57	0.97	0.06
SAIL-SCL Kerala Limited	36.02	2.67	(1.11)
SAL-SAIL JVC Limited	0.56	-	-
TMTSAL-SAIL JVC Limited	0.52	-	-
VSL SAIL JVC Limited	1.42	-	0.03

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
(c) The consolidated financial statements also include the Group's share of net profit of ₹0.26 crore for the year ended 31 st March, 2016, as considered in the consolidated financial statements, in respect of Almora Magnesite Limited, associate company, whose financial statements have not been audited and is based solely on unaudited financial statements.	
(d) In case of one subsidiary and four jointly controlled entities, the financial statements as at 31 March, 2016 are not available. The investment in these companies has been fully provided for as at 31 March 2016. In the absence of their financial statements as at 31 March, 2016, the total assets, total revenue and total profit / loss of these entities have not been included in the Consolidated Financial Statements.	
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.	

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, 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 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 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, Subsidiary, Associate and Jointly controlled companies incorporated in India, audited under Section 143 (8) of the Act by branch 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 dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated 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 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 and the jointly controlled entities covered under section 2(45) of the Act. On the basis of reports of other statutory auditors of other jointly controlled entities incorporated in India, none of the directors of the jointly incorporated entities incorporated in India is disqualified from being appointed as director in terms of section 164(2) of the Act.
- (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (i) 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 entities incorporated in India, internal financial controls over financial reporting. In respect of small entities having no/insignificant operations, the auditors have expressed their inability to express an opinion thereon, and
- (j) With respect to the other matters to be included in the Auditor's Report in accordance

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
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. The consolidated 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 31.1). ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts. iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, associate and jointly controlled companies incorporated in India.	
For B.N. Misra & Co Chartered Accountants Firm Registration no.321095E Sd/- [S.C. Dash] Partner (M. No. 050020) For Singhi & Co. Chartered Accountants Firm Registration no.302049E Sd/- [Shrenik Mehta] Partner (M. No. 063769) Place : New Delhi Dated : 10th June, 2016	For Sharma Goel & Co., LLP Chartered Accountants Firm Registration no.000643N Sd/- [Amar Mittal] Partner (M. No. 017755) For Chatterjee & Co. Chartered Accountants Firm Registration no.0302114E Sd/- [Bedanta Bhattacharya] Partner (M. No.60855) Place : New Delhi Date : 11th August, 2016
	For and on behalf of the Board of Directors Sd/- (P.K. Singh) Chairman

Annexure-A to the Independent Auditor's Report on Consolidated Financial Statement

Comments	Management's Replies
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(Referred to in paragraph 1(i) 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, 2016, 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 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, issued by Institute of Chartered Accountants of India 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

Annexure-A to the Independent Auditor's Report on Consolidated Financial Statement

Comments	Management's Replies
(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.	

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 2016, 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 insofar as it relates to two subsidiary companies and twelve jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. In respect of three companies having nil/insignificant operations, the auditors have expressed their inability to express an opinion in this regard.

For B.N. Misra & Co
Chartered Accountants
Firm Registration no.321095E

Sd/-
[S.C. Dash]
Partner
(M. No. 050020)

For Singhi & Co.
Chartered Accountants
Firm Registration no.302049E

Sd/-
[Shrenik Mehta]
Partner
(M. No. 063769)

For Sharma Goel & Co., LLP
Chartered Accountants
Firm Registration no.000643N

Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For Chatterjee & Co.
Chartered Accountants
Firm Registration no.0302114E

Sd/-
[Bedanta Bhattacharya]
Partner
(M. No.60855)

Place : New Delhi
Dated : 10th June, 2016

Annexure-VI to the Directors' Report

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Comments	Management's Replies
The preparation of consolidation financial statements of Steel Authority of India Limited for the year ended 31st March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 10th June, 2016. 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, 2016 which include the standalone financial statements of Steel Authority of India Limited: its four¹ subsidiaries, and five² joint venture companies all controlled by the government and/or government companies. Supplementary audit under section 143(6)(a) of the Act of three³ joint venture companies and one⁴ associate company was not completed pending finalization of their accounts and/or audit as on date. Under section 143(6)(a) of the Act, I am not required to conduct supplementary audit of the financial statements of the ten⁵ companies not controlled by the government but included in the consolidated financial statement. Financial statement of one subsidiary⁶ and one⁷ joint venture company controlled by the government and three⁸ companies not controlled by the government were not consolidated. (Details are enclosed as Annexure-I). 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report:	
A. COMMENTS ON CONSOLIDATED PROFITABILITY Balance Sheet (i) Note 9: Other Current Liabilities : ₹16,006.79 crore The Company, along with other steel makers in public and private sector, became (April 2015) the founder member of the Society 'Steel Research and Technology Mission of India' (SRTMI) to promote Research and Development for steel industry. Participating companies have to contribute towards the entry fees @ ₹ 25 per tonne of crude steel produced during 2013-14 by them of ₹ 5 crore whichever was higher, and annual recurring expenditure. The Empowered Committee headed by Secretary, Ministry of Steel, Government of India decided (29 March 2016) that full contribution towards entry fees be made. This was followed by a demand from the Member Secretary of the SRTMI. The Company however did not create liability for its share of entry fee amounting to ₹ 33.95 crore as a charge to expense. Non-provision of liabilities and expense has resulted in understatement of Other Current Liabilities and Losses by ₹ 33.95 crore.	In the meeting of Governing Body of 'SRTMI' held on 29th March 2016, it was decided that initial funding of ₹5 crore each by SAIL, RINL, Tata Steel, JSW, JSPL and ₹ 1 crore each by NMDC and MECON and equal amount to total contribution made by members shall be put in by the Ministry of Steel initially as corpus money. Also, the Governing Body did not take any decision about the date of payment of contribution. As the amount is a mere commitment toward entrance fee in MoU and there is no inflow of goods and services, the same will be accounted for in the books as and when paid. Moreover, letter from Member Secretary (SRTMI), requesting for contribution was raised on 14th May, 2016.

1 SAIL Refractory Company Limited, SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited

2 NTPC-SAIL Power Supply Pvt. Ltd., Bokaro Power Supply Co. Pvt. Ltd., SAIL - Bengal Alloy Castings Pvt. Limited, SAIL - MOIL Ferro Alloys Private Limited and SAIL SCI Shipping Private Limited

3 International Coal Ventures Private Limited, SAIL SCL Kerala Limited and SAIL RITES Bengal Wagon Industry Pvt. Ltd.

4 Almora Magnesite Limited

5 M Junction Services limited, Bhilai Jaypee Cement Limited, S & T Mining Co. Private Limited, SAIL Kobe Iron India Pvt. Limited, SAIL SAIL JVC Limited, TMT SAIL JVC Limited, Prime Gold-SAIL JVC Limited, SAIL Bansal Service Limited, Abhinav SAIL JVC Limited, VSL SAIL JVC Limited

6 IISCO Ujjain Pipe & Foundry Co. Limited*

7 North Bengal Dolomite Limited

8 N.E. Steel & Galvanising Pvt. Limited, Romelt-SAIL (India) Limited, and UEC-SAIL Information Technology Limited

Comments	Management's Replies
(ii) Note 11A : Tangible assets - ₹44573.22 crore BSP, Bhilai paid ₹7.79 crore to Airport Authority of India for re-carpeting and repair of Nandini air-strip. The re-carpeting was done to restore the condition of the air-strip and it should have been accounted for as revenue expenditure. The Company, however, capitalized the expenditure instead of charging it under repairs and maintenance. This has resulted in overstatement of Fixed Assets by ₹5.68 crore, depreciation by ₹2.11 crore and understatement of loss by ₹5.68 crore. (iii) Note 14: Long Term Loans and Advances : ₹5210.65 crore. The Company paid a refundable contribution of ₹270.34 crore to Indian Railways for construction of rail link between Dalli-Rajhara and Rowghat. Terms of MoU entered amongst Ministry of Railways, Government of Chhattisgarh, SAIL and NDMC envisaged that the Indian Railways would pay at the end of every year to SAIL, cash at the rate of 7% per annum (includes principal and interest) for 37 years on total contribution towards redemption of SAIL's contribution. The payment of interest would commence from the 1st year after commissioning of the Phase-I of the project, consisting of 95 Kms, provided that SAIL ensures a minimum of 4 million ton of iron ore traffic per year from the 1st year and 9 million ton from the 3rd year of operation onwards between Rowghat and Dalli Rajhara. Phase I of the project is still work-in-progress and there was no traffic movement on the line. Thus the interest income has not accrued as milestones as given in the MoU have not been achieved. Bhilai Plant of the Company however recognized interest income of ₹44.02 crore as interest receivable from the Indian Railways. This has resulted in overstatement of Long-term Loans and Advances and understatement of Losses by ₹44.02 crore	The Nandini Air Strip at Bhilai Steel Plant (BSP), originally built in 1963, had outlived its life. The job of re-carpeting of the Nandini Air Strip was outsourced to Airport Authority of India Limited and was treated as re-building of Air Strip. The job is highly technical in nature and heavy strength bearing. The rebuilt has given a fresh life to the Air Strip and made fit to earn a stream of revenue over the years in the form of usage charges payable by National Technical Research Organisation (NTRO), Government of India, to BSP, SAIL. The Civil Engineering Division of NTRO also confirmed that the life of the re-carpeting of the Air Strip will be 10 years. As the expenditure has been incurred with a view to bring into existence an asset or an advantage of enduring nature, the benefits of which are expected to arise over several future accounting periods, the expenditure has been correctly treated as capital expenditure and therefore, there is no overstatement of fixed assets & depreciation and understatement of loss. As per Accounting Standard-9 on 'Revenue Recognition', revenue is recognized when no significant uncertainty as to measurability or collectability exists and income from interest needs to be calculated on time-proportion basis on the outstanding amount. As the principal amount paid to Railways will be recovered, the collectability of interest thereon is also confirmed. Thus, there is not overstatement of long term loans and advances and understatement of loss.
B. COMMENTS ON CONSOLIDATION FINANCIAL POSITION Note 5 : Other Long Term Liabilities: ₹1298.83 crore Arrears of annual cash commitment for the period from 2013-14 to 2015-16 totalling ₹88 crore payable to Steel Development Fund under the Joint Plant Committee, Ministry of Steel are current liabilities but the Company classified it as Long term liability. This has resulted in overstatement of Other Long term Liabilities and understatement of Other Current Liabilities by ₹88 crore.	Interest accrued but not due on loan from Steel Development Fund as on 31.3.2016, of ₹707.92 crore has been included under the head "Other long term liabilities". The amount includes the demand amount of ₹88 crore from 2013-14 to 2015-16, disputed by SAIL. As the matter is pending before JPC for decision in respect of the quantum of amount payable by the Company and a liability is be classified as current when it is due to be settled within twelve months after the reporting date, cash commitment amount of ₹88 crore, has been correctly included under 'Other Long Term liabilities.'
C. COMMENTS ON DISCLOSURE Other Notes to Consolidated Financial Statements (a) Company has not disclosed the liability arising from the judgment of Calcutta Bench of central Administrative tribunal in respect of arrear payment of the revised allowances effective for the period between 26.11.2008 and 4.10.2009 along with interest which was not acknowledged by the company in its financial statements. (b) Note 31.1: Contingent liabilities Above does not include ₹139.65 crore claimed by a pellet manufacturer but not accepted by Bokaro Steel Plant of the Company.	In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that concerned 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 to the petitioner's members and all similarly situated persons from the date of issue of Department of Public Enterprises's Office Memorandum dated 26.11.2008. The Ministry of Steel has not issued any further direction in this regard. Therefore, the Company has not provided/ disclosed any liability towards the arrears of perks and allowances. The purchase order with the pellet supplier provides that the Company reserves the right to suspend/terminate/short close the order if any supplier's performance is found unsatisfactory and the supplier will not be entitled to claim any loss or damage because of such suspension/ cancellation/ termination/short closure. Therefore, in this case there is no present/ possible obligation arising out of past events and no disclosure of contingent liability is required.
For and on the behalf of the Comptroller & Auditor General of India Sd/- (Sushil K. Jaiswal) Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi Place : Ranchi Date : 29th July, 2016	For and on behalf of Board of Directors Sd/- (P.K. Singh) Chairman Place: New Delhi Date: 11th August, 2016

Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidation of accounts.

Annexure-I

Sl. No.	Name of the companies	Whether accounts were consolidated	Whether under the audit jurisdiction of C&AG
	Parent Company		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Companies of SAIL		
1.	SAIL Refractory Company Limited	Yes	Yes
2.	SAIL Jagdishpur Power Plant 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 of SAIL		
6.	NTPC-SAIL Power Supply Pvt. Ltd.	Yes	Yes
7.	Bokaro Power Supply Co. Pvt. Ltd.	Yes	Yes
8.	SAIL - Bengal Alloy Castings Pvt. 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 Pvt. Ltd.	Yes	Yes
14.	North Bengal Dolomite Limited*	No	Yes
15.	M Junction Services limited	Yes	No
16.	Bhilai Jaypee Cement Limited	Yes	No
17.	S & T Mining Co. Private Limited	Yes	No
18.	SAIL Kobe Iron India Pvt. Limited	Yes	No
19.	SAL SAIL JVC Limited	Yes	No
20.	TMT SAL SAIL JV Limited	Yes	No
21.	Prime Gold-SAIL JVC Limited	Yes	No
22.	VSL SAIL JVC Limited	Yes	No
23.	Abhinav SAIL JVC Limited	Yes	No
24.	SAIL Bansal Service Limited	Yes	No
25.	Romelt-SAIL (India) Limited #	No	No
26.	UEC-SAIL Information Technology Limited #	No	No
27.	N.E. Steel &Galvanising Pvt. Limited #	No	No
	Associate Company of SAIL		
28.	Almora Magnesite Limited	Yes	Yes

* Accounts of one subsidiary Company and one Joint Venture Company which are controlled by the Government were not consolidated.

Accounts of three Joint Venture Companies not controlled by the Government were not consolidated.

Annexure-VII to the Directors' Report

Form AOC-I

(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
					(₹ crore)
4.	Share capital	0.05	0.05	0.05	0.05
5.	Reserves & surplus	94.46	(-)0.02	(-) 0.03	-
6.	Total assets	149.08	0.03	0.03	0.05
7.	Total Liabilities	54.57	*	0.01	*
8.	Investments	-	-	-	-
9.	Turnover	130.81	-	-	-
10.	Profit before taxation	28.28	(-)0.01	(-)0.01	-
11.	Provision for taxation	12.82	-	-	-
12.	Profit after taxation	15.46	(-)0.01	(-)0.01	-
13.	Proposed Dividend	4.64	-	-	-
14.	% of shareholding	100	100	100	100

*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 : 10th June, 2016

Part B: Associate Companies and Joint Ventures

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 ₹ Cr	Extend of Holding %	Description of how there is significant influence	Reason why the associate / Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet ₹ Cr	Profit/ Loss for the year ₹ Cr	Considered in Consolidation ₹ Cr	Not Considered in Consolidation ₹ Cr
	Joint Ventures	1	2	3	4	5	6	7	8	9	10
1	NTPC SAIL Power Company Pvt. Ltd.	31-03-2016	490250050	490.25	50.00%	Note-1		872.37	246.84	123.42	123.42
2	Bokaro Power Supply Co. Pvt. Ltd.	31-03-2016	124025000	124.03	50.00%	Note-1		302.98	41.66	20.83	20.83
3	Mjunction Services Limited	31-03-2016	4000000	4.00	50.00%	Note-1		94.02	42.76	21.38	21.38
4	SAIL Bansal Service Centre Ltd *	31-03-2016	3200000	3.20	40.00%	Note-1		0.69	-0.78	-0.31	-0.47
5	Bhilai Jaypee Cement Limited	31-03-2016	98718048	52.51	26.00%	Note-1		43.65	-79.88	-20.77	-59.11
6	S& T Mining Co. Pvt. Limited	31-03-2016	12941400	12.94	50.00%	Note-1		2.03	-4.14	-2.07	-2.07
7	International Coal Ventures Private Limited	31-03-2016	495034286	495.03	46.62%	Note-1		508.55	-762.31	-235.61	-526.70
8	SAIL-MOIL Ferro Alloys Private Limited	31-03-2016	100000	0.10	50.00%	Note-1		-1.48	-0.42	-0.21	-0.21
9	SAIL SCI Shipping Pvt. Limited	31-03-2016	100000	0.10	50.00%	Note-1		0.07	0.00	0.00	0.00
10	SAIL SCL Kerala Limited *	31-03-2016	13017801	18.75	49.26%	Note-1		-10.60	-13.34	-6.57	-6.77
11	SAIL RITES Bengal Wagon Industry Pvt. Limited	31-03-2016	22270000	22.27	50.00%	Note-1		18.78	-7.10	-3.55	-3.55
12	SAIL Kobe Iron India Pvt. Limited	31-03-2016	250000	0.25	50.00%	Note-1		0.26	0.02	0.01	0.01
13	SAL SAIL JVC Limited *	31-03-2016	-	-	26.00%	Note-1		-0.02	0.00	0.00	0.00
14	TMT SAL SAIL JV Limited *	31-03-2016	-	-	26.00%	Note-1		0.00	-0.04	-0.01	-0.03
15	SAIL-BENGAL Alloy Castings Private Limited	31-03-2016	10000	0.01	50.00%	Note-1		0.00	-0.02	-0.01	-0.01
16	Prime Gold-SAIL JVC Limited	31-03-2016	4680000	4.68	26.00%	Note-1		5.37	-5.85	-1.52	-4.33
17	VSL SAIL JVC Limited *	31-03-2016	830729	0.83	26.00%	Note-1		1.34	0.00	0.00	0.00
18	Abhinav SAIL JVC Ltd	31-03-2016	-	-	26.00%	Note-1		-0.01	-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 #		180000	0.18		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-				
	Associate										
1	Almora magnesite Limited	31-03-2016	40000	0.04	20.00%	Note-2		0.86	1.32	0.26	1.06

1. Voting power as per Joint Venture Agreement
2. Holds 20% share capital
* Based on the Unaudited Accounts for the Year 2015-16
@ 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 :10th June, 2016

Annexure-VIII to the Directors' Report
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
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	:	24 th 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@sail.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-Jagdispur 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, Chasanala - 828135, Jharkhand	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited Bhilai Steel Plant, Ispat Bhawan, Bhilai, Chhattisgarh	U27100CT2015GOI001627	SUBSIDIARY	100	2(87)
5.	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601.	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
6.	Tata Krozaki Refractories Ltd. Belpahar-768218, Odisha	U26921OR1958PLC000349	JOINT VENTURE	10.54	2(6)
7.	NTPC-SAIL Power Company Pvt. 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, Shakeshpere Sarani, "Neelamber", Flat No.10A, 10 th 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 Jeevan Bharati Building, Tower-I, 10th Floor, 124, Connaught Circus, New Delhi - 110001	U00000WB2001PLC115481	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-I, 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 20 th Floor, Scope Minar, Laxmi Nagar DC, Delhi - 110 092	U10100DL2009PTC190448	JOINT VENTURE	46.62	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, Lodhi 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.	U27106AP2012PLC083896	JOINT VENTURE	26	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)

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/ JHUF	-	-	-	-	-	-	-	-	-
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	44200886	127300	44328186	1.07	32407571	127300	32534871	0.79	-0.29
b) Banks/ FI	144420261	62076	144482337	3.50	144327257	61976	144389233	3.50	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	447798202	1900	447800102	10.84	471432979	1900	471434879	11.41	0.57
g) FIs	247648683	47200	247695883	6.00	206180711	48526	206229237	4.99	-1.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1):	884068032	238476	884306508	21.41	854348518	239702	854588220	20.69	-0.72
2. Non-Institutions									
a) Bodies Corp.	14955865	70442	15026307	0.36	21798673	70442	21869115	0.53	0.17
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 lakhs	85767769	5781948	91549717	2.22	103201261	5682597	108883858	2.64	0.42

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	18632852	143700	18776552	0.45	23617507	143700	23761207	0.58	0.12
c) Other (specify)									
i) Non Resident Indian	17556373	296500	17852873	0.43	18395138	396500	18791638	0.45	0.02
ii) Trust & Foundation	4809448	2800	4812248	0.12	4727967	2800	4730767	0.11	-0.01
iii) Cooperative Societies	500	0	500	0.00	400	0	400	0.00	0.00
Sub-Total(B)(2)	141722807	6295390	148018197	3.58	171740946	6296039	178036985	4.31	0.73
Total Public Shareholding (B)= (B)(1)+(B)(2)	1025790839	6533866	1032324705	24.99	1026089464	6535741	1032625205	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	363435	69700	433135	0.01	63435	69200	132635	0.00	0.00
Grand Total (A)+(B)+(C)	4123921723	6603566	4130525289	100.00	4123920348	6604941	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	
I	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
I	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 Shareholding	Reason	Cumulative Shareholding during the year 2015-16	
			No of Shares at the Beginning (31-03-15) /end of the Year (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	417717206	10.11	31/03/2015				
					10/04/2015	4157461	Transfer	421874667	10.21
					14/08/2015	6489720	Transfer	428364387	10.37
					21/08/2015	5000000	Transfer	433364387	10.49
					28/08/2015	6566533	Transfer	439930920	10.65
					04/09/2015	1943747	Transfer	441874667	10.69
			441874667	10.69	31/03/2016			441874667	10.69
2	IN30081210498007	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	51099546	1.23	31/03/2015				
			51099546	1.23	31/03/2016	NIL	NIL	51099546	1.23
3	IN30343810003981	EMERGING MARKETS GROWTH FUND, INC.	30077062	0.72	31/03/2015				
					29/05/2015	172419	Transfer	30249481	0.73
					05/06/2015	1258282	Transfer	31507763	0.76
					13/11/2015	900000	Transfer	32407763	0.78
					20/11/2015	2230000	Transfer	34637763	0.83
					11/12/2015	-1524385	Transfer	33113378	0.78
					18/12/2015	-746321	Transfer	32367057	0.78
					25/12/2015	-896248	Transfer	31470809	0.76
			29378374	0.71	31/03/2016	-2092435	Transfer	29378374	0.71
4	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	21398731	0.51	31/03/2015				
			21398731	0.51	31/03/2016	NIL	NIL	21398731	0.51
5	IN30081210497730	LIC OF INDIA MARKET PLUS GROWTH FUND	17677583	0.42	31/03/2015				
			17677583	0.42	31/03/2016	NIL	NIL	17677583	0.42
6	IN30016710011470	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGU	18117226	0.43	31/03/2015				
					01/05/2015	61402	Transfer	18178628	0.44
					08/05/2015	69775	Transfer	18248403	0.44
					14/08/2015	-69775	Transfer	18178628	0.44
					21/08/2015	-167460	Transfer	18011168	0.43
					28/08/2015	-326547	Transfer	17684621	0.42
					04/09/2015	-446560	Transfer	17238061	0.41
					11/09/2015	-234444	Transfer	17003617	0.41
					25/09/2015	-61402	Transfer	16942215	0.41
					30/09/2015	-184206	Transfer	16758009	0.4
					20/11/2015	-81024	Transfer	16676985	0.4
					27/11/2015	-18905	Transfer	16658080	0.4
					18/12/2015	-73152	Transfer	16584928	0.4

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease (-) in Shareholding	Reason	Cumulative Shareholding during the year 2015-16	
			No of Shares at the Beginning (31-03-15) /end of the Year (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company
					25/12/2015	-35064	Transfer	16549864	0.4
					15/01/2016	-99029	Transfer	16450835	0.39
					22/01/2016	-52200	Transfer	16398635	0.39
					05/02/2016	-186490	Transfer	16212145	0.39
					12/02/2016	-79275	Transfer	16132870	0.39
					11/03/2016	44140	Transfer	16177010	0.39
			16177010		31/03/2016			16177010	0.39
7	IN30343810013442	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	0		31/03/2015				
					21/08/2015	0	Transfer	17269878	0.41
					28/08/2015	-1571878	Transfer	15698000	0.38
			15698000	0.38	31/03/2016			15698000	0.38
8	IN30005410013042	ACACIA PARTNERS, LP	15102193	0.36	31/03/2015				
			15102193	0.36	31/03/2016	NIL	NIL	15102193	0.36
9	IN30343810003850	CAPITAL INTERNATIONAL EMERGING MARKETS FUND	14927151	0.36	31/03/2015				
			14927151	0.36	31/03/2016	NIL	NIL	14927151	0.36
10	IN30012611219356	ICICI PRUDENTIAL FOCUSED BLUECHIP EQUITY FUND	10388560	0.25	31/03/2015				
					28/08/2015	-1000000	Transfer	9388560	0.22
					02/10/2015	1000000	Transfer	10388560	0.25
					08/01/2016	2880000	Transfer	13268560	0.32
			13268560	0.32	31/03/2016			13268560	0.32
11	IN30012611218322	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	7137343	0.17	31/03/2015				
					08/05/2015	1163930	Transfer	8301273	0.2
					30/06/2015	940000	Transfer	9241273	0.22
					31/07/2015	378361	Transfer	9619634	0.23
					07/08/2015	2508011	Transfer	12127645	0.29
					14/08/2015	-219515	Transfer	11908130	0.28
					21/08/2015	-676345	Transfer	11231785	0.27
					28/08/2015	-50000	Transfer	11181785	0.27
					02/10/2015	945860	Transfer	12127645	0.29
			12127645	0.29	31/03/2016			12127645	0.29
12	IN30343810001833	STICHTING PENSIOENFONDS ABP	17269878	0.41	31/03/2015				
					26/06/2015	0	Transfer	17269878	0.41
			0		31/03/2016	NIL	NIL	0	
13	1203280000374484	YUSUFFALI MUSALIAM VEETIL ABDUL KADER .	11900000	0.28	31/03/2015				
			11900000	0.28	31/03/2016	NIL	NIL	11900000	0.28

(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	
I.	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 Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
I.	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 2015-16.

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	16923.55	12974.18	-	29897.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	574.30	92.48	-	666.78
Total (i+ii+iii)	17497.85	13066.66	-	30564.51
Change in Indebtedness during the Financial Year				
- Addition	7040.00	45904.60	-	52944.60
- Reduction	7815.51	41810.23	-	49625.74
Net Change	-775.51	4094.37	-	3318.86
Indebtedness at the end of the Financial Year				
i) Principal Amount	16148.04	17068.56	-	33216.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	787.13	137.55	-	924.68
Total (i+ii+iii)	16935.17	17206.11	-	34141.28

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/WT/ Manager									Total Amount (₹)
		Shri C.S. Verma (upto 10.06.15)	Shri P.K. Singh (from 10.12.15)	Shri T.S. Suresh (upto 31.05.15)	Shri Anil Kumar Chaudhary	Shri S.S. Mohanty	Shri Kalyan Maity	Shri Binod Kumar	Dr. N. Mohapatra (from 27.11.15)	Shri G. Vishwakarma (from 31.12.15)	
		Chairman	Chairman	Director (P&BP)	Director (Finance)	Director (Technical)	Director (RM&L)	Director (Commercial)	Director (Personnel)	Director (P&BP)	
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	1012495	1022814	614065	3189559	3248564	2880858	2739507	955154	590274	16253290
		-	247378	-	215277	327792	130954	242532	76656	48094	1288683
		-	-	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (A)	1012495	1270192	614065	3404836	3576356	3011812	2982039	1031810	638368	17541973
	Ceiling as per the Act	N.A.	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*				
	Dr. Atmanand	820000	-	-	820000
	Sh. J.M Mauskar	1040000	-	-	1040000
	Sh. P.K. Dash	280000	-	-	280000
	Mrs. Anshu Vaish	120000	-	-	120000
	Sh. Parmod Bindal	280000	-	-	280000
	Prof. Ashok Gupta	160000	-	-	160000
	Total (1)	2700000	-	-	2700000
2.	Other Non- Executive Directors**				
	Total (2)	-	-	-	
	Total (B)=(1+2)	2700000			2700000
	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	2797134 211957 -	2797134 211957 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- -	- -
5.	Others , please specify	-	-
	Total (A)	3009091	3009091

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					

Annexure-IX to the Directors' Report

Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013

Amount outstanding as at 31 March, 2016

(₹ crore)

Particulars	Amount
Loans given	6.15
Investments made	1243.04

Investments made during the Financial Year 2015-16

Name of the Entity	Relation	₹ crore	Purpose for which the Investments are proposed to be utilised.
International Coal Ventures Pvt. Ltd.	Joint Venture	313.03	Business Purpose
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	Joint Venture	7.37	Business Purpose
Prime Gold -SAIL JVC Ltd.	Joint Venture	2.08	Business Purpose
VSL-SAIL JVC Limited	Joint Venture	0.84	Business Purpose
SAIL-SCL Kerala Ltd	Joint Venture	0.65	Business Purpose

Annexure-X to the Directors' 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)

- In-house commissioning of VVVF drive system in Return Ladle Car-I in SMS-II to reduce specific power consumption.
- Commissioning of VVVF drives in Merchant Mill for
 - stand II auxiliaries with additional protection & warning system
 - chain Kickoff mechanism 251b & 351b with smooth, low speed operation to reduce specific power consumption, provide soft start features and improve equipment availability
- Commissioning of very low speed VVVF drive (ACS 800) for Turn Table (TT) 43 & 48 in Wire Rod Mill; to reduce specific power consumption and elimination of non- availability of Swivelling motors.
- Boiler coal consumption in CPP-I reduced to only 4,815 t as compared to 55,870 t in 2014-15; by judicious utilization of by-product gases.
- Modification of coal dust burners' tips carried out in Boiler-2 of CPP-I for improvement in combustion and reduction in consumption of boiler coal.
- Successful up-gradation of existing CEMS (Centralised Energy Monitoring System) to a new & more efficient platform and seamless integration with the online monitoring of some MODEX units like COB-II, BOO based Oxygen Plant, CAS-4 and new PRMS of BFs.
- Replacement of HPSV streetlights inside works area with energy efficient LED lights -180 Nos.
- As per Guidelines of BEE, the following Audits were conducted through BEE Empanelled Accredited Energy Audit Firms:
 - Mandatory Energy Audit, and
 - Statutory Monitoring & Verification Energy Audit
- Plant specific energy consumption - 6.44 Gcal/tcs
- Plant specific overall power rate - 488 kwh/t of saleable steel

Durgapur Steel Plant (DSP)

- Introduction of Round Casting in Bloom-cum-Round Caster to eliminate its production through energy intensive ingot route.
- Commissioning of
 - New Dolomite Plant
 - 125 T Ladle Furnace #3
 - Benzol & Naptha Scrubber Plant
 - Ammonium Sulphate Plant
- First tested product - narrow parallel beam (100 x 55) - rolled out from MSM.
- Successful completion of Cat-II Capital Repair of BF 2.
- Installation of CO gas booster for enrichment of CO gas in fuel gas of BF4 Stove to increase HBT.
- Highest ever BOF gas recovery @ 85.8 Nm³/tcs.
- As per Guidelines of BEE, the following Audits were conducted through BEE Empanelled Accredited Energy Audit Firms:
 - Mandatory Energy Audit, and
 - Statutory Monitoring & Verification Energy Audit
- Specific energy consumption - 6.42 Gcal/tcs
- Specific power consumption - 403 kwh/t of saleable steel

Rourkela Steel Plant (RSP)

- Increased power generation from Top Recovery Turbine Generator (TRTG) & Back Pressure Turbine Generator (BPTG) to 9.09 MW consistently, resulting in reduced import of power from Grid.
- In house erection and commissioning of new Thyristor drive in front mill Groove Roll-I by modifying the existing circuits thereby saving power.
- Coke rate reduced from 495 kg/tHM in 2014-15 to 464 kg/tHM
- BF Gas yield increased to 1,642 Nm³/tHM from 1,611 Nm³/tHM in 2014-15.
- LD Gas yield increased to 67 Nm³/tcs from 46 Nm³/tcs in 2014-15
- Replacement of
 - 150 / 250 W Street Light Fittings with 90/120W LED Fittings - 300 nos.
 - 150 / 250 W Street Light / High Mast Fittings with 120 W Magnetic coupled Fittings - 250 nos.
 - 250 W HPSV / HPMV street light fittings with 120 W energy efficient magnetic induction - 200 nos.

- Installation and commissioning of Ten Nos. of High Mast Towers using 200 W energy efficient magnetic Induction lamps.
- Insulation of skid pipes in RH Furnaces of HSM to reduce heat loss.
- As per Guidelines of BEE, the following Audits were conducted through BEE Empanelled Accredited Energy Audit Firms:
 - Mandatory Energy Audit, and
 - Statutory Monitoring & Verification Energy Audit.
- Plant specific energy consumption - 6.50 Gcal/tcs
- Plant specific overall power rate - 487 kwh/t of saleable steel

Bokaro Steel Plant (BSL)

- Cold repair of CO Battery no # 3
- Capital Repair of
 - 3 nos. Sinter Machines
 - 3 nos. Soaking Pit Ceramic Recuperators, and
 - 3 nos. Soaking Pit Metallic Recuperators
- Increase Blast Temperature by repairing stove no 3.1 of BF#3
- Total skin insulation in HSM Reheating Furnaces to minimize heat loss through furnace wall.
- Providing heat shield at delay table during modernization of Mills to minimize temperature drop during rolling.
- Modification of skid insulation of HSM Reheating Furnace #4 to minimise heat loss through skid cooling water
- Change of recuperator in reheating furnace #2 in HSM
- Lining for 5 nos. Bell Annealing Furnaces with castables up to burner level and ceramic fiber lining above burner level
- Supply of surplus BF gas to CPP boilers #7 & 8
- Plant specific energy consumption - 6.69 Gcal/tcs
- Plant specific overall power rate - 544 kwh/t of saleable steel

IISCO Steel Plant (ISP)

- Commissioning of BOF Gas Holder (50,000 m³ Capacity) for better BOFG utilization.
- Commissioning of Top Recovery Turbine (14 MWH) to convert energy in the form of BF top pressure to electrical energy
- Introduction of BF gas under firing in COB #11 for better by-product gas utilisation.
- As per Guidelines of BEE, following Audits were conducted through BEE Empanelled Accredited Energy Audit Firms:
 - Mandatory Energy Audit, and
 - Statutory Monitoring & Verification Energy Audit.
- Power Grids of New and Old Plants interconnected for efficient power generation & distribution.
- Plant specific energy consumption - 7.595 Gcal/tcs.

ii) Steps taken by the company for utilizing alternate sources of energy

- Installation and commissioning of an 1 MW Solar Power Plant at RSP
- Installation and commissioning of two nos. 5 KW roof top solar PV Plants at RSP
- Installation of 65 nos. solar light at BSL

iii) Capital Investment on energy conservation equipments

A capital expenditure of ₹136.8 crore, as detailed below, has been incurred during the Financial Year 2015-16:

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 and # 11 at BSP	36.38
Bell Less Top Charging System in Blast Furnace # 3 of DSP	7.06
Top Pressure recovery Turbine System at Blast Furnace # 5 of ISP	8.96
Coal Dust Injection System in Blast Furnace # 5 at ISP, # 4 at RSP (usage of auxillary fuel to reduce Coke Charging)	3.85
Installation of energy efficient Walking Beam Type Furnace at BSP, DSP, RSP, BSL and ISP	47.48
Torpedo Ladle for Hot Metal handling at BSP, RSP and ISP	27.54
Cast House Slag Granulation System at BSL	5.53
Total	136.80

(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 SAIL 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 2015-16:

a) Process Developments

Raw Materials

- Installation of online slime beneficiation unit at Bolani Ore Mines

Coke Making

- Study the effect of ash chemistry on coke quality, BSP
- Improvement in coke quality by blend formulation and optimization of operating parameters of COB#10, ISP

Agglomeration

- Improvement in performance of SP #3 through optimisation of process parameters, RSP
- Improvement in performance of SP #2 by optimising process parameters, BSP

Blast Furnaces

- Optimisation of burden distribution using BLT charging system in BF #3, DSP
- Optimisation of slag chemistry in BF #5, RSP

Steel Making

- Optimisation of casting process parameters for improving slab quality in caster #3, SMS-II, RSP
- Development of impact resistant refractories for steel ladle to enhance ladle availability and lining life at SMS-II, RSP
- Control of converter blowing process by modification in lance tip design at SMS-I, RSP
- Process technology for production of low Oxygen rails, BSP

Rolling Mills

- Introduction of Microstructure Model based Virtual Test Certification (VTC) and Run-out-table (ROT) cooling control system at HSM, RSP
- Computer simulation study for rolling of critical grades and sizes of steel at HSM, RSP
- Improvement in surface quality of galvanised product of HDGL, CRM, BSL
- Improvement in surface quality of CRNO coils at SSM, RSP
- Automation system for mill speed thickness & tension control of Tandem Mill #1, CRM, BSL
- Introduction of digital VVVF drive technology to control cooling bed roller table motors at Merchant Mill, DSP

Energy Conservation and Environment

- Waste heat recovery from sinter cooler for hot water generation at SP #2, BSP
- Reduction in specific heat consumption in COB #8, BSP
- Introduction of modified coal burners in one old boiler of Power and Blowing Station of Power Plant-I, BSP
- Investigative studies of mercury in coal in power plant and trace elements in work zone area, BSP
- Improvement in insulation of skid pipes for enhancing performance of reheating furnaces at HSM, BSL

b) Laboratory based work

- Studies on coke structure through image analysis
- Evaluation of new imported coking coals through Pilot Carbonization Tests
- Development of statistical relationship between coal and coke quality and development of coal blend optimisation tool
- Thermodynamic study for modification of non-metallic inclusions in steels to prevent sub entry nozzle clogging during casting
- Computerisation of Project Management System
- Development of 3D model for wire rod using finite element method
- Development of an off-line microstructure model to predict mechanical properties of hot rolled plates
- Development of an expert system for selection of wear resistant materials for steel plant applications

- Property enhancement in ferritic and austenitic stainless steel
- Development of high performance stainless alloys for bipolar plate application in automobile and power generating fuel cells

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 by RDCIS 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 2015-16, the following 24 no. of products have been developed:

- DMR 249 BK Q&T Plates at RSP for Naval Warship Vessels
- Formable quality CR Coils (IS 513 CR4) at BSL for Auto
- IS 1786 Fe 500D TMT rebars (20 mm) at ISP for Construction
- API 5L X60 PSL1 grade HR Coils at BSL for Line Pipes
- IS 1786 Fe 500D grade TMT Rebars (10 mm) at ISP for Construction
- SAE 1018 grade Wire Rods at ISP for General Engineering
- IS 7887 (6M) grade Wire Rods at ISP for General Engineering
- IS 15962 E 450S grade HR Coils & Plates at RSP for Construction
- ASTM A 387 Gr. I I Cl. 2 Plates at BSP for Boilers & Pressure Vessels
- Ti stabilised low carbon ferritic stainless steel (AISI 409L) at SSP for Auto
- High tensile plates with Z directional properties at BSP for Windmill Components
- Ti stabilised low carbon ferritic stainless steel (AISI 441) at SSP for Elevator, Washing Machine and Kitchenware
- IS 2062 E 410C PM Plates at RSP for Construction
- ASTM 537 Cl. II Q&T Plates at RSP for Boilers & Pressure Vessels
- IS 2062 E 450 Thicker Plates (70 & 80 mm) with Z directional properties at RSP for OFF-Shore structures
- T91/ F91 Grade Steel at ASP for Boilers and Pressure Vessels
- IS 1786 Fe 500S HCR grade TMT rebars (32 mm) at BSP for Construction
- SAIL Tower Gr. VI Billets (150x150 mm) at ISP for Transmission Line Towers
- IS 1786 Fe 500S HCR grade TMT rebars (36 mm) at BSP for Construction
- IS 2062 E 350 BR (non micro alloy) grade Plates at BSP for Auto
- Parallel Flange Beam (IPE 300) Structural at ISP for Construction
- Boiler quality (IS 2002) Thicker Plates (140 mm) at RSP for Boilers and Pressure Vessels
- Narrow Parallel Flange Beam (NPB 100) Structural at DSP for Construction
- SAILMA 500 HI Plates at BSP for Earth Movers and Heavy Machineries

d) Revisiting SAIL R&D Master Plan

RDCIS was entrusted the responsibility to revisit R&D Master Plan and introduce suitable changes in identification, selection, implementation and monitoring of R&D programs to make it more user friendly, effective and sustainable. RDCIS in consultation with the Plants/Units Champions of COE projects, other stake holders involved, identified the major roadblocks through a series of workshops/brain storming sessions, and designed a modified process which has been successfully implemented in all the Plants/Units of SAIL leading to larger participation of Plant personnel in R&D activities across the Company. The major changes incorporated includes a process to identify projects of large technological impact under different categories, simplified purchase procedure, concept of Co-Champion, availability of funds after approval of projects and an innovative process to capture R&D expenditure across the Company. The process developed shall help to meet the following goals:

- Achieve operational goals of business plan
 - Develop global competitiveness
 - Develop in-house process development and design capabilities
 - Develop/adapt radically new technologies strategically important to SAIL
 - Disseminate R&D culture in the steel plants through "Centre of Excellence" (COE) projects
 - Increase R&D expenditure to international benchmark of 1% of turnover
- Based on the modified Master Plan, 4 new COE projects have been identified during 2015-16. They are as follows:
- AB3 steel production (COE-RSP)
 - Automation system for heat and quality management at SMS-II, RSP (COE-RSP)
 - Improvement in process efficiency and production of value added grades of Steel in ISP (COE-RDCIS)
 - Improvement in productivity of SP #1, DSP (COE-RDCIS)

(ii) Benefits derived from key projects in 2015-16:

• **Process Area**

Project Title	Benefits derived
Improvement in performance of SP #2 by optimising process parameters, BSP	- An innovative stainless steel brush assembly has been conceptualized, designed and introduced in M/c-3 at wind box no.9 to 13 of SP#2 to reduce air leakages through sealing system. - Improvement in DTI of sinter has been observed by 4 units and hence the productivity.
Service life improvement of liners of raw material hopper of SP #3, BSP	Cr-carbide hard facing alloy was deposited on base plate of 16mm thick liner plate and fixed on raw material hopper which is expected to improve the liner plate life by two times.
Introduction of modified coal burners in one old boiler of Power and Blowing Station of Power Plant-I, BSP	Introduction of modified burners has helped in reducing LOI of coal ash.
Investigative studies of mercury in coal in power plant and trace elements in work zone area, BSP	Mercury in coal in power plant and trace elements in work zone area was found within norm.
Process technology for production of low Oxygen rails, BSP	- Process technology developed for low oxygen (<20ppm) rail. - Rail steel can be produced as per Euro norm for export order.
Study the effect of ash chemistry on coke quality, BSP	Project output will help in optimising the blends of SAIL plants.
Reduction in specific heat consumption in COB #8, BSP	Specific heat consumption in COB#8 reduced significantly to 767 Kcal/kg
Waste heat recovery from sinter cooler for hot water generation at SP #2, BSP	- Waste heat from sinter cooler is being utilized to heat water to ~ 80 OC. - There is improvement in Sintering Plant productivity.
Optimisation of burden distribution using BLT charging system in BF #3, DSP	- After the changeover to BLT system from MTA, optimisation of Burden Distribution have been carried by changing BLT ring settings, ore/coke ratio at different position, and more coke charging at central portion. - The above measures have helped in improving gas utilization of the furnace from 41-42% to 43-44% & thereby decrease in coke rate from 501 kg/thm to 490kg/thm.
Introduction of digital VVVF drive technology to control cooling bed roller table motors at Merchant Mill, DSP	- The latest digital drive management (VVVF) system has helped to reduce the electrical break down in the mill - Downtime of cooling bed area reduced by more than 75 % (from 26 hrs to 6 hrs) - Provision for online diagnostics and Root Cause Analysis
Improvement in performance of SP #3 through optimisation of process parameters, RSP	- Compaction rollers system designed, fabricated and installed just after charging point of sinter mix at moving sinter bed to increase bulk density of charge mix. - This resulted the increase in yield of the product sinter by ~3.5% and thereby the increase in sinter productivity to 1.244 t/m2/hr from 1.019 t/m2/hr
Control of converter blowing process by modification in lance tip design at SMS-I, RSP	- Improvement in avg. Lance tip life from ~ 70 heats to > 150 heats - Reduction in slag oxidation potential by ~ 2%.
Optimisation of casting process parameters for improving slab quality in caster #3, SMS-II, RSP	- Improvement in surface & internal quality of slabs of Caster#3 - Improvement in De-sulphurisation by ~40% through modification in deoxidation and fluxing practice.
Development of impact resistant refractories for steel ladle to enhance ladle availability and lining life at SMS-II, RSP	- New quality Impact resistance MgO-C bricks developed with addition of metallic fibres using in house facility. - Refractory Properties of the bricks like toughness, coked CCS and HMOR values have been improved. - Ladle lives improved to 110 and 123 heats respectively against normal life of 105 heats for two trials with application of 2% SS310S fibre added MgO-C bricks in bottom impact pad of 150T steel ladle lining.
Automation system for mill speed thickness & tension control of Tandem Mill #1, CRM, BSL	- Output thickness in CR1 grades achieved with tolerance of $\pm 2\%$ - Grades like Corten (SAILCOR), Steel Strap and CR1 grades have been rolled successfully with high mill speed upto 480mpm (old speed ~180 mpm) - Electrical and mechanical fault diagnostic has become easier and faster with the HMI screen provided in new Electrical Control Room - Provision has been provided to store/ retrieve the optimum roll pass schedule for the operational convenience of the operator
Improvement in insulation of skid pipes for enhancing performance of reheating furnaces at HSM, BSL	- Steam generation through water cooled skid pipes has been reduced from 26t/hr to 10t/hr i.e. reduction by 61 % - Sp. Heat consumption for the modified furnace (no.4) has been reduced from 0.461 to 0.349 i.e. by 24%. - Temperature variation within slab has been reduced considerably. - Throughput of the furnace has enhanced due to approx. saving 20 minutes time in heating the furnace.
Improvement in coke quality by blend formulation and optimization of operating parameters of COB#10, ISP	Coke quality from COB#10 improved.
Installation of online slime beneficiation unit at Bolani Ore Mines	An innovative slime beneficiation system with two-stage hydro-cyclone has been incorporated dove-tailing the existing spiral classifier operation.

Project Title	Benefits derived
	The slime is enriched to 62.4 % Fe from the feed assaying ~55-57 % Fe and the system is able to recover around 20 tph iron ore concentrate as extra generation.
Computerisation of Project Management System	- Another step towards paperless RDCIS organisation - Tool to track critical milestones, project status, project performance, IPR details etc.
Thermodynamic study for modification of non-metallic inclusions in steels to prevent sub entry nozzle clogging during casting	- Development of "Liquid Calcium Window" for calcium treatment. - Optimisation of calcium addition to reduce the nozzle clogging for smooth casting by developing the nomograms and correlations.
Studies on coke structure through image analysis	It has increased the knowledge base on coke structure and reasons thereof.
Development of statistical relationship between coal and coke quality and development of coal blend optimisation tool	Project output will help in optimising the blends of SAIL Plants.
Evaluation of new imported coking coals through Pilot Carbonization Tests	Reports of new imported coals submitted for decision on procurement.
Introduction of Microstructure Model based Virtual Test Certification (VTC) and Run-out-table (ROT) cooling control system at HSM, RSP	- AVTC system to predict mechanical properties of hot rolled coils at HSM, RSP was developed. The YS and UTS prediction accuracy was above 95%. - The ROT cooling system was modified leading to 3.5-7.0% higher cooling rates. Thicker HR coils can be processed at a higher speed improving mill productivity.
Computer simulation study for rolling of critical grades and sizes of steel at HSM, RSP	CRNO coils were rolled at HSM using the optimized reduction schedule with the assistance of Level-2 mill setup model. More than 50% coils could be rolled below 2.5 mm during trials.
Improvement in surface quality of galvanised product of HDGL, CRM, BSL	Ceramic coating of furnace rolls was carried out in HDGL, BSL. It has reduced the diversion due to dent marks by 35% and down time for furnace roll grinding by 40%.
Improvement in surface quality of CRNO coils at SSM, RSP	- Modification in the skid mounted acid heating system was carried out. - It has led to reduced acid consumption by 4% and diversion due rusty by 50%.

• Product Area

Project Title	Benefits derived
DMR 249 BK Q&T Plates, RSP	Developed in association with DMRL, Hyderabad as an import substitution item for Naval Warship Vessels. Process technology established through ASP-RSP route. Critical requirement of these plates was very high impact value i.e. 78J min. at - 40oC whereas the properties achieved were 180-243 J.
IS 2062 E 450 Thicker Plates (70 & 80 mm) with Z directional properties, RSP	This product was developed for use in offshore structures. The plates were ultrasonically tested and good Z directional properties obtained. Typical CIE value of 60-62J achieved at room temperature.
Formable quality CR Coils (IS 513 CR4), BSL	This product was developed for use in auto segment. Process technology was established and the properties were achieved as per specification with excellent surface finish. Performance feedback at customer's end was very good.
T91/ F91 Grade Steel, ASP	T91 grade is a creep resistant steel which is used for making tubes in Boilers & Pressure Vessels for high temperature applications. Blooms were normalized and tempered as per the specification and the material was dispatched for further testing.
IS 1786 Fe 500S HCR grade TMT rebars (32 & 36 mm), BSP	In the recent amendment of IS 1786 in 2012, two new grades, namely Fe-415S and Fe-500S with UTS/YS ratio of 1.25 min has been introduced by BIS. SAIL took up the challenge to be the first producer in India for development of IS 1786 S grade in line with international specifications like ISO 6935-2, ASTM A706 etc. Production of 32 & 36 mm dia Fe 500S HCR grade has been established. Corrosion resistance properties (2.15 mpy) showed superior properties than C-Mn TMT rebars (4.0 mpy).
ASTM A 387 Gr. II Cl. 2 Plates, BSP	ASTM A 387 grade II plates are Cr-Mo steels and supplied in normalised & tempered condition for application in Boilers and Pressure Vessels. Process technology for production of this steel (plate thickness: 15 & 30 mm) has been developed.
Ti stabilised low carbon ferritic stainless steel (AISI 409L & 441), SSP	Product (AISI 409L) was developed for application in auto parts. Process technology for production of 1.2, 1.5 & 1.6 mm CR coils has been established. Whereas AISI 441 CR coils was used for manufacture of Elevator, Washing machine & Kitchenware. Process technology was established for production of 1.2 & 1.5 mm CR coils. SGL grinding carried out with No. 4 surface finish and Properties achieved as per specification with good surface finish.
SAIL Tower Gr.VI Billets (150x150 mm), ISP	SAIL Tower Gr.VI steel is required for manufacture sections of Transmission Line Towers. Process technology established for production of this grade.
Parallel Flange Beam (IPE 300) Structural, ISP	Process technology established through Universal Section Mill. The parallel flange beam IPE 300x150 (nominal depth of 300 mm) in IS 2062 grade has been produced for the first time in SAIL (ISP).
ASTM 537 Cl. II Q&T Plates, RSP	Process technology has been established for production of ASTM 537 Cl. II Q&T Plates for use in Boilers & Pressure Vessels. Typical CIE value of 30-40J achieved at -40°C.
High tensile plates with Z directional properties, BSP	This product was developed for application in wind mill components. Process technology established and all the plates produced were certified by Tata Project Limited.
Narrow Parallel Flange Beam (NPB 100) Structural, DSP	Process technology established through Medium Section Mill. The narrow parallel flange beam NPB 100 in IS 2062 grade has been produced for the first time in SAIL (DSP).

Other Technology Absorption, Adaption & Innovation measures

Technology development, absorption, adaption and further improvement are continuously taking place in SAIL 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.	Rebuilding of environment friendly Coke Oven Battery No. 5 at DSP	2016	Likely to be commissioned
2.	New 7 m tall environment friendly Coke Oven Battery No.9 at BSP	2016	likely to be Commissioned
3.	Rebuilding of environment friendly Coke Oven Battery No. 3 at RSP	2016	Likely to be commissioned
SINTER MAKING/AGGLOMERATION			
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)	4060m ³ BF at BSP	2016	Likely to be commissioned
2.	Gas Cleaning Plant (GCP) for improvement in quality of BF gas		
i)	GCP in BF#8, BSP	2016	Likely to be commissioned
3.	INBA Cast House Slag Granulation Technology at BSL		
i)	BF#2, Cast House 4	2016	Likely to be commissioned
ii)	BF#3, Cast House 5	2016	Likely to be commissioned
4.	High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200°C		
i)	Stoves System in BF#8 BSP	2016	Likely to be commissioned
ii)	Stoves System in BF#1 RSP	2016	Likely to be commissioned
5.	Top Recovery Turbine in Blast Furnaces for generation of power		
i)	Installation in BF#8 BSP	2016	Likely to be commissioned
STEEL MAKING			
1.	Introduction of RH degassing unit at SMS-II, RSP	2016	Likely to be commissioned
2.	Introduction of RH degassing unit at SMS, ISP	2016	Likely to be commissioned
3.	Installation of 45 MVA SAF at CFP	2016	Likely to be commissioned
ROLLING & FINISHING			
IISCO STEEL PLANT			
	Bar Mill		
1.	Hot charging of billets to reduce specific fuel consumption	2015	Commissioned
2.	Walking-beam (WVB) type re-heating furnaces		
3.	High pressure de-scaling of billets to eliminate rolled in-scale		
4.	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	2015	Commissioned
5.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
	Universal Section Mill		
1.	Hot charging of blooms to reduce specific fuel consumption	2016	Likely to be commissioned
2.	Walking-beam (WVB) type re-heating furnaces		
3.	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.		
4.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		

Sl. No.	Description	Year	Status
BHILAI STEEL PLANT			
	Universal Rail Mill		
1.	Walking-beam (VWB) type re-heating furnaces	2016	Likely to be commissioned
2.	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		
	Bar & Rod Mill		
1.	Hot charging of billets to reduce specific fuel consumption	2016	Likely to be commissioned
2.	Walking-beam (VWB) type re-heating furnaces		
3.	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		
4.	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods		
5.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
DURGAPUR STEEL PLANT			
	Medium Structural Mill		
1.	Walking-beam (VWB) type re-heating furnaces	2016	Likely to be commissioned
2.	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.		
3.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
BOKARO STEEL PLANT			
	Hot Strip Mill		
	Crop-ends optimization, automatic width control, hydraulic automatic gauge control (HAGC), wedge/ camber control in roughing stand	2016	Commissioned
	Cold Rolling Mill-III		
	Coupled picking line & tandem mill, shaped roll crown control, roll shifting, work-roll thermal crown control, hydrogen batch annealing with capability for dual phase steel, galv-annealing facilities, future provision of colour coating line, etc.	2016	Likely to be commissioned

Expenditure on Research & Development
(₹ Crore)

(a) Capital	:	50.78
(b) Recurring	:	226.22
Total	:	277.00
Total R&D Expenditure as a % of Total Turnover	:	0.64

Foreign Exchange Earnings and Outgo
(₹ Crore)

i) Foreign Exchange earned from exports and other activities	:	557.13
ii) Foreign Exchange used	:	
a) CIF Value of imports	:	11295.27
b) Other expenditure in foreign currency	:	384.59

ANNUAL REPORT ON CSR ACTIVITIES 2015-16

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 & 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:

- Promoting healthcare including preventive health care, sanitation and access to drinking water;
- Promotion of education, employment/livelihood enhancing vocation skills
- Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups;
- Ensuring environmental sustainability, animal welfare and agro-forestry
- Protection of national heritage, art and culture
- Training to promote rural sports
- Rural development

1(C) Web-link for SAIL CSR Policy and Projects: www.sail.co.in

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 6th August, 2016 are:

Sl.No	Name	Designation
1	Mrs. Anshu Vaish	Independent Director & Chairperson of the Committee
2	Prof. Ashok Gupta	Independent Director
3	Shri Anil Kumar Chaudhary	Director (Finance)
4	Dr. N. Mohapatra	Director (Personnel)
5	Shri Raman	Director (Technical)

3. Average Net Profit for last three FYs : ₹2859.9 Crores

4. Prescribed CSR Expenditure : ₹57.2 Crores (2% of amount as in item 3 above)

5. Details of CSR spent during FY2015-16 :

- Total amount to be spent : ₹100.2 Crores* (including the unspent amount of 2014-15)
- Amount unspent, if any : ₹24.00 Crores
- 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, Directors' Report to disclose reasons for such non-compliance.

Not applicable as the CSR expenditure during the year 2015-16 has been ₹76.2 Cr which is more than prescribed minimum expenditure of 2% of the average net profit of the immediately preceding three years, i.e. ₹57.2 Crores.

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.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

During 2015-16, SAIL mainly focused on upliftment of the backward and rural populace with its development oriented CSR Projects in the areas of Healthcare, Drinking Water, Sanitation, Education, Livelihood Generation, Empowerment of Women, Care for Senior Citizens and Differently-abled Persons, Promotion of Sports, Art & Culture, Environment Sustainability, Agro-forestry, Infrastructure & Rural Development, etc. in accordance with provisions specified in Schedule-VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

SAIL actively participated in the "Swachh Bharat Abhiyan" initiated by the Hon'ble Prime Minister of India. Under the campaign, construction of 672 toilets in schools falling within the periphery of its Plants & Mines in the States of Chhattisgarh, West Bengal, Odisha, Jharkhand, Madhya Pradesh & Tamil Nadu; as allocated to SAIL by Ministry of HRD, had been undertaken and completed. Facilities like squatting units, urinals, washbasins and overhead water storage has been provided.

The major CSR interventions undertaken by SAIL during 2015-16 have been elaborated in the prescribed format at **Annexure-A**.

Sd/-
(Dr. N. Mohapatra)
Director (Personnel)
SAIL

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
SAIL

Sd/-
(Mrs. Anshu Vaish)
Chairperson, CSR Committee
SAIL

SAIL CSR PROJECTS/ACTIVITIES UNDERTAKEN DURING 2015-16

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	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 2015-16)	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 parganas, Nadia and Kolkata in W.Bengal, Sundergarh & Keonjhar in Odisha, Bokaro, Deoghar, W.Singhbhum, Garhwa, Dhanbad, Ranch & Khunti in Jharkhand, Salem & Cuddalore in Tamilnadu, Chikamagaluru in Karnataka, Chandrapur in Maharashtra, Gwalior in MP, Guntur in Andhra Pradesh etc.	43.07	25.23	36.26	Direct and through Implementing Agencies, viz. Akshaya Patra Fdn; PG College of Nursing, Bhilai; NIOS; Zila
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		26.11	17.65	28.48	Saksharta Samiti, RamKrishna Mission, Yogoda Satsanga Society, Ispat Mahila Samaj, Sulabh
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 Senior Citizens & PwDs		4.41	4.40	7.36	International, SRREOSHI, Jharkraft, Aroh Fdn, Indian Red Cross Society, Durgapur Sub-Div.Branch, Samayita Math, Gopalmath Sisu Kalyan Kendra, SVVP Samity, Apex Body VVK Durgapur Info Centre, Art of Living, DSP Mahila Samaj, Blind Relief Society, Burnpur Ambagan Volunteers S.W. Org, Cure Intl, Baidyanath Sewa Trust, Piramal Swasthya, Bokaro, DMI Abasik Mahila Samaj, Asha Kiran Shelter Home, Peace House W. Trust, BIKK, Society for Rural Industrialisation, Chh'garh Rajya Van Vikas Nigam, Vanvasi Kalyan Kendra, Bokaro, ASP/ DSP SC & ST Employees W. Association, etc.
4	Protection of heritage, art, culture & Training to promote rural sports, Nationally recognised sports, paraolympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture		1.40	7.66	10.00	
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		6.48	11.39	16.18	
6	Rural development projects	Cl.(x) Infrastructure & Rural Development		10.00	8.97	11.02	
7	Capacity Building	CSR Rules, 2014 Cl.4(6)		0.49	0.86	1.90	
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)		7.00	-	-	
9.	Increase in the CSR budget due to increase in actual profits for 2014-15 post approval of CSR budget.			1.20	-	-	
	Total			100.16*	76.16	111.20	

*This includes unspent amount of 2014-15 Budget over & above the prescribed minimum expenditure of 2% of the average net profits of the immediately preceding three years.

PRINCIPAL EXECUTIVES AS ON 01.08.2016

CORPORATE OFFICE

NEW DELHI

Chairman

P. K. Singh

Directors

Finance

Anil Kumar Chaudhary

Raw Materials & Logistics

Kalyan Maity

Commercial

Binod Kumar

Personnel

Dr. N. Mohapatra

Projects & Business Planning

G. Vishwakarma

Technical

Raman

Executive Directors

Finance & Accounts

Sudhir Kumar

Personnel & Administration

Shitanshu Prasad

Power, Elec. & SAILCON

Tejveer Singh

Vigilance

D. Bartaria

Business Planning

S. K. Garg

Logistic & Infra.

D. K. Sama

M&HS

Dr. S. K. Gupta - Dir.

Projects

A. K. Mathur

Operations

Wakil Singh

Chairman's Sectt.

P. K. Jha

ICVL

Umesh Kumar

Chief of Corporate Affairs

R. K. Singhal

Company Secretary

M. C. Jain

Safety

General Manager

R. K. Sinha

Growth Division

General Manager I/c

N. Ramchandran

Management Training Institute

General Manager

Dr. A. N. Das

STEEL PLANTS / UNITS

Bhilai Steel Plant

Chief Executive Officer

M. Ravi

Executive Directors

Mines

P. K. Sinha

S. K. Saha

Materials Management

P. S. Bhadauria

Projects

R. S. Chaturvedi

Durgapur Steel Plant

Chief Executive Officer

A. K. Rath

Executive Directors

Works

S. K. Mishra

Projects

U. K. Pathak

Rourkela Steel Plant

Chief Executive Officer

Ashwini Kumar

Executive Directors

M&HS

Dr. A. K. Singh - Dir. I/c

Works

B. P. Verma

Personnel & Administration

P. K. Pradhan

Projects & JSU

S. Das

Bokaro Steel Plant

Chief Executive Officer

A. Maitra

Executive Directors

Personnel & Administration

Atul Srivastava

M&HS

Dr. M. Anant Kekre - Dir. I/c

Works

S. K. Singh

Materials Management

H. P. Singh

IISCO Steel Plant

Chief Executive Officer

R. K. Rathi

Executive Directors

Personnel & Administration

M. K. Barman

Works

P. K. Singh

Alloy Steels Plant

Executive Director

S. Das

Salem Steel Plant

General Manager I/c

P. K. Mishra

Visvesvaraya Iron & Steel Plant

General Manager I/c

V. S. Hegde

UNITS

Research & Development Centre for Iron & Steel

General Manager I/c

A. K. Paul

Raw Materials Division

Executive Director I/c with addnl. Charge of ED (T&S)

Alok Shrivastava

Projects

A. K. Verma

Centre for Engineering & Technology

Executive Director

Neeraj Mathur

Central Marketing Organisation

Executive Directors

Marketing - ITD

T. K. Sahu

Marketing - Flat Product

P. K. Mishra

Marketing - Commercial

Alok Sahay

Marketing - Long Product

Biswajit Chongdar

Steel Processing Unit

Executive Director

Sanjeev Saurabh

Transport & Shipping

General Manager

A. K. Gupta

SAIL Refractory Unit

Executive Director

C. Srikanta

Chandrapur Ferro Alloy Plant

Executive Director

S. K. Jain

Collieries

Executive Director

S. K. Basak

STEEL AUTHORITY OF INDIA LIMITED

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003

CIN: L27109DL1973GOI006454

NOTICE

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Wednesday, the 21st September, 2016 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

- I. To receive, consider and adopt:
 - (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2016, 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, 2016 and the Report of the Auditors thereon.
2. To appoint a director in place of Shri Binod Kumar (DIN: 06379761), 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 2016-17.

SPECIAL BUSINESS

4. To appoint Shri P.K. Dash (DIN: 01578400) 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, Shri P.K. Dash (DIN: 01578400), 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 17th November, 2018."
5. To appoint Prof. Ashok Gupta (DIN: 07342950) 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. Ashok Gupta (DIN: 07342950), 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 17th November, 2018."

6. To appoint Shri Parmod Bindal (DIN: 06389570) 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, Shri Parmod Bindal (DIN: 06389570), 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 17th November, 2018."

7. To appoint Mrs. Anshu Vaish (DIN: 02924346) 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, Mrs. Anshu Vaish (DIN: 02924346), 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 her 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 17th November, 2018."

8. To appoint Dr. N. Mohapatra (DIN: 07352648) 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 Dr. N. Mohapatra (DIN: 07352648) 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."

9. To appoint Shri G. Vishwakarma (DIN: 07389419) 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 G. Vishwakarma (DIN: 07389419) 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."

10. To appoint Shri Raman (DIN:06840232) 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 Raman, (DIN: 06840232) 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."

11. 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 resolution as a **Special Resolution**:

"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 AGM, 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, hypothecation, 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 the 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 aggregate of paid up share capital and reserves and surplus of the Company.

"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."

12. 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 service tax 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 2016-17, 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)
Company Secretary

Place: New Delhi
Dated: 11th August, 2016
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 12 above is annexed hereto. The relevant details under Item No.2 of the Notice of the person 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. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be supplied.

5. The Register of Members of the Company will remain closed from 23rd August, 2016 to 26th August, 2016 (both days inclusive).

6. 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@mcstransfers.com

7. 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. 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 in their interest, 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.

- 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) ECS MANDATE

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Clearing Services (ECS) for any future payouts from the Company. Under the ECS, 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 ECS should provide details of their Bank Name, 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.

8. 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.

9. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2008-09 (Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2008-2009	-	13.00
2009-2010	16.00	17.00
2010-2011	12.00	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	-	-

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

10. 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.

11. Green Initiative in Corporate Governance of Ministry of Corporate Affairs

The Ministry of Corporate Affairs ("Ministry") 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 Ministry of Corporate Affairs, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Directors' Report, Auditors Report, etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

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.

12. **Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance Slip.**

13. **No Brief case or Bag or mobile phone will be allowed to be taken inside the auditorium.**

14. **Information and other instructions relating to e-voting are as under:**

- (i) Pursuant to the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).
- (ii) The facility for voting through ballot paper voting system shall also be made available at the venue of the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper voting system.
- (iii) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of M/s Central Depository Services (India) Limited (CDSL) as the Agency to provide 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 as Scrutinizer to scrutinize the remote e-voting and voting at the meeting through ballot paper in a fair and transparent manner and he has communicated his willingness to be appointed and will be 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. 15th September, 2016 only shall be entitled to avail the facility of remote e-voting or voting at the venue of the Meeting through ballot paper.
- (vii) A person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 15th September, 2016, **can follow the process for generating the Login ID and Password as provided in the Notice of the AGM.**
- (viii) The remote e-voting facility will be available during the following period:
 - Commencement of remote e-voting: from 9.00 AM (IST) on 18th September, 2016.

- End of remote e-voting: Up to 5.00 PM (IST) on 20th September, 2016.

(ix) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s CDSL upon expiry of the above period.

(x) **Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.**

(xi) The scrutinizer, after scrutinizing the votes cast at the meeting (ballot paper) and through remote e-voting, will, not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith the consolidated scrutinizer's report shall be placed on the website of the Company- www.sail.co.in and on the website of M/s MCS Share Transfer Agents Limited www.mcsregistrars.com. The results shall simultaneously be communicated to the Stock Exchanges.

(xii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 21st September, 2016.

(xiii) **Information and other instructions relating to remote e-voting are as under:**

- (i) The voting period begins on Sunday, 18th September, 2016 at 9.00 AM (IST) and ends on Tuesday, 20th September, 2016 at 5.00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 15th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of "0" before the number after the first two characters of the name in CAPITAL letters e.g. if your name is RAMESH KUMAR with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for STEEL AUTHORITY OF INDIA LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile application while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2016 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

Item No. 4

On nomination by the President of India vide Government's Notification F.No. 6(13)/2015-BLA dated 13th November, 2015, Shri P.K. Dash (DIN: 01578400) was appointed as an Additional Director of the Company with effect from 18th November, 2015. His tenure as Non-official Part-time Director (Independent Director) is for a period of three years with effect from 18th November, 2015 or until further orders, whichever is earlier. In terms of the provisions of Section 161(I) of the Companies Act, 2013, Shri P.K. Dash 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 Shri P.K. Dash for the office of Director of the Company.

Shri P.K. Dash aged 62 years, is a former Indian Administrative Service (IAS) Officer of 1981 batch (Madhya Pradesh Cadre) and retired as Additional Chief Secretary to the Government of Madhya Pradesh. He is a Post Graduate in English Literature & Linguistics. During his 34 years of experience as a public servant he has worked in several key sectors like Finance & Taxation, Commerce & Industries, Labour & Industrial Health & Safety, Rural Development and Panchayati Raj & Social Welfare in the State Government of Madhya Pradesh. He also has the experience of working in the Government of India in various capacities such as Chief Executive Officer, Price Stabilisation Fund and as Joint Secretary in the Ministry of Commerce & Industry. He has also been associated with several Public Sector Undertakings such as Managing Director of M.P. Trade & Investment Facilitation Corporation Ltd. (MPTRIFAC) and M.P. State Industries Development Corporation Ltd. (MPSIDC) and Chairman & Managing Director of Export Credit Guarantee Corporation of India Limited.

He is a member of Audit Committee of the Company. He is also an Independent Director on the Boards of Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) and Madhya Pradesh Road Development Corporation Limited (MPRDC).

Shri P.K. Dash 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 Shri P.K. Dash that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act.

Save and except Shri P.K. Dash 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 Shri P.K. Dash, 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 Notification F.No. 6(13)/2015-BLA dated 13th November, 2015, Prof. Ashok Gupta (DIN: 07342950) was appointed as an Additional Director of the Company with effect from 18th November, 2015. His tenure as Non-official Part-time Director (Independent Director) is for a period of three years with effect from 18th November, 2015 or until further orders, whichever is earlier. In terms of the provisions of Section 161(I) of the Companies Act, 2013, Prof. Ashok Gupta 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. Ashok Gupta for the office of Director of the Company.

Prof. Ashok Gupta, aged 59 years, is a Professor in the Department of Civil Engineering, IIT, Delhi. He obtained his B. Tech. in Civil Engineering from IIT, Delhi in 1979 and Ph. D. from IIT, Delhi in 1984. He has about thirty years of

research and teaching experience in India and abroad. He has supervised five Ph. D. thesis, several M. Tech. and B. Tech. projects. He has published a number of books and more than eighty papers in leading journals and peer reviewed conferences. His areas of specialization include earthquake engineering, health monitoring of structures and e-learning. He has held visiting research and teaching appointments at MIT (USA), EPFL (Switzerland) and Nanyang Technological University (Singapore). He has been Professor-in-charge Planning from 2004 to 2007, Dean of Alumni Affairs and International Programmes from 2007 to 2011, Dean, Infrastructure from 2012 to 2014 in IIT, Delhi, Member, Board of Governors of IIT, Delhi from Jan 2014 to December 2015 and is currently Deputy Director (Operations) at IIT, Delhi.

Prof. Ashok Gupta 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. Ashok Gupta that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act. He has been recently inducted as Member of the Audit Committee of the Company.

Save and except Prof. Ashok Gupta 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. Ashok Gupta, 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 Notification F.No. 6(13)/2015-BLA dated 13th November, 2015, Shri Parmod Bindal (DIN: 06389570) was appointed as an Additional Director of the Company with effect from 18th November, 2015. His tenure as Non-official Part-time Director (Independent Director) is for a period of three years with effect from 18th November, 2015 or until further orders, whichever is earlier. In terms of the provisions of Section 161(I) of the Companies Act, 2013, Shri Parmod Bindal 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 Shri Parmod Bindal for the office of Director of the Company.

Shri Parmod Bindal, aged 54 years, is a practicing Chartered Accountant (CA) based at Chandigarh. He passed CA final examination in November, 1989 from the Institute of Chartered Accountants of India. He has also done certificate course of Arbitration in 2005 and Certificate Course of Indirect Taxes in 2013, both from the Institute of Chartered Accountants of India. His area of specialization is Direct and Indirect Taxes, Company Law matters, Accounting, Internal Audit and Statutory Audit. He has over two decades of experience of Statutory Audit of Government Departments, Public Sector Undertakings, Banks, etc.

He is a member of Audit Committee of the Company. He is holding 5000 equity shares of ₹10/- each being 50% of issued capital in Vayu Agro Farms Pvt. Ltd.

Shri Parmod Bindal 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 Shri Parmod Bindal that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act.

Save and except Shri Parmod Bindal 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.

Keeping in view the vast expertise and knowledge of Shri Parmod Bindal, 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 Notification F.No. 6(13)/2015-BLA dated 13th November, 2015, Mrs. Anshu Vaish (DIN: 02924346) was appointed as an Additional Director of the Company with effect from 18th November, 2015. Her tenure as Non-official Part-time Director (Independent Director) is for a period of three years with effect from 18th November, 2015 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Anshu Vaish 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 Mrs. Anshu Vaish for the office of Director of the Company.

Mrs. Anshu Vaish, aged 64 years, is a former Indian Administrative Service (IAS) officer of 1975 batch of Madhya Pradesh cadre and retired as Secretary, Department of School Education & Literacy, Ministry of Human Resource Development, Government of India. She is a Post Graduate in History. During her over 37 years of experience as a public servant, she has worked in several key sectors like Commerce & Industries, Tourism & Culture, Women & Child Development, Rural Industries, Public Health & Family Welfare, Social Welfare and Education in the State Government of Madhya Pradesh. She also has experience of working in the Government of India in various capacities in the Department of Culture in the Ministry of Human Resource Development, Director General of Archaeological Survey of India and finally as Secretary to the Government of India, Ministry of Human Resource Development, Department of School Education & Literacy.

She is also Members of Governing Body of various Non-Government Organization viz. Ranga Sri Little Ballet Troupe (LBT), Bhopal, PRADAN, New Delhi, KATHA, New Delhi, Centre for Equity Studies, New Delhi and Swami Sivananda Memorial Institute, New Delhi. She is also a Member of Institute Body of AAIMS, Bhopal. She has been recently inducted as Member of the Audit Committee of the Company.

Mrs. Anshu Vaish 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. The Company has received a declaration from Mrs. Anshu Vaish that she meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act.

Save and except Mrs. Anshu Vaish and her 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.

Keeping in view the vast expertise and knowledge of Mrs. Anshu Vaish, the Board considers it desirable that the Company should continue to avail itself of her services as a Director and recommends this Resolution for approval of the shareholders.

Item No.8

On nomination by the President of India vide Government's Order No.6(6)/2015-BLA dated 26th November, 2015, Dr. N. Mohapatra (DIN: 07352648) was appointed as an Additional Director of the Company with effect from 27th November, 2015 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 27th November, 2015 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 Dr. N. Mohapatra as a candidate for the office of Director of the Company.

Dr. N. Mohapatra, aged 59 years, is a MA, LL.B, Ph.D (in History) from the University of Delhi and two Post Graduation Diplomas in Management from

the University of Kolkata and AIMA, New Delhi. Dr. N. Mohapatra joined SAIL in 1980. In his over 36 years of service in SAIL, Dr. Mohapatra held several important positions in the Company. Dr. Mohapatra has got indepth insight in the various HR Issues including manpower restructuring, multi-skilling, climate survey, change management, human resource information systems, negotiations, township administration, automation of HR administration, innovative approach to employee communication, etc.

Dr. N. Mohapatra 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 Dr. N. Mohapatra 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.8 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.9

On nomination by the President of India vide Government's Order No.6(11)/2015 dated 30th December, 2015, Shri G. Vishwakarma (DIN: 07389419), was appointed as an Additional Director of the Company with effect from 31st December, 2015 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 31st December, 2015 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 G. Vishwakarma as a candidate for the office of Director of the Company.

Shri G. Vishwakarma, aged 55 years, is BE in Mechanical Engineering. He is also a Graduate in Industrial Engineering, ME in Environment Science & Engineering and PG Diploma in Business Management. Shri Vishwakarma joined the Company in January 1982 and steadily rose to the position of Asstt. General Manager before exploring options outside SAIL in 2006. Prior to joining the Company as Director, he was heading the upcoming 3-MTPA green field Steel Plant in Chhattisgarh State as Executive Director, NMDC Steel Ltd. (NSL). Apart from SAIL and NMDC Ltd., he has experience of working with Jindal Stainless Ltd. (JSL) and Ispat Industries Ltd.

He has been associated with Steel sector in India for nearly 34 years at Senior Executive positions. He is excellent at Steel Plant Projects, Operations & Management, executing large green field Projects like Integrated Steel Plants, Coal, Coke & Coal Chemicals Processing, Blast Furnace, Rolling Mills, Steel Melting Shops, Power Plant, Gas and Coal based DRI and Coke Ovens Plant.

Shri G. Vishwakarma 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 G. Vishwakarma 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.9 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.10

On nomination by the President of India vide Government's Notification No.6(12)/2015-BLA dated 14th March, 2016, Shri Raman (DIN: 06840232) was appointed as an Additional Director of the Company with effect from 1st July, 2016 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 July, 2016 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 Raman as a candidate for the office of Director of the Company.

Shri Raman, aged 58 years, is a B.Tech in Mechanical Engineering from BIT, Sindri, Dhanbad. Shri Raman joined SAIL in 1979 as Graduate Engineer. In his career spanning over 37 years, Shri Raman held various important positions in the Bokaro Steel Plant, which is one of the Integrated Steel Plants operated by the Company. He has also worked in Centre for Engineering & Technology and Salem Steel Plant. His area of specialization includes Operations and Management of Steel Plants, Projects Engineering, etc. He has been recently inducted as a Member of the Audit Committee of the Company.

Shri Raman 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 Raman 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.10 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.11

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 ₹62,441 crore on its expansion programme till 30.04.2016. In order to part finance the expansion programme, your Company plans to borrow about ₹5,000 crore during the next year.

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 to the extent of ₹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.11 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, hypothecation, 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.

In view of the above, your Directors recommend to the Members to pass a special resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 in order to enable the Board of Directors of the Company to create mortgage and / or charge for securing the borrowings of the Company, as and when necessary.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and / or Key Managerial Personnel or their relative(s) is / are concerned or interested in the resolution.

Item No.12:

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 30th May, 2016 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 2016-17 at a remuneration of ₹9,75,000/- plus service tax 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 Service Tax, 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.12 of the Notice is submitted for approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the resolution.

The Board recommends the resolution for your approval.

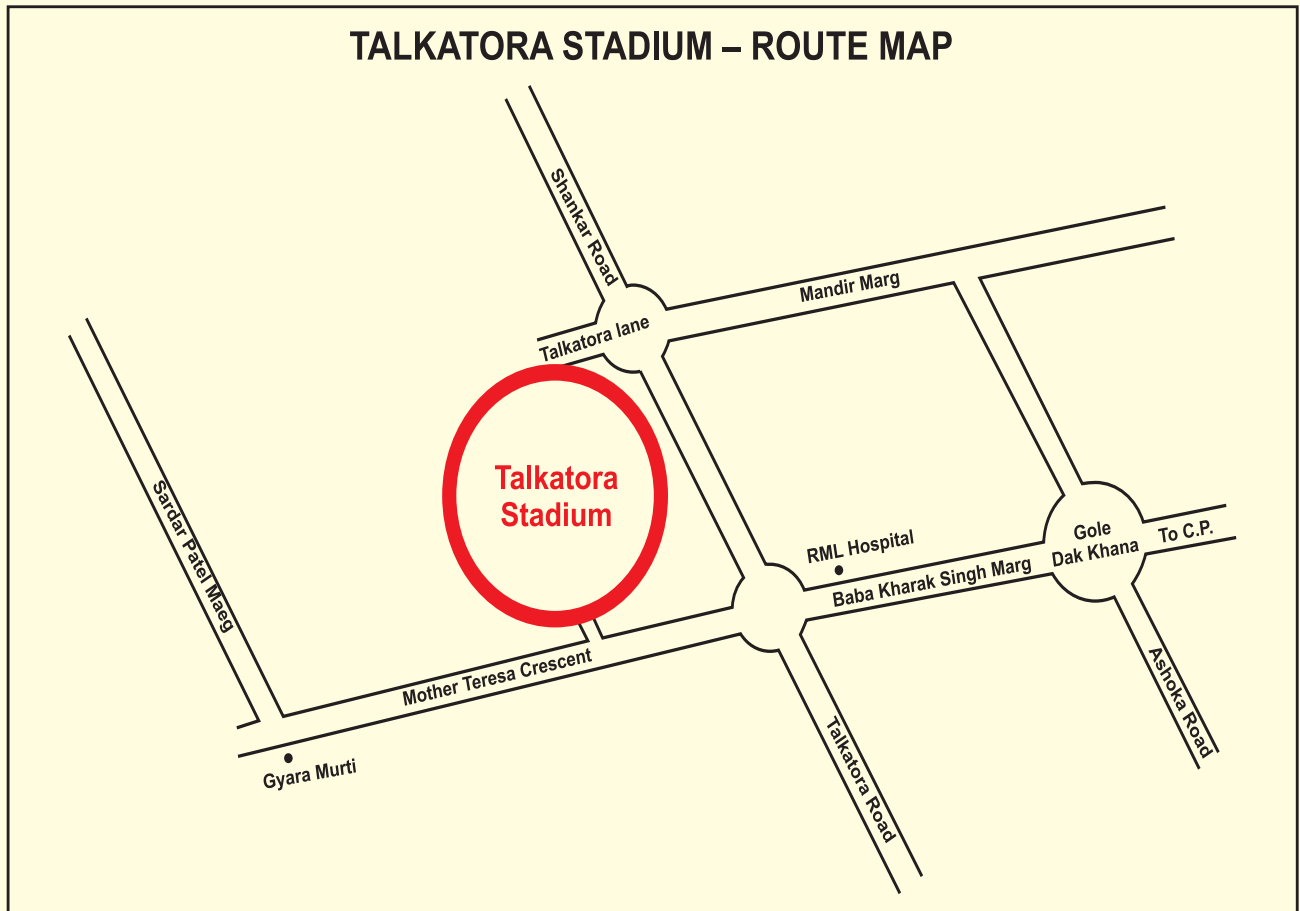
By order of the Board of Directors


(M.C. Jain)
Company Secretary

Place: New Delhi
Dated: 11th August, 2016
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	Shri Binod Kumar (DIN:06379761)
Date of Birth	09.02.1957
Date of Appointment	02.12.2013
Expertise in Specific functional areas	Marketing
Qualifications	B.Tech (Metallurgy)
List of Companies in which outside Directorship is held.	-
Chairman/Member of the Committees of the Board of the Companies on which he is a Director.	-



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@sail.com, Website: www.sail.co.in

ATTENDANCE SLIP

44th Annual General Meeting to be held on Wednesday, 21st September, 2016 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 44th Annual General Meeting of the Company to be held on Wednesday, 21st September, 2016 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 R&TA counter(s) at the venue against which R&TA will provide 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.

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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@sail.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 of the above named company, 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 and to vote (on a poll) for me/us and on or my/our behalf at the 44th Annual General Meeting of the Company to be held on 21st September, 2016 at 1030 hours 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, 2016 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, 2016 and the Report of the Auditors thereon.
2. To appoint a director in place of Shri Binod Kumar (DIN: 06379761), 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 2016-17.

Special Business

4. To appoint Shri P.K. Dash (DIN-01578400) as an Independent Director of the Company.
5. To appoint Prof. Ashok Gupta (DIN-07342950) as an Independent Director of the Company.
6. To appoint Shri Parmod Bindal (DIN-06389570) as an Independent Director of the Company.
7. To appoint Mrs. Anshu Vaish (DIN-02924346) as an Independent Director of the Company.
8. To appoint Dr. N. Mohapatra (DIN-07352648) as a Whole-time Director of the Company.
9. Appointment of Shri G. Vishwakarma (DIN-07389419) as a Whole-time Director of the Company.
10. Appointment of Shri Raman (DIN: 06840232) as a Whole-time Director of the Company.
11. To obtain consent for Borrowings and creation of charge on the assets of the Company.
12. To ratify Remuneration of Cost Auditors of the Company.

Please
affix
₹ |
Revenue
Stamp

Signed this day of 2016

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.



A MAHARATNA COMPANY

THE SAIL NETWORK



CORPORATE OFFICE.....		UNITS.....		CONSIGNMENT AGENCY YARD.....		BRANCH SALES OFFICES	
INTEGRATED STEEL PLANTS.....		CMO HEAD QUARTERS.....		SALES RESIDENT MANAGER.....		1. NORTHERN REGION.....	
ALLOY AND SPECIAL STEEL PLANTS.....		REGIONAL OFFICES.....		CUSTOMER CONTACT OFFICE.....		2. EASTERN REGION.....	
FERRO ALLOY PLANT.....		STEEL PROCESSING UNIT.....		SAIL REFRACTORY UNIT (SRU).....		3. WESTERN REGION.....	
		DEPARTMENTAL WAREHOUSE.....		TRANSPORT & SHIPPING OFFICE.....		4. SOUTHERN REGION.....	

There's a little bit of SAIL in everybody's life

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/eCommerce Centre, SJ Stg./SAIL/10/16-08-2016 to 26-08-2016/164900/16 dated 10-08-2016.

To,



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

There's a little bit of SAIL in everybody's life
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