



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/2020

September 29, 2020

The General Manager
Department of Corporate Services
Bombay Stock Exchange
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.P. Tower,
Dalal Street, Fort,
Mumbai-400001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.

Sub: Notice of 48th Annual General Meeting to be held though Video Conferencing (VC) / Other Audio Visual Means (OAVM) along with the Notice and Annual Report of the Company for the financial year 2019-20; Book closure.

Dear Sir,

The 48th Annual General Meeting of the Members of Steel Authority of India Limited will be held on 22nd October, 2020 at 10:30 AM through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility.

Pursuant to applicable circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India, the Notice of the AGM and Annual Report of the Company for Financial Year ended 31st March, 2020 containing Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020 and the Report of the Auditors' and Board thereon, and other documents required to be attached thereto, have been sent through electronic mode on 29th September, 2020.

Pursuant to Regulation 34 of SEBI (LODR), 2015, a copy of the Annual Report of the Company for the year 2019-20, along with the Notice of the Annual General Meeting is enclosed for your reference and record. The same is also available on the website of the Company-www.sail.co.in. Notice of the AGM is available at website of M/s NSDL: www.evoting.nsdl.com

Pursuant to Section 91 of the Companies Act, 2013 and rules notified thereunder and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is thereby notified that Register of Members and Share Transfer Books of Steel Authority of India Limited will remain closed from Friday 16th October, 2020 to Thursday, 22nd October, 2020 (both days inclusive) for the purpose of AGM.

The Members are further informed that pursuant to Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended, the Company is providing remote e-voting facility prior to AGM and e-voting during the AGM, through electronic means to its Members to enable them to cast their vote electronically on the items mentioned in the Notice of the AGM.

The Cut-off Date for determining the eligibility of member to vote through Remote e-voting/ e-voting at the AGM has been fixed as 15th October, 2020 (end of business hours). 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 only, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. The remote e-voting period would commence on Monday, 19th October, 2020 (9.00 A.M. (IST)) and end on Wednesday, 21st October, 2020 (5.00 P.M. (IST)) and during this period the Members of the Company as on the Cut-off Date may cast their vote by electronic means.


Encl: As above

Yours faithfully



(M.B. Balakrishnan)
Company Secretary

FUTURE IS STEEL,
FUTURE IS

SAIL 



ANNUAL REPORT
2019-20



SAIL - MAKING INDIA MAKE IN INDIA, MAKE IN STEEL



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड

STEEL AUTHORITY OF INDIA LIMITED

Ispat Bhavan, Lodi Road, New Delhi - 110 003

www.sail.co.in

There's a little bit of SAIL in everybody's life



Needle to Chandrayaan

There's a little bit of SAIL in everybody's life





VISION

TO BE A RESPECTED
WORLD-CLASS CORPORATION
AND THE LEADER IN INDIAN STEEL
BUSINESS IN QUALITY,
PRODUCTIVITY, PROFITABILITY AND
CUSTOMER SATISFACTION.





- ◆ 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.

CREDO

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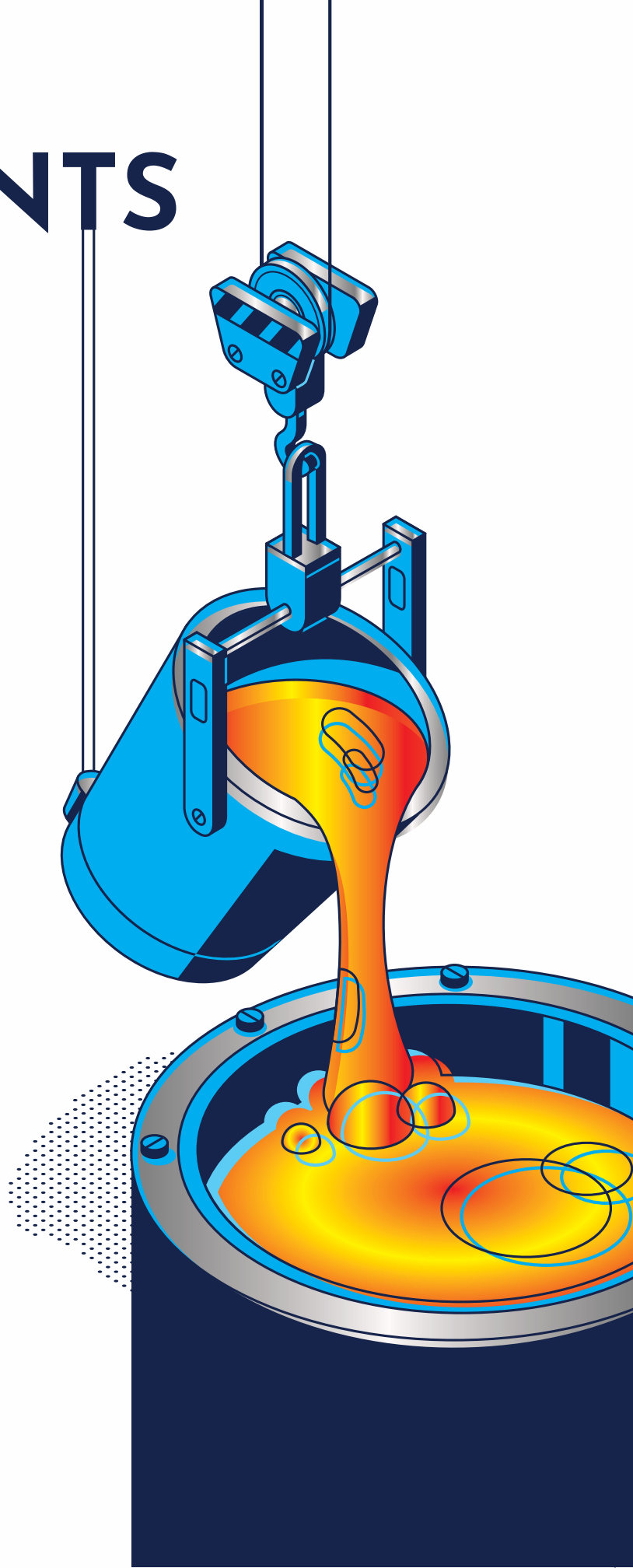
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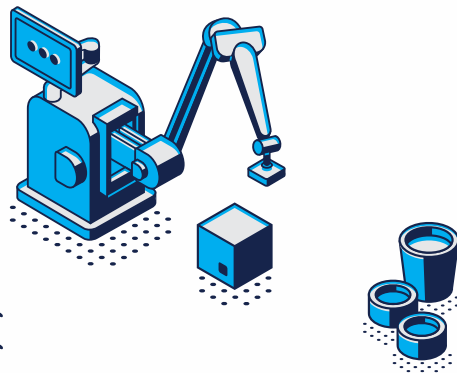
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Letter to Shareholders



Dear Shareholders,

It is my honour and privilege to inform you about the performance and achievements of your Company during the FY 2019-20. The year was one of the most volatile in the recent times. After the low market conditions which plagued the initial seven months of the Financial Year, the demand and prices saw a spike in the months of November to February. Though the performance was expected to further strengthen, as March is historically the best month for steel industry, the onset of COVID-19 led to a slump in the international as well as domestic market. The Company, however, continued its pursuit of excellence and achieved notable improvements in various areas of operations, marketing, etc. which is further detailed in this letter and the Annual Report. As a result of these improvements coupled with the impact of valuation of sub-grade fines at different mines, the Company ended the year once again in black.

COVID-19 is expected to be one of the major game changers in the times to come having already severely impacted the World economy in an adverse manner. It has ushered in an era where business dynamics are continuously undergoing changes to adapt to the rapidly changing business environment and economic scenario. Steel Industry has already felt a major shock due to this development during the last couple of months of 2019-20 as well as the first quarter (i.e. April-June '20) of the FY 2020-21. In the light of COVID-19 Pandemic, the projections for global economy and global steel industry are coming out negative for the immediate succeeding years.

In order to counter the impact of COVID-19, your Company started its action proactively as early as in the month of February '20 itself by holding discussions and planning counter measures for the same. SAIL activated a scaled response towards management of COVID-19 at its Plants, Units, Mines and Townships. SAIL Hospitals at five Integrated Steel Plant locations have earmarked 10% of the beds (330 beds) of the total beds (3300 Beds) as isolation wards and set up a testing centre at IGI, Rourkela for COVID-19 patients. Quarantine facilities at guest houses/hostels in the townships and at Mines hospitals have also been created for over 600 persons. SAIL Plants and Units are installing full-body automatic sanitizers, touch-free hand-sanitizers, water dispensers, spraying disinfectants, using digital thermal recorders at prominent locations.

In its fight to defeat COVID-19, SAIL stepped forward and contributed ₹30 crore to the PM CARES Fund. Apart from this, Rupees one crore each has been contributed to the CM Relief Fund of the four states where our integrated steel plants are operating. Our employees also contributed their one day's salary amounting to around ₹9 crore to this Fund. With the help of district authorities, civil society organizations, self-help groups (SHGs) and its employees, SAIL actively implemented the desired lockdown rules, social distancing norms and effective use of Aarogya Setu App for breaking the chain of transmission of COVID-19 virus in the peripheral areas of Steel Plants and Units.

In order to support the vulnerable sections of society, daily-wage earners/labourers, poor peasants and their families, who are left with dwindled resources during lockdown, our Plants and Units, through district authorities, are distributing dry ration packets (comprising of rice, dal, salt, condiments, wheat atta, soap, etc.). More than 6000 dry ration kits have been distributed across Plants of SAIL and the activity is continuing. Daily cooked meals to patients and healthcare workers are also being served. CSR departments of Plants are also facilitating stitching of Face Masks, Gamachhas, Aprons, Gloves, etc., and their distribution in and around the Steel Plants through SHGs.

Coming to the performance during FY 2019-20, your Company achieved sales turnover of ₹61,025 crore during the FY 2019-20, which fell short of the previous year performance by 8% despite a higher sales volume. The major reason for the same was lower Net Sales Realisation (NSR) for 5 Integrated Steel Plants (ISPs) which saw a reduction of 12% over previous year. EBITDA or the Gross Margin at ₹11,199 crore saw an improvement of 9% over previous year (₹10,283 crore) based on the persistent approach to improve operational efficiency which saw

improvement in TE Parameters like BF Productivity, Specific Energy Consumption, etc. and helped by factors like decrease in input prices like imported coking coal, salary & wages, royalty rate of iron ore and positive impact of rail price settlement for FY 2015-16 to 2018-19. However, burdened with higher capital related charges which included depreciation and interest and a hefty impact on valuation of stock of different inventories due to fall in prices on account of COVID-19, the Profit Before Tax (PBT) slid down to ₹3,171 crore, a decline of 5% over previous year (₹3,338 crore). The Profit after Tax at ₹2,022 crore also saw a reduction of 7% over previous year (₹2,179 crore).

On the production front, FY 2019-20 saw the Company reclaiming its position as the top crude steel producing company (16.155 MT) in the Country. The performance was laced with a number of records including highest ever crude steel through concast route (14.6 MT), best ever saleable steel production (15.47 MT). Despite operating lower number of furnaces, Company produced Hot Metal (17.438 MT) at similar level as the previous year achieving best ever BF Productivity. One of the most important products in the basket of SAIL viz., Rails (for supplies to Indian Railways) crossed the 1 million tonne mark and saw its highest ever production (12.85 lakh tonnes) during the Financial Year 2019-20, a substantial growth of 30% over previous year (9.85 MT). Production from new Universal Rail Mill (URM) at 5.38 lakh tonne showcased a growth of 46% over previous year (3.69 lakh tonne). The despatch of Long Rails stood at 6.33 lakh tonnes, growth of 43% over previous year (4.41 lakh tonnes). The proportion of long rails in the overall despatches also improved to 52% from 48% in the previous year.

As the Modernisation & Expansion Plan drew to its completion, your Company has put balance/remaining facilities to ensure timely ramp up. In this connection, at Bhilai Steel Plant, hot trial of Argon Rinsing Station-3 and Ladle Furnace-3 of Steel Refining Unit (SRU) at Steel Melting Shop-III was successfully completed in May'19 and Aug'19 respectively. Further, hot trial of Converter-3 was also completed in Feb'20. Apart from the MEP, the major projects under AMR saw the lighting up of the Re-heating Furnace#1 (RHF#1) of New Hot Strip Mill on 25th January, 2019 with Hot trials of New Hot Strip Mill starting on 29th January, 2020 at Rourkela Steel Plant. At Bokaro Steel Plant, under Modernization of SMS-1, 1st heat was taken from the BOF Converter on 22nd May, 2019 and the Converter is in regular operation. Under "Up-gradation of Stoves of Blast Furnace#1", heating of all the three Stoves started during July'19 and completed in August'19. The stoves were put into operation with blowing-in of Blast Furnace#1 on 8th January, 2020.

A large number of new initiatives were undertaken across all the Plants for process improvements, with special emphasis on productivity & quality improvement, product development & commercialization, energy conservation and automation. The continuous activities in respect of product development have led to development of 17 new Steel Products during FY 2019-20. Some of these products have been developed from the newly commissioned production facilities viz., Cold Rolling Mill-III at Bokaro Steel Plant, New Plate Mill at Rourkela Steel Plant, Medium Structural Mill at Durgapur Steel Plant and Wire Rod Mill, Bar Mill & Universal Section Mill at IISCO Steel Plant.

At Bhilai Steel Plant, trial rolling of new profiles of TMT bars (12, 16, 25, 32 mm) was successfully carried out in the FY 2019-20 at the Bar and Rod Mill. The Mill has produced 1.83 lakh tonne of finished products during 2019-20, with hot trials of "SAIL SeQR" grade steel being also carried out successfully. Durgapur Steel Plant (DSP) supplied 449 nos. of LHB(Linke Hofmann Busch) wheels to Indian Railways during 2019-20. LHB wheels, an import substitution product, are safer, light weight and enable high speed movement on broad gauge. At Rourkela Steel Plant(RSP), the state-of-the-art New Plate Mill achieved the highest ever annual production of 8.7 lakh tonne. The API 5LX70 Grade steel was successfully produced and rolled for pipeline transportation system. In addition to this, first lot of maraging steel plates rolled in Plate Mill was dispatched to MIDHANI, Hyderabad for "GAGANYAN" (Human

Space Programme of ISRO) on 28th December, 2019. BSL has developed a number of new products like IRS grade B Steel for M/s. Hindustan Shipyard Limited, Vizag, High Tensile Low Alloy Cold Rolled Annealed Grade-IS 513 ISC410LA, High Strength Cold Rolled Annealed Grade-IS 513 ISC440W, etc. to cater to the shipbuilding and automotive sectors. At IISCO Steel Plant (ISP), production of TMT bars under new brand "SAIL SeQR" was started on 1st May, 2019 and about 2.3 lakh tonne were dispatched during the FY 2019-20. Further, various new grades like MIG(Metal Inert Gas) welding electrode grade, High Carbon Grades in WR Coils, CHQ Boron, EN8D, SAE1006, etc. were also developed and produced during 2019-20. ISP has also successfully rolled profile of 150x150 billets from 200x280 blooms.

On the raw materials front, your Company established yet another record at the National level. With total mineral production of 32.41 MT, SAIL has emerged as the largest miner for steel making input minerals in the Country during the FY 2019-20. This included 29.28 MT of iron ore production to again ensure your Company met its total requirement of iron ore from captive sources.

Another very important development during the year was the twin permission to your Company from the Ministry of Mines for selling 25 percent of its total mineral production of the previous year and disposal of the old stock of 70 MT of low grade iron fines and ores (including slime) lying dumped across different captive mines of the Company. The process for sale of fresh fines has already been commenced in the State of Odisha whereas efforts are being put in for obtaining approvals from respective State Governments in other cases.

Your Company has always been a part of major national infrastructure projects. Proudly associating ourselves with India's economic and industrial progress and development by contributing to important and strategic sectors like Defence, Railways, Metro, Infrastructure, Space, Power, Manufacturing, Irrigation, etc., SAIL effected supplies to strategic/prestigious projects such as Indian's first and the biggest indigenous artillery gun "Dhanush", Chandrayaan-2, Mangalyaan, Jiribam-Tupul-Imphal Broad Gauge Railway Project, Manipur, which is the World's tallest girder Railway bridge, Anji Khad Cable Stayed Bridge Project, J&K, Chardham Mahamarg Vikas Pariyojna, Rawatbhata and Kakrapara Atomic Power Plant, other Power Projects like Neyvile Lignite Power Plant at Ghatampur in UP, NTPC Patratu Power Plant in Jharkhand, Chausa Thermal Power Plant in Bihar, Yadadari Power Plant in Telangana and Ennore Power Plant in Tamil Nadu, Western Dedicated Freight Corridor, etc.

On the marketing front, your Company achieved its best ever sales volume of over 14.231 million tonnes (MT) during the FY 2019-20. With emphasis on strengthening its presence in the international markets, the Company made persistent efforts to explore new markets. With a quantum jump, your Company achieved its highest ever exports at 1.18 MT during the FY 2019-20, substantial growth of over 54% over the previous year.

In order to improve the brand value for TMT produced from the new Mills at ISP, DSP and BSP, your Company launched its brand "SAIL SeQR" reinforcement bars during the FY 2019-20 and sold about 2 lakh tonnes in the first year itself. During the coming years, in addition to contribution to top line value, this brand is expected to not only meet the quality expectation of the retail sector but also to drive brand presence of the Company.

Your Company has been organizing seminars, workshops, lecture sessions, etc. for opinion makers, consumers, designers, etc., and also working with engineering students and academicians to popularize usage of steel in designing in general and structurals under "NEX" brand in particular. Further, with a focus on tapping the vast potential of rural India, your Company has been organizing workshops under its "Gaan ki Ore" campaign. Around 180 such workshops were organised in 21 States/ Union Territories during the FY 2019-20. With focus on small consumers, 0.67 MT of steel was sold through the retail marketing channels. SAIL has initiated the process for establishment of robust distribution channels for B2B and B2C segments. 2 Tier-distribution channel for sales of reinforcement bars to retail customers is now in operation with 36 distributors. A pilot project for 1-tier distribution channel for small B2B customers has been commenced in the FY 2020-21.

As an environmentally conscious corporate, all our Plants and Mines are operating their processes without disturbing the ecological balance. To ensure this, they operate within the ambit of notified environmental standards with respect to air emission, water discharge and noise pollution and rules pertaining to eco-friendly management of various wastes generated inside the factory premises as well as in the townships. Your Company has also drawn its environmental vision in consonance with the Corporate Environmental Policy, which not only addresses the need for compliance of stipulated norms but also emphasises on striving to go beyond. Besides, your Company is committed to address the stakeholders' concerns and communicate its environmental philosophy to all the stakeholders.

Your Company has been taking all appropriate measures to restore and rehabilitate the degraded eco-system, to maintain and enhance bio-diversity. This include ecological restoration of mined out areas, fresh plantation, bio-sequestration of CO₂, enhancing utilization of wastes through application of 4Rs (Reduction, Reuse, Recycling and Recovery), environment friendly disposal of Poly Chlorinated Bi-Phenyls, utilization of renewable energy sources, installation of bio-digesters for processing of wastes, etc. Structured plantation programmes are being carried out every year in the SAIL Plants and Mines. More than 4.44 lakh saplings were planted

during the FY 2019-20, taking the cumulative plantation by SAIL to 21.04 million since inception.

As a result of these efforts, the sustainable parameters all showed improved Specific PM Emission Load (0.69 kg/tcs), Specific CO₂ Emission (2.54 T/tcs) and Specific Effluent Load (0.82 kg/tcs) registering improvement of 1.4%, 1.2% and 4.7% respectively. Displaying its waste management skills, SAIL increased its Total Solid Waste Utilisation by 3.9% to 88.5%.

Your Company is committed to the highest standards of Corporate Governance which are reinforced in its vision and credos. The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines including the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines, and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. SAIL has formulated policies which ensure transparency, accountability, disclosures and reporting. Ethical conduct throughout the Organization is promoted with the primary objective of enhancing shareholders value. SAIL's efforts as a responsible corporate citizen and partner in Nation Building have been recognized in the form of awards and accolades by several forums.

Your Company believes that building trust will enhance its reputation and boost the confidence of its investors & stakeholders. In line with this, SAIL has been proactively and regularly sharing key information with all stakeholders through use of different communication channels. I take this opportunity to inform you that pursuant to the circulars from the Ministry of Corporate Affairs, the 48th Annual General Meeting (AGM) of the Company is being held through Video Conferencing (VC)/ Other Audio Visual Means providing our far spread shareholders an opportunity to attend the AGM, which otherwise was difficult as per the earlier practice requiring physical presence.

Your Company has been taking a number of strategic initiatives for its turnaround, growth and sustenance. Your Company has adopted a multi-pronged approach that includes organic growth, brown-field projects, technology leadership through strategic alliances, ensuring raw material security by developing new mines, diversifying in allied areas, etc. In line with the National Steel Policy 2017 which targets a capacity of 300 MTPA for the Country by 2030-31, your Company has formulated its VISION 2030 whereby the Company aims at achieving a crude steel capacity of 50 MT by 2030. Some of the strategic initiatives include MoUs for setting up of Pellet Plants, manufacturing of capital goods in the Country, setting up of hydro power plant, closure of in-operative and non-performing Joint Ventures and Subsidiary Companies.

As mentioned, the future projection for economy and steel industry have seen a sharp decline post COVID-19 Pandemic. IMF has projected the World growth outlook for the year 2020 and 2021 at -4.9 percent and 5.4 percent respectively. The decline in 2020 triggered by drop in consumption levels, hit to the labour market and weaker inflation data fails to rise back immediately due to the prevailing uncertainty. The advanced economies at -8 percent are projected to see a much sharper fall as compared to the emerging and developing economies which are slotted to contract by 3%. The silver lining in the cloud is the growth of 5.4 percent in the year 2021. The emerging economies projected to grow at 5.9%, again outshine the advanced economies which are expected to grow at 4.8%.

Similar sentiments have been echoed in the Short Range Outlook published by World Steel Association in June'20. It has been forecast that Global steel demand will contract to 1,654 Million Tonnes (MT) in 2020, a decline of 6.4 % over 2019. Again the growth projected for 2021 at 3.8%, augers well for the steel industry in the longer run. The slide in 2020 and subsequent spike in 2021 in consumption rates for steel in India is much sharper at 18% and 15% respectively. Meanwhile, the Economic Package announced by the Government is slowly expected to provide a much needed relief from COVID-19 Pandemic especially to the lower income strata. Hopefully, with the Government support, the things would be back to normal, faster than expected leading to rising steel demand in coming months. The scenario has already started looking up and your Company has taken full benefit of the same by posting its best ever monthly sales for the months of June, July and August in 2020.

At the end, I take this opportunity to thank all the shareholders for their continued trust and support. I must specifically thank our valued Customers, trusted suppliers, the Central and State Governments and our talented employees, who have always stood by the Company and contributed in the progress of SAIL. I also convey my thanks to the Ministry of Steel, whose continuous guidance and support especially during challenging times made it possible for the Company to deliver this commendable performance. I also thank all other stakeholders who have contributed internally and externally in the improved performance of the Company. I look forward to the continued support and unflinching trust they have placed in us.

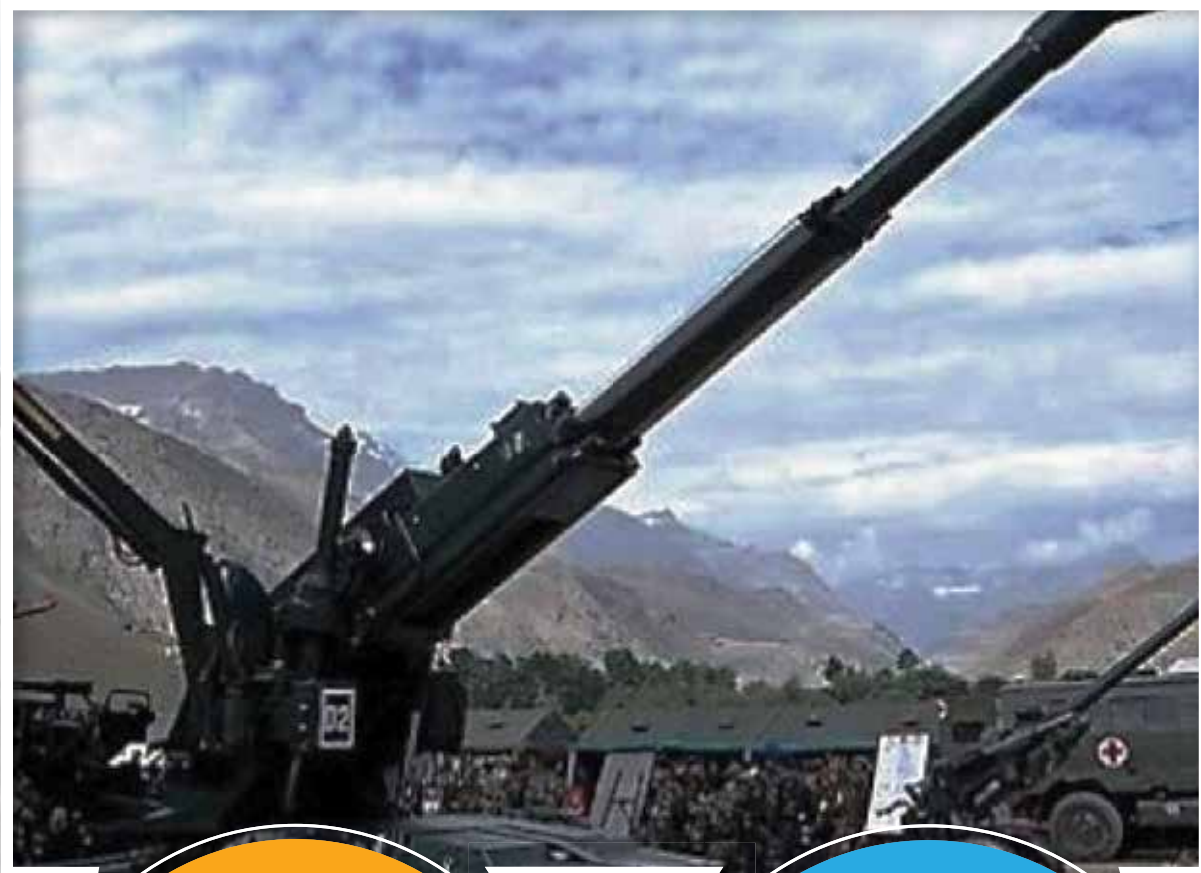
I am grateful to every person for his contribution in combating COVID-19 Pandemic and deeply regret the loss of human life due to the Pandemic.



Place: New Delhi
Dated: 19th September, 2020

(Anil Kumar Chaudhary)
Chairman

HIGHLIGHTS



HIGHEST EVER
SALEABLE STEEL
PRODUCTION OF 15.147 MT

INDIA'S FIRST
INDIGENOUS AND BIGGEST
ARTILLERY GUN DHANUSH
MADE USING SPECIAL
QUALITY SAIL STEEL WAS
INDUCTED INTO THE
INDIAN ARMY

HIGHLIGHTS



PENSION SCHEME
INTRODUCED FOR
THE BENEFIT OF ITS
ELIGIBLE EX-EMPLOYEES
AND EMPLOYEES.

LAUNCHED
NEW BRAND OF
TMT BARS NAMED
SAIL SeQR

HIGHLIGHTS



BEST EVER SALES
VOLUME OF OVER
14.231 MILLION TONNES (MT).
HIGHEST EVER EXPORTS AT
ABOUT 1.18 MT, A GROWTH OF
OVER 54% OVER THE
PREVIOUS YEAR.

SAIL EMPLOYEES
CONTRIBUTED ₹3 CRORE
TOWARDS THE RELIEF
WORK OF CYCLONE FANI
TO ODISHA
CHIEF MINISTER'S

HIGHLIGHTS



SAIL BECOMES
FIRST CPSE TO ENTER
INTO MOU WITH GeM FOR
MORE EFFICIENT
PUBLIC PROCUREMENT

SAIL SUPPLIED
SALEM STAINLESS
STEEL FOR
CHANDRAYAAN-II

HIGHLIGHTS



BEST EVER YEARLY PRODUCTION OF PRIME UTS-90 RAILS FROM UNIVERSAL RAIL MILL AND RAIL & STRUCTURAL MILL AT 12.85 LAKH TONNE, A GROWTH OF 30.5% OVER PREVIOUS YEAR 2018-19.

SUPPLIED STEEL TO THE PRESTIGIOUS TUPUL-JIRIBHAM-IMPHAL RAILWAY PROJECT IN MANIPUR, WHICH IS THE WORLD'S TALLEST GIRDER RAILWAY BRIDGE.

HIGHLIGHTS



SAIL KICK-STARTS
ITS PARTICIPATION
IN PURVODAYA

HON'BLE UNION MINISTER
FOR PETROLEUM & NATU-
RAL GAS AND STEEL
DHARMENDRA PRADHAN
LAUNCHES SERVICE:
EMPLOYEE VOLUNTEER-
ISM SCHEME OF SAIL FOR
SOCIAL GOOD

HIGHLIGHTS



FIRST COIL ROLLS
OUT OF THE NEWLY
COMPLETED 3 MT
HOT STRIP MILL AT RSP

SAIL CLOCKS 35% RISE
IN SALES DURING JAN'20,
CONTINUES GROWTH
MOMENTUM IN SALES

HIGHLIGHTS



SAIL BECAME THE LEADER OF CRUDE STEEL PRODUCTION IN INDIA IN FY 2019-20, PRODUCING 16.16 MILLION TONNES (MT) OF CRUDE STEEL.

HON'BLE UNION MINISTER FOR PETROLEUM & NATURAL GAS AND STEEL, DHARMENDRA PRADHAN LAYS FOUNDATION STONE FOR ORE BENEFICIATION PLANT IN RAJHARA

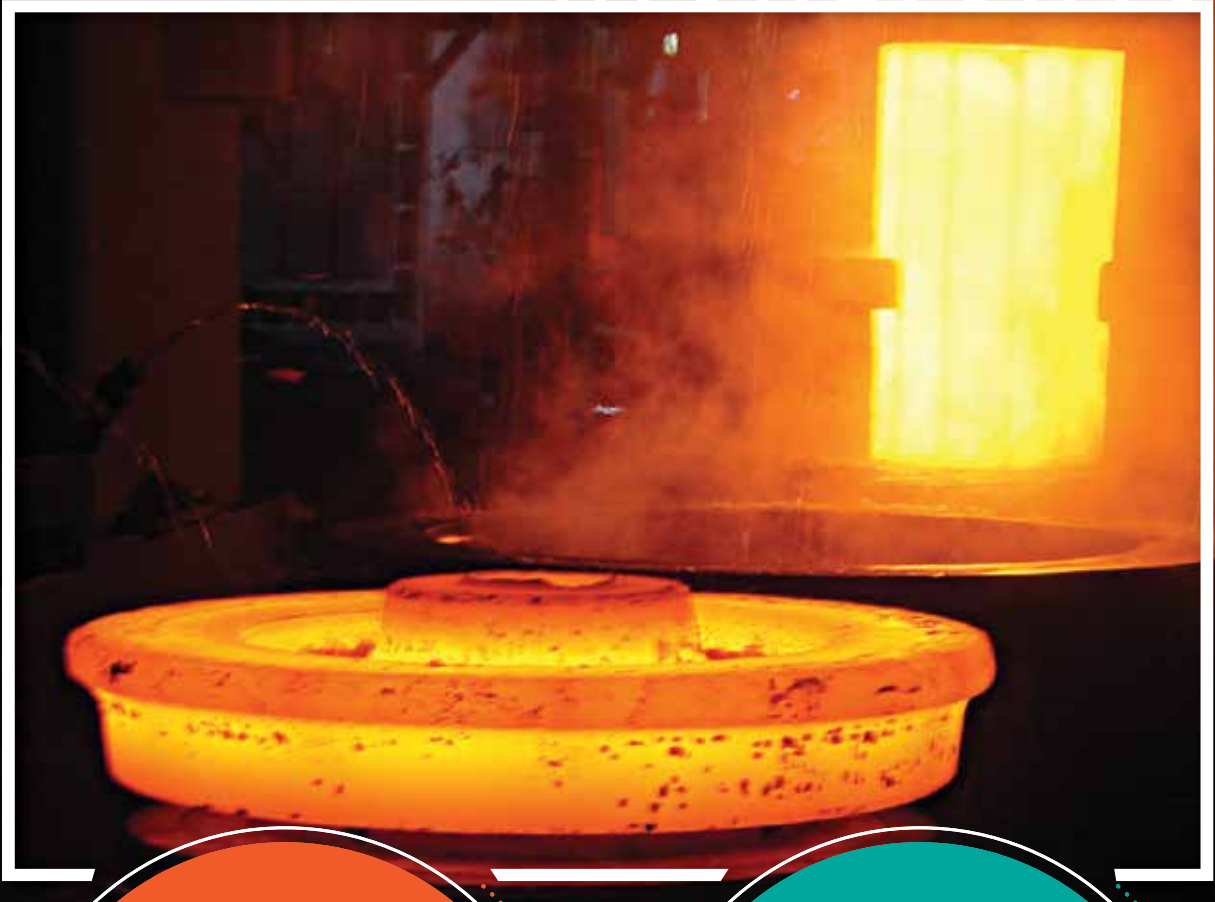
HIGHLIGHTS



SAIL's MASSIVE
RESPONSE TO
FIGHT COVID-19

SAIL CONTRIBUTES
₹30 CRORES PLUS
ONE DAY'S EMPLOYEES'
SALARY AMOUNTING TO
₹9 CRORES TO
PM CARES FUND

HIGHLIGHTS



BEST EVER DESPATCH
OF 12,994 IMPORT
SUBSTITUTE WAG9
WHEELS FOR ELECTRIC
LOCOMOTIVES

SAIL EMERGED AS THE
LARGEST MINER
FOR STEEL MAKING
INPUT MINERALS

BOARD OF DIRECTORS

(AS ON 19th SEPTEMBER, 2020)

CHAIRMAN

SHRI ANIL KUMAR CHAUDHARY

WITH ADDITIONAL CHARGE OF DIRECTOR (PERSONNEL)

FUNCTIONAL DIRECTORS

DIRECTOR (COMMERCIAL)
MS. SOMA MONDAL

DIRECTOR (TECHNICAL)
SHRI HARINAND RAI
WITH ADDITIONAL CHARGE OF
DIRECTOR (RAW MATERIALS & LOGISTICS)

DIRECTOR (FINANCE)
SHRI AMIT SEN

DIRECTOR (PROJECTS & BUSINESS PLANNING)
SHRI ANIRBAN DASGUPTA

GOVERNMENT DIRECTORS

SHRI VIJOY KUMAR SINGH
AS&FA TO THE GOVERNMENT OF INDIA,
MINISTRY OF TEXTILE AND ADDITIONAL
CHARGE OF FINANCIAL ADVISOR
MINISTRY OF STEEL, GOVERNMENT OF INDIA.

SHRI PUNEET KANSAL
JOINT SECRETARY, MINISTRY OF STEEL,
GOVERNMENT OF INDIA

INDEPENDENT DIRECTORS

CA KARTAR SINGH CHAUHAN
PROF. N. K. TANEJA
SHRI KRISHAN KUMAR GUPTA
SHRI N. SHANKARAPPA

CHIEF EXECUTIVE OFFICERS (CEOs) (PERMANENT INVITEES)

ROURKELA STEEL PLANT
SHRI DIPAK CHATTARAJ

IISCO STEEL PLANT
SHRI A. V. KAMLAKAR

DURGAPUR STEEL PLANT AND
ALLOY STEELS PLANT
ADDITIONAL CHARGE TO CEO,
IISCO STEEL PLANT

BHILAI STEEL PLANT
ADDITIONAL CHARGE TO
DIRECTOR (PROJECTS & BUSINESS PLANNING)

BOKARO STEEL PLANT
ADDITIONAL CHARGE TO
DIRECTOR (TECHNICAL)

COMPANY SECRETARY
SHRI M. B. BALAKRISHNAN



**SHRI ANIL KUMAR
CHAUDHARY**



**SHRI VIJOY KUMAR
SINGH**



**SHRI PUNEET
KANSAL**



**MS. SOMA
MONDAL**



**SHRI HARINAND
RAI**



**SHRI AMIT
SEN**



**SHRI ANIRBAN
DASGUPTA**



**CA KARTAR SINGH
CHAUHAN**



**PROF. N.K.
TANEJA**



**SHRI KRISHAN
KUMAR GUPTA**



**SHRI N.
SHANKARAPPA**

STATUTORY AUDITORS

M/S. V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

M/S. A.K. SABAT & CO.
CHARTERED ACCOUNTANTS

M/S. TEJ RAJ & PAL
CHARTERED ACCOUNTANTS

M/S. S. JAYKISHAN
CHARTERED ACCOUNTANTS

COST AUDITORS

M/S. R.J. GOEL & CO.
COST ACCOUNTANTS

M/S. SHOME & BANERJEE
COST ACCOUNTANTS

M/S. R.M. BANSAL & CO.
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.IN
CIN: L27109DL1973GOI006454

BANKERS - 2019-20

AXIS BANK LIMITED

ALLAHABAD BANK

BANK OF INDIA

BANK OF BARODA

BANK OF MAHARASHTRA

CANARA BANK

HDFC BANK LIMITED

ICICI BANK LIMITED

IDBI BANK LIMITED

IDFC FIRST BANK

INDUSIND BANK LIMITED

INDIAN BANK

JAMMU & KASHMIR BANK LIMITED

KOTAK MAHINDRA BANK LIMITED

ORIENTAL BANK OF INDIA

PUNJAB NATIONAL BANK

PUNJAB & SIND BANK

RBL BANK LIMITED

STATE BANK OF INDIA

SYNDICATE BANK

UNITED BANK OF INDIA

UNITED OVERSEAS BANK

UCO BANK

YES BANK LIMITED

TEN YEARS AT A GLANCE

FINANCIAL HIGHLIGHTS

(₹ crore)

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Gross sales	61025	66267	58297	49180	43294	50627	51866	49350	50348	47041
Net sales	61025	66267	56893	43866	38471	45208	46189	43961	45654	42719
Earnings before depreciation, interest and tax (EBIDTA)	11199	10283	5184	672	(2204)	5586	5909	5621	7658	9030
Depreciation	3755	3385	3065	2680	2402	1773	1717	1403	1567	1486
Interest & Finance charges	3487	3155	2823	2528	2300	1454	968	748	678	475
Profit / (Loss) before exceptional items	3957	3743	(703)	(4536)	(6906)	2359	2266	3470	5413	7069
Exceptional items: Gain / (Loss)	(787)	(405)	(56)	(315)	(101)	-	959	(229)	(262)	125
Profit / (Loss) before tax (PBT)	3171	3338	(759)	(4851)	(7008)	2359	3225	3241	5151	7194
Provision for tax / (Income tax refund and deferred tax asset)	1149	1159	(277)	(2018)	(2986)	266	608	1070	1608	2289
Profit / (Loss) after tax (PAT)	2022	2179	(482)	(2833)	(4021)	2093	2616	2170	3543	4905
Dividends	-	206.53	-	-	-	826	834	826	826	991
Equity Capital	4131	4131	4131	4131	4131	4131	4131	4131	4131	4130
Reserves & Surplus (net of DRE)	35647	34021	31583	31879	35065	39374	38536	36894	35680	32939
Net Worth (Equity capital and Reserves & Surplus)	39777	38152	35714	36009	39196	43505	42666	41025	39811	37069
Total Loans	54127	45170	45409	41396	35141	29898	25281	21597	16320	19375
Net Fixed Assets	69019	61359	58612	50285	45926	36169	26771	16777	17127	15059
Capital work-in-progress	8752	16014	18395	23275	24927	29196	33651	35891	28205	22226
Current Assets (including short term deposits)	40918	32249	29638	25545	24304	28482	26891	27616	28431	36544
Current Liabilities & Provisions	22066	23632	24068	21486	18992	16338	15212	13012	12225	12172
Working Capital (Current Assets less Current Liabilities)	18852	8617	5570	4060	5312	12145	11679	14604	16206	24372
Capital Employed (Net Fixed Assets + Working Capital)	87871	69977	64182	54345	51238	48314	38450	31381	32921	39431
Mkt price per share (in ₹) (As at the end of the period)	23.05	53.75	70.20	61.20	43.00	68.35	71.40	62.35	94.05	170.00
Key Financial Ratios										
EBIDTA to average capital employed (%)	14.2	15.3	8.7	1.3	(4.3)	12.9	16.9	17.5	21.0	21.7
PBT to Net Sales (%)	5.2	5.0	(1.3)	(11.1)	(18.2)	5.2	7.0	7.4	11.3	16.8
PBT to average capital employed (%)	4.0	5.0	(1.3)	(9.2)	(13.6)	5.4	8.4	10.1	14.2	17.3
Return on average net worth (%)	5.2	5.9	(1.3)	(7.5)	(9.7)	4.9	6.1	5.4	9.2	13.9
Net worth per share of ₹10	96.3	92.4	86.5	87.2	94.9	105.3	103.3	99.3	96.4	89.7
Earnings per share of ₹10	4.9	5.3	(1.2)	(6.9)	(9.7)	5.1	6.3	5.3	8.6	11.9
Price-earning ratio (times)	4.7	10.2	(60.2)	(8.9)	(4.4)	13.5	11.3	11.9	11.0	14.3
Dividend per share of ₹10	-	0.5	-	-	-	2.0	2.0	2.0	2.0	2.4
Effective dividend rate (%)	-	-	-	-	-	2.9	2.8	3.2	2.1	1.4
Debt-Equity (times)	1.4	1.2	1.3	1.1	0.9	0.7	0.6	0.5	0.4	0.5
Current ratio (times)	1.9	1.4	1.2	1.2	1.3	1.7	1.8	2.1	2.3	3.0
Capital employed to turnover ratio (times)	0.7	0.9	0.9	0.9	0.8	1.0	1.3	1.6	1.5	1.2
Working capital turnover ratio (times)	3.2	7.7	10.5	12.1	8.2	4.2	4.4	3.4	3.1	1.9
Interest coverage ratio (times)	1.8	1.8	0.6	(0.7)	(1.9)	1.8	2.3	2.6	3.8	7.1
Dividend payout ratio (%)	-	9.5	-	-	-	39.4	31.9	38.1	23.3	20.2

Production

Unit: '000T

Item	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Hot Metal	17438	17513	15982	15726	15721	15413	14447	14266	14116	14888
Crude Steel	16155	16266	15020	14496	14279	13908	13579	13417	13350	13761
Pig Iron	570	480	270	495	642	634	223	214	106	261
Saleable Steel	15147	15069	14074	13867	12381	12842	12880	12385	12400	12887
- Semi Finished Steel	2995	3169	2610	3170	3054	3007	2760	2422	2527	2394
- Finished Steel	12152	11900	11464	10697	9327	9835	10120	9962	9872	10493

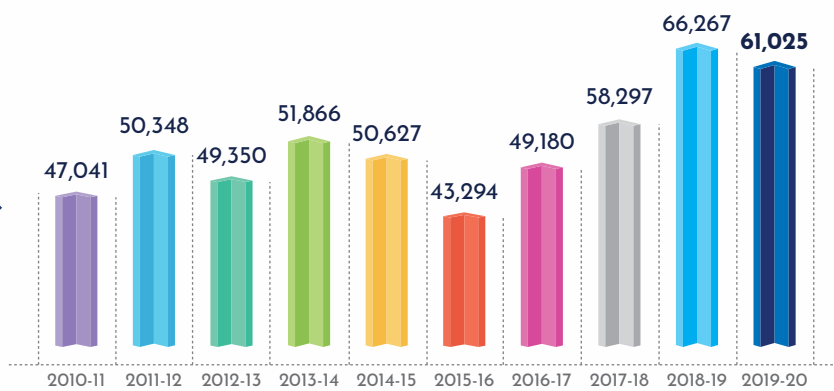
TEN YEARS AT A GLANCE

FINANCIAL HIGHLIGHTS

(₹ in Crores)

GROSS SALES

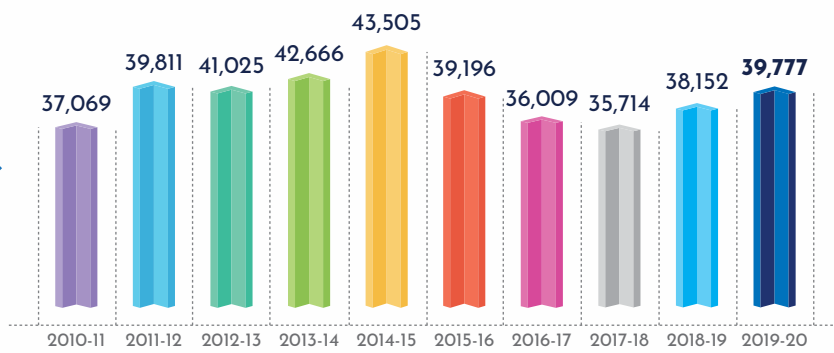
61,025



(₹ in Crores)

NET WORTH
(EQUITY CAPITAL AND RESERVES & SURPLUS)

39,777

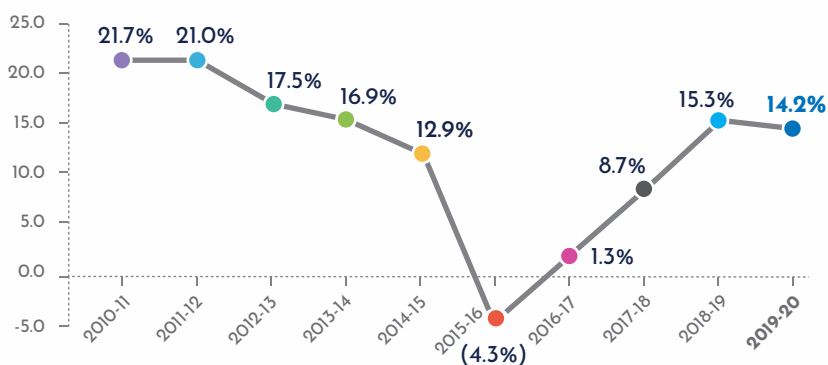


KEY FINANCIAL RATIOS

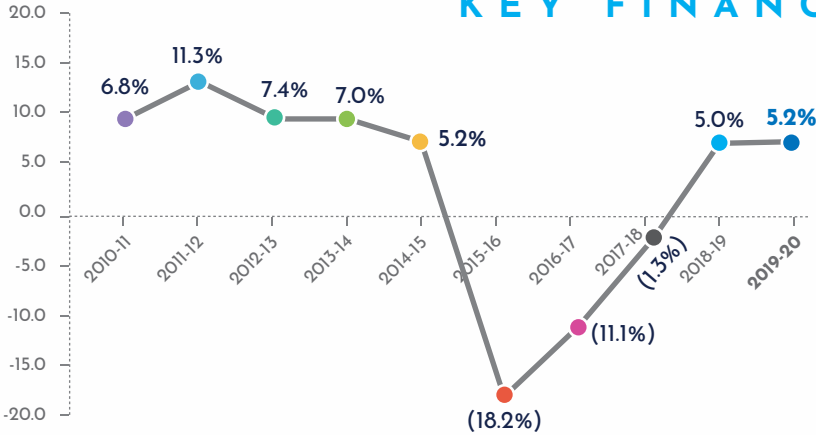
(in %)

EBIDTA TO AVERAGE CAPITAL EMPLOYED

14.2



KEY FINANCIAL RATIOS

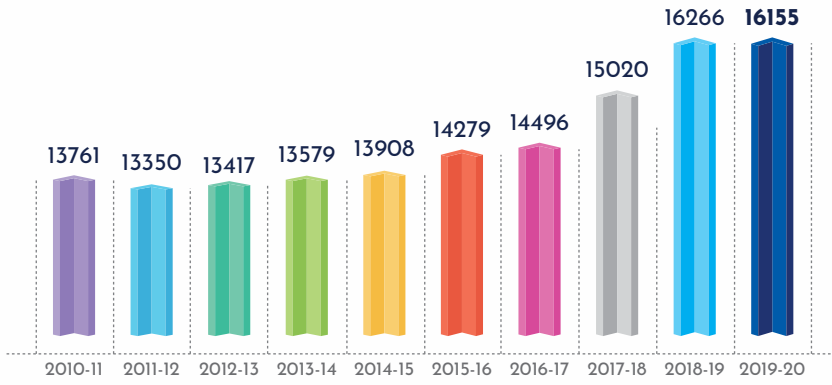


(in %)

PBT TO NET SALES

5.2

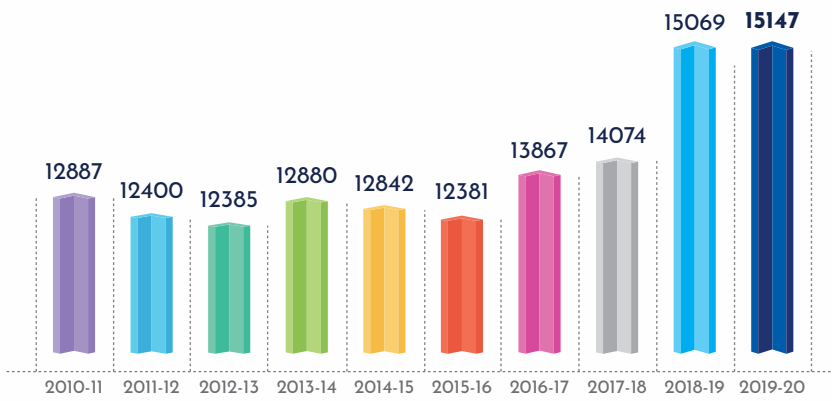
PRODUCTION



(UNIT: '000T)

CRUDE STEEL

16155



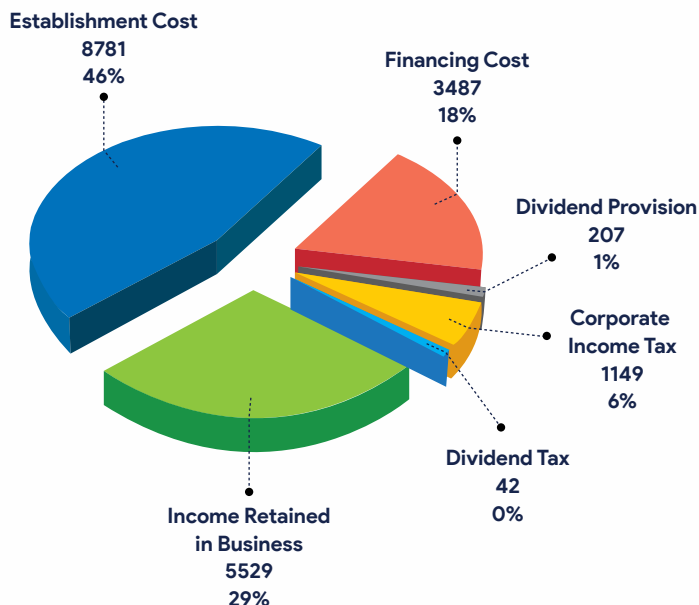
(UNIT: '000T)

SALEABLE STEEL

15147

VALUE APPLIED

(₹ Crore, %)



VALUE ADDED STATEMENT

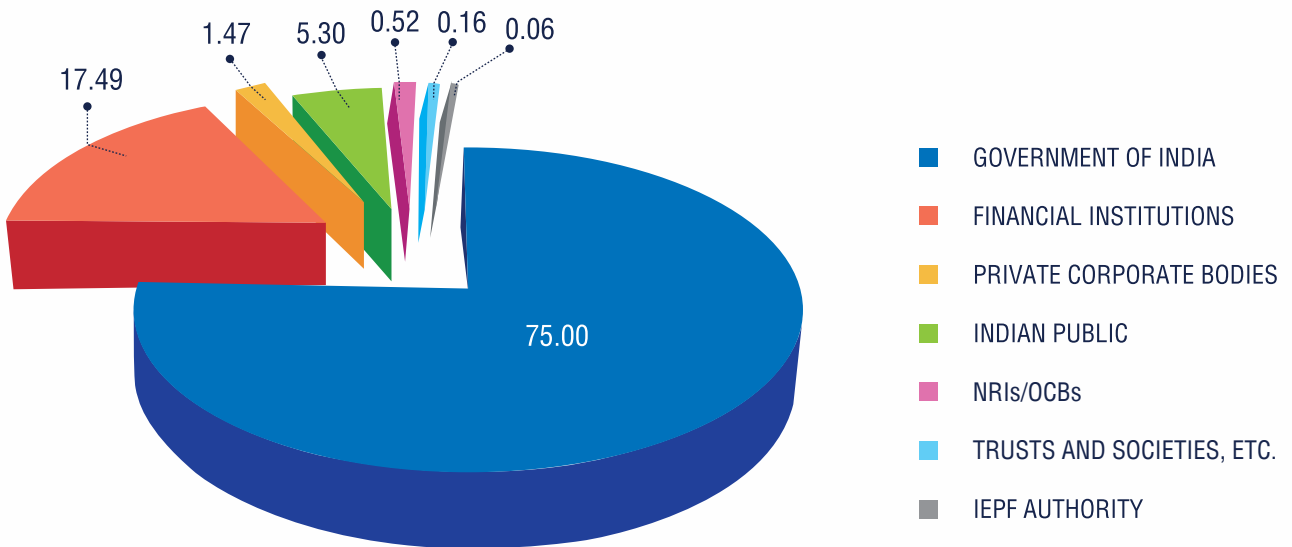
(₹ Crore)

FOR THE YEAR	2019-20		2018-19	
Value of own production	67075		69511	
Other Revenues	1490	68565	1145	70656
Less: Cost of Raw Materials	29213		32291	
Stores and Spares	3930		3504	
Power and Fuel	6192		6053	
Excise Duty				
Freight Outward	2211		2611	51948
Other Operating Cost	7826	49371	7490	
Total Value Added		19194		18708
Establishment Cost		8781		8830
Financing Cost		3487		3155
Dividend Provision		207		0
Corporate Income Tax		1149		1159
Dividend Tax		42		0
Income Retained in Business				
Depreciation	3755		3385	
General Reserve	0		0	
Bonds Redemption Reserve	-619		-347	
Balance of Profit	2393		2525	
Retained in Business	1773	5529	2179	5564
Total Value Applied		19194		18708

SHAREHOLDING PATTERN

(As on 31st March, 2020)

Category	Holders	No. of Shares held	% age of Shareholding
Promoters			
Government of India	1	3,09,77,67,449	75.00
Sub-Total	1	3,09,77,67,449	75.00
Non-Promoters Holding			
Institutional Investors			
Mutual Funds and UTI	21	148843758	3.60
Banks, Financial Institutions, Insurance	33	453539955	10.98
Companies (Central/State Govt. Institutions/ Non-Govt Institutions)			
FIs	96	120171062	2.91
Sub-Total	150	72,25,54,775	17.49
Others			
Private Corporate Bodies	1914	60617552	1.47
Indian Public	389051	219448116	5.30
NRIs/OCBs	5290	21271639	0.52
Trusts and Societies etc	40	6405839	0.16
GDR	2	1,10,990	0.00
IEPF Authority	1	23,48,929	0.06
Sub-Total	3,96,298	31,02,03,065	7.51
GRAND TOTAL	3,96,449	4,13,05,25,289	100.00





BHILAI STEEL PLANT

Bhilai, Chhattisgarh

OUR PRESENCE



PRODUCTS

RAILS (13/26M) | LONG RAILS (65-260M) | PLATES | CHANNELS | ANGLE
TMT REBARS | WIRE RODS | CRANE RAILS | BEAMS | BLOOMS | BILLETS
SLABS | PIG IRON | COAL CHEMICALS



ROURKELA STEEL PLANT

Rourkela, Odisha



PRODUCTS

SLABS | PLATE MILL PLATES | HR PLATES | CHEQUERED PLATE | HR COILS
CR SHEET/COIL | GALVANIZED SHEETS (PLAIN & CORRUGATED) | ERW PIPES
SPIRAL WELD PIPES | CRNO | PIG IRON | COAL CHEMICALS



DURGAPUR STEEL PLANT

Durgapur, West Bengal



PRODUCTS

BLOOMS & ROUND | BILLETS | JOISTS | CHANNELS | ANGELS |
STRUCTURALS | PARALLEL FLANGE BEAMS | TMT REBARS |
WHEELS & AXLES | PIG IRON | COAL CHEMICALS



BOKARO STEEL PLANT

Bokaro, Jharkhand



PRODUCTS

SLABS | HR COILS | HR SHEETS/PLATES | CR COILS/SHEETS | GP SHEETS /
COILS | GC SHEETS | GALVANNEALED STEEL | PIG IRON | COAL CHEMICALS



IISCO STEEL PLANT

Burnpur, West Bengal



PRODUCTS

BLOOMS | BILLETS | WIRE RODS | TMT REBARS | CHANNELS | ANGELS
STRUCTURALS | PARALLEL FLANGE BEAMS | UNIVERSAL & SPECIAL
SECTIONS (Z-BAR, Z-PILLING, MS ARCH) | PIG IRON | COAL CHEMICALS





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SPECIAL STEEL PLANTS



SALEM STEEL PLANT

Tamilnadu



PRODUCTS :

COLD ROLLED STAINLESS STEEL, HOT ROLLED CARBON & STAINLESS STEEL PRODUCTS, MICRO-ALLOYED CARBON STEEL

VISVESVARAYA IRON & STEEL PLANT

Karnataka



PRODUCTS :

HIGH QUALITY ROLLED & FORGED ALLOY & SPECIAL STEEL PRODUCTS



ALLOY STEELS PLANT

West Bengal

PRODUCTS :

ALLOY STEEL SQUARES & ROUNDS, WEAR RESISTANT PLATES, FORGINGS, CARNE WHEELS, FORGED ROLLS/ PLATES, SPECIAL QUALITY SLABS & STAINLESS STEEL SLABS (LOW NI, 300 & 400 SERIES)



CHANDRAPUR FERRO ALLOY PLANT

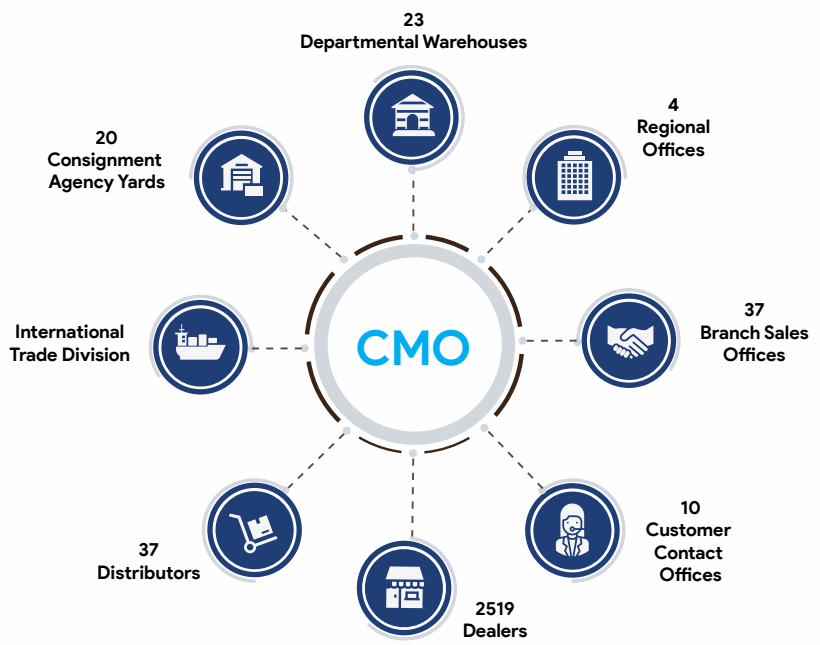
Maharashtra

PRODUCTS :

HIGH/ MEDIUM/ LOW CARBON FERRO-MANGANESE, SILICO-MANGANESE



CENTRAL MARKETING ORGANIZATION



OTHER DIVISIONS



Research & Development Centre for Iron & Steel



Centre for Engineering and Technology



Management Training Institute



Safety Organisation



Collieries Division



SAIL Refractory Unit



Central Coal Supply Organisation



Environment Management Division



Growth Division



Central Power Training Institute



Logistics & Infrastructure Department



Consultancy Division (SAILCON)



RAW MATERIALS DIVISION



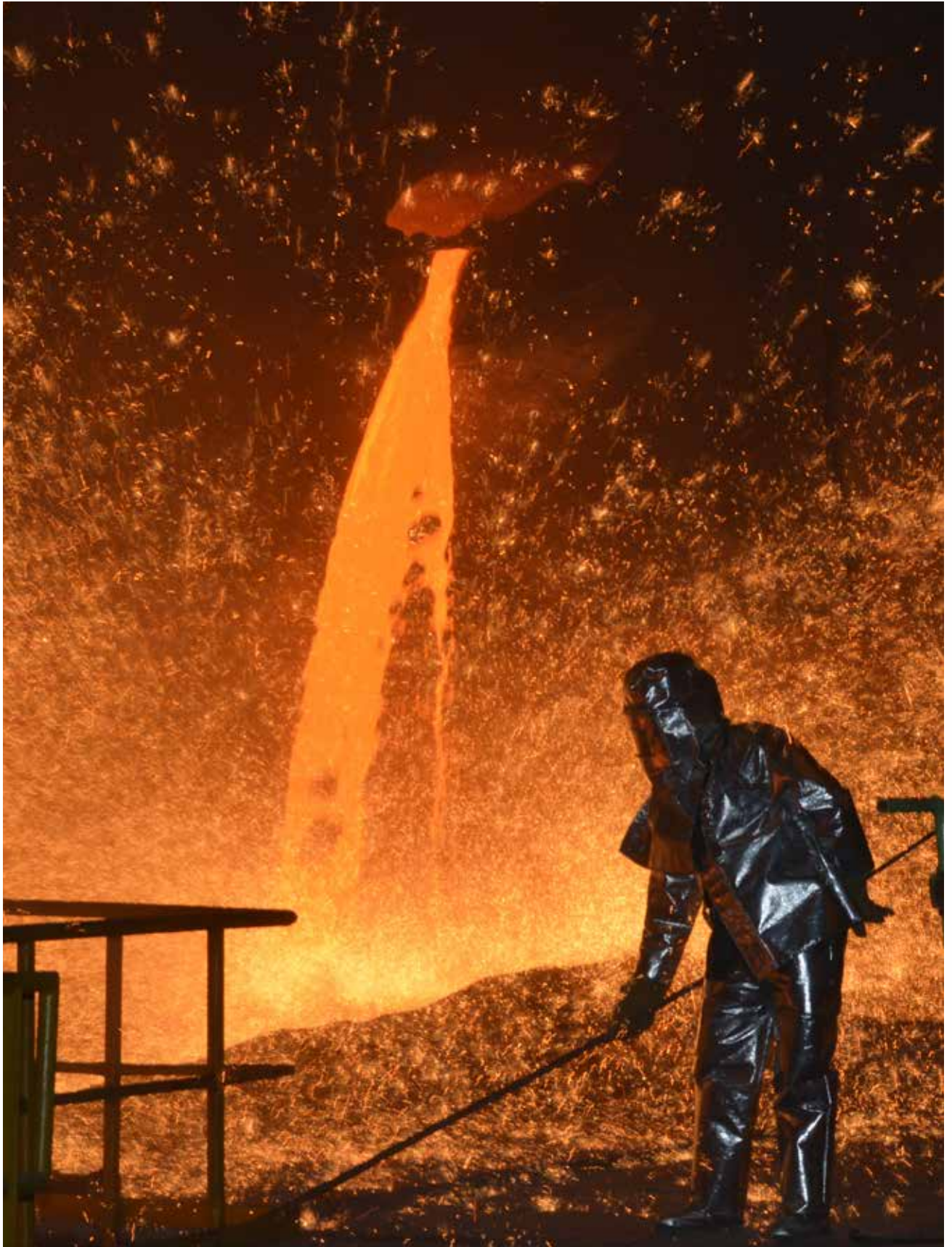
**IRON ORE
MINES**



**FLUX
MINES**



**COAL
MINES**





BOARD'S REPORT

To,
The Members,
Steel Authority of India Limited,
New Delhi

The Board of Directors has the pleasure of presenting the 48th Annual Report of Steel Authority of India Limited (SAIL, the Company) together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2020.

A. FINANCIAL REVIEW

Your Company achieved sales turnover of ₹61,025 crore during the Financial Year 2019-20, which is lower by 7.91% as compared to corresponding period of last year (CPLY) mainly due to decrease in Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants by about 12%. During the Financial Year (FY) 2019-20, the Profit before Tax and Profit after Tax is ₹3,171 crore and ₹2,022 crore respectively as compared to Profit before Tax of ₹3,338 crore and Profit after Tax of ₹2,179 crore in CPLY.

The profit of your Company during the FY 2019-20 has declined on account of decrease in Net Sales Realisation of Saleable Steel of 5 Integrated Steel Plants, adverse stock valuation rate, adverse techno economic parameters like specific usage of coal/other raw materials, lower CDI rate, higher usage of power, increase in foreign exchange loss, higher stores and spares expenses, repair & maintenance, security expenses, depreciation and interest charges. However, the same has been partially offset by decrease in input prices, like imported coking coal rate as well as decrease in salary & wages, royalty rate of iron ore, improvement in BF productivity, positive impact of rail price settlement for FY 2015-16 to 2018-19. Further, there has been one-time gain on valuation of BSP slime, embedded scrap in slag dump and sub grade Iron Ore Fines.

Your Company continued its thrust on judicious fund management with timely repayment of loans including interest, advance planning and action for future fund raising, etc. to meet our growth objectives. The Company had borrowings of ₹54,127 crore as on 31st March 2020 vis-à-vis ₹45,170 crore as on 31st March 2019 in line with INDAS. The Company has hedged the foreign currency risk on Buyers' Credit and External Commercial Borrowings. The debt equity ratio of the Company as on 31st March, 2020 increased to 1.36:1 from 1.18:1 as on 31st March 2019 primarily due to increase in borrowings during the year. The net worth of the Company increased to ₹39,777 crore as on 31st March 2020 from ₹38,152 crore as on 31st March 2019.

In the wake of the outbreak of the Global Pandemic and the consequential industrial atmosphere, your Company has taken various counter measures to strategise its procurement, reschedule its expenditure wherever possible, pursue to renegotiate

high value Contracts, factoring debts and identify and undertake all possible measures to reduce cost and drive austerity.

The Board of Directors of your Company, considering the challenging liquidity situation in an uncertain business environment due to Covid-19 Pandemic, has decided not to recommend any dividend for the FY 2019-20. Further, no amount has been transferred to general reserve during the year under review.

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

B. OPERATIONS REVIEW

Production Review

During the FY 2019-20, inspite of the challenges of the market and the lock down & restrictions imposed by COVID-19 Pandemic, your Company recorded the highest ever Saleable Steel production of 15.147 million tonne (MT) with a growth of 1% over previous year 2018-19. Hot Metal and Crude Steel production during the FY 2019-20 was 17.438 MT and 16.155 MT respectively.

Your Company, in its endeavour to become energy and cost efficient, achieved highest ever Crude Steel production through continuous casting route at 14.6 MT with a growth of 6% over previous year and registered best annual figures for Specific Energy Consumption of 6.47 G.Cal/TCS and BF productivity of 1.80 T/m³/day owing to better capacity utilisation of bigger blast furnaces.

A large number of new initiatives were undertaken across all the Plants for process improvements, with special emphasis on productivity & quality improvement, product development & commercialization, energy conservation and automation. The continuous activities in respect of product development have led to development of 18 new Steel Products during FY 2019-20. Some of these products have been developed from the newly commissioned production facilities viz., Cold Rolling Mill-III at Bokaro Steel Plant, New Plate Mill at Rourkela Steel Plant, Medium Structural Mill at Durgapur Steel Plant and Wire Rod Mill, Bar Mill & Universal Section Mill at IISCO Steel Plant.

In the wake of the outbreak of the COVID-19 Pandemic and the subsequent stringent measures initiated by the Government of India to contain its spread, despatches of saleable steel and other products and also supply of raw materials to Plants/Units were adversely affected. Further, with the series of restrictions imposed to contain the disease, your Company immediately formulated its counter measures across all areas of operations; production at all the Plants/Units was rationalized to the extent feasible considering minimal safe operational requirements, availability of raw materials, off-take in the markets and available inventories.





While the impact of the global pandemic and measures to contain the same was limited to a few weeks during the end of FY 2019-20, the continuing restrictions through Q1 of FY 2020-21, and also still prevailing, are likely to have an adverse effect on the performance in FY 2020-21. However, your Company is constantly and proactively reviewing and monitoring the situation and adapting and revising its operational strategies accordingly.

Bhilai Steel Plant (BSP) achieved best ever yearly production of Prime UTS-90 Rails from Universal Rail Mill and Rail & Structural Mill at 12.85 lakh tonnes during 2019-20 against 9.85 lakh tonnes in 2018-19, being a growth of 30.5% over previous year and also crossing the one million tonne mark for the first time ever. The improvement in production from new Universal Rail Mill, enabled a record loading of long rails at 6.33 lakh tonnes in FY 2019-20 against 4.41 lakh tonnes in FY 2018-19, registering thereby a growth of 43.5%. Further, percentage of long rail loading increased from 48% in 2018-19 to 52% in the year 2019-20. In addition to this, by producing 2.36 MT of Hot Metal during 2019-20, Blast Furnace#8 has crossed the milestone of cumulative production of 4 MT of Hot Metal after blowing-in, becoming the fastest among big blast furnaces in SAIL to reach this level on 11th February, 2020. At SMS-III, the new Converter (BOF-3) started operations in February, 2020 and the Shop achieved its best ever monthly production of 1,56,878 tonnes with an average best of 32 heats per day. It also recorded its highest number of 41 heats since inception on 27th February, 2020. The production of Cast Blooms at Steel Melting Shops at 18.44 lakh tonnes is the best ever yearly performance against the previous best of 14.36 lakh tonnes in 2018-19, with a growth of 28.4%. At the Bar and Rod Mill, trial rolling of new profiles of TMT Bars (2x12, 16, 25, 32 mm) was successfully carried out in the FY 2019-20. The mill is under stabilization and is being ramped up to a production level of around 1400 T/day. The mill has produced 1.83 lakh tonnes of finished products during 2019-20, with hot trials of "SAIL SeQR" grade steel also being carried out successfully. Steps for manufacturing of Rails with chemistry of R-260 Grade of Steel as per EN-13674 have been initiated. Trial heats were made at SMS-III, rolling was done at URM and the process of testing has started.

Durgapur Steel Plant (DSP) gave exemplary support for Odisha Cyclone (FANI) relief work by rolling and supplying ~ 27,500 pcs. (7,300 T) of WPB 160 structurals from Medium Structural Mill in May, 2019. Further, 449 nos. of LHB (Linke Hofmann Busch) wheels were supplied to Indian Railways during 2019-20. LHB wheels, an import substitution product, are safer, light weight and enable high speed movement on broad gauge. DSP recorded highest ever exports of Saleable Steel at 345206 T, registering a growth of 22% over CPLY. Besides this, the Plant also recorded the best ever despatch of 12,994 numbers of WAG9 Wheels (an import substitution product) for electric locomotives.

At Rourkela Steel Plant (RSP), the Blast Furnace#5 crossed the milestone of 15.0 MT cumulative production of Hot Metal on 22nd February, 2020 and the state-of-the-art New Plate Mill achieved the highest ever annual production of 8.7 lakh tonnes. The API 5Lx70 Grade steel was successfully produced and rolled for pipeline transportation system. In addition to this, first lot of maraging steel plates rolled in Plate Mill was dispatched to MIDHANI, Hyderabad for "GAGANYAN" (Human Space Programme of ISRO) on 28th December, 2019.

Bokaro Steel Plant (BSL) registered the best ever figures for Specific Energy Consumption at 6.67GCal/TCS, BF Productivity at 1.70 T/m³/day and Specific Water Consumption at 3.44 m³/TCS during the FY 2019-20. BSL has developed a number of new products like IRS grade B Steel for M/s. Hindustan Shipyard Limited Vizag, High Tensile Low Alloy Cold Rolled Annealed Grade-IS 513 ISC410LA, High Strength Cold Rolled Annealed Grade-IS 513 ISC440W, etc. to cater to the shipbuilding and automotive sectors. Further, under green initiatives, a 2 MW Rooftop- grid-connected Solar Power System and On-Line Continuous Stack monitoring systems have been installed in major shops, in addition to plantation of 74500 saplings.

At IISCO Steel Plant (ISP), production of TMT bars under new brand "SAIL SeQR" was started on 1st May, 2019 and about 2.3 lakh tonnes were dispatched during the

FY 2019-20. Further, various new grades like MIG (Metal Inert Gas) welding electrode grade, High Carbon Grades in WR Coils, CHQ Boron, EN8D, SAE1006, etc. were also developed and produced during 2019-20. ISP has also successfully rolled profile of 150x150 billets from 200x280 blooms.

At Salem Steel Plant (SSP), Duplex Grade (32202) was developed and commercialised for chlorine resistant tube manufacturing, submersible pumps, petrol & oil exploration, oil refinery application and desalination plants.

Power

Your Company has always strived to maximize its captive power potential in view of reliability of power supply as well as availability of power at optimum cost. During the FY 2019-20, about 64% of the total requirement of 1295 MW was met from the captive Power Plants, which was an increase of 9% over previous year. SAIL is the first non-utility power producer in the Country to have gainfully utilized the concept of Open Access Regulations, laid down in the Electricity Act, 2003, by way of starting inter-regional wheeling of surplus captive power. Continuing the legacy, this year too, SAIL Plants procured about 463 Million Units through open access, recording a growth of 7% over previous financial year.

With the objective to enhance the share of captive power and supply reliable power at optimum cost to all ongoing expansion projects, new captive power facility of 290 MW is being installed by NTPC-SAIL Power Company Limited (NSPCL), a Joint Venture Company of SAIL & NTPC Ltd.

Besides above, optimization of electricity consumption in various steel making processes is major thrust areas of SAIL Plants for lowering the power consumption per tonne of saleable steel production. As a responsible corporate house, your Company has laid adequate emphasis on development and usage of renewable power sources. A Capacity of 3010 KWp of Roof Top Solar (RTS) power plants has already been installed and further installation of 6195 KWp capacity RTS plants is planned in FY 2020-21 at various Units of the Company across the Country.

Raw Materials



During the FY 2019-20, total requirement of iron ore was met from the captive sources. Your Company's captive mines produced about 29.28 million tonnes (MT) of iron ore. However, in case of clean coking coal, a requirement of about 1.532 MT was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (13.70 MT), the Company had to depend on imports due to constraint of availability of required quantity and quality, within the Country. In the FY 2019-20, production from the captive collieries of the Company was about 0.71 MT, out of which 0.30 MT was raw coking coal and balance 0.41



MT was non-coking coal. In case of fluxes, around 1.49 MT of limestone and 0.93 MT of dolomite were produced, giving a production of 2.42 MT fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited except for small quantity produced from the captive mines.

With total mineral production of 32.41 MT, SAIL has emerged as the largest miner for steel making input mineral in the Country for the FY 2019-20.

Selling of Iron ore from Captive Mines in Open Market

On account of expiry of mining leases of Private Merchant Miners by 31st March, 2020 in the Country, Ministry of Mines, Government of India vide Order dated 16th September, 2019 has entrusted SAIL with the responsibility to make available in the open market, 25 percent of its total mineral production of the previous year. The permission is valid for a period of two years w.e.f. 16th September, 2019.

Further, in another separate Order dated 16th September, 2019, Ministry of Mines, has allowed SAIL to dispose off the old stock of 70 MT of low grade iron fines and ores (including slime) lying dumped across different captive mines of the Company. In this regard, efforts are being made in obtaining approval of respective State Governments and other concerned statutory authorities.

Further, on obtaining approvals for selling fresh iron ore from captive mines in Odisha, out of 1.6 lakh tonnes of iron ore fines auctioned, 80,068 tonnes has been dispatched to the selected parties.

Grant of Forest Clearance(FC)

In order to expedite capacity expansion projects of mines, following Forest Clearances have been obtained during 2019-20:

- Stage-II FC of 124.313 Ha of Sabik Kisam forest land under 6.9 Sq mile lease of Bolani Mine was granted on 29th April, 2019.
- Stage-II FC of 14.15 Ha of forest land under Topailore Lease of Gua Mine was granted on 4th October, 2019.
- Stage-II FC of 87.09 Ha of Sabik Kisam forest lands under 5.1 Sq mile lease of Bolani Mine was granted on 6th November, 2019.

However, Stage-II Forest Clearance for the capacity expansion of Gua and Chiria Mines and opening of South-Central blocks in Kiriburu-Meghahatuburu Mines in Saranda forest in Jharkhand is awaited from MoEFCC. In view of its criticality to the capacity expansion projects, the matter is being actively pursued at the level of MoEFCC, Ministry of Steel and Government of Jharkhand.

Grant of Environment Clearance (EC)

In order to expedite the process of selling of dump iron ore from captive mines, proposals for amendment of existing environment clearances for ML-130 lease of Barsua-Taldih-Kalta Iron Mines, 5.1 Sq Mile lease of Bolani Ores Mines and Duargaiburu & Topailore leases of Gua Iron Ore Mine have been considered by Expert Appraisal Committee(EAC) of MoEFCC in the meetings held during December, 2019 to May, 2020. Consequently, EAC of MoEFCC has recommended for amendment of EC for the following:

- Topailore lease of Gua on 27th February, 2020.
- ML-130 lease of Barsua-Taldih-Kalta on 5th May, 2020.

For rest of the proposals, clarifications asked by EAC are being complied with. Further, MoEFCC vide Order dated 18th May 2020 issued the amendment in EC order for Topailore lease of Gua Mine and made provision for selling 6 MTPA iron ore dump from the lease.

Delay in grant of environment clearance for development of 1 MTPA iron ore mine at Kalwar-Nagur lease of Bhilai Steel Plant, even after deposition of Net Present Value for entire forest land on 4th October, 2019, is a matter of concern.

Extension of lease period and reservation of new areas

- Lease period of Duargaiburu lease of Gua Mines extended upto 21st February, 2029 by Government of Jharkhand vide Order dated 25th June, 2019.
- Lease period of Topailore lease of Gua Mines extended upto 8th March, 2040 by Government of Jharkhand vide Order dated 23rd October, 2019.
- Amalgamation of three leases of Kiriburu-Meghahatuburu granted by Government of Jharkhand on 30th July, 2019 and amalgamated lease extended upto 27th March, 2030.
- Lease period of Jhillingburu-II of Gua Ore Mines extended upto 11th May, 2020 by Government of Jharkhand vide Order dated 30th October, 2019.
- Lease period of Tasra Coal Mine extended upto 30th April, 2022 by Government of Jharkhand vide Order dated 31st October, 2019.
- Lease period of Hirri Dolomite Lease extended upto 5th May, 2029 by Government of Chhattisgarh vide Order dated 28th February, 2020.
- Lease period of 6.9 Sq Mile Lease of Bolani Mine extended upto 13th November, 2032 by Government of Odisha vide Order dated 17th March, 2020.

However, delay in extension of lease periods of remaining leases of Chiria and Gua leases, Tulsidamar Dolomite lease and reservation of area for sand for stowing, are matter of concern.



Status of Return of Sitanala and Parbatpur Coal Blocks

Sitanala Coal Block

Consequent to the SAIL's letter dated 12th March, 2018 to Ministry of Coal(MoC) regarding returning of Sitanala Coal Block, MoC, vide letter dated 4th October, 2018 issued a Termination Notice against Allotment Agreement and Allotment Order, in respect of Sitanala Coal Block and on 25th October, 2018 advised the bank to invoke the Bank Guarantee(BG) of ₹10.43 crore. SAIL had preferred Writ Petitions before the Delhi High Court to challenge the Order dated 4th October, 2018. Though, Hon'ble Delhi High Court declined to pass any interim order, but clarified that if the petitioner prevails in this petition, the consequential direction for refund of the amount collected by invoking the BG will be passed. The matter is sub-judice.

Parbatpur Coal Block

Consequent to the SAIL's letter dated 8th March, 2018 to Ministry of Coal (MoC) about returning of Parbatpur Coal Block, MoC, vide letter dated 5th December, 2019 issued a Termination Notice against Allotment Agreement and Allotment Order in respect of Parbatpur Coal Block and advised the bank to invoke the BG of ₹62.57 crore.

SAIL has preferred Writ Petitions before the Delhi High Court challenging the Order dated 5th December, 2019. In response, vide Order dated 19th December, 2019, the Hon'ble Delhi Court directed for maintaining status quo in respect of the BG, till the next date of hearing.

In view of the outbreak of COVID-19 pandemic and consequential lockdown, the matter on both the above mentioned cases could not be placed on scheduled dates and the next date of hearing is yet to be informed.

In the meanwhile, on the request of SAIL, MoC, vide Gazette Notification dated 13th February, 2020, has appointed Chairman Coal India Limited(CIL) as the designated custodian to manage and operate Parbatpur Central Coal Mine. Efforts are being made to handover the Parbatpur Coal Block to BCCL/CIL.

Sales & Marketing

During the Financial Year 2019-20, your Company achieved its best ever sales volume of over 14.23 million tonnes (MT), registering a growth of about 2.8% over previous year. Continuing its efforts to enhance presence in the international markets, the Company took a big leap, with exports being highest ever at about 1.18 MT, achieving thereby a growth of over 54% over the previous year. Further, in our pursuit for increased exports, your Company has entered into several new markets for various product categories.

The steel business scenario was initially subdued but picked up in the latter half of the Financial Year 2019-20, in spite of certain major consumption segments being under stress. The sales pattern indicated a growth in consumption for long products compared to the flat products for the Company.

With the ramping up of production at the Universal Rail Mill (URM) at Bhilai Steel Plant(BSP), record 6.33 lakh tonnes of long rail panels (260 meters) were supplied to Indian Railways in the FY 2019-20, registering a growth of around 43% over previous year. URM produces the longest single rail in the world (130 meters). During the FY 2019-20, record 12.85 lakh tonnes of rails of prime quality were produced at BSP, and highest ever dispatch of 12.35 lakh tonnes of rails was made to Indian Railways, which is a growth of around 31% over 2018-19. Besides prime rails, the despatch of -12994 WAG9 wheels for electric locomotives and 13612 S profile locomotive wheels have been all time best.

Your Company's presence in certain critical areas of defence and space exploration has been strategically significant with supply of DMR steel materials to critical Defence Projects in the Country, in addition to various special grades of alloy steels during the FY 2019-20. SAIL has enhanced its efforts towards increasing sales of special quality steel to the consumers. At the new Wire Rod Mill of IISCO Steel Plant, special grade WRC in grades SAE 15B 25, SAE 1006 EN 8 D have been developed, apart from a number of High Carbon and Aluminium Killed grade. Production and supplies of High Carbon WRC in grades upto 78B as well as EN 8D have been stabilized. Further, various grades of CR Coils for auto and electrical stamping applications are being worked upon.

Your Company launched its brand "SAIL SeQR" reinforcement bars during the FY 2019-20 and sold about 2 lakh tonnes in the first year itself. During the coming years, in addition to contribution to top line value, this brand is expected to not only meet the quality expectation of the retail sector but also to drive brand presence of the Company.

To popularize usage of steel in designing in general and boost the "NEX" brand of structural in specific, your Company has been organizing seminars, workshops, lecture sessions, etc. amongst opinion makers, consumers, designers, etc., besides working amongst engineering students and academicians. Further, to educate & tap the vast potential of rural India, the Company organized around 180 "Gaon Ki Ore" workshops in 21 States/Union territories. Small consumers continued to be a focus area and 0.67 MT of steel was sold through the retail marketing channels.

Your Company continues to have a significant presence in supplies to the Project sector. Large quantities of Plates, HR Coils, TMT and Structural were supplied to prestigious Infrastructure, Power and Irrigation projects during the Financial Year 2019-20. SAIL was one of the major suppliers of steel to certain prestigious Infrastructure projects like Metro Rail Projects in 10 cities across the Country, Narmada Shipra river linking Phase II, Narmada (Indira Sagar) Parwati river linking Project, Western Dedicated Freight Corridor, Maharashtra Samruddhi Mahamarg from Nagpur to Mumbai, MG Setu Project Patna, etc. Your Company is catering to the prestigious Tupul-Jiribham-Imphal Railway Project in Manipur, which is the World's tallest girder Railway bridge. SAIL also supplied materials to various other important irrigation & water supply projects in MP, Telengana and Bihar, like Irrigation Projects of Kundalia, Kaleshwaram Lift Irrigation Project and Ganga Water Supply Project in Bihar. The Company is meeting the requirements of critical Atomic Power Plants of Rawatbhata in Rajasthan and Kakrapara in Gujarat. Further, SAIL is also associated with a host of prestigious Power Projects like Neyvile Lignite Power Plant at Ghatampur in UP, NTPC Patratu Power Plant in Jharkhand, Chausa Thermal Power Plant in Bihar, Yadadari Power Plant in Telengana and Ennore Power Plant in Tamil Nadu.

Your Company has a leadership position in consumer mind space and is striving sincerely to bridge the ever changing expectation gaps with improved services, products and processes.

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 2019-20 and 2018-19 is given below:

(₹ crore)

Particulars	2019-20	2018-19
Total Amount of Procurement	4961.03	6141.98
Total Procurement from MSE	1431.27	1241.47
%age Procurement from MSE	28.85	20.21

Modernisation & Expansion Plan

The Modernisation and Expansion Plan (MEP) at Rourkela, Burnpur, Durgapur, Bokaro and Salem Steel Plants and all major facilities under MEP of Bhilai Steel Plant have been completed. The various facilities are under operation, stabilization and ramp up.

During the year 2019-20, Bhilai Steel Plant of your Company has achieved many milestones including, operationalization of 3rd Converter (1st heat taken in Feb'20) of SMS-III along with Argon Rinsing Station -III, Ladle Furnace-3, two kilns of RMP-III, Power generation from Top Pressure Recovery Turbine (TRT) and Pulverised Coal Injection (PCI) trial in BF-8 along with Oxygen enrichment in PRMS system.

The Revised Cost Estimates (RCE) of MEP of all the Plants except Bokaro Steel Plant have been approved during the year 2019-20. Considering the RCEs approved so far, the indicative investment for MEP is likely to be ₹79,420 crore (Gross) (excluding the sustenance schemes). The RCE of Bokaro Steel Plant (BSL) is under finalization. The cumulative expenditure of ₹66,585 crore (Gross) has been incurred till March, 2020 on MEP (excluding sustenance schemes).

A capital expenditure of ₹4,114 crore has been incurred during FY 2019-20 against the revised estimates of ₹4,000 crore and capex planned for the Financial Year 2020-21 is ₹4,000 crore.

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

C. HUMAN RESOURCE MANAGEMENT REVIEW

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

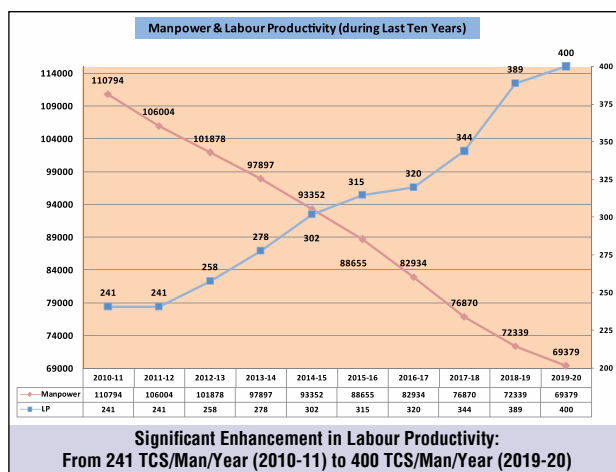
Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Human Resource initiatives in SAIL are focused on developing team spirit, employee empowerment and their involvement in various improvement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

Enhanced Productivity with Rationalized Manpower

Your Company achieved the Labour Productivity (LP) of 400 TCS/Man/Year in 2019-20. The manpower strength of the Company was 69,379 nos. as on 31st March, 2020 with manpower rationalization of 2,960 nos. achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitments, building competencies and infusing a sense of commitment and



passion among employees to go beyond and excel. Trend of enhanced productivity and manpower rationalization since 2010-11, onwards is depicted below:



Developing Employee Capabilities & Competencies

Your Company believes that people's development is the key for overall growth of the organisation. Training and development activities have facilitated development of employee's knowledge and skills, resulting in advancement of competencies, thereby leading to attainment of organisation's goals and objectives. SAIL has been making sustained efforts through various training and development activities with focus on preservation, transfer and improvement of skills, knowledge and technology in collaboration with reputed organizations and development of effective managerial competencies in association with premier institutes.

Preparing employees for tomorrow is being given a major thrust for effectively taking up challenges and discharging new roles and responsibilities is being given a major thrust. Overall 42,068 employees were trained against target of 34,048 employees during the Financial Year 2019-20 on various contemporary technical and managerial modules.

Harmonious Employee Relations

SAIL has maintained its glorious tradition of building and maintaining a conducive and fulfilling employer-employee relations environment. The healthy practice of sorting out and settling issues through discussions with trade unions/workers' representatives enabled the Company in ensuring workers' participation at different levels and establishing a peaceful industrial relations climate. Some of the bipartite forums are functioning since early seventies and are sufficiently empowered to address different issues related to wage, safety, and welfare of workers, 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 (JCSH), etc. with representation from major central Trade Unions as well as representative Unions of Plants/Units meet on periodic basis and jointly evolve recommendations/ action plans for ensuring a safe environment & harmonious work culture which gets substantiated from the harmonious Industrial Relations witnessed over the years by SAIL Plants/Units, marked with diverse work culture at multi-locations.

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

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

Grievance Redressal Mechanism

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

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

291 staff grievances were received during the FY 2019-20, with 13 grievances pending from previous year, 298 staff grievances have been disposed of during the year, achieving 98% fulfilment.

Further, during FY 2019-20, 649 grievances were received under Centralised Public Grievance Redressal and Monitoring System (CPGRAMS), a National level online system managed by Department of Administrative Reforms and Public Grievance (DARPG), Government of India and 16 grievances had been carried forward from the previous Financial Year. Total 633 grievances have been disposed off during FY 2019-20, within average time of 12 days, thereby achieving fulfilment rate of 95% and 32 grievances are pending for disposal as on 31st March, 2020.

Remuneration Policy

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

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

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

- Recruitment of non-executive employees is carried out mainly on regional level and hence, a large number of SCs/STs and other weaker section of the society get the benefit of employment in SAIL.
- Over the years, a large group of ancillary industries have 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 are engaged for executing job contracts wherein they deploy workmen from the local areas, which again provides an opportunity for employment of local candidates from economically weaker section.
- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities, thus, benefiting the population in the peripheral areas with 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 benefits of prosperity and development 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 five Integrated Steel Plant locations. The facilities provided include free

education, mid-day meals, uniforms including shoes, text books, stationery items, school bags, water bottles and transportation in some cases.

- No tuition fee is charged from SC/ST students studying in the Company run schools, whether they are SAIL employees' wards or non-employees' wards.
- Free medical health centres for poor have been set up at Bhilai, Durgapur, Rourkela, Bokaro and Burnpur (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, text books, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, Saranda Suvan Chhatravas, Gyanodaya Hostel and an exclusive Gyan Jyoti Yojana for the 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 food facility at various ITIs, Nursing and other vocational training institutes.

Implementation of Presidential Directives on Reservation for SC/ST

- Your Company follows Presidential Directives on Reservation for Scheduled Castes and Scheduled Tribes in the matter of recruitments and promotions. As on 31st March, 2020, out of total manpower of 69379, 11542 belong to SCs (16.64%), 10614 belong to STs (15.30%) and 10037 belongs to OBCs(14.47%).
- 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 Departmental Promotion Committees (DPCs)/Selection Committees. A sufficiently senior level officer of SC/ST category is nominated for the purpose as per the level of the Recruitment Board /Selection Committees/DPC.
- Internal workshops are conducted at regular intervals through an external expert for Liaison Officers for SC/ST/OBC and other dealing officers of SAIL Plants/Units 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 is organised on a regular basis with the Federation at the level of Director (Personnel).

Implementation of Right to Information Act, 2005

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

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

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

SAIL received a total of 1,637 applications and 210 appeals under the Act during the Financial Year 2019-20 and all of them have been disposed-off within the stipulated time frame under the Act. CIC has also taken up 25 cases and most of these cases were disposed-off in favour of the Company.

Since enactment of the Act, SAIL has received a total of 44,161 applications and 6,623 appeals upto 31st March, 2020, which were disposed-off within the stipulated time. Out of these, 843 cases were taken up by the CIC and most of these cases were disposed-off in favour of the Company.

Citizen Charter

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

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

- Ensuring citizen-centric focus across all its processes by adopting Total Quality Management Principles for improvement of products and 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 the delight of citizens, by fail-safe processes and in case of exigencies leveraging its service recovery processes, like Grievance Redressal, Handling Complaints, etc.

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

The Company has set up Internal Complaints Committees in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed off during the year 2019-20 are as under:

Number of complaints pending as on 1 st April, 2019	:	2
Number of complaints received in 2019-20	:	2
Number of complaints disposed off	:	4
Number of complaints pending as on 31 st March, 2020	:	0

Empanelment of SAIL Hospitals under Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY), a flagship scheme of Government of India

SAIL has signed an MoU with National Health Authority (NHA) for empanelment of Company run hospitals at Plants/Mines directly under PM-JAY on 18th December, 2019 as National Health Care Providers (NHCPs). The MoU is aimed at partnering Government of India in its endeavor to ensure universal access to good quality health care services to the deprived population of the Country. The scheme provides cashless and paperless treatment to the beneficiaries at empanelled hospitals.

Upgradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital

In the background of the announcement made by Hon'ble Prime Minister of India during his visit to Rourkela Steel Plant on 1st April, 2015, a 150 bedded ISPAT Post Graduate Institute and Super Speciality Hospital (SSH) is coming up in the complex of Ispat General Hospital at Rourkela Steel Plant of SAIL with full funding by the Government of India. Under the project, five super-specialties namely Neurology, Neurosurgery, Cardiology, Cardio-Thoracic Vascular Surgery (CTVS) and Nephrology are coming up at SSH, Rourkela. The new state of the art hospital would provide quality healthcare facilities and specialized treatment at the doorstep of the population residing in the peripheral areas.

D. AWARDS & ACCOLADES WON DURING THE YEAR



Your Company has won the following awards during the Financial Year 2019-20:

- 7 Vishwakarma Rashtriya Puraskar Awards (involving 38 employees) for the Performance Year 2017.
- SCOPE Corporate Communication Excellence Awards 2019 for Corporate Communications Excellence Award in Crisis Communication and Internal Communication.
- Highest Performer in the category of Import Dry Bulk Cargo at Haldia Port under Kolkata Port Trust (KoPT) and Second Highest Performer in the category of Import Dry Bulk Cargo at Kolkata Port (KDS) under Kolkata Port Trust (KoPT) for the year 2018-19.
- Adjudged Highest Importer of Limestone through Paradip Port in 2018-19 during "Third Edition of Smart Logistics Summit & Awards" at Bhubaneswar on 21st June, 2019 organized by M/s. Maritime Gateway, a leading media company in the maritime sector.
- 'Best PSU' in Education Category under the CSR Times Awards, 2019 in recognition of the initiative for setting up of 'DAV Rowghat Ispat Sr. Sec. Public School' in one of the Aspirational Districts- Kanker at Antagarh, Rowghat Mining area in Chhattisgarh.
- 7th Construction World Global Award in Leading growing Steel Company (Large Category).
- Awarded with Observer Dawn-International Business Award-2019 in the categories, Best Turnaround Company and Best Corporate Communication in PSU.
- "Top Rankers Excellence Awards 2020" in the category of Best Corporate Communication.
- "Governance Now 7th PSU Award" in Strategic Investment.
- Bhilai Steel Plant's pavilion was adjudged the best for Excellence in Display at Rajyostav 2019.
- RDCIS bagged prestigious awards during 2019-20 like IIM-TSL New Millennium Award, M. Visvesvaraya Award, etc.

E. ENVIRONMENT MANAGEMENT

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

Improvement in Emissions and Discharges

SAIL Plants and Mines are efficiently operating the pollution control devices/facilities and maintaining regularly through revamping/refurbishing/revitalization and also upgrading them as and when required, for the purpose of complying with the applicable environmental standards, which are becoming more and more stringent day by day. Concerted efforts have resulted in achieving major improvements during the FY 2019-20 over the last five years in the following areas:

- The Particulate Matter (PM) Emission Load has reduced by more than 16% to 0.68 kg/tcs.
- Specific Water consumption has reduced by more than 9 % to 3.50 m³/tcs.
- Specific Effluent Discharge has reduced by more than 14 % to 1.83 m³/tss.
- Specific Effluent Load has reduced by around 13 % to 0.082 kg/tcs.
- Utilisation of BF slag has increased by around 11% to 98.62 %.
- Specific CO₂ emission has been reduced by more than 2% to 2.54 T/tcs.
- Total Solid Waste Utilisation has increased by more than 5% to 88.32%

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

Your Company has already implemented latest state-of-the-art clean technologies and best available and feasible pollution control facilities in the course of its Modernization and Expansion Plan and thereafter, in its drive for adoption of cleaner technologies. Some of the major clean technologies are as under:

- Tall Coke Oven Batteries along with Coke Dry Cooling Plant, Land based Pushing Emission Control System, Computerised Combustion Control System, etc. at BSP, RSP and ISP.
- Sinter Plant integrated with improved ignition system (multi-slit burners), Waste Heat Recovery facility from sinter cooler, etc. at RSP and ISP.
- Blast Furnace of higher capacity, equipped with Top Pressure Recovery Turbine,

Waste Heat Recovery facility, Pulverised Coal Injection, Cast House De-dusting System and torpedo ladle at BSP, RSP and ISP.

- Progressively switching over to Cast House Slag Granulation Plant from offsite slag granulation facility.
- Phasing out of energy-intensive ingot route with continuous casting.
- Walking Beam Reheating Furnace (RHF) in place of pusher type RHF at the Rolling Mill in reducing energy consumption as well as CO₂ emission.
- Introduction of Variable Voltage Variable Frequency (VVVF) drives in Plant machineries.
- New BOF Converters provided with a dedicated gas holder at SMS-III of BSP and SMS-I & II of BSL, for recovery and its use as fuel.
- Maximisation of Coal Dust Injection in Blast Furnaces.
- Up-gradation of BF stoves with heat recovery system at BSP and BSL.
- New Gas-fired boilers for power generation at BSP and ISP and use of by-product gas in boilers in place of coal for power generation at DSP.
- Replacement of 8 nos. of air pre-heater block of Power Plant and improved design pumps of Pump House#2 at BSP.
- Repair of recuperators of Reheating Furnace (RHF), full skid insulation of RHF, insulation of 800 m steam line, partial commissioning of alternate coke oven gas line in BSL.
- Installation of energy-efficient LED lights instead of conventional lighting systems at Plants and Units.

New Initiatives

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

Bhilai Steel Plant, in partnership with the MoEF&CC and UNIDO, has initiated a project for setting up a disposal facility for Polychlorinated Biphenyls (PCBs), categorized as Persistent Organic Pollutants (POPs) at its site. The project is at advance stage of completion. On commissioning, the project will systematically dispose of the PCB wastes accumulated over the years not only in SAIL Plants but also in other industrial establishments across the Country. This unique facility will help the nation in fulfilling its international commitment.

b. Bio-sequestration of CO₂

For the purpose of reduction of CO₂ emission and sequestration of the generated carbon back into the system, SAIL is assessing its carbon footprint in one hand and potential of sequestration of CO₂, through its existing biotic resources, on the other. A project on carbon sequestration through afforestation has been taken up at the site of Rourkela Steel Plant. M/s. Tropical Forest Research Institute, Jabalpur, has been engaged as the sequestration partner to carry out the project in February, 2014. The project has been successfully completed in March, 2020.

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

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

d. Application of Renewable Energy towards a new era

Your Company has set a target of installation of 242 MW renewable energy Power Plants at the following locations:

- 120 MW capacity Solar Power Plant at Bokaro.
- 50 MW capacity Solar Power Plant at Salem.
- 40 MW capacity Solar Power Plant at Rourkela.
- 25 MW capacity Solar Power Plant at Kulti.
- 7 MW capacity Solar Power Plant at Bhilai.



Besides, some of the major initiatives undertaken towards implementation of renewable energy projects include setting up of (i) 10 MW Hydel Power Plant at Mandira Dam, RSP, under a Joint Venture initiative with Green Energy Development Corporation of Odisha Limited (GEDCOL) and (ii) 6.195 MW roof top Solar Units on different buildings at the various Plants/Units locations under Ministry of New and Renewable Energy (MNRE) scheme. Further, 3 MW roof top Solar Power units have been installed on various buildings of SAIL Plants & Units and 1 MW ground mounted Solar Power Plant has been connected with electrical grid system of the State Electricity Board at RSP.

e. Bio-digester for processing of wastes

As a green initiative and in compliance with the "Solid Waste Management (SWM) Rules, 2016", DSP and RSP have installed bio-digesters for processing of about 400 kg canteen wastes per day, resulting in safe disposal of such biodegradable wastes inside Plant premises. The bio-digester converts the bio-degradable solid wastes into compost, which is used as manure for horticulture. BSL has also taken up a project for installation of a bio-gas plant for processing of 500 kg of canteen waste per day, which is at advanced stage of completion.

Environmental Management System (EMS) linked with ISO-14001



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

The EMS (ISO-14001) was implemented at the four Integrated Steel Plants and the Company is striving to cover all the Plants and Units under its purview. In the recent years, IISCO Steel Plant, Alloy Steels Plant, Chandrapur Ferro Alloy Plant, Barsua Iron Ore Mine, Gua Ores Mine, Meghahatuburu Iron Ore Mine and Thirteen warehouses (Ahmedabad, Hyderabad, Ghaziabad, Faridabad, Vizag, Chennai, Mumbai, Delhi, Durgapur, Dankuni, Bokaro, Bangalore and Kanpur) of CMO have also been certified with ISO 14001.

Sustainable Development Projects

Restoration and rehabilitation of degraded ecosystem is essential for maintaining and enhancing bio-diversity as well as replenishing the ecosystem services. About 250 acres of old barren overburden dumps and water void in 200 acres of limestone mined out area in Purnapani have been successfully restored to fully functional ecosystems that generate ecosystem services and goods as well as sequester CO₂.

Plantation



Your Company realizes the role of plantation in overall environmental management initiatives. It is a well-known fact that plants play an important role in balancing the ecosystem and function as a carbon sink. Keeping the enormous contribution of the plants in mind, SAIL has long been adopting extensive afforestation program religiously in its Plants and Mines since its nascent stage. More than 21 million saplings have been planted across SAIL Plants and Mines till date. Giving special thrust for plantation, more than 4.44 lakhs of saplings have been planted during 2019-20.

F. STRATEGIC INITIATIVES OF THE COMPANY

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

- **Installation of Pellet Plant in JV with KIOCL:** SAIL has taken steps to install Pellet Plants in Joint Venture with Kudremukh Iron Ore Company Limited (KIOCL) at SAIL Plants / Mines for utilization of the Pellets in the Steel Plants of the Company. M/s. MECON has prepared a Techno Economic Feasibility Report (TEFR) for a 4 MTPA capacity Pellet Plant at Bokaro Steel Plant in Phase-I. Further actions like Characterization Study at RDCIS for production of Pellets and discussions with KIOCL on formation of the Joint Venture are being taken.
- **Closure/Exit from non-operational and non-performing Joint Venture Companies and Subsidiary Companies of SAIL:** During the FY 2019-20, your Company exited from two Joint Venture Companies, namely SAL-SAIL JVC

Limited and TMT SAL-SAIL JVC Limited, which were incorporated to install Steel Processing Units (SPUs) at Lakhimpur and Barabanki respectively. Shares held by SAIL in these Joint Ventures have been transferred to the JV Partner. In addition to this, modalities have also been finalized for exit of SAIL from Abhinav SAIL JVC Limited which was created to install a SPU at Hoshangabad in MP. These have been agreed by Insolvency Resolution Professional (IRP) appointed by National Company Law Tribunal (NCLT) for Abhinav Steel and Power (JV partner of SAIL). Exit of SAIL from this JV will be completed after approval of Committee of Creditors of Abhinav Steel and Power is obtained.

- **Disinvestment of SAIL Plants:** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27th October, 2016 had accorded 'in principle' approval for strategic disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visveswaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steels Plant (ASP), Durgapur, West Bengal.

Subsequently, SAIL Board had accorded 'in-principle' approval for the Strategic Disinvestment of these Steel Plants. The entire process of the Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG) which is chaired by the Secretary (DIPAM) and co-chaired by Secretary (Steel). Chairman, SAIL and Director (Finance), SAIL are special invitees in the IMG.

SAIL has appointed M/s. SBI Capital Markets Ltd as Transaction Advisor (TA), M/s. Luthra & Luthra Law Offices as Legal Advisor (LA), M/s. Protocol Insurance Surveyors & Loss Assessors Pvt. Ltd. as Asset Valuer (AV) and M/s. KPMG as Tax-cum-Accounting Consultant (TCA) to assist SAIL in the disinvestment process.

Preliminary Information Memorandum (PIM) / Expression of Interest (EOI) of ASP, SSP and VISP were issued on 4th July, 2019. EOI bids were opened on 10th September, 2020 and the eligible bidders have been shortlisted. The second stage of tendering has been initiated. The Confidential Information Memorandum (CIM) and Request for Proposal (RFP) have been issued to the shortlisted bidders.

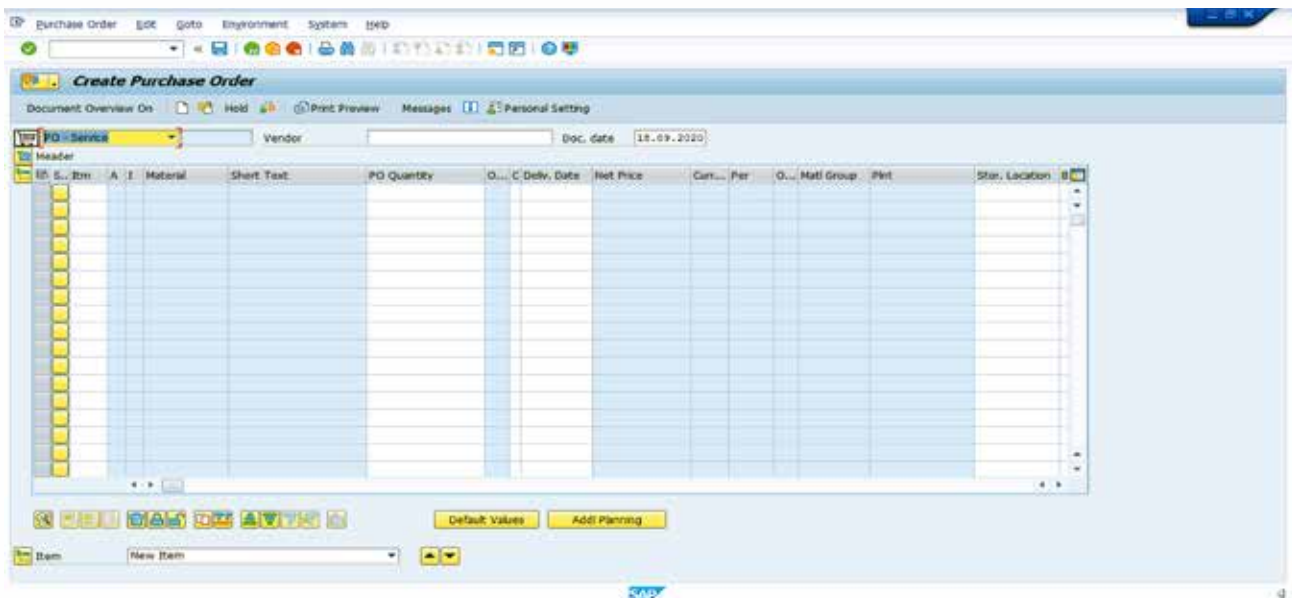
Business Excellence Initiatives

Implementation of Management Systems

Most of SAIL Plants/Units are certified to ISO 9000, ISO 14000, OHSAS 18000/ISO 45000, SA 8000, ISO 50000 and ISO 27000 Management Systems. Further, Empanelment of Certification Agencies for the third cycle i.e. 2020-2023 was completed in March, 2020 for Certification to six Management Systems i.e. ISO 9000, ISO 14000, OHSAS 18000/ISO 45000, SA 8000, ISO 27000 and ISO 50000 and related training.

Information Technology Related Initiative

In today's world of dynamic business environment, wherein, the competition is growing tremendously, your Company is leveraging information technology (IT) to face the challenges in the market place, in order to maintain and improve its competitive advantage. With this objective, your Company is continuing with various IT initiatives within the organization to strengthen its business processes and provide seamless and competitive services to business partners. Some of these initiatives are given below:



- With an aim to integrate all aspects of business operations and to optimize all organisational resources through standardization of business processes and adoption of best practices, SAIL had already implemented Enterprise Resource Planning (ERP) at four of its Integrated Steel Plants i.e. Bhilai Steel Plant (BSP), Durgapur Steel Plant (DSP), Bokaro Steel Plant (BSL), Rourkela Steel Plant (RSP) and its marketing setup at Central Marketing Organization (CMO). The 5th Integrated Steel Plant i.e. IISCO Steel Plant (ISP) as well as the Corporate Office (CO) have also gone live on SAP-ERP during the Financial Year 2019-20. Further, SAIL initiated cloud journey by adopting Cloud model for ISP and CO ERP implementation.
- 24x7 Online Information to Customers has been made available on Customer Portal, wherein, they get information on Orders, Invoices and Financials alongwith automated communications through SMS and Mail. For enhancing customer satisfaction by way of faster resolution of customer complaints, online complaint logging system has been enabled.
- To improve logistics, bill payment to various transporters, online bill submission has been enabled at some of the Plants/Units for automated processing leading to transparency of operations, faster bill processing cycle, savings of man hours and elimination of manual errors. B2B IT interface has been setup with few vendors for automatic data transfer of Purchase Order and Invoice. Automatic email to vendor on generation of payment voucher has further facilitated the payment process.
- Visibility of inventory at Plants/Units improved by automating data transfer from Plants/Units ERP System to Marketing ERP System on daily basis.
- Technology is changing by leaps and bounds with the growth of mobile applications and digitization. In this regard, SAIL has initiated the process of making Employee Information viz. Leave Application, Medical Booking and other Employee Self services on Mobiles at some of the Plants, as a step towards digitization. Further, your Company is embracing concept of paperless office by implementing online approval system.
- As a step towards preventive safety measure, SAIL has designed a Portal, wherein, safety issues at workplace can be recorded and shared within the Company and corrective measures can be taken accordingly.
- The procurements are being maximized through GeM Portal of Government of India and the same has been directly integrated with SAP system.
- SAIL has adopted unified domain across all Plants/Units for its mailing system.
- SAIL implemented online SAIL Employees Rendering Volunteerism & Initiatives for Community Engagement (SERVICE) portal for registration by employees/ex-employees/groups for Voluntary Philanthropic Activity. This system was inaugurated by Hon'ble Minister of Steel. Innovation portal for both executives and non-executives of SAIL & young managers has also been implemented to facilitate sharing suggestions and ideas.
- Realising that IT is the way forward, your Company has appointed IT consultant for defining and strategizing enterprise wide IT Roadmap for SAIL.

Corporate Communication



Strategic Objective

In the recent challenging period, the Corporate Communication function has become the cynosure of all eyes in the business world. The companies around the world realized the significance and the utmost need to have a full-fledged and evolved team of communicators, who in the regular as well as in times of crisis, keep the good word and works of the organization in proper perspective and public focus. The Corporate Communication is a round-the-clock exercise where the communicators of the corporate, strategize to bring the best image of the Company to the world in tandem with the evolving realities, goals and targets of the Company.

Internal Communication efforts

Apart from the routine internal communications activities, the first ever "Brand Manual" was launched for the Company to usher in a uniform branding code & culture of its products across the Country. Effective internal communication drive was maintained including publication of "SAIL News" for employees and a section of external stakeholders. Another important initiative was ideation of Company Level Award Scheme, to promote employee engagement and boost the morale of the employees, which was launched on 22nd January '20 by Hon'ble Minister of Petroleum and Natural Gas and Steel and Minister of State for Steel. The popular and loved theme 'Needle to Chandrayaan', introduced this year and used for the Company's Notebook, etc., gained wide popularity.

External Communications Efforts

Media Relations - Excellent media relations were maintained through proactive and regular interactions with various media like newspapers, electronic including television and web based media by sharing Company's important news on a regular and timely manner. Along with this, there were several interviews conducted and covered by top national media outlets to get an overview, vision, target roadmaps of SAIL management. A trend setting initiative of introducing 'SAIL Track' - an in-house Audio Visual news capsule for reaching out to large number of stakeholders through smart phones as well as various social media platforms was successfully launched. Press Meet with Chairman on SAIL's turnaround and a media visit to SAIL's flagship Bhilai Steel Plant were successfully organized, as a result, SAIL was widely covered in all the media.

Efficacious Brand Outreach - During the year, extensive branding of SAIL's products and brand signage was installed at Press Club of India, New Delhi and a steel art structure at Uchana, Haryana, thereby, establishing a strong brand presence of SAIL in the region. In addition to this, participation in exhibitions, release of advertisements in various publications and sponsorships of several events further enhanced pan-India brand presence of SAIL.

Crisis Communication - As a new initiative, the Crisis Communication Guidelines were framed, which resulted in a consistent and unified approach in managing communication during crisis and post-crisis period across all Plants and Units of the Company. Further, massive communication drive towards disaster management was undertaken during the 'Fani' cyclone in Odisha as well as during the continuing Covid-19 Pandemic.

Implementation of Government initiatives - On the occasion of 150th birth anniversary of Mahatma Gandhi, first ever Talk on Gandhian Philosophy was organized at SAIL on 21st September, 2019. It was also ensured that Government of India's schemes like Swachh Bharat Abhiyan, Jal Shakti Abhiyan, Run for Unity, Yoga Day, Ispati Irada, Har Ek Kaam Desh Ke Naam, etc. were effectively implemented by your Company. Further, the ground breaking ideation of Drum-to-Dustbins for promoting 'say no to plastic' campaign was organised across all Plants and Units of SAIL.

Social Media Efforts - In addition to this, extensive use of social media platforms like Facebook, Twitter, Instagram, LinkedIn, etc. was undertaken for wider dissemination of Company's information and for better engagement of various stakeholders. The average growth in social media penetration of SAIL across various platforms witnessed an impressive surge.

G. VIGILANCE ACTIVITIES

The objective of SAIL Vigilance is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To achieve this objective, the Vigilance Department carries out preventive, proactive and punitive actions with greater emphasis in the preventive and proactive functions. Following activities were undertaken during the Financial Year 2019-20:

- To increase vigilance awareness amongst employees, vigilance awareness sessions and workshops were regularly held at various Plants and Units of the Company. A total of 156 workshops involving 2594 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Purchase/Contract Procedures, Conduct & Discipline Rules, Common Irregularities, System and Procedure followed in SAIL, etc.
- Periodic Surprise Checks including Joint Checks were conducted regularly in vulnerable areas of the Company. A total of 2354 periodic checks including file scrutiny and Joint Checks were conducted at different Plants/ Units.
- Vigilance provides vital inputs to the operating authorities for improving the



prevailing systems for bringing about more transparency. Accordingly, eight major System Improvement Projects (SIPs) were undertaken at different Plants/ Units of SAIL.

- 13 cases were taken up for Intensive Examination at different Plants/Units. During these Intensive Examinations, high value procurement/contracts are scrutinized comprehensively and necessary recommendations are forwarded to concerned departments for implementing suggestions for improvement.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in SAIL during 28th October to 2nd November, 2019. The week started with administering the Integrity pledge and reading out the messages of dignitaries on 28th October 2019 at SAIL Corporate Office as well as in all Plants/Units of SAIL. During the week, Workshops/ Sensitization Programmes, Anti Corruption March/Walkathon, Customers Meet, etc. were organised. Further, events like quiz, essay, slogan & drawing/ poster, debate competition were organized for the employees and their families across SAIL. As outreach measures, various events like Speech/Oratory competition, Poster/Drawing competition, Essay/Slogan competition, Inter school debate competition, Quiz competition were organized for School and College Students across various townships of SAIL and metro cities of Delhi and Kolkata.
- The following four thrust areas were identified by SAIL Vigilance:
 - (i) Scrutiny of projects w.r.t. change orders
 - (ii) Scrutiny of emergency procurement and contract cases
 - (iii) Scrutiny of repeat orders placed for procurement and contracts
 - (iv) Scrutiny of cases where there is delay in payment of bills.
- 'Inspiration-Purna', an in-house publication of SAIL Vigilance is being published regularly. The above publication contains case studies and informative articles to enhance awareness of the readers.
- As on 01.04.2019, a total of 102 complaints were pending and the closing balance as on 31.03.2020 was 119. The summary of disposal of complaints during 2019-20 is as under:

Complaints Disposed:

Closed as found anonymous / pseudonymous (filed in line with CVC Guidelines)	306
Closed as no vigilance angle / allegations not substantiated	249
Referred to other departments	96
Closed with preventive/administrative recommendations	134
Regular Departmental Actions (RDAs) initiated (Include 4 cases of Major Penalty against 8 employees and 21 cases of Minor Penalty against 26 employees)	25
Total Disposed	810

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 the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. No complaint was received during the Financial Year 2019-20.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

The Statutory Auditors' Report on the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 along with Management's replies thereon is placed at **Annexure-I** to this Report. The comments of Comptroller & Auditor General of India (C&AG) on the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 under Section 143(6)(b) of the Companies Act, 2013 and the Management's replies thereon are placed at **Annexure-II** to this Report.

COST AUDITORS

Pursuant to the direction of the Central Government for Audit of Cost Accounts, the Company has appointed M/s. Shome & Banerjee, Kolkata, M/s. R. J. Goel & Co., New Delhi and M/s. R.M. Bansal & Co., Kanpur as Cost Auditors for the Financial Year 2019-20.

SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the FY ended on 31st March, 2020. Secretarial Audit Report is placed at **Annexure-III** to this Report.

With regard to the observation of the Secretarial Auditor, that composition of the Board of Directors of the Company was not as per requirements during a part of the FY 2019-20, it is stated that appointment of Independent Directors on the Board of the Company is made by the Company based on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

In respect of observation regarding performance evaluation of the Directors not being carried out pursuant to the Regulation 17(10), 25(4) and 19(4) read with Schedule-II Part D(A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mentioned that Ministry of Corporate Affairs has vide its Notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to

Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

CORPORATE GOVERNANCE

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

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

BUSINESS RESPONSIBILITY REPORT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

Your Company has four other subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL is operating the Salem Refractory Unit which was acquired by SAIL from Burn Standard Company Limited on 16th December, 2011. SAIL Jagdishpur Power Plant Limited, incorporated for setting up of Gas based power Plant at Jagdishpur and SAIL Sindri Projects Limited, incorporated for revival of Sindri Unit of Fertilizer Corporation of India Limited have not taken off. SAIL Jagdishpur Power Plant Limited has been Struck-Off from the Register of Companies and SAIL Sindri Projects Limited is in the process of being Struck-Off. Chhattisgarh Mega Steel Limited was incorporated as a Special Purpose Vehicle with an objective of fast tracking developmental processes such as land acquisition, R&R activities, ensuring power and water linkages, securing necessary statutory approval/in-principle approval from Ministry of Environment, Forest and Climate Change, etc. for setting up of an Ultra Mega Steel Project. The project is no longer being pursued by SAIL.

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 at the Registered Office of the Company and the Subsidiary Companies concerned between 11 AM to 1 PM on working days. A hard copy of the details of accounts of subsidiaries shall be furnished to the shareholders on receipt of written request.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 are placed at **Annexure-V** to this Report.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Statutory Auditors' Report on the Consolidated Financial Statements along with the Management's replies thereon is placed at **Annexure-VI** to this Report. The comments of Comptroller & Auditor General of India (C&AG) on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 under Section 143(6)(b) read with Section 129(4) of the Companies Act, 2013 and Management's replies thereon are placed at **Annexure-VII** to this Report. Further, the statement containing salient features of the financial statements of the subsidiary, joint venture and associate companies in the prescribed Form AOC-1 is placed at **Annexure-VIII** to this Report.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

During the year, 10 meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE

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

INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

The Company has well established and documented policies and procedures, which are adhered to for transparent, efficient and ethical conduct of business and for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of financial disclosures. Further, the Company has a good corporate governance structure, and strong management processes, controls, policies and guidelines which drives the organization towards its business objective and also meets the needs of various stakeholders.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013(the Act), 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(6) of the Companies Act, 2013, necessary declaration has been given by each Independent Director stating that he/she meets the criteria of independence. In terms of Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have undertaken requisite steps towards registration of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

In the opinion of the Board, the Independent Director(s) appointed during the year possess integrity, necessary expertise and experience.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

In terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees and Investments given during the FY ended on 31st March, 2020 are given in **Annexure-X** to this Report.

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

All the contracts / arrangements / transactions entered by the Company during the Financial Year 2019-20, with the related parties were in the ordinary course of business and on an arm's length basis. The transactions with the related parties have been disclosed in the financial statements. Therefore, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the Report.

DIVIDEND DISTRIBUTION POLICY

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

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

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



RISK MANAGEMENT POLICY

Enterprise Risk Management (ERM) is a strategic business discipline that supports the organization's objectives by addressing its risks and managing the impact of these risks. It is the practice of planning, coordinating, executing and handling the activities of an organization in order to minimize the impact of risk on investment, earnings and also strategic, financial and operational risks.

The Enterprise Risk Management Policy of your Company was approved by the Board much before the same became a statutory requirement and since then, risk management in SAIL has grown and developed in line with internal and external business and economic changes. The Policy provides guidance for the management towards business risks across the Organisation. It focuses on ensuring that the risks are identified, evaluated and mitigated within a given time frame on a regular basis.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and DPE Guidelines on CSR & Sustainability, 2014. SAIL carries out

CSR projects in and around periphery of steel townships, mines and far flung location across the Country in the thrust areas falling in line with Schedule-VII of the Companies Act, 2013, namely, Education, Healthcare, Access to Drinking Water, Sanitation, Rural Development in Peripheral Areas, Environment Sustainability, Women Empowerment, Assistance to Divyangs, Sustainable Income Generation through Self-Help Groups, Promotion of Art and Culture, etc.

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

CSR initiatives on COVID-19

In the wake of the unprecedented global fallout of the pandemic COVID-19 which also had a severe impact across the Country, the Government of India initiated pro-active actions on a war-footing to combat/mitigate and control the outbreak of Covid-19 which included, inter-alia, lock-down w.e.f. 25th March, 2020, operation of only essential services and strict measures at work-places such as deployment of skeletal manpower and strict adherence to various safety precautions.





Your Company, as a responsive corporate organization is responsible to ensure the health and safety of its facilities/premises, employees at the Plants/Units and all other persons working at the sites. SAIL has activated a scaled response towards management of Covid-19 at its Plants, Units, Mines and Townships. SAIL Hospitals at five Integrated Steel Plant locations have earmarked 10% of the beds (330 beds) of the total beds (3300 Beds) as isolation wards and have set up a testing centre at IGI Hospital, Rourkela for Covid-19 patients. Quarantine Facilities have also been created at guest houses/hostels in the townships and at Mines hospitals for over 600 persons. SAIL Plants and Units have installed touch-free hand-sanitizers, water dispensers, spraying disinfectants, using digital thermal recorders at prominent locations, ensuring continuous water supply in all the peripheral villages/areas.

During the FY 2019-20, your Company has contributed an amount of ₹5.0 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund and has also allocated ₹3.0 crore to the Plants/Units for augmenting facilities to contain the COVID-19 outbreak.

SAIL, with the help of district authorities, civil society organizations, Self-Help Groups and its employees, has actively implemented the lockdown rules, social

distancing norms and effective use of Aarogya Setu App for breaking the chain of transmission of COVID-19 virus in the peripheral areas of steel Plants and Units from March, 2020 onwards.

In order to support the vulnerable sections of society, daily-wage earners/ labourers, poor peasants and their families, who were left with dwindled resources during lockdown, SAIL Plants and Units, through district authorities, distributed dry ration packets (comprising of rice, dal, salt, condiments, wheat atta, soap, etc.), milk packets, milk powder, khichdi, routine medicines, sanitary napkins for women, etc. More than 6000 dry ration kits were distributed across Plants of SAIL and the activity is continuing. Daily cooked meals to patients and healthcare workers were also served.

The Plants/Units have also shifted patients and health workers. CSR departments of Plants also facilitated stitching of Face Masks, Gamachhas, Aprons, Gloves, etc., and their distribution to peripheral areas, District Authorities, Ministry of Steel/PMO through SHGs. SHGs have prepared and distributed more than 15000 Masks so far. Awareness campaigns and sanitation/cleanliness drives are also going on at various rural locations under CSR.

Swachh Bharat-Swachh Vidyalaya Abhiyaan

SAIL actively participated in the "Swachh Bharat Abhiyan" initiated by the Hon'ble Prime Minister of India. Under the campaign, 672 toilets had been constructed in schools falling within the periphery of its Plants & Mines in the States of Chhattisgarh, West Bengal, Odisha, Jharkhand, Madhya Pradesh and Tamil Nadu. The toilets are also being maintained with the help of respective School Management Committees.

Healthcare: SAIL's extensive & specialised Healthcare Infrastructure provided specialized and basic healthcare to 173.6 lakh people living in the vicinity of its Plants and Units during the period 2011-2020. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps are being organised in various villages on fixed days for the people living in the periphery of Plants/Units/Mines. During the FY 2019-20, about 1500 Health Camps have been organized benefitting approx. 64,000 villagers. 5 Mobile Medical Units (MMUs) running in the Plant peripheries have benefitted about 34,000 villagers at their doorsteps. 24 Primary Health centres at Plants exclusively provided free medical care and medicines to more than 62,200 villagers.

Education: To develop the society through education, SAIL is supporting about 77 schools, providing modern education to more than 40,000 children in the steel townships, 20 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting around 4028 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, etc., under CSR. SAIL in association with the Akshaya





Patra Foundation, is providing Mid-day meals to 64,000 students in over 600 Govt. schools in Bhilai and Rourkela.

Women Empowerment & Sustainable Income Generation: Vocational and specialised skill development training targeted towards sustainable income generation has been provided to 425 youths & 1018 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 and embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Soap, Smokeless chullah making, etc. 753 youth have been sponsored for ITI training at ITCs Bolani, Bargaon, Baliapur, Bokaro Private ITI and Rourkela, etc.

Connectivity & Water facilities in Rural Areas: Over 79.03 lakh people across 450 villages have been connected to mainstream by SAIL, since its inception, by constructing and repairing roads. Over 8176 water sources have been installed, since inception, thereby enabling easy access to drinking water to over 50 lakh people living in far-flung areas.

Environment Conservation: Maintenance of parks, water bodies, botanical gardens and plantation & maintenance of over 5 lakh trees in the townships is being undertaken.

Support to Divyangs & Senior Citizens: Divyang children/people are being supported through provision of equipments like-tricycle, motorized vehicles, calipers, hearing aids, artificial limbs, etc. SAIL supports centres and programmes at SAIL Plants like "Schools for blind, deaf & mentally challenged children" and "Home and Hope" at Rourkela; "Ashalata Kendra" at Bokaro; various programs like "Handicapped Oriented Education Program" and "Durgapur Handicapped Happy Home" at Durgapur; and "Cheshire Home" at Burnpur. Old age homes are being supported at different Plant townships like "Siyam Sadan" at Bhilai, "Acharya Dham and Badshah" at Durgapur, "Sr. Citizens Home" at Rourkela, etc.

Sports, Art & Culture: SAIL is regularly organizing inter-village sports tournaments, extending support to major National sports events and 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). Cultural events like Chhattisgarh Lok Kala Mahotsav, Gramin Lokotsav are organised every year.

Development of Aspirational Districts: In order to provide comprehensive development of both physical and social infrastructure, SAIL has undertaken CSR activities in 7 Aspirational Districts, viz. Kanker, Narayanpur and Rajnandgaon in Chhattisgarh and West Singhbhum, Bokaro, Ranchi in Jharkhand and Nuh in Haryana.

SAIL Employees Rendering Volunteerism & Initiatives for Community Engagement (SERVICE) Scheme: The 'SERVICE' Scheme was launched by Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum & Natural Gas and Steel on 17th January, 2020. This scheme has been primarily introduced to provide a platform to the SAIL employees to contribute to the basic concerns of the community, provide opportunities for employee engagement, and explore the senior executives to encourage socially responsible behaviour within the core business of SAIL. The SAIL supported volunteerism scheme "SERVICE" explicitly encourages and values employee volunteerism to benefit not only the ecosystem of SAIL but will also be an integral element of the CSR of SAIL. The scheme provides an opportunity to assess and harness employees' volunteer interests, specific needs within the community, and synergise broadly with the SAIL's strategic CSR priorities. SAIL's investment in community involvement through its own employees also provide the impetus for building long-term loyalty, enhance legitimacy with the wider public, build trust and brand equity that, in turn, reinforces other strategic objectives of SAIL. Over 29,000 volunteers have registered on the SERVICE portal upto March, 2020. Salient features of the "SERVICE" scheme are detailed as under:

- SAIL shall support its employees to engage in Theme based Voluntary Philanthropic Activities (VPAs) every year.
- SAIL shall provide support for carrying out VPAs under CSR in the form of infrastructure and funding.
- SAIL shall recognize the contribution of its employees for the VPAs in the form of awards comprising citation and monetary benefits.
- SERVICE will be implemented through interactive online portal.

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 Amit Sen has been appointed as Director w.e.f. 5th November, 2019.
- Shri N. Shankarappa has been appointed as Independent Director w.e.f. 13th November, 2019.
- Prof. Ashok Gupta, Mrs. Anshu Vaish and CA Parmod Bindal have ceased to be Independent Directors w.e.f. 18th November, 2019.
- Dr. G. Vishwakarma has ceased to be Director w.e.f. 31st January, 2020.
- Shri Anirban Dasgupta has been appointed as Director w.e.f. 1st February, 2020.
- Shri Nilanjan Sanyal and Dr. Samar Singh have ceased to be Independent Directors w.e.f. 4th February, 2020.
- Shri Saraswati Prasad, Special Secretary & Financial Adviser, Ministry of Steel ceased to be Director w.e.f. 17th March, 2020.
- Shri Vijoy Kumar Singh, Additional Secretary & Financial Adviser, Ministry of Textiles having additional charge of Financial Adviser, Ministry of Steel appointed as Government Director w.e.f. 17th March, 2020.
- Shri Vivek Gupta has ceased to be Director w.e.f. 31st July, 2020.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the sincere and untiring efforts and contribution made by every member of the SAIL Family. The Directors acknowledge with deep sense of appreciation, the valuable guidance, support and co-operation received from Government of India, particularly from the Ministry of Steel, Ministry of Environment, Forests, & Climate Change, DIPAM, Niti Aayog, Department of Public Enterprises, Railways, State Governments, Electricity Boards, etc. The Board also convey its gratitude to all its stakeholders, including Bankers, Vendors, Customers, Investors and Members for their continued support and confidence reposed in the Organisation.

The Directors also thank the Comptroller & Auditor General of India, Statutory Auditors, Cost Auditors, Secretarial Auditor and other professionals associated with the Company for their valued contribution.

The Directors of your Company are immensely grateful for the invaluable contribution rendered by every person risking their life and safety to combat the pandemic and deeply regret the loss of human life due to COVID-19 Pandemic.

For and on behalf of the Board of Directors



(Anil Kumar Chaudhary)

Chairman

Place: New Delhi

Dated: 19th September, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

Global economic output grew by 2.9% in 2019, as estimated by IMF in its June 2020 World Economic Outlook update. The Global Economy continued to expand, with growth in Advanced Economies (estimated 1.7% growth in 2019) as well as in Emerging Market and Developing Economies (estimated 3.7% growth in 2019). Overview of World Economic Outlook Projections is as under:

World Economic Outlook Projections (Percentage Change)

	Year Over Year		
	Estimate	Projections	
	2019	2020	2021
World Output	2.9	-4.9	5.4
Advanced Economies	1.7	-8.0	4.8
United States	2.3	-8.0	4.5
Euro Area	1.3	-10.2	6.0
Japan	0.7	-5.8	2.4
Emerging Market and Developing Economies	3.7	-3.0	5.9
China	6.1	1.0	8.2
India	4.2	-4.5	6.0
Brazil	1.1	-9.1	3.6
Russia	1.3	-6.6	4.1

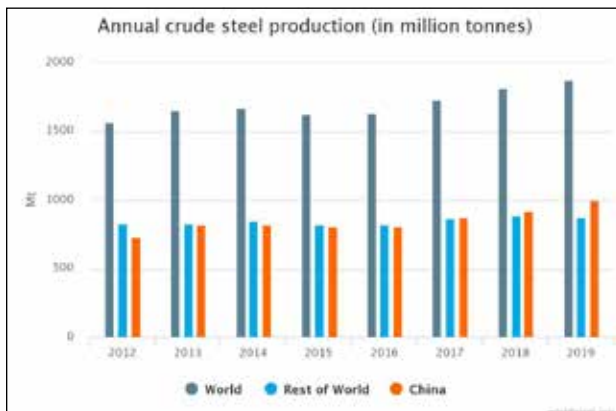
Source: IMF World Economic Outlook Update, June 2020

However, during the year 2020, the COVID-19 pandemic is inflicting high and increasing human costs worldwide. As a result of the pandemic, the Global Economy is projected to contract sharply by 4.9% in 2020. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the Global Economy is projected to grow by 5.4 percent in 2021 as economic activity normalizes, helped by policy support.

World Steel Scenario

In 2019, Global Crude Steel production as reported by World Steel Association, increased by 3.4% to reach 1869.9 million tonnes(MT) compared to 2018. Crude Steel production contracted in all regions in 2019 except in Asia and the Middle East.

Asia accounted for 1341.6 MT of Crude Steel production in 2019, an increase of 5.7% compared to 2018. China continued to dominate World Crude Steel production with an output of 996.3 MT, with a growth of 8.3% over 2018. In 2019, China's share of Global Crude Steel production increased to 53.3% compared to 50.9% in 2018. China's share in the world steel production has been constantly increasing as shown below:



India's Crude Steel production in 2019 increased by 1.8% over 2018 to reach 111.2 MT.

Japan produced 99.3 MT in 2019, a decline of 4.8% compared to 2018. South Korea's Output of Crude Steel stood at 71.4 MT in 2019, lower by 1.4% over 2018. While EU saw a reduction in Crude Steel output by 4.9% to 158.8 MT in 2019 over

2018, the production in US increased by 1.38% to reach 87.8 MT in 2019.

Top 10 Steel Producing Countries

Rank	Country	2019 (MT)	2018 (MT)	% Change
1	China	996.3	920.0	8.3
2	India	111.2	109.3	1.8
3	Japan	99.3	104.3	-4.8
4	United States	87.9	86.6	1.5
5	Russia*	71.6	72.0	-0.7
6	South Korea	71.4	72.5	-1.4
7	Germany*	39.7	42.4	-6.5
8	Turkey	33.7	37.3	-9.6
9	Brazil	32.2	35.4	-9.0
10	Iran*	31.9	24.5	30.1

Source: World Steel Association

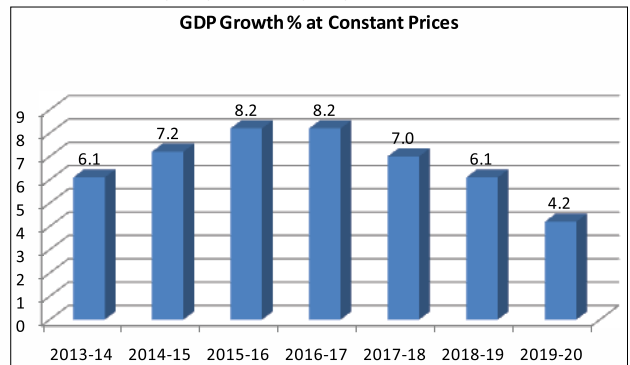
*Estimated

Outlook for Steel Industry

World Steel Association has forecast that Global steel demand is likely to shrink by 6.4% in 2020 to 1653.9 MT from 1766.5 MT in 2019. Steel demand in China is expected to be higher by 1% in 2020. Steel demand is likely to come down by 20% in North America (USA and NAFTA countries), 15.8% in EU, 10.3% in CIS countries, 17.3% in South America, 9.4% in Africa and 17.4% in Middle East. However, Global Steel Demand is expected to bounce back by 3.8% in the year 2021.

Indian Economic Environment

GDP growth for the Financial Year 2019-20 has been estimated at 4.2% at constant prices as per the provisional estimates of National Income by the Central Statistics Office (CSO), compared to 6.1% in Financial Year 2018-19. The sectors that recorded growth were Mining (1.6%), Electricity (1.0%), etc.



The Index of Industrial Production declined by 0.7% for the period April to March 2019-20 as compared to growth of 3.8% in the previous year. IIP growth rates for Mining and Electricity sectors for the period April-March 2019-20 were 1.7%, 1.1% respectively. During the same period, while primary goods registered a growth of 0.8%, Manufacturing, Capital Goods, Infrastructure/Construction goods and Consumer Durables declined by 1.3%, 13.7%, 4.0% and 8.4% respectively. Steel index increased by 4.2% during the Financial Year 2019-20.

In view of the outbreak of Covid-19 and the resulting lockdowns, restrictions, etc., while IMF has estimated that India's GDP growth in the year 2020 will be -4.5%, followed by recovery of 6.0% in 2021.

Indian Steel Scenario

As per Joint Plant Committee (JPC), production of Crude Steel during fiscal 2019-20 stood at 109.25 million tonne (MT) against 110.92 MT in 2018-19. Finished Steel production registered a growth of 0.8% to reach 102.06 MT during 2019-20, compared to previous year. While Exports of total Finished Steel increased substantially by 31.4% to 8.36 MT during 2019-20 over previous year, imports declined by 13.6% to 6.77MT.

India's consumption of total finished steel saw a growth of 1.4% in 2019-20 over same period last year. Demand for Finished Steel in India is expected to shrink by 18% in 2020 due to outbreak of Covid-19, followed by rebound by 15% in 2021, as projected by World Steel Association. However, the revival is expected to be faster due to fiscal package announced by Government of India.

B. OPPORTUNITIES & THREATS FOR SAIL

Opportunities

- With an accelerated push from the policies proposed by the new 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 immediate future.
- The newly commissioned mills are oriented towards products required to cater to the infrastructure development.
- Ministry of Mines vide Order dated 16th September, 2019 has entrusted SAIL with the responsibility to make available 25 percent of its total mineral production in the previous year in the open market. The permission shall be valid for a period of two years w.e.f. 16th September, 2019. Further, in another separate order dated 16th September, 2019, Ministry of Mines, has allowed SAIL to dispose of the old stock of 70 million tonnes (MT) of low grade iron fines and ores (including slime) lying dumped across different captive mines of the Company. For selling of iron ore, efforts are being made to obtain approval of respective State Governments and concerned statutory authorities to sell about 5 MT of fresh iron ore and 7 MT of iron ore dump from its mines in open market during the Financial Year 2020-21.
- High export potential for markets of Middle East and South East Asia.
- Potential for improving product quality and reducing cost through operational efficiency and utilization of the new and modernized units.

Threats

- Cheap import of steel.
- Volatility in coal prices and exchange rate.
- Arrangement of alternate sources for Low Silica Limestone due to stoppage of supply from M/s. Rajasthan State Mines & Minerals Limited, Jaisalmer and Bhutan due to lockdown on account of Covid-19 pandemic.

C. RISKS AND CONCERNS

- Internally, there have been deficiencies in the form of delays in the ramping up of production, due to initial stabilization of the new mills. Further, higher capital related charges on account of incremental Depreciation and Interest on new facilities have also increased expenses.
- Loss of market for Wheels & Axles, resulting in lower profitability.
- Impact on Chiria Iron Ore Leases being in No-Mining Zone:

Chiria Mine leases (except already broken up area in Dhobil lease) have been proposed to be "No Mining Zone" in Management Plan for Sustainable Mining (MPSM) in Saranda forest, approved by MoEFCC. Out of the available iron ore resource of about 3.5 billion tonnes (BT) with SAIL, about 42% i.e. 1.5 BT is available at a single location viz. the Chiria Mine in Saranda forest in Jharkhand, which is not only critical for future expansion but will also take care of ongoing expansion in view of depleting resources at SAIL's other Operating Mines.

In line with National Steel Policy 2017, SAIL has prepared a roadmap "Vision 2030", to enhance its Crude Steel capacity to around 50 MT in two phases. In this regard, huge expenditure envisaged for expansion plan may be viable only if there is adequate security of iron ore for about 50 years. On overall basis, SAIL's requirement will be of the order of about 4800 MT of iron ore for its 50 year needs against the total available iron ore resources of about 3500 MT only i.e. a deficit of about 1300 MT.

Further, except Chiria Mine, all other iron ore mines of SAIL in Jharkhand are going to be depleted during the period from 2026 to 2040. In order to bridge the gap between the iron ore production capacity and its requirement, SAIL has a plan to develop phase wise expansions of Chiria Mine from 7 MTPA to 45 MTPA from 2019-20 to 2040. Beyond 2040, Chiria will be the only iron ore resource left with SAIL in Jharkhand, which will cater to most of its iron ore requirement of Eastern Sector Steel Plants of the Company.

Therefore, early development of Chiria Mine is not only required to meet the demand of Steel Plants for which expansion has already been made but also for expansion projects of SAIL planned as per National Steel Policy 2017 and SAIL Vision 2030.

On intervention of Ministry of Steel, MoEFC has now constituted the Reassessment Committee comprising members of ICFRE, Forest Survey of India, MoEFCC, IIT (ISM) Dhanbad, IIT Kharagpur, Ministry of Mines, Ministry of Coal, Ministry of Steel, and Government of Jharkhand to suggest modifications/ amendments in MPSM.

On account of being part of "No Mining Zone" declared under MPSM approved by MoEFCC, Jharkhand Government is not considering extension of lease period of Chiria leases beyond 31st March, 2020. Since process of modification of MPSM is under process, SAIL and Ministry of Steel, are pursuing vigorously with Government of Jharkhand for extension of lease period of Chiria leases beyond 31st March, 2020 at the earliest.

- Delay in Grant of Stage-II Forest Clearance by MoEFCC

Stage-I Forest Clearance (FC) for development of new mining pits at South and Central blocks of Kiriburu and Meghahatuburu mines, development of mechanized iron ore mine covering four leases of Chiria and Capacity Expansion of Gua mine were granted during the period October, 2010 to March, 2014 and Compliance Report for these mines was forwarded by Government of Jharkhand for approval of MoEFCC during July, 2015 to April, 2016. But later on MoEFCC has linked the grant of Forest Clearance for mines in Saranda forest with finalisation of Management Plan for Sustainable Mining (MPSM) for Saranda Forest.

On approval of MPSM by MoEFCC in June, 2018, Gua and Kiriburu-Meghahatuburu mining leases became part of Mining Zone, whereas, Chiria leases (except already broken up area of Dhobil lease) were put under No Mining Zone. Thereafter, in June/July, 2018 MoEFCC made requests to Government of Jharkhand to provide information regarding FC proposals of South-Central Blocks of Kiriburu-Meghahatuburu and Duargaiburu lease of Gua mine.

Though, during last one and half years, Jharkhand State Government had submitted the desired information pertaining to Gua and Kiriburu-Meghahatuburu FC proposals to MoEFCC, the FC proposals have been returned twice on account of non-suitability of identified Compensatory Afforestation land. Subsequently, after lot of persuasion, conditions of both the FC proposals have been complied with and the FC proposals are pending with PCCF (Nodal), Jharkhand since March, 2020. On account of ongoing Covid-19 pandemic, the FC proposals are yet to be processed at PCCF (Nodal) Jharkhand office.

- Impact of Hon'ble Supreme Court judgment in Common Cause matter on Captive Mines in Jharkhand, Odisha and Chhattisgarh.

Consequent to the judgement dated 2nd August, 2017 of the Hon'ble Supreme Court in the matter of Common Cause, State Governments of Odisha and Jharkhand have issued Demand Notices of ₹204.58 crore and ₹1759.02 crore respectively and State Government of Chhattisgarh has issued Show Cause Notices (SCN) amounting to ₹8,349.09 crore for payment of compensation under section 21(5) of the MMDR Act and for EC violations related to iron ore, flux & coal mines, till date.

In case of demand notices received from Odisha and Jharkhand State Governments for Iron Ore and Flux mines, SAIL has challenged in respective High Courts, whereas, in case of Coal Mines, the matter is challenged before Revisionary Authority, Ministry of Coal.

In case of three SCN issued by Government of Chhattisgarh, replies for the two SCN (₹2,712.93 crore for Dalli Forest Range iron ore lease and ₹122.81 crore for Nandini Limestone Mine) were submitted to the concerned authorities, whereas, in case of third SCN (₹5,513.35 crore for Pandridalli & Rajhara Pahar iron ore lease), the SCN was challenged before Hon'ble Chhattisgarh High Court on 4th May, 2019. Hon'ble High Court vide Order dated 17th May, 2019 had directed that no coercive steps shall be taken till the next date of hearing. The matter is sub-judice.

- Impact of demand for payment under the MMGC Rules, 2015 raised by District Mining Officer (DMO), Chaibasa, Jharkhand in respect of Duargaiburu lease of Gua, amalgamated leases of Kiriburu-Meghahatuburu and Dhobil lease of Chiria.

Vide demand notices dated 18th November, 2019 and 21st November, 2019, District Mining Officer (DMO), Chaibasa, asked SAIL for payment of amount equivalent to Royalty under Rule 5 of MMGC Rules, 2015 for Duargaiburu lease of Gua, Amalgamated leases of Kiriburu-Meghahatuburu and Dhobil lease of Chiria, over and above the normal payment of Royalty, within 15 days of the issue of notices. The failure to pay would attract an interest of 24% per annum on the demand amount under the provisions of Rule 49 of MCR, 2016. The collective demand was for about ₹2,980 crore. SAIL has challenged these demand notices by filing Writ Petitions in Hon'ble High Court of Jharkhand on 9th/10th December, 2019. Hon'ble Jharkhand Court vide Order dated 18th December, 2019/17th March, 2020 has stayed the operations of demand notices till next date of hearing, which was scheduled for 11th May, 2020. However, due to outbreak of Covid-19 pandemic, the hearing is yet to take place.

- Renewal/Extension of Tasra Coking Coal mining lease beyond 30th April, 2022.

After extensive persuasion with Jharkhand Government and Ministry of Coal, lease period of the Tasra Coal Block for an area of 450 ha got renewed for the period of 20 years upto 30th April, 2022 and lease deed in this regard was executed on 11th February, 2020.

For deployment of 4 MTPA (ROM) coking coal mine at Tasra mining lease, SAIL is in the process of appointing a Mine Developer cum Operator for developing the mine and extracting coking coal. As per the approved Mine Plan, Tasra coal block has extractable reserves of 96 MT in a period of 24 years. Therefore, lease period of Tasra coal block may be required for a further period of about 26 years or so, beyond existing lease validity upto 30th April, 2022.

Under the extant provisions of MMDR Act/MCR 1960, there are no special provisions for further renewal (2nd or subsequent) of coal mining leases of

Government Companies. Perusal of Section 8 of MMDR Act and Rule 24A of MCR, 1960 does not provide clarity on second and subsequent renewals of the coal mining lease.

Based on experienced from the first renewal of Tasra Mining lease, efforts are being made to seek legal opinion of Attorney General of India (AGI) on second and subsequent renewals under the extant provisions. Accordingly, based on the AGI's opinion, further action on second renewal of Tasra Mining Lease will be decided.

- Delay in Grant of Environment Clearance for Kalwar-Nagur Iron Ore Mining Lease of Bhilai Steel Plant.

The issue of grant of Environment Clearance(EC) for development of 1MTPA iron ore mine at Kalwar-Nagur lease of Bhilai Steel Plant remains unresolved as MoEFCC was of the view that SAIL has to deposit the NPV of the entire forest land in the lease amounting to ₹96 crore before grant of EC. Whereas, SAIL, being a Government Company, has challenged the matter regarding payment of NPV for entire forest land in a mining lease under Section 2(iii) of Forest Conservation Act before Jharkhand and Chhattisgarh High Courts.

Hon'ble Chhattisgarh High Court pronouncing the judgment on 5th September, 2019 did not decide the legal issues raised in the writ petition and directed SAIL to take a decision about retaining the extent of lease area for future use and deposit the NPV accordingly. Therefore, to protect lease rights for the entire lease area and also to protect the legal basis for non-payment of NPV for entire forest land in a mining lease, SAIL decided to deposit the NPV under protest and challenge the High Court Order dated 5th September, 2019 before the Hon'ble Supreme Court on 25th September, 2019. Consequently, NPV of the entire forest land (938.059 ha) under Kalwar-Nagur mining lease amounting to ₹96.06 crore was paid in CAMPA account on 4th October, 2019. Further, vide letters dated 4th November, 2019 and 30th November, 2019, BSP made requests to Joint Secretary (NCL), MoEFCC for issuance of formal order for grant of Environment Clearance (EC) in terms of the direction issued by Hon'ble Chhattisgarh High Court.

After vigorous efforts, in meetings held with Joint Secretary (NCL) on 2nd January, 2020 and 3rd February, 2020, SAIL was assured of early grant of EC. Further, to expedite grant of EC, matter was taken up with Joint Secretary, MoEFCC and Secretary, MoEFCC vide letters dated 8th May, 2020 and 11th May, 2020, respectively.

Subsequently, with reference to the letter dated 30th November, 2019 by BSP, Director, MoEFCC (NCM) vide letter dated 11th May, 2020 suggested to seek forest clearance for balance un-diverted forest land under the lease before processing of EC proposals for the entire area of lease by MoEFCC. The matter was examined and it was found that Director, MoEFCC suggestion to seek diversion of entire forest land under the mining lease before grant of EC is not reasonable. Therefore, vide letter dated 15th May, 2020, Director, MoEFCC was requested to issue the formal order expeditiously for grant of EC for Kalwar-Nagur in terms of Hon'ble Chhattisgarh High Court direction dated 5th September, 2019 with a mention that mining activities will be confined within diverted forest area of 17 ha under lease area of 938.059 ha.

- Delay in Allocation of Suitable Coking Coal Blocks in lieu of surrendered Sitanala and Parbatpur Coking Coal Blocks

In order to reduce its dependability on imported coking coal, with the intervention of Ministry of Steel, two Coking Coal blocks namely Sitanala and Parbatpur were allotted to SAIL through allotment route on 31st August, 2015 and 23rd March, 2016 respectively. However, due to decrease in the Coal Mining Lease areas for both the coal blocks, the proposals to return the Parbatpur and Sitanala Coal Blocks to Ministry of Coal (MoC) were approved by SAIL Board on 1st March, 2018 and vide letters dated 8th March, 2018 and 12th March, 2018, Nominated Authority, Ministry of Coal, Government of India was intimated about returning of Parbatpur and Sitanala coal blocks respectively, with a request to refund the amount paid including Bank Guarantee submitted by SAIL at the time of allocation of blocks. SAIL had also requested MoC for allotment of potential coking coal blocks in lieu of Parbatpur and Sitanala Coal Blocks in line with NITI Aayog's recommendation.

On account of indigenous coking coal of required quality not being available in sufficient quantity, SAIL is mainly depending on imported Coking Coal and is pursuing the matter through Ministry of Steel for taking up with Ministry of Coal for allocation of suitable coking coal blocks under Government Dispensation route in lieu of surrendered coal blocks.

Meanwhile, allocations of both the coal blocks i.e. Sitanala and Parbatpur have been terminated by Ministry of Coal vide Orders dated 4th October, 2018 and 5th December, 2019 and advised concerned banks to invoke the Bank Guarantees(BGs). In both the matters, SAIL has preferred Writ Petitions before the High Court of Delhi to challenge the respective Orders.

In the matter of Sitanala Coal Block, Hon'ble Delhi High Court declined to pass any interim order. However, Hon'ble Court clarified that if the petitioner prevails in this petition, the consequential direction for refund of the amount collected by invoking the BG will be passed. The matter is sub-judice. However, in the matter

of Parbatpur Coal Block, Hon'ble Delhi High Court directed for maintaining status quo in respect of the BG till the next date of hearing..

On account of the outbreak of Covid-19 pandemic and consequential lockdown, the matter in respect of both the cases could not be placed on scheduled dates and next date of hearing is yet to be informed.

- Delay in reservation of area for Sand Leases at Dungrihat, Het-Kandra ghat, Chasnalla and Tasraghat of river Damodar, district Dhanbad for sand for stowing in captive underground mines.

In the past, captive coal mines had lifted the sand for ongoing stowing activities based on temporary permission granted by the Government of Jharkhand. However, after discontinuation of the same in 2013, the mines had to depend upon private sand leases where supply was irregular. Therefore, to maintain consistency of coal production as well as safety of workmen in underground mines, a request was made on 13th December, 2015 to District Mining Officer, Dhanbad for reservation of sand mining areas at Dungrhi Ghat, Het Kandra Ghat, Chasnalla Ghat and Tasra Ghat on the bank of river Damodar for sand stowing of underground mines of Chasnalla and Jitpur which were earlier used by SAIL coal mines.

Consequently, on 25th May, 2017, Government of Jharkhand forwarded the SAIL's proposal for approval of Ministry of Coal(MoC). Further, in response to the query dated 13th November, 2017, information was forwarded by Jharkhand State Government to Ministry of Coal on 27th August, 2018. Since then, the matter is being followed with MoC for early reservation of areas for sand for stowing in favour of SAIL.

- Delay in extension of lease period of Tulsidamar Dolomite Lease by Government of Jharkhand.

Tulsidamar Dolomite Mining Lease was granted on 30th October, 1969 with validity upto 31st March, 2020. SAIL had applied on 29th March, 2019 to Jharkhand Government for extension of lease period beyond 31st March, 2020. Further, vide letters dated 20th May, 2019, 29th July, 2019 and 21st August, 2019, repeated requests were made to extend the lease period under Jharkhand Minor Mineral Rules by incorporating provision of extension of lease period of the mining leases of Government Companies, as done by other State Governments. However, till date no such provisions have been made in Jharkhand Minor Mineral Rules by Jharkhand Government. The mining operations in Tulsidamar Dolomite Lease have been suspended for want of statutory clearances including validity of the leases, which have expired since 1st April, 2020.

- Proposed changes in the Mining Policy with respect to Captive Mines with Steel Manufacturing Companies.

With reference to the news article published in Economic Times dated 4th May, 2020 regarding proposed changes in the mining policy with respect to captive mines with steel manufacturing companies, it was gathered that Ministry of Mines has forwarded a proposal to Prime Minister's Office (PMO) for inter-alia taking back the mines non-operational for more than three years, granted to Public Sector Companies. If the proposal is accepted, it will have far reaching consequences on SAIL, which has thirteen iron ore leases being non-operational for more than three years on account of delay in grant of various statutory clearances. Any such move will not just have far reaching consequences on current operations of the Company, it may also jeopardise the expansion plan to 50 MTPA.

These thirteen leases include five mining leases of Manoharpur Iron Ore Mine (Chiria) and one lease of Rowghat Mine and about 52% of the total iron ore resources available with SAIL, are mainly from these two large mines.

Accordingly, vide letter dated 6th May, 2020, Secretary, Ministry of Steel has been requested for taking up the matter with Ministry of Mines for not considering the proposal to take back the leases non-operational for more than three years, granted to Public Sector Companies.

D. OUTLOOK

The Financial Year 2019-20 ended with outbreak of Covid-19 Pandemic across the Globe, severally affecting economies and industries, with steel industry being no exception to it, and compelling the Governments to enforce nation-wide lockdowns, thereby bringing the economic activities to almost stand still. The IMF has warned that impact of Covid-19 may result into global recession. In this scenario of uncertainty, the steel demand is expected to contract significantly in the Financial Year 2020-21, resulting into production cuts of crude steel. However, with various Governments announcing enormous stimulus packages, it is expected to lead to increase in steel consumption through investment in infrastructure, etc.

With regard to India, subdued demand and oversupply is likely to witness a decline in capacity utilization as well as steel prices in near future. Further, with the consumers deferring their expenditure, the demand from the sectors like white goods, automobile, capital goods, etc., is expected to reduce substantially in first half of Financial Year 2020-21.

E. STRENGTHS and WEAKNESSES

Strengths

- SAIL continues to be among the leading steel producers of the Nation.
- Multi located production units give SAIL an edge over other domestic steel players.
- A large number of new and 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 across the Country.
- Most diversified 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.
- Highly qualified professionals with experience in steel making.

Weaknesses

- Dependence on external sources for key input i.e. coking coal leads to exposure of the Company to the market risk.
- Ageing employee mix along with a high manpower cost and relatively low manpower productivity.

F. REVIEW OF FINANCIAL PERFORMANCE

1. FINANCIAL OVERVIEW OF SAIL

SAIL achieved sales turnover of ₹61,024.88 crore during the Financial Year (FY) 2019-20, lower by 7.91% as compared to ₹66,267.30 crore during corresponding period of last year (CPLY). During the FY 2019-20, the Profit before Tax and after Tax is ₹3,170.66 crore and ₹2,021.54 crore as compared to CPLY profit before Tax of ₹3,337.89 crore and Profit after Tax of ₹2,178.82 crore. Although no provision for income tax has been made, the Company has created deferred tax liability of ₹1,073.73 crore. The comparative performance of major financial parameters during the FYs 2019-20 and 2018-19 is given below:

(₹ crore)

Particulars	2019-20	2018-19
Sales Turnover	61024.88	66267.30
Profit before interest, depreciation, exceptional/abnormal items and tax (EBIDTA)	11199.01	10282.87
Less: Interest and Finance Charges	3486.76	3154.92
Less: Depreciation	3755.05	3384.72
Profit after interest, depreciation, but before exceptional/abnormal items and tax	3957.20	3743.23
Abnormal item	-14.78	-15.94
Exceptional items	-771.76	-389.40
Profit(+)/ Loss(-) before tax	3170.66	3337.89
Less: Provision for taxation	1149.12	1159.07
Profit(+)/Loss(-) after Tax	2021.54	2178.82
Other Comprehensive Income	-115.71	259.08
Total Comprehensive Income (+)/Loss(-)	1905.83	2437.90
Net Worth	39777	38152
EBIDTA to Net sales (%)	18.35	15.52
Return (PAT) on Net worth (%)	5.08	5.71
EBIDTA to average capital employed (%)	14.19	15.33
Earnings per share of Rupee 10/- each	4.89	5.27
Debt Equity Ratio	1.36:10	1.18:10
Current Ratio	1.85:10	1.36:10
Debtors' Turnover Ratio (Days)	53	25
Inventory Turnover Ratio (Days)	16.10	6.4
Interest Coverage Ratio(No. of times)	1.83	1.79
Operating Profit Margin(%)	18.35	15.52

As compared to last year, the performance in the FY 2019-20 has declined on account of decrease in Net Sales Realisation of Saleable Steel of 5 Integrated Steel Plants (12%), adverse stock valuation rate impact of ₹800 crore (approx.), adverse techno economic parameters like specific usage of coal/other raw materials, lower CDI rate, higher usage of power, increase in foreign exchange loss, higher stores & spares expenses, repair & maintenance, security expenses, depreciation and interest charges, etc. However, the same has been partially offset by decrease in prices of

imported coking coal, lower salary & wages, decrease in royalty rate of iron ore, improvement in BF productivity, positive impact of rail price settlement for FY 2015-16 to FY 2018-19. Further, there has been one-time gain on valuation of BSP slime, embedded scrap in slag dump at different Plants and sub grade Iron Ore Fines lying at various mines locations.

As compared to CPLY, the increase in number of days in Debtors' Turnover Ratio was mostly on account of increase in dues from Indian Railways owing to budget constraints. The inventory levels have increased mainly due to market slowdown during the first seven months of the financial year and impact of Covid-19 lockdown in March, 2020. Increase in Current Ratio is mainly on account of increase in debtors and inventory levels. Increase in borrowings has led to higher debt equity ratio in FY 2019-20.

1.2 Initiatives Taken by the SAIL Management

1.2.1 Turnaround Plan

In order to meet the challenges of adverse business environment, a Company-wide turnaround exercise named 'SAIL Uday' was initiated during 2016-17. As a part of the 'SAIL Uday' exercise, SAIL engaged M/s. Boston Consulting Group, a leading global Management Consultant, to study the health of the Company, suggest suitable measures for its turnaround and provide hand holding support and assistance to SAIL for implementation of approved road map for turnaround. The study phase of 'SAIL Uday' culminated in October, 2017 with the submission of the 'Comprehensive Turnaround Roadmap' Report by M/s. Boston Consulting Group. The Roadmap contains recommendations encompassing various functional areas of the Company including Raw Materials, Production, Sales & Marketing, Supply Chain & Logistics, Manpower & Productivity, etc. SAIL is presently in the process of implementation of the recommendations which are expected to contribute towards improvement in the Company's performance.

1.2.2 Cost Control Measures

- Renewed focus on cost reduction and productivity improvement continued during the year through process improvement and R&D efforts. Besides, strong awareness was created at all levels of operations to control cost in all areas of operation.
- Continuous monitoring of procurement of high value items, maximizing use of available indigenous coal, maximising use of in-house engineering shops, sale of idle assets, reduction in ocean freight and optimising procurement through centrally purchased items, including negotiations with suppliers for price reduction, were pursued throughout the financial year 2019-20.
- Coal blend optimisation and improvement in operational parameters such as BF productivity, Specific Energy Consumption, Concast Production have contributed to cost savings during the year.
- The Company introduced the Voluntary Retirement Scheme (VRS) from 1st July, 2020 to 31st July, 2020 through which 426 number of employees separated from the services of the Company.

1.2.3 Marketing

Your Company has taken a number of initiatives during the Financial Year 2019-20 aimed at sustaining and consolidating its position as the leading steel producer of the Country.

Further, with a view to widening the options that the Company makes available to customers and to meet their needs for customized or specific application steels, a number of new products were developed in 2019-20, including the following:

- At Rourkela Steel Plant, DIN Grade (Equivalent BIS Grade IS 2062 E350C with wear resistance properties) plates have been developed for LHB coaches of Railways.
- Customised IS 2062 E410C plates have been developed for the auto sector. These customised plates developed for hot forming application at customers' end, retain the required strength level even after hot forming process.
- BQ plates of ASTM 537 Class 1 (Normalized Rolled) giving equivalent properties of furnace normalized, have also been developed at Rourkela Steel Plant for Boiler applications.
- Ship building plates of IRS Gr B have been developed at Bokaro and Bhilai Steel Plants for Ship building applications.
- At Bokaro Steel Plant, High Strength CR coils like IS 513 ISC390W and ISC440W, ISC410LA have been developed for supply to two wheeler part manufacturers in the auto sector.
- At IISCO Steel Plant, special grades WRC in grades SAE 15B 25 & SAE 1006 EN 8 D were developed, apart from High Carbon and Aluminium Killed grade. Besides the usual efforts to enhance sales, your Company has taken a number of initiatives to improve sales and market presence which, inter-alia, include the following:
- In order to help build awareness and acceptance of steel usage in rural areas, SAIL has an ongoing rural outreach programme "Gaon Ki Ore". Under the campaign, 180 workshops have been conducted during the financial year 2019-20 across the Country working with village level public decision makers, opinion makers, masons, builders, etc.
- Your company has launched its reinforcement bar brand "SAIL-SeQR". This

brand is being promoted as better quality steel for safer homes. This brand is focused to enhance retail presence of SAIL with special emphasis on rural penetration. In the first year of launch, the Company has produced about 2 lakh tonnes of "SAIL SeQR" reinforcement bars. It has been decided to retail "SAIL SeQR" through the 2-Tier distributor system to meet the quality expectations of the retail sector and to build up the brand image. Comprehensive distribution and promotion plan has been drawn up for sales of SAIL SeQR to Retail customers.

- Your company has continued the thrust on the "NEX" brand of structurals, assuring improved performance. Efforts have been made to increase usage of "NEX" brand of structural through workshops and interactions amongst Designers, Architects, Engineers in Government and Private sectors.
- In order to popularise and enhance usage of steel in structural designs, an innovative campaign has been undertaken in premier Engineering colleges including IITs, NITs across the Country. The inputs provided are beyond the traditional course and are aimed to encourage steel structural for design amongst academia and future engineers.
- In order to introduce customers to the advantages offered by SAIL's new production facilities, dedicated cross functional teams have been formed for marketing products from the new mills at our Steel Plants at Burnpur, Durgapur, Rourkela and Bokaro. These teams have engaged with new market segments in order to achieve a mutual understanding of end user requirements as well as production, performance and testing parameters.

With a view to explore alternative modes of transportation of materials, coastal movement of materials was made from Bokaro to Chennai through Haldia.

Your company has the largest marketing network among all steel producers in the Country. As on 1st April, 2020, SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 10 active Customer Contact Offices, 23 Departmental Warehouses and 21 functional Consignment Agency yards. Marketing efforts are further supplemented through SAIL's Retail Channel that reaches the products of mass consumption to remote corners of India.

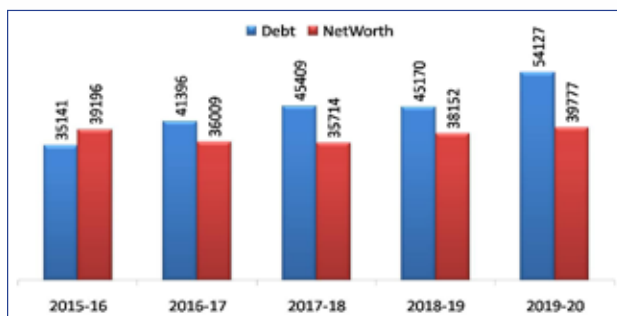
SAIL has an extensive dealership network comprising of more than 2300 dealers spread across the Country. With 33 Distributors already in place in the 2-tier distribution network as on 1st April 2020, this channel of retail sales is being further strengthened. This huge network spread across the Country helps in meeting the requirements of a wide range of customers spread through length and breadth of the Country. Total sales to distributors in the financial year 2019-20 has shown significant growth of over the previous year.

Some other initiatives undertaken by your Company include launching of Incentivisation Scheme for MSMEs to promote Local Industries based in and around our Integrated Steel Plants.

As an environmentally and socially conscious Company, with a view to improving the air quality and reducing pollution, a drive for planting of saplings in the warehouses have been undertaken.

1.3 Funds Management

There is increase in the borrowings of the Company from ₹45,170 crore as on 31st March, 2019 to ₹54,127 crore as on 31st March, 2020 in line with INDAS. The debt equity ratio of the Company as on 31st March, 2020 is 1.36:1 as compared to 1.18:1 in the previous year. The interest and finance charges on operation account during the current year at ₹3,486.76 crore are higher by ₹331.84 crore over CPLY. The Net-worth of the Company has increased from ₹38,152 crore as on 31st March 2019 to ₹39,777 crore as on 31st March 2020. M/s. CARE Ratings, M/s. India Ratings and M/s. Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA- Outlook: Negative', 'India Ratings AA- Outlook: Negative' and 'BWR AA Outlook: Negative' ratings respectively for SAIL's long-term borrowing programme. The trend of borrowings and Net-worth is given as under:



1.4 Contribution to SAIL Gratuity Trust

Based on the contribution made by the Company to SAIL Gratuity Trust, the fund size has grown to ₹6,357.62 crore as on 31st March, 2020, net of settlement done towards payment of Gratuity.

2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

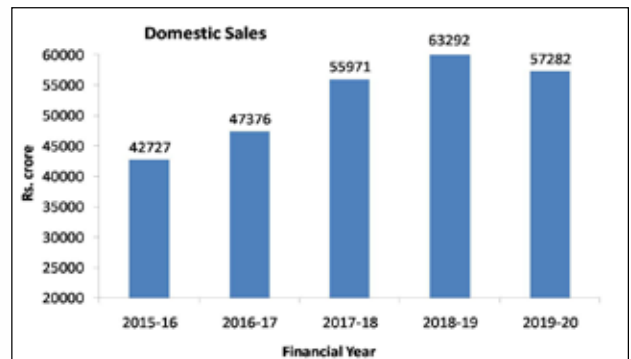
2.1 Revenue from Operations

a) Sale of Products

(₹ crore)

Particulars	FY 2019-20	FY 2018-19	Change %
Sales of Saleable Steel Products	59298.35	62541.86	-5.18
Sales of Other Products	1726.53	3725.44	-53.66
Total Sales Turnover	61024.88	66267.30	-7.9
Net Sales Turnover	61024.88	66267.30	-7.9

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 the Company's rich product-mix. The product category-wise sales turnover during the FY 2019-20 is given as under:

Products Category	% of Sales value
Saleable Steel	
Flat Products (including Pipes & Electrical Sheets) (a)	44
Long Products (b)	47
Integrated Steel Plants – Mild Steel (c = a + b)	91
Alloy & Special Steel Plants - Alloy & Special Steel (d)	4
Total Saleable Steel (e = c + d)	95
Secondary Products (Pig Iron, Scrap, Coal Chemicals, etc.) (f)	5
Total (g = e + f)	100

c) Sale of Services - Service Charges

(₹ crore)

FY 2019-20	FY 2018-19	Change %
22.89	28.53	-19.77

Revenue from sale of services decreased by about ₹5.64 crore during the current year.

d) Other Operating Revenues

(₹ crore)

FY 2019-20	FY 2018-19	Change %
612.78	671.48	-8.74

Other operating revenues decreased by about ₹58.70 crore over previous year primarily on account of lower realisation from sundries.

2.2 Other Income

(₹ crore)

FY 2019-20	FY 2018-19	Change %
985.22	532.82	84.91

Other income increased by about ₹452.40 crore over previous year mainly due to increase in interest income from customers and bank deposits, dividend from investments and recovery of liquidated damages.

2.3 Expenditure

(₹ crore)

Particulars	FY 2019-20	FY 2018-19	% Change
Raw Materials Consumed	29212.87	32291	-9.53
Employee Remuneration & Benefits	8781	8830	-0.56
Finance Cost	3487	3155	10.51
Depreciation	3755	3385	10.94
Other Expenses	19023	18829	1.03

During the FY 2019-20, the decrease in raw materials cost was on account of reduction in input prices, particularly of imported coal. During the year, the Employees' Remuneration & Benefits have decreased mainly due to reduction in manpower numbers on account of natural separation and voluntary retirement scheme. Higher finance cost was due to increase in borrowings and increase in depreciation was due to capitalization of new facilities. The increase in other expenses was on account of increase in the cost of stores & spares, repairs & maintenance, power & fuel, handling expenses, security expenses, etc.

2.4 Contribution to Exchequer

During the Financial Year 2019-20, SAIL contributed ₹12,154 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	2019-20	2018-19	% change
NON CURRENT ASSETS			
(a) Property, Plant and Equipment	65369	59907	9.12
(b) Capital Work-in-Progress	8752	16014	-45.35
(c) Right of use Asset	2205		
(d) Investment Property	1	1	0.00
(e) Intangible assets	1443	1451	-0.55
(f) Financial Assets			
(i) Investments	1585	1585	0.00
(ii) Trade Receivables			
(iii) Loans	665	564	17.91
(iv) Other Financial Assets	447	258	73.26
(h) Deferred Tax Assets (Net)	2079	2898	-28.26
(i) Non current tax assets (net)	152	154	-1.30
(j) Other non-current assets	1481	1357	9.14
TOTAL NON CURRENT ASSETS	84179	84189	-0.01

(₹ crore)

Particulars	2019-20	2018-19	% change
CURRENT ASSETS			
(a) Inventories	23747	19442	22.14
(b) Financial Assets			
(i) Trade Receivables	8812	4495	96.04
(ii) Cash and cash equivalents	153	35	337.14
(iii) Bank balances other than (ii) above	210	185	13.51
(iv) Loans	50	53	-5.67
(v) Other Financial Assets	2189	2161	1.30
(c) Current tax assets (net)			
(d) Other Current Assets	5730	5867	-2.34
(e) Assets classified as held for sale	27	11	145.45
TOTAL CURRENT ASSETS	40918	32249	26.88
TOTAL ASSETS	125098	116438	7.44

- Property, Plant & Equipment increased by ₹5,462 crore and the capital work-in-progress decreased by ₹7,262 crore mainly due to capitalization of new facilities and various capital schemes in steel Plants.
- Other Non-Current Assets increased by ₹125 crore.
- The inventories increased by ₹4,305 crore mainly on account of valuation of sub grade iron ore fines.
- Increase in trade receivables was by ₹4,317 crore mainly on account of dues outstanding from Indian Railways
- Other Current Assets decreased by ₹137 crore.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	2019-20	2018-19	% change
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	34560	30803	12.2
(ii) Trade Payables	7	7	0.0
(iii) Other Financial Liabilities	1296	1331	-2.6
(b) Long Term Provisions	4109	4295	-4.3
(c) Deferred tax liabilities (net)			
(d) Other non-current liabilities	398	253	57.3
Total Non Current Liabilities	40370	36689	10.0
Current Liabilities			
(i) Borrowings	16641	10631	56.5
(ii) Trade Payables	6321	7258	-12.9
(iii) Other Financial Liabilities	13732	14693	-6.5
(b) Other current liabilities	5757	6706	-14.2
(c) Provisions	2322	2309	0.6
(d) Current Tax liabilities (net)	180		
Total Current Liabilities	44952	41597	8.1
TOTAL (Current + Non Current Liabilities)	85322	78286	9.0

- Long term borrowings increased by 12% mainly due to funds being blocked in inventory and debtors including Railways.
- The short term borrowings has increased by ₹6,010 crore due to increase in debtors by ₹4,317 crore mostly on account of increase in dues from Indian Railways as well as due to market slowdown.

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

(₹ crore)

Plant/Unit	2019-20	2018-19
Bhilai Steel Plant (BSP)	1799.03	509.37
Durgapur Steel Plant (DSP)	-441.79	278.62
Rourkela Steel Plant (RSP)	-409.20	1472.21
Bokaro Steel Plant (BSL)	48.44	1916.49
IISCO Steel Plant (ISP)	-1091.69	-402.05
Alloy Steels Plant (ASP)	-98.78	-40.64
Salem Steel Plant (SSP)	-345.58	-259.00
Visvesvaraya Iron & Steel Plant (VISP)	-74.64	-75.72
SAIL Refractory Unit (SRU)	48.74	50.71
Chandrapur Ferro Alloys Plant (CFP)	-22.37	11.20
Raw Materials Division/Central Units	3758.50	-123.30
SAIL: Profit Before Tax (+)/Loss(-)	3170.66	3337.89

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:

- Procurement on GeM Portal: SAIL has signed an MOU with Government e-Marketplace (GeM) on 17th July, 2019 for procurement of Goods & Services on GeM Portal. By virtue of the MOU, GeM deployed GOTT (GeM Organisational Transformation Team) with effect from 23rd December, 2019 for enhancing procurement of Goods & Services on GeM Portal. SAIL has procured Goods worth ₹28.90 crore in the FY 2019- 20 as against an amount of ₹2.69 crores incurred during 2018-19.
- Procurement: E-tendering using SRM/EPS platform increased from 91% to more than 97% on Y-o-Y basis.
- Automatic Acceptance/ Return of EMD: SAIL has implemented automatic acceptance/ return of EMD at Rourkela Steel Plant (RSP) and has signed an Agreement with ICICI Bank for rendering this service. Action to implement similar system in other Plant/Units of SAIL has already been initiated.
- Systems Improvement: SAIL has revised Purchase/ Contract Procedure in 2020 as PCP – 2020 and have e-published it the intra-website of the Company after incorporating recent provisions of procurement on GeM Portal, revised provisions of Public Procurement Policy, recent Office Memoranda/ Guidelines issued by Ministry of Steel, Department of Public Enterprises, MSME and Make in India Policy. The document has been revised to bring more clarity in procurement process.

H. FOREIGN EXCHANGE CONSERVATION

SAIL's imports are large as compared to the exports, and therefore, the foreign exchange has a larger impact on the Company in terms of the foreign exchange outgo, affecting the Country's foreign exchange reserves.

It has been our endeavour to minimize the imports through domestic substitution wherever possible, and also emphasise on exports. As a result, gradually the Company's export of finished products have been on the increasing trend. One of the major raw materials which SAIL has been importing is Coking Coal. Efforts are being made to use a blended coal mix with increased indigenous coal, which would lead to reducing the dependence on the Imported Coking Coal in order to reduce the outflow of precious foreign currency. Further, measures are being taken to expand the basket/ pool of suppliers for imported inputs/raw materials. With the Government of India announcing that there will not be any Global tender for projects up to ₹200 crore, the domestic participants shall get an opportunity, thereby, resulting in conserving of Foreign Currency. In addition to this, the Company has taken up various initiatives to indigenise the procurement of raw materials and other inputs to the extent they become available to the Company at the commercially acceptable prices/costs and commensurate with the requirements of the technologies adopted by the Company.

I. PROJECT MANAGEMENT

AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement (AMR) Schemes have also been taken up which are required for management of existing operations and primarily focuses on improving the current level of efficiency and output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facilities for sustaining the existing operations, balancing / debottlenecking of production processes, improvement energy & other resource consumption / services / safety and environment. Replacement includes mostly replacing the existing Plant & Equipment / facility with better performance Plant & Equipment / facility. Accordingly, a number of AMR schemes costing around ₹7,500 crore were under implementation during financial year 2019-20 in different

Plants of the Company as under:

- Construction of permanent Barracks at 21 locations for Rowghat Deposit, Upgradation of Stoves for Blast Furnace-4, Installation of Cast House Defuming System in Blast Furnace No.7, Setting up of Static facility for Environmentally Sound Management of Polychlorinated Biphenyls and Installation of Electro Static Precipitators as replacement of Multi Cyclones for all 4 nos. of Sinter Machine at Sinter Plant –II and Treatment & Cycling of Waste Water of Outlet-C at Bhilai Steel Plant.
- Installation of a new Rotary Hearth Reheating Furnace at Wheel & Axle Plant, Power Evacuation for 2x20 MW New Power Plant, Replacement of Converter shells together with Bottom Stirring System & Installation of Secondary Emission Control in all the three Converters of SMS and Procurement of One no. Steam Turbine Rotor Assembly for Turbo-Blower Nos. 1-4 in Old Power Plant at Durgapur Steel Plant.
- Installation of New Hot Strip Mill and Power evacuation at 220kV from M/s. NSPCL to MSDS-IV at Rourkela Steel Plant.
- Provision of Hydraulic Mudgun cum Drill Machine for Blast Furnace -1, New Sinter Plant, Modernization of Steel Melting Shop -I, Upgradation of Stoves of Blast Furnace No.1, Rebuilding of Coke Oven Battery-8, Up-gradation of 6 nos. of Electro Static Precipitators of Lime Kiln, Replacement of Battery cyclones with Electro Static Precipitators in Sinter Plant and Development of alternate system for drawal of raw water from Damodar River from BSL & Township at Bokaro Steel Plant.

Further, out of the above, following projects worth about ₹4,100crore have been completed during the year 2019-20:

- New HSM at Rourkela Steel Plant.
- Upgradation of Stoves of BF-1 at Bokaro Steel Plant.
- Provision of Hydraulic Mud Gun and Drilling Machine at BF-1 at Bokaro Steel Plant.
- Converter of SMS-I at Bokaro Steel Plant.
- Installation of new Rotary Hearth Reheating Furnace at Wheel & Axle Plant in Durgapur Steel Plant.

J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the ISO 9001:2015 certified in-house design, engineering and consultancy Unit of SAIL caters to the area of projects required for modernization and expansion growth of the Company by embracing state of the art technology, practicing strong ethics and placing high levels of emphasis on customer satisfaction. Retaining its competitive edge through innovation, CET is always exploring ways to improve the business processes and services in areas covering mining, coal coke & chemicals, iron & sinter making, steel making, finishing mills and environmental projects. Special emphasis, in the recent past, has been in mineral beneficiation, iron ore pelletisation, material handling, power plant, slag granulation plant, blast furnace stoves, recycling of waste water for zero liquid discharge, automation and related areas. The current major projects cover many brownfield as well as greenfield projects in its order book which include MDO at Tasra coking coal mines, MDO at Taldih, Installation of Coke Oven Batteries, SMS-I, Caster, LF at BSL, New Hot Strip Mill at RSP, Installation of New Bar Mill, Converter Shell changing at DSP & BSP, RH plant at BSL, BSP, Oxygen Plant at RSP, BSL, Power evacuation project at DSP, RSP, etc.

K. CONSULTANCY SERVICES

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

Besides offering technological know-how, SAILCON also offers a wide range of training programmes including those involving development of skill and expertise in the related fields. Apart from training in the technical areas, SAILCON also provides training related to HR, Implementation of Quality Management System and various Management Development Programmes. Technical and Management Training services are its forte and these services have been availed of by several organizations in private and public sector within India and abroad.

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

During the Financial Year 2019-20, SAILCON laid enhanced focus on taking up environment management related assignments.

L. RESEARCH & DEVELOPMENT

Research and Development Centre for Iron & Steel (RDCIS) of the Company is India's premier research organization in the field of ferrous metallurgy. Recognizing that

development and assimilation of new technologies & process innovations are basic tenets for sustainable growth, SAIL has given thrust for its R&D efforts through its well equipped R&D Centre located at Ranchi. It has more than three hundred diagnostic equipment and adequate pilot facilities under fifteen major laboratories. The Centre undertakes research projects encompassing the entire spectrum of iron & steel starting from raw materials to finished products. In the year 2019-20, 70 R&D projects and 50 projects were completed with substantial benefits to the organization.

Two projects are being pursued with assistance from the Ministry of Steel: (a) Indigenous development of model based breakout prediction system for Continuous Casters, and (b) Development of automation system for optimum coal blending at coal handling plant of coke oven batteries.

Apart from Annual Performance Plan projects, 22 Short Term Assignments (STAs) were also carried out by RDCIS to investigate technical issues and suggest remedial measures for key concern areas in the Coal, Sinter Plant, Blast furnace, Steel, Refractory and Rolling Mills, etc.

RDCIS also pursues pioneering work in the area of development of niche products as per market requirements aiming at superior performance based on application. During the year 2019-20, eighteen products have been developed and some of the noteworthy products include resistant steels for Indian construction segment, Boilers and Pressure Vessels, Auto Segments, EME, TLT sector, etc.

In its pursuit for excellence in various research fields, RDCIS enters into collaboration mode of research in specific areas with renowned research institutions and academia. During the year 2019-20, Collaboration assignments have been pursued with institutions and PSUs such as Indian Oil R&D; C-DAC, Thiruvananthapuram; Central Building Research Institute, Roorkee; NML Jamshedpur.

The efforts of RDCIS engineers and scientists have culminated in filing of 15 patents and 7 copyrights (in association with SAIL Plants) during 2019-20. As many as 56 technical papers (26 international) were presented in seminars/symposia/conferences and 74 papers (16 international) were published in prestigious journals.

SAFETY

SAIL Safety Organization (SSO) monitors and guides the Safety Promotional, and Fire activities undertaken at different steel Plants/Units/Mines/Stockyards. To accomplish the above mentioned functions, SSO formulates and prepares appropriate Safety Policies, Procedures, Systems, Action Plans, Guidelines, etc. and follows up for their implementation and thereby helps in providing Accident-free Work Environment. Consistent efforts are also being made by SSO for competence building in the area of Safety Management through HRD interventions covering Heads of Shops, Line Managers, Safety Personnel and Trade Union leaders.

A multi-disciplinary Safety Engineering Departments exists in each of the Steel Plants and Mines to look after their safety needs. The emphasis is now on Systematic Approach to Safety Management. SSO is also managing the secretariat of the Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI), a bipartite forum which addresses Steel Plant Safety, Health & Environment issues with active involvement of management and central & plant level trade unions and provides guidelines to the member organizations. Prioritising safety foremost, the Company

has engaged Safety Consultant for Safety Culture Transformation, and a pilot project is in progress in Bhilai Steel Plant, and to be followed up with in other Steel Plants/Units. Acknowledging the importance of Safety, the activities and measures undertaken are reviewed at the highest level by the Board Sub Committee on Health, Safety & Environment.

M. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate and efficient Internal Control Systems for achieving the following business objectives of the Company:

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

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

The Company is constantly taking measures to make the Internal Audit function more effective. The Internal Audit is subject to overall control environment supervised by Board Level Audit Committee, providing independence to the Internal Audit function, emphasizing transparency in the systems and internal controls with appropriate skill-mix of internal audit personnel, etc. Audit Plan based on identification of key-risk areas with thrust on system/process audits and benchmarking of the best practices followed in the Plants/Units, is made and approved by Audit Committee of the Board so as to achieve Cost Saving and Revenue Generation, Review of Inventory and Idle Assets, Systems Improvement, Compliance with Policies and Procedures, etc. Training and development of Internal Audit Executives, bringing awareness amongst auditees, converging on the pro-active role of internal audit remained other focus areas during the year. The Audit Committee in its meetings with the Company's Statutory Auditors also ascertains their views on the adequacy of internal control systems in the Company and their observations on financial reports.

The 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 along with settlement/updated status are periodically submitted to the Management and Audit Committee of the Board.

CAUTIONARY STATEMENT

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

Standalone Balance Sheet

As at 31st March, 2020

(₹ crore)

	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	65369.42	59907.26
(b) Capital work-in-progress	5	8751.56	16013.50
(c) Right of use assets	4a	2205.08	-
(d) Investment Property	6	1.12	1.09
(e) Intangible assets	7	1443.42	1450.86
(f) Financial assets			
(i) Investments	8	1584.98	1584.75
(ii) Trade receivables	9	-	-
(iii) Loans	10	664.59	563.98
(iv) Other financial assets	11	446.56	258.41
(g) Deferred tax assets (net)	12	2078.99	2898.38
(h) Current tax assets (net)	13	152.35	153.63
(i) Other non-current assets	14	1481.29	1356.60
		<u>84179.36</u>	<u>84188.46</u>
Current Assets			
(a) Inventories	15	23747.20	19441.80
(b) Financial assets			
(i) Trade receivables	16	8812.39	4495.05
(ii) Cash and cash equivalents	17 (i)	153.43	34.59
(iii) Other bank balances	17 (ii)	209.82	184.83
(iv) Loans	18	49.67	53.24
(v) Other financial assets	19	2188.99	2160.88
(c) Other current assets	20	5729.75	5867.41
		<u>40891.25</u>	<u>32237.80</u>
Assets classified as held for sale	21	27.20	11.47
TOTAL ASSETS		<u>125097.81</u>	<u>116437.73</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	4130.53	4130.53
(b) Other equity	23	35646.85	34021.04
		<u>39777.38</u>	<u>38151.57</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	34560.03	30802.66
(ii) Trade payables	25	-	-
(a) total outstanding dues of micro enterprises and small enterprises		6.66	6.82
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1295.59	1330.62
(iii) Other financial liabilities	26	4108.80	4295.41
(b) Provisions	27	397.51	253.19
(c) Other non-current liabilities	28	40368.59	36688.70
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	16640.78	10631.22
(ii) Trade payables	30	-	-
(a) total outstanding dues of micro enterprises and small enterprises		47.99	67.45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6272.39	7190.54
(iii) Other financial liabilities	31	13732.40	14693.31
(b) Other current liabilities	32	5723.85	6706.17
(c) Provisions	33	2354.93	2308.77
(d) Current tax liabilities (net)	33a	179.50	-
		<u>44,951.84</u>	<u>41,597.46</u>
TOTAL EQUITY AND LIABILITIES		<u>125097.81</u>	<u>116437.73</u>
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020

**Standalone Statement of Profit and Loss**For the year ended 31st March, 2020

(₹ crore)

	Note No.	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Income			
Revenue from operations	34	61660.55	66967.31
Other income	35	985.22	532.82
Total Income		62645.77	67500.13
Expenses			
Cost of materials consumed	36	29212.87	32290.91
Changes in inventories of finished goods, work in progress and by-products (including ₹-4120.85 crore (previous year: nil) in respect of by-products)	37	(5555.82)	(2716.62)
Employee benefits expense	38	8781.32	8830.34
Finance costs	39	3486.76	3154.92
Depreciation and amortisation expense		3755.05	3384.72
Other expenses	40	19023.17	18828.57
Total expenses		58703.35	63772.84
Profit/(Loss) before Exceptional items and tax		3942.42	3727.29
Less: Exceptional items	41	771.76	389.40
Profit/(Loss) before tax		3170.66	3337.89
Tax expense			
Current tax		224.14	-
Deferred tax		1073.73	1154.23
MAT credit		(214.75)	-
Earlier years		66.00	4.84
Total tax expense		1149.12	1159.07
Profit/(Loss) for the year		2021.54	2178.82
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(194.21)	329.91
Gain and losses from investments in equity instruments designated at fair value through OCI		16.60	57.96
(ii) Income tax relating to items that will not be reclassified to profit or loss		61.90	(128.79)
Other Comprehensive Income/(Loss) for the year		(115.71)	259.08
Total Comprehensive Income/(Loss) for the year		1905.83	2437.90
Earnings per equity share			
Number of equity shares (face value ₹ 10/- each)		4130525289	4130525289
Basic and diluted earnings per share (₹)	41A	4.89	5.27
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi

Dated : July 10, 2020

Standalone Statement of changes in equity

For the year ended 31st March, 2020

A Equity Share Capital

(₹ crore)

Particulars	Balance as at 1 st April, 2018	Changes in equity share capital	Balance as at 31 st March, 2019
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12
	Balance as at 1st April, 2019	Changes in equity share capital	Balance as at 31st March, 2020
Equity shares with voting rights	4,130.41	0.01	4,130.42
Equity shares without voting rights	0.12	(0.01)	0.11

B Other Equity

(₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2018	1.75	235.10	5,095.13	2,340.69	23,898.88	11.59	31,583.14
Profit/(Loss) for the year					2,178.82		2,178.82
Other comprehensive income/(loss) for the year (net of tax)					214.62	44.46	259.08
Total comprehensive income/(loss) for the year	-	-	-	-	2,393.44	44.46	2,437.90
Transfer from bond redemption reserve				(730.10)	730.10		-
Transfer to bond redemption reserve				383.55	(383.55)		-
Balance as at 31st March, 2019	1.75	235.10	5,095.13	1,994.14	26,638.87	56.05	34,021.04
Balance as at 1st April, 2019	1.75	235.10	5,095.13	1,994.14	26,638.87	56.05	34,021.04
Profit/(Loss) for the year					2,021.54		2,021.54
Other comprehensive income (loss) for the year (net of tax)					(128.44)	12.73	(115.71)
Total comprehensive income/(loss) for the year	-	-	-	-	1,893.10	12.73	1,905.83
Transfer from bond redemption reserve				(895.75)	895.75		-
Transfer to bond redemption reserve				276.63	(276.63)		-
Equity dividend					(206.53)		(206.53)
Tax on equity dividend					(41.54)		(41.54)
Ind AS 116 adjustment					(31.95)		(31.95)
Balance as at 31st March, 2020	1.75	235.10	5,095.13	1,375.02	28,871.07	68.78	35,646.85

Significant Accounting Policies

3

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020



Standalone Cash Flow Statement

For the year ended 31st March, 2020

(₹ crore)

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	3170.66	3337.89
Adjustments for:		
Depreciation and amortisation expenses	3755.05	3384.72
Loss/(Gain) on disposal of fixed assets (net)	49.43	45.27
Interest income	(139.55)	(123.95)
Dividend income	(86.65)	(44.44)
Finance costs	3387.02	3154.92
Unrealised Loss/(Gain) on foreign exchange fluctuations	99.74	41.69
Loss/(Gain) on sale of non-current investments	(0.59)	-
Bad debts and provision for doubtful advances/receivables	76.12	65.12
Other provisions	212.86	177.32
Unclaimed balances and excess provisions written back	(406.97)	(146.86)
Operating Profit/(Loss) before working capital changes	10117.12	9891.68
Changes in assets and liabilities:		
Trade receivables	(4385.41)	(676.19)
Loans, other financial assets and other assets	(199.82)	(39.76)
Trade payable	(937.77)	(282.07)
Other financial liabilities, other liabilities and provisions	(666.83)	979.03
Inventories	(4490.81)	(2606.83)
Cash flow from operating activities post working capital changes	(563.52)	7265.86
Income tax paid (net)	(87.05)	35.71
Net cash flow from operating activities (A)	(650.57)	7301.57
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(4672.30)	(3979.05)
Proceeds from sale/disposal of property, plant & equipment	223.23	100.71
Purchase of current and non-current investments	11.74	(35.49)
Movement in fixed deposits (net)	(24.99)	(10.22)
Interest received	139.55	123.95
Dividend received	86.65	44.44
Net cash flows/(used) in investing activities (B)	(4236.12)	(3755.66)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	2897.82	1374.42
Proceeds from short-term borrowings (net)	6009.56	(1613.10)
Finance cost paid	(3653.78)	(3352.09)
Dividend paid (including tax)	(248.07)	-
Net cash flows/(used) in financing activities (C)	5005.53	(3590.77)
D Net change in cash and cash equivalents (A+B+C)	118.84	(44.86)
Cash and cash equivalents at the beginning of the year	34.59	79.45
Cash and cash equivalents at the end of the year	153.43	34.59

The amendments to Ind AS 7 - Statement of Cash Flows requires the entity to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. The required disclosure is given below. There is no other impact on the financial statements due to this amendment.

(₹ crore)

	As at 31 st March, 2019	Non cash changes			As at 31 st March, 2020
		Cash Flows	Fair Value Changes	Current/Non Current Classification	
Borrowings- Non Current	30802.66	1988.86	4490.69	(2601.78)	34680.43
Current Maturities of Long Term Debt	3607.71	(3607.71)	-	2601.78	2601.78
Borrowings - Current	10631.22	5894.49	114.74	-	16640.45

The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows.

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

Sd/-
(M.B. Balakrishnan)
Company Secretary

For and on behalf of the Board of Directors

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020

Notes to Standalone Financial Statements for the Year ended 31st March, 2020

1. Corporate and General Information

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

These financial statements have been approved by the Board of Directors of the Company in their meeting held on 10th July, 2020.

2. Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Management Judgement

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

2.5 Current versus Non-current classification

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

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

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment losses. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the

assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production and/ or supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is ready for management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

3.1.4 Depreciation

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

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

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

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

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

Freehold land is not depreciated.

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

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

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

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

Other Intangible Assets

Other intangible assets are amortised on straight-line method over the expected duration of benefits. Software which is not an integral part of related hardware,

is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

Research and development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

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

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

3.5 Borrowing costs

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

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

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

3.6 Inventories

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

Immaterial By-products, Residue products and other scrap are valued at estimated net realisable value.

The basis of determining cost is:

- Raw materials - Periodical weighted average cost
- Minor raw materials - Moving weighted average cost
- Stores & Spares - Moving weighted average cost
- Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

Short Term Employee Benefits

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

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

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

3.10 Revenue Recognition

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

Sale of goods

Sales are net of Goods and Services Tax (GST), rebates and price concessions. Sales are recognised when it satisfy performance obligation by transferring promised goods or services (i.e. assets) to the customers and the customers obtain control of those goods or services. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

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

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

Interest and dividend income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

The Company has adopted Ind AS 116 Leases from 1st April, 2019. At the inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Certain lease arrangements include the options to extend the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reviewed for indicators of impairment and reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted based on the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including Information Technology (IT) equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is

regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

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

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

3.16 Mine Closure

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

3.17 Provisions, Contingent Liabilities and Contingent Assets Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital. Components of other equity include the following:

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

3.21 Financial Instruments
Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

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

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

Classification and subsequent measurement of financial liabilities

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

Embedded Derivatives

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

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Trade Receivables

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

Other Financial Assets

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

Offsetting financial instruments

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

3.22 Investments in subsidiaries, joint ventures and associates

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

3.23 Segment reporting

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

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

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

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

3.24 Significant Judgements, Assumptions, and Estimations in applying Accounting Policies
3.24.1 Classification of Leases

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

3.24.2 Close-down and Restoration Obligations

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

3.24.3 Recognition of Deferred Tax Assets

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

3.24.4 Inventories

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

3.24.5 Defined Benefit Obligation (DBO)

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

3.24.6 Fair Value Measurements

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

3.24.7 Provisions and Contingencies

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

3.24.8 Mine Closure and Restoration Obligations

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

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

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 31 st March, 2019	Additions / Adjustments	Disposals / Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
A. PLANTS, MINES & OTHERS										
Land										
-Freehold land	304.97	-	0.43	304.54	0.85	-	-	0.85	303.69	304.12
-Leasehold land	152.00	-	-	2.16	19.09	0.02	18.86	0.25	1.91	873.70
Buildings and related equipments	5201.93	25.42	3.81	5223.54	1962.74	118.71	2.65	2078.80	3144.74	3239.19
Plant and machinery										
-Steel plant	81885.10	10305.98	369.97	91821.11	30769.15	3004.75	217.26	33556.64	58264.47	51115.95
-Others - owned	3106.31	175.23	45.89	3235.65	2071.25	130.50	42.19	2159.56	1076.09	1035.06
-Others - Leasehold	192.42	-	192.42	-	89.37	-	89.37	-	-	789.03
Furniture and fixtures	136.38	3.99	0.74	139.63	105.23	6.94	0.77	111.40	28.23	31.15
Vehicles	1376.19	28.31	21.82	1382.68	880.97	73.61	17.38	937.20	445.48	495.22
Office equipments	61.30	1.66	1.72	61.24	51.61	1.53	1.09	52.05	9.19	9.69
Miscellaneous articles	365.19	22.32	1.89	385.62	234.45	15.27	1.64	248.08	137.54	130.74
Roads, Bridges & Culverts	436.35	15.32	0.49	451.18	293.74	31.42	(0.12)	325.28	125.90	142.61
Water Supply & Sewerage	666.08	36.16	0.13	702.11	381.06	23.52	0.13	404.45	297.66	285.02
EDP Equipments	432.49	13.47	3.04	442.92	373.77	13.51	3.04	384.24	58.68	58.72
Railway Lines and Sidings	844.06	76.26	8.27	912.05	272.47	23.03	5.97	289.53	622.52	571.59
Sub-total 'A'	95160.77	10704.12	650.62	105064.43	37505.75	3442.81	400.23	40548.33	64516.10	59081.79
Figures for the previous year	91898.85	6251.67	378.07	97772.45	35600.87	3331.56	241.77	38690.66	59081.79	
B. SOCIAL FACILITIES										
Land										
-Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
-Leasehold land	1.75	-	1.75	-	0.80	-	0.80	-	-	3.80
Buildings and related equipments	760.40	59.00	0.01	819.39	361.60	35.41	0.01	397.00	422.39	398.80
Plant and machinery - others	180.56	14.42	0.23	194.75	111.70	7.10	0.19	118.61	76.14	68.86
Furniture and fixtures	26.67	1.09	0.81	26.95	21.30	1.17	0.69	21.78	5.17	5.37
Vehicles	11.23	0.61	1.04	10.80	10.07	0.31	0.99	9.39	1.41	1.16
Office equipments	4.54	0.04	0.33	4.25	4.02	0.12	0.35	3.79	0.46	0.52
Miscellaneous articles	237.08	12.20	9.50	239.78	154.86	12.43	7.91	159.38	80.40	82.22
Roads, Bridges & Culverts	141.24	6.24	-	147.48	110.43	7.96	-	118.39	29.09	30.81
Water Supply & Sewerage	303.89	2.76	0.06	306.59	139.63	6.97	0.06	146.54	160.05	164.26
EDP equipments	11.00	0.55	0.56	10.99	9.16	0.56	0.51	9.21	1.78	1.84
Sub-total 'B'	1689.25	96.91	14.29	1771.87	923.57	72.03	11.51	984.09	787.78	768.53
Figures for the previous year	1664.03	38.40	4.93	1697.50	864.83	67.97	3.83	928.97	768.53	
C. Property, plant and equipment retired from active use										
Assets retired from active use	56.94	28.09	19.49	65.54	-	-	-	-	65.54	56.94
Figures for the previous year	58.91	6.61	8.58	56.94	-	-	-	-	56.94	
Total ('A'+ 'B'+ 'C')	96906.96	10829.12	684.40	106901.84	38429.32	3514.84	411.74	41532.42	65369.42	59907.26
Figures for the previous year	93621.79	6296.68	391.58	99526.89	36465.70	3399.53	245.60	39619.63	59907.26	



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Note : Allocation of Depreciation of PPE, Intangible assets and Investment property

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
(a) Charged to Profit & Loss Account	3755.05	3384.72
(b) Amortisation on stamp duty and registration charges	-	52.91
(c) Charged to expenditure during construction	4.02	4.04
	3759.07	3441.67

(i) Contractual obligations

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

(ii) Land:

- Includes 66,865.29 acres (67,305.79 acres as on 31st March, 2019) owned/possessed/taken on lease by the parent Company, in respect of which title/lease deeds are pending for registration.
- Includes 34,484.73 acres (34,484.73 acres as on 31st March, 2019) in respect of which title is under dispute.
- 10,664.93 acres (9,737.83 acres as on 31st March, 2019) 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.
- 5,775.25 acres (5,832.01 acres as on 31st March, 2019) given on lease to various agencies/employees/ex-employees.
- Includes 4,542.94 acres (4,475.75 acres as on 31st March, 2019) under unauthorised occupation.
- 1,770.89 acres (1,770.89 acres as on 31st March, 2019) of Land which is not in the actual possession, shown as deemed possession.
- ₹57.50 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 34.471 acres.
- Includes 34.471 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, Pending determination of compensation from Land Acquisition Officer, Dist-Bokaro, Jharkhand as directed by High Court .
- Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to ₹13.07 crore has been considered in the accounts for the Financial Year ended 31st March, 2020.
- ₹0.06 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Salem during the year 2013 towards compensation payable to land losers.
- 525.43 Acres Land includes 500 Acres land granted by Govt. of Maharashtra under occupancy rights subject to restrictions agreed upon by the Company towards payment of unearned increment on the property transfer as per agreed terms.

(iii) Other Assets:

- Includes 6,658 (7107 as on 31st March, 2019), residential quarters/houses under unauthorised occupation.
- The process of technical evaluation of componentisation of MSM and useful life thereof from an expert as required by para 4(a), Part C, schedule II of the Companies Act, 2013 amended by MCA notification dated 29th August, 2015 could not be completed due to restrictions/ lockdown imposed by COVID 19 Pandemic. Pending technical evaluation of componentisation of fixed assets and useful life thereof, management of the Company has capitalised various component assets of MSM based of internal estimations and judgements. The management is of the view that the experts evaluation and estimates will have no significant impact on the depreciation in respect of above PPE.

(iv) Property, Plant and Equipment comprises of owned assets, leased assets and right to use assets. Movement in right of use assets has been summarised below:

(₹ crore)

Description	Property, Plant and Equipment		Right of Use Assets				Total
	Leasehold Land	Plant and equipment	Leasehold Land	Plant and equipment	Vehicles	Buildings	
Gross carrying value							
As at March 31, 2019	1,319.95	1,643.23	-	-	-	-	-
ROU recognised on April 1, 2019	-	-	19.22	368.51	17.82	24.05	429.60
Reclassified on account of adoption of Ind AS 116	(1,319.95)	(1,643.23)	1,319.95	1,643.23	-	-	2,963.18
Additions	-	-	20.10	479.63	0.66	4.18	504.57
Disposals	-	-	(44.02)	-	-	-	(44.02)
As at March 31, 2020	-	-	1,315.25	2,491.37	18.48	28.23	3,853.33
Accumulated depreciation							
As at March 31, 2019	442.18	856.53	-	-	-	-	-
ROU recognised on April 1, 2019	-	-	3.77	122.87	3.13	9.59	139.36
Reclassified on account of adoption of Ind AS 116	(442.18)	(856.53)	442.18	856.53	-	-	1,299.09
Charge for the year	-	-	60.95	140.84	3.69	5.12	210.23
Adjustment for disposals	-	-	(0.44)	-	-	0.01	(0.43)
As at March 31, 2020	-	-	506.46	1,120.24	6.82	14.72	1,648.25
Net block as at March 31, 2019	-	-	893.22	1,032.34	14.69	14.46	1,954.33
Net block as at March 31, 2020	-	-	808.79	1,371.13	11.66	13.51	2,205.08

4a: RIGHT OF USE ASSETS

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 1 st April 2019	Additions / Adjustments	Disposals / Adjustments	As at 31 st March, 2020	As at 1 st April 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 1 st April 2019
Right of use assets	3,392.78	504.57	44.02	3,853.33	1,438.45	210.23	0.43	1,648.25	2,205.08	-
Total	3392.78	504.57	44.02	3853.33	1438.45	210.23	0.43	1648.25	2205.08	-
Figures for the previous year	-	-	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
5: CAPITAL WORK-IN-PROGRESS				
Steel Plants & Units	8581.04		15785.16	
Township	86.98		100.84	
Ore Mines and Quarries	330.81		340.08	
	<u>8998.83</u>		<u>16226.08</u>	
Less: Provisions	279.20	8719.63	236.13	15989.95
Construction stores and spares	32.44		19.95	
Less: Provision for non-moving items	3.29	29.15	3.24	16.71
Expenditure during construction pending allocation (Note 5.1)		2.78		6.84
		<u>8751.56</u>		<u>16013.50</u>
5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION				
Opening balance	(a)	5.29		15.11
Expenditure incurred during the year				
Employees' Remuneration & Benefits				
Salaries & Wages	72.59		79.29	
Company's contribution to provident fund	2.47		3.46	
Travel concession	1.94		2.42	
Welfare expenses	0.05		0.07	
Gratuity	3.01	80.06	1.14	86.38
Other expenses				
Technical consultants' fees & know-how	3.03		3.11	
Power & Fuel	68.20		76.25	
Other expenses	2.98		2.92	
Interest & Finance charges	581.68		703.74	
Depreciation	4.02	659.91	4.04	790.06
		<u>739.97</u>		<u>876.44</u>
Less: Recoveries				
Interest Earned	0.01		0.01	
Hire charges	0.16		0.29	
Sundries	0.24	0.41	2.68	2.98
Net expenditure during the year	(b)	<u>739.56</u>		<u>873.46</u>
	Total (a)+(b)	<u>744.85</u>		<u>888.57</u>
Less : Amount allocated to Property, plant and equipment/Capital Work-in-progress		742.07		881.73
Balance carried forward		<u>2.78</u>		<u>6.84</u>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020
6: INVESTMENT PROPERTY

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 31 st March, 2019	Additions / Adjustments	Disposals / Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
A. BUILDINGS										
Buildings	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12	1.09
Sub-total 'A'	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12	1.09
Figures for the previous year	1.45	0.49	-	1.94	0.62	0.03	(0.20)	0.85	1.09	

(i) Contractual obligations

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

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

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Rental income	2.02	1.70
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment properties before depreciation	2.02	1.70
Depreciation	0.09	0.03
Profit from leasing of investment properties	1.93	1.67

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

(iii) Leasing arrangements

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

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Within one year	0.35	1.55
Later than one year but not later than 5 years	1.85	6.22
Later than 5 years	4.20	3.45
	6.40	11.22

(iv) Fair value

Fair value of Investment properties as on 31st March, 2020 is ₹32.15 crore (₹30.71 crore as on 31st March, 2019)

(v) Estimation of fair value

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

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Discounted cash flow projections based on reliable estimates of future cash flows.
- Circle rate of the property as provided by State Government.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION**					NET BLOCK	
	As at 31 st March, 2019	Additions / Adjustments	Disposals / Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
A. PLANTS, MINES & OTHERS										
Computer Software*	103.76	12.76	-	116.52	99.96	3.36	-	103.32	13.20	3.80
Mining Rights	1823.42	13.64	-	1837.06	376.38	30.54	-	406.92	1430.14	1447.04
Sub-total 'A'	1927.18	26.40	-	1953.58	476.34	33.90	-	510.24	1443.34	1450.84
Figures for the previous year	1895.58	31.60	-	1927.18	440.98	42.10	6.74	476.34	1450.84	
B. SOCIAL FACILITIES										
Computer Software*	0.62	0.07	-	0.69	0.60	0.01	-	0.61	0.08	0.02
Sub-total 'B'	0.62	0.07	-	0.69	0.60	0.01	-	0.61	0.08	0.02
Figures for the previous year	0.62	-	-	0.62	0.59	0.01	-	0.60	0.02	
Total ('A'+ 'B')	1927.80	26.47	-	1954.27	476.94	33.91	-	510.85	1443.42	1450.86
Figures for the previous year	1896.20	31.60	0.00	1927.80	441.57	42.11	6.74	476.94	1450.86	

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

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

8 : INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ crore)	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Investments carried at cost				
In Subsidiaries				
SAIL Refractory Company Limited	50,000	50,000	0.05	0.05
SAIL- Jagdishpur Power Plant Limited	50,000	50,000	0.05	0.05
SAIL Sindri Projects Limited	50,000	50,000	0.05	0.05
Chattisgarh Mega Steel Limited	37,000	37,000	0.04	0.04
			0.19	0.19
In Associates (unquoted)				
Almora Meganasite Limited (Face value- ₹100/share)	40,000	40,000	0.40	0.40
			0.40	0.40
In Joint ventures (unquoted)				
NTPC- SAIL Power Company Limited	49,02,50,050	49,02,50,050	490.25	490.25
Bokaro Power Supply Company Pvt Limited	12,40,25,000	12,40,25,000	124.03	124.03
Bhilai Jaypee Cement Limited	9,87,18,048	9,87,18,048	52.51	52.51
SAIL- Bansal Service Centre Limited	32,00,000	32,00,000	3.20	3.20
mjunction services limited	40,00,000	40,00,000	4.00	4.00
S&T Mining Company Private Limited	1,81,41,400	1,29,41,400	18.14	12.94
SAIL MOIL Ferro Alloy Pvt. Ltd.	1,00,000	1,00,000	0.10	0.10
International Coal Ventures Pvt. Ltd.	69,37,59,279	69,37,59,279	693.76	693.76
SAIL-SCL Kerala Ltd.	1,30,17,801	1,30,17,801	18.75	18.75
SAIL-SCI Shipping Private Limited	1,00,000	1,00,000	0.10	0.10
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	2,40,00,000	2,40,00,000	24.00	24.00
SAIL-KOBE Iron India Pvt. Ltd.	2,50,000	2,50,000	0.25	0.25
Prime Gold -SAIL JVC Ltd.	46,80,000	46,80,000	4.68	4.68
North Bengal Dolomite Ltd (Face value-₹100/share)	97,900	97,900	0.98	0.98
Romelt SAIL (India) Limited	63,000	63,000	0.06	0.06
Bastar Railway Pvt Ltd	3,52,32,600	3,52,32,600	35.23	35.23
NMDC SAIL Ltd	24,500	24,500	0.02	0.02
SAIL-Bengal Alloy Castings Pvt. Ltd.	10,000	10,000	0.01	0.01
VSL-SAIL JVC LIMITED	12,97,780	12,97,780	1.30	1.30
GEDCOL SAIL Power Corporation Limited	26,00,000	2,60,000	2.60	0.26
			1,473.97	1,466.43
Total (A)			1,474.56	1,467.02
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	-	60,000	-	11.81
HDFC Bank Limited (Face value - ₹ 2/share)	-	2,500	-	0.58
ICICI Bank Limited (Face value - ₹ 2/share)	-	1,57,300	-	6.30
MSTC Limited	6,40,000	3,20,000	5.06	3.65
			5.06	22.34
Unquoted equity				
TRL Krozaki Refractories Limited	22,03,150	22,03,150	44.10	37.21
Indian Potash Limited	7,20,000	3,60,000	78.84	70.54
Haridaspur Paradeep Railway Co Ltd	50,00,000	50,00,000	5.00	5.00
Cement & Allied Products (Bihar) Limited	2	2	-	-
Chemical & Fertilizer Corporation (Bihar) Limited	1	1	-	-
Bhilai Power Supply Company Limited	5	5	-	-
IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)#	30,00,000	30,00,000	3.00	3.00
UEC SAIL Information Technology Limited*	1,80,000	1,80,000	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	500	500	0.01	0.01
			131.13	115.94

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

8 : INVESTMENTS - NON CURRENT (CONTD.)

	No of Shares		Amount (₹ crore)	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
In Co-operative society				
Bokaro Steel Employees' Co.-operative Credit Society	1,16,500	1,16,500	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative Society	250	250	0.00	0.00
NMDC Meghahatuburu Employees' Co-operative society (Face value ₹100/share)	25	25	0.00	0.00
DSP Employees' Co-operative society limited (Face value ₹100/share)	1,377	1,377	0.01	0.01
Bolani Ores Employees' Consumer co-operative society limited (Face value ₹25/share)	200	200	0.00	0.00
IISCO Employees Primary Co-operative society (Face value ₹20/share)	23,000	23,000	0.05	0.05
			0.18	0.18
Total (B)			136.37	138.46
			1,610.93	1,605.48
Provision for impairment in the value of investments			25.95	20.73
Net investment			1,584.98	1,584.75
Aggregate amount of quoted investments (market value thereof)			5.06	22.34
Aggregate amount of unquoted investments			1,605.87	1,583.14
Aggregate amount of impairment in value of investments			25.95	20.73
			1,584.98	1,584.75

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

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

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

9: TRADE RECEIVABLES - NON CURRENT

	(₹ crore)	
	As at 31 st March, 2020	As at 31 st March, 2019
Considered good - Unsecured	-	-
Receivables - credit impaired	7.83	7.83
	7.83	7.83
Provision for doubtful receivables	7.83	7.83
	-	-
Receivables due from directors and officers of the Company is nil (previous year nil)		

10: LOANS - NON CURRENT

Considered good - Secured	-	-
Considered good - Unsecured		
Security deposits	116.14	103.47
Loan to employees	80.06	95.45
Loans to related parties	-	4.90
Loan to others	471.59	363.36
	667.79	567.18
Less : Provision for doubtful loans	3.20	3.20
	664.59	563.98

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		338.21		172.29
Advance for purchase of shares		3.54		3.54
Claims recoverable		8.36		7.89
Receivable - others		45.48		81.91
Lease equalisation reserve		0.37		-
Receivables from employees		0.07		0.08
Bills receivable		58.30		-
Loans and advances to related parties	10.53		10.53	
Less: Provision for doubtful related party advances	10.53	-	10.53	-
Fixed deposits with maturity period more than 12 months		0.19		0.19
		454.52		265.90
Less: Provision for doubtful assets		7.96		7.49
		446.56		258.41
12 : DEFERRED TAX ASSETS (NET)				
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	11,487.79		10,115.99	
Amortisation of financial assets/liabilities	24.40		17.40	
Fair value adjustment through OCI	27.83	11540.02	23.96	10157.35
Tax effect of items constituting deferred tax assets				
Finance lease obligations	-		94.69	
Maturities of lease obligations	105.31		-	
Lease obligations opening adjustment	17.17		-	
Derivative adjustments	41.17		45.13	
Unpaid taxes and duties to be allowed on payment	1,321.40		1121.70	
Losses available for offsetting against future taxable income	10,160.54		10323.46	
Others	706.85	12352.44	418.92	12003.90
Tax credit (minimum alternative tax)		1266.57		1051.83
Deferred tax (assets) /liabilities (net)		2078.99		2898.38

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

12 : DEFERRED TAX ASSETS (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2020 are summarized as follows:

	As at 1 st April, 2019	Recognized in profit or loss	Recognized in Other comprehensive income	As at 31 st March, 2020
(₹ crore)				
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	10115.99	1,371.80	-	11487.79
Amortisation of financial assets/liabilities	17.40	7.00	-	24.40
Fair value adjustment through OCI	23.96	-	3.87	27.83
	10157.35	1378.80	3.87	11540.02
Tax effect of items constituting deferred tax assets				
Retirement benefits	-	(65.77)	65.77	-
Finance lease obligations	94.69	-	-	-
Maturities of lease obligations	-	10.62	-	105.31
Derivative adjustments	45.13	(3.96)	-	41.17
Unpaid taxes and duties to be allowed on payment	1,121.70	199.70	-	1321.40
Losses available for offsetting against future taxable income	10,323.46	(162.92)	-	10160.54
Tax credit (minimum alternative tax)	1051.83	214.75	-	1266.57
Others	418.92	287.92	-	706.85
	13055.73	480.34	65.77	13601.84
Lease obligations opening adjustment	-	-	-	17.17
Deferred tax assets / (liabilities) (net)	2,898.38	(898.46)	61.90	2,078.99

The Company is having accumulated business losses (including investment allowance) of ₹29076.64 crore (previous year - ₹29542.88 crore) [including accumulated unabsorbed depreciation of ₹21537.70 crore (previous year - ₹21537.70 crore)] and MAT credit of ₹1266.57 crore as on 31st March, 2020 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹7538.93 crore (previous year - ₹8005.17 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

Accordingly, deferred tax asset of ₹2634.40 crores on accumulated business losses (including nil during the year ended 31st March, 2020) and MAT credit of ₹1266.57 crores, has been recognised as on 31st March, 2020 in line with IND AS 12.

	As at 31 st March, 2020	As at 31 st March, 2019
(₹ crore)		
13: CURRENT TAX ASSETS (NET)		
Current tax assets		
Advance income tax (net of provision)	152.35	153.63
	152.35	153.63
14: OTHER ASSETS - NON CURRENT		
Advances to contractors & suppliers	512.38	456.24
Advances others	1.18	4.18
Deposit with Government authorities	688.41	736.71
Prepaid expenses	19.14	25.35
Capital advances	350.75	201.87
Less: Provision for doubtful capital advances	5.34	4.21
	1566.52	1420.14
Less: Provision for doubtful other assets	85.23	63.54
	1481.29	1356.60

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
15: INVENTORIES*				
Stores & spares				
Production	3047.69		2796.93	
Fuel Stores	161.59		137.50	
Others	22.61		25.48	
	3231.89		2959.91	
Add: In-transit	177.67		248.34	
	3409.56		3208.25	
Less: Provision for non moving/obsolete items	240.72	3168.84	232.26	2975.99
Raw Material				
Raw material	3573.90		3690.45	
Add: In-transit	1849.98		2430.24	
	5423.88		6120.69	
Less: Provision for unusable materials	27.70	5396.18	15.17	6105.52
Finished / Semi-finished products				
Finished goods	8912.92		6964.53	
Work in progress	2478.08	11391.00	3395.76	10360.29
Others - By-products (sub-grade fines)**		3791.18		-
		23747.20		19441.80

*Valued as per accounting policy No. 3.6

**Refer note no 48.4 and 49.16

16: TRADE RECEIVABLES - CURRENT

Considered good - Secured		-		-
Considered good-Unsecured		8812.39		4495.05
Receivables - credit impaired		207.57		198.26
		9019.96		4693.31
Provision for doubtful receivables		207.57		198.26
		8812.39		4495.05

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

17 (i): CASH AND CASH EQUIVALENTS

Cash and stamps on hand		0.10		0.10
Cheques in hand		-		31.88
Balance with Banks				
Current accounts	152.91		2.58	
Term deposits with original maturity upto 3 months	0.40		0.01	
Term deposits as per court orders with maturity upto 3 months	0.02	153.33	0.02	2.61
		153.43		34.59

17 (ii): OTHER BANK BALANCES

Earmarked bank balances		205.16		179.24
Unpaid dividend accounts		4.66		5.59
		209.82		184.83

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

As at 31st
March, 2020

As at 31st
March, 2019

18: LOANS - CURRENT

Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits	11.17		10.09	
Loan to employees	31.48		39.61	
Loan to related parties	5.60		2.10	
Loan to others	2.86	51.11	2.67	54.47
		<u>51.11</u>		<u>54.47</u>
Less: Provision for doubtful loans		1.44		1.23
		<u>49.67</u>		<u>53.24</u>

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

19: OTHER FINANCIAL ASSETS - CURRENT

Derivative assets		83.59		-
Claims recoverable		654.76		769.62
Receivable - others		412.55		385.17
Receivables from employees		17.19		6.36
Amount recoverable from Gratuity Trust		313.21		259.15
Bills receivable		1012.80		1036.75
Advances to related parties	21.68		21.68	
Less: Provision for doubtful related parties advances	13.42	8.26	13.42	8.26
		<u>2502.36</u>		<u>2465.31</u>
Less Provision for doubtful assets		313.37		304.43
		<u>2188.99</u>		<u>2160.88</u>

20: OTHER ASSETS - CURRENT

Gold coins in hand		0.23		0.23
Advances to contractors & suppliers	409.42		324.84	
Advance others	1033.05	1442.47	868.14	1192.98
Deposit with Government authorities		2965.87		2832.62
Deposits - GST		1.25		5.11
GST receivable-input service		2.98		4.53
GST receivable		1085.85		1633.13
TDS deducted by customers on GST		0.01		0.66
Prepaid expenses		32.07		31.05
Claims receivable		143.97		147.87
Export incentive receivables		118.81		74.57
		<u>5793.51</u>		<u>5922.75</u>
Less: Provision for doubtful other assets		63.76		55.34
		<u>5729.75</u>		<u>5867.41</u>

21: ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale		27.20		11.47
		<u>27.20</u>		<u>11.47</u>

- (i) On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as 'Assets classified as held for sale'.
- (ii) Plant & Machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020
22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹ 10 each)	5000.00	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹ 10 each fully paid up)	4130.53	4130.53

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

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Numbers	Amount (₹ crore)	Numbers	Amount (₹ crore)
Equity shares with voting rights				
Balance at the beginning of the year	4130408854	4130.41	4130407654	4130.41
Shares converted to shares with voting rights during the year	5445	0.01	1200	-
Shares bought back during the year				
Balance at the end of the year#	4130414299	4130.42	4130408854	4130.41
Equity shares without voting rights*				
Balance at the beginning of the year	116435	0.12	117635	0.12
Shares Issued during the year				
Shares converted to shares with voting rights during the year	(5445)	(0.01)	(1200)	-
Balance at the end of the year	110990	0.11	116435	0.12
Total Equity shares outstanding	4130525289	4130.53	4130525289	4130.53

i) *Represented by current holding of 110990 shares in Global Depository Receipt (GDR) issued in 1996 @ US \$ 29.55 each for an aggregate amount of US \$ 125 million.

ii) #Includes 2180454 shares (previous year 1961727 shares) transferred to IEPF authority on which the voting rights are frozen.

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

iv) The Company does not have a holding Company.

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

Name of Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3097767449	75.00
LIC of India	396663164	9.60	396663164	9.60

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

23: OTHER EQUITY

	(₹ crore)	
	As at 31 st March, 2020	As at 31 st March, 2019
Reserves & Surplus		
Capital Reserve		
Opening balance	1.75	1.75
Additions during the year	-	-
Less: Utilisation during the year	-	-
	<u>1.75</u>	<u>1.75</u>
Securities Premium		
Opening balance	235.10	235.10
Changes during the year	-	-
	<u>235.10</u>	<u>235.10</u>
Bond Redemption Reserve		
Opening balance	1994.14	2340.69
Transfer from retained earnings	276.63	383.55
Transfer to retained earnings	895.75	730.10
	<u>1375.02</u>	<u>730.10</u>
General Reserve		
Opening balance	5095.13	5095.13
Additions during the year	-	-
Less: Utilisation during the year	-	-
	<u>5095.13</u>	<u>5095.13</u>
Retained Earnings		
Opening balance	26638.87	23898.88
Add: Net Profit/(Loss) for the year	2,021.54	2,178.82
Add: Other comprehensive Income/(Loss)	(128.44)	214.62
Add: Transfer from Bond Redemption Reserve	895.75	730.10
Less: Transfer to Bond Redemption Reserve	276.63	383.55
Less: Equity dividend	206.53	-
Less: Tax on Equity dividend	41.54	-
Less: Ind AS adjustments	31.95	-
Less: Transfer to General Reserve	-	-
	<u>28871.07</u>	<u>26638.87</u>
Other Comprehensive Income		
Equity Instruments through Other Comprehensive Income		
Opening balance	56.05	11.59
Change in fair value of FVOCI equity instruments	12.73	44.46
	<u>68.78</u>	<u>56.05</u>
Total other equity	<u>35646.85</u>	<u>34021.04</u>

Nature and purpose of other reserves

Capital reserve

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

Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Bond redemption reserve

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

Other Comprehensive Income (OCI) reserve

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020
24. BORROWINGS - NON CURRENT

(₹ crore)

				As at 31 st March, 2020	As at 31 st March, 2019
SECURED					
Redeemable Non-Convertible Bonds					
Rate of Interest	Maturity Date	Call/Put option (yr)	Security reference		
9.35%	9-Sep-2026	12/nil	(a)	455.00	455.00
9.00%	14-Oct-2024		(a)	1000.00	1000.00
8.75%	15-Sep-2024		(b,d)	50.00	50.00
8.70%	25-Aug-2024		(a)	300.00	300.00
8.30%	3-Aug-2023		(a)	800.00	800.00
8.30%	1-Aug-2023		(a)	1200.00	1200.00
8.35%	19-Nov-2022		(a)	1185.00	1185.00
8.80%	26-Oct-2021		(b,c)	70.00	84.00
9.30%	23-Aug-2021		(a)	400.00	400.00
8.55%	11-Aug-2021		(a)	700.00	700.00
9.30%	25-May-2021		(a,i)	144.00	216.00
8.27%	25-Aug-2020		(a)	-	265.00
8.72%	30-Apr-2020		(a)	-	660.00
8.75%	23-Apr-2020		(a)	-	545.00
Total Bonds				6304.00	7860.00
Term Loans from banks					
Rupee loans			(h)	23235.31	18681.00
Foreign currency loans			(h)	2625.19	2391.57
				32164.50	28932.57
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	320.30	322.56
2	Natexis Banque		(f)	10.88	12.32
Steel development fund					
			(g)	204.16	204.16
				535.34	539.04
Long term maturities of finance lease obligations					
				-	1331.05
Long term maturities of lease liability					
				1860.19	-
Total Non Current Loans				34560.03	30802.66

No loans have been guaranteed by the directors and others.

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

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

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

- 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).
- 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).
- Redeemable in 12 equal yearly instalments of ₹14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2020 has been shown in Other Current Liabilities.
- Redeemable in 3 equal instalments of ₹50 crore each on 15th September of 2014, 2019 and 2024.
- The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1 (b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on 1(c) is 3.66% p.a and the balance 5.09% p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is guaranteed by Government of India.
- The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- Terms of Repayment is to be decided by SDF management Committee.
- Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL, BSP and RSP to the extent of loan. SBIECB loan is repayable in 4 equal installments at the end of 4th, 5th, 6th and 7th from the first draw-down i.e. 25th Sept 2017.
- Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2020 has been shown in current liabilities.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

As at 31st
March, 2020

As at 31st
March, 2019

25: TRADE PAYABLES - NON CURRENT

Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	6.66	6.82
	<u>6.66</u>	<u>6.82</u>

26: OTHER FINANCIAL LIABILITIES - NON CURRENT

Employees related dues	509.20	535.71
Interest Accrued but not due on borrowings	567.79	559.63
Other payables	218.60	235.28
	<u>1295.59</u>	<u>1330.62</u>

27: PROVISIONS - NON CURRENT

Provision for gratuity	-	-
Provision for accrued leave liability	2677.19	2683.07
Provision for post retirement medical & settlement benefits	963.52	962.64
Provision for long term service award	14.38	18.39
Provision for mines closure	87.11	74.98
Other provisions	366.60	556.33
	<u>4108.80</u>	<u>4295.41</u>

28: OTHER LIABILITIES - NON CURRENT

Deferred Income*	397.51	253.19
	<u>397.51</u>	<u>253.19</u>

*Deferred income includes:

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

(b) Central Government grant of ₹144.83 crore was received during 2019-20 (₹ 105.75 crores in 2018-19) against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital.

29. BORROWINGS - CURRENT

Secured

Repayable on demand

From banks	4112.33	3490.26
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Unsecured

Other loans	6100.00	2900.00
Commercial paper	3756.52	4240.96
Foreign currency loans	2671.93	-
	<u>16640.78</u>	<u>10631.22</u>

1. Security disclosure for the outstanding short term borrowings as on 31st March, 2020:

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

(i) Hypothecation of all current assets

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
30: TRADE PAYABLES - CURRENT		
Due to micro, small and medium enterprises (refer note 48.2)	47.99	67.45
Amount payable to related parties	150.71	174.47
Amount payable to contractors/suppliers/others	<u>6121.68</u>	<u>7016.07</u>
	6320.38	7257.99
31: OTHER FINANCIAL LIABILITIES - CURRENT		
Employee related dues	138.54	156.82
Interest accrued but not due on borrowings	612.56	756.89
Interest accrued and due on Steel Development Fund loans	152.00	152.00
Other liabilities-debtors banking arrangement	166.90	191.09
Derivative liability	-	4.54
Current maturities of long term debts	2602.40	3607.71
Current maturities of finance lease obligations	-	128.45
Current maturities of lease obligations	323.84	-
Unclaimed matured deposits and interest accrued thereon	1.01	1.01
Security deposits	1536.86	1483.84
Less: Investments received as security deposit	<u>-</u>	<u>-</u>
Unpaid dividends	4.66	5.59
Payable for capital works	3318.68	3598.18
Other payables	<u>4874.95</u>	<u>4607.19</u>
	13732.40	14693.31
32: OTHER LIABILITIES - CURRENT		
Income received in advance from customers	1220.62	1456.63
Income received in advance - others	110.27	94.72
Deferred Income*	13.27	13.46
GST payable	1432.10	2158.00
Liab for interest on GST	0.76	0.76
TDS deducted from suppliers on GST	19.50	21.32
Other payables	<u>2927.33</u>	<u>2961.28</u>
	5723.85	6706.17
*Deferred income includes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.		
33: PROVISIONS - CURRENT		
Provision for gratuity	-	-
Provision for accrued leave liability	327.84	285.51
Provision for post retirement medical & settlement benefits	194.91	107.93
Provision for long term service award	4.41	2.88
Provision for pollution control	33.51	39.48
Provision for foreign exchange fluctuation	24.96	12.78
Provision for wage revision	1351.56	1247.52
Provision for mine afforestation/ restoration etc.	121.07	344.33
Other provisions	<u>296.67</u>	<u>268.34</u>
	2354.93	2308.77
33A: CURRENT TAX LIABILITIES		
Opening Balance	-	-
Add: Provision during the year	250.67	-
Less: Amount paid/transferred during the year	71.17	-
Less: Provision written back during the year	<u>-</u>	<u>-</u>
	179.50	-
	179.50	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
34: REVENUE FROM OPERATIONS		
Sale of products		
Domestic	57281.62	63292.24
Exports	3620.26	2872.64
Export incentives	123.00	102.42
Sub Total (a)	<u>61024.88</u>	<u>66267.30</u>
Sale of Services		
Service charges	22.89	28.53
Sub Total (b)	<u>22.89</u>	<u>28.53</u>
Other Operating Revenues		
Social amenities-recoveries	351.48	335.90
Sale of empties etc.	52.40	54.41
Sundries	208.90	281.17
Sub Total (c)	<u>612.78</u>	<u>671.48</u>
Total (a+b+c)	<u>61660.55</u>	<u>66967.31</u>
Desegregation of Revenue		
Nature of Goods and Services		
The Company is engaged in the manufacturing of Iron and Steel products and generate revenues from sale of Iron and Steel products and the same is only the reportable segment of the Company.		
(1) Primary Geographical Markets		
Within India	57281.62	63292.24
Outside India	3743.26	2975.06
Total	<u>61024.88</u>	<u>66267.30</u>
(2) Major Products		
Iron and steel	59298.35	62541.86
Other Secondary and By-products	1726.53	3725.44
Total	<u>61024.88</u>	<u>66267.30</u>
Contract Balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers receivables which are included in 'Trade Receivables'.		
Trade receivables	8812.39	4495.05
Contract assets	-	-
Contract liabilities	1220.62	1456.63
35. OTHER INCOME		
Interest income		
Loans & advances to other companies	0.98	0.79
Customers	145.06	133.92
Employees	11.98	13.36
Bank deposits	16.83	5.33
Others	62.10	39.58
Sub Total (a)	<u>236.95</u>	<u>192.98</u>
Dividend income		
Dividend from subsidiaries	11.55	4.26
Dividend from investments (includes dividend from investments carried at fair value through OCI)	75.10	40.18
Sub Total (b)	<u>86.65</u>	<u>44.44</u>
Net gain on sale of investments Sub Total (c)	0.59	-
Other non-operating Income		
Subsidy, relief and concession	-	1.10
Grant-in-aid	0.97	0.62
Provisions no longer required written back	130.79	87.65
Write back of other liabilities	276.18	59.21
Liquidated damages	131.19	101.37
Others	123.36	45.45
	<u>662.49</u>	<u>295.40</u>
Less: Expenses attributable to non-operating income	1.46	-
Sub Total (d)	<u>661.03</u>	<u>295.40</u>
Total (a+b+c+d)	<u>985.22</u>	<u>532.82</u>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
36 : COST OF MATERIALS CONSUMED		
Iron ore	5191.70	5095.08
Coal	23058.44	26041.91
Coke	21.61	31.32
Limestone	1489.58	1355.12
Dolomite	584.91	591.92
Ferro manganese	323.68	425.17
Ferro silicon	213.22	236.85
Silico manganese	1378.04	1323.69
Zinc	117.60	172.30
Aluminium	297.34	315.65
Others	1556.26	1816.72
	34232.38	37405.73
Less: Inter account adjustments	5019.51	5114.82
	29212.87	32290.91

37 : CHANGES IN INVENTORIES**37A: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Opening stock		
Finished goods	6964.53	4430.95
Work in progress	3395.76	3212.72
	10360.29	7643.67
Less: Closing stock		
Finished goods	8912.92	6964.53
Work in progress	2478.08	3395.76
	11391.00	10360.29
Accretion (-)/depletion to stock	(1030.71)	(2716.62)
Write down due to Covid-19 considered as exceptional items	404.26	-
	(1434.97)	(2716.62)

37B: CHANGES IN INVENTORIES OF BY PRODUCTS*

Sub grade iron ore fines		
Opening stock		
Iron ore fines (sub-grade)	-	-
Less: Closing stock		
Iron ore fines (sub-grade)	3791.18	-
Accretion (-)/depletion to stock	(3791.18)	-
Write down due to Covid-19 considered as exceptional items	329.67	-
	(4120.85)	-
Accretion (-)/depletion to stock	(5555.82)	(2716.62)

* Refer Note No. 41, 48.4 and 49.16

38: EMPLOYEE BENEFITS EXPENSE*

Salaries & wages	6765.87	6675.15
Leave encashment	278.04	447.61
Company's contribution to provident & other funds	919.87	901.62
Travel concession	198.19	33.35
Welfare expenses	383.71	524.99
Gratuity	235.64	247.62
	8781.32	8830.34

***Expenditure on employees's remuneration and benefits not included above and charged to:**

Expenditure during construction	80.06	86.38
For descriptive notes on disclosure of defined benefit obligation, refer note 50.1		

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
--	--	--

39: FINANCE COSTS

Interest Cost

Foreign currency loans*	299.21	169.24
Non convertible bonds	695.25	834.39
Bank borrowings - working capital	10.53	52.08
Steel development fund loans	5.60	4.94
Others	2449.58	2075.14
Other borrowing costs	26.59	19.13
	3486.76	3154.92

*Including foreign exchange fluctuations loss of ₹99.74 crore (As on 31st March, 2019: ₹41.69 crore)

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

Foreign currency loans	85.43	125.97
Non convertible bonds	118.34	210.97
Steel development fund loans - Interest	2.57	3.24
Others	375.34	363.56
	581.68	703.74

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
--	--	--

40: OTHER EXPENSES

Consumption of stores & spares

Consumption	4854.00	4429.88
Less: Departmentally manufactured stores	924.2	925.98
Less: Finished products internally consumed as stores and spares	494.22	526.62
	3435.58	2977.28

Repairs & maintenance

Buildings	191.50	204.40
Plant & machinery	1069.36	1003.92
Others	301.71	265.76
	1562.57	1474.08

Handling expenses

Raw material	498.62	478.13
Scrap recovery	382.61	335.21
	881.23	813.34

Remuneration to auditors

Audit fees	1.94	2.12
Tax audit fees	0.54	0.64
In other services	1.25	1.30
Out of pocket expenses	0.64	0.84
	4.37	4.90

Provisions

Doubtful debts, loans and advances	76.12	65.12
Investments	5.22	-
Stores, spares and sundries	207.64	177.32
	288.98	242.44

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

**Year ended 31st
March, 2020**
**Year ended 31st
March, 2019**
40: OTHER EXPENSES (CONTD.)

Power and fuel	6191.55	6052.52
Freight outward	2211.07	2610.60
Royalty and cess	1900.98	2046.24
Conversion charges	210.59	306.43
Excise duty on inter-plant transfer/internal consumption	0.04	0.09
Demurrage & wharfage	38.63	49.79
Water charges & cess on water pollution	141.77	129.29
Insurance	52.66	27.52
Postage, telegram & telephone	15.30	19.62
Printing & stationery	10.45	8.94
Rates & taxes	34.33	46.24
Rent	16.69	82.50
Security expenses	657.67	591.71
Travelling expenses	113.24	159.98
Expenditure on temporary suspended mines (refer note - 49.15)	14.78	15.94
Training expenses	49.46	44.02
Expenditure on corporate social responsibility (refer note - 49.9)	27.56	31.18
Foreign exchange fluctuations (net)	245.04	163.56
Loss on sale/scraping of fixed assets (net)	49.43	45.27
Cost audit fee and reimbursement of expenses	0.12	0.09
Write-offs - Miscellaneous	0.06	0.10
Handling expenses - finished goods	169.80	174.25
Commission to selling agents	10.30	14.34
Export sales expenses	91.44	37.36
Miscellaneous	597.48	658.95
	19023.17	18828.57

41: EXCEPTIONAL ITEMS

Voluntary retirement compensation	-	100.72
COVID-19 impact (refer note - 49.16)	-	-
Raw Material	37.83	-
Finished/Semi-finished goods	404.26	-
Iron ore fines (sub-grade)	329.67	-
Entry Tax	-	92.23
Royalty Difference	-	143.54
Amortisation on stamp duty and registration charges	-	52.91
	771.76	389.40

41A: EARNING PER SHARE

Profit for the year (₹ crore)	2021.54	2178.82
Number of equity shares	4130525289	4130525289
Earning per share - basic and diluted (₹)	4.89	5.27
Face value per equity share (₹)	10.00	10.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

42. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

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

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

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

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

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

(₹ crore)

As at 31 st March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		421.80		421.80
Investments at FVOCI				
Equity instruments				
Quoted	5.06			5.06
Unquoted			131.31	131.31
Total financial assets	5.06	421.80	131.31	558.17
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		-		-
Total financial liabilities	-	-	-	-

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

(₹ crore)

As at 31 st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		172.29		172.29
Investments at FVOCI				
Equity instruments				
Quoted	22.34			22.34
Unquoted			116.12	116.12
Total financial assets	22.34	172.29	116.12	310.75
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		4.54		4.54
Total financial liabilities	-	4.54	-	4.54

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

(₹ crore)

	Level	As at 31 st March, 2020		As at 31 st March, 2019	
		Carrying value	Fair Value	Carrying value	Fair Value
Financial assets					
Loans	Level-3	714.26	843.81	617.22	630.80
Derivative financial assets	Level-2	421.80	421.80	172.29	172.29
Equity instruments					
Quoted	Level-1	5.06	5.06	22.34	22.34
Unquoted	Level-3	131.31	131.31	116.12	116.12
Total financial assets		1272.43	1401.98	927.97	941.55
Financial liabilities					
Borrowings	Level-3	55626.30	55673.85	46829.65	47150.97
Other payables	Level-3	10602.50	10657.62	10775.62	10817.79
Derivative liability	Level-2	-	-	4.54	4.54
Total financial liabilities		66228.80	66331.47	57609.81	57973.30

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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

Specific valuation techniques used to value financial instruments include:

- Fair value of interest swap is determined based on dealer or counterparty quotes for similar instruments
- Fair value of forward foreign exchange contract and principal swap is determined using forward rate at balance sheet date.
- The carrying value of borrowings bearing variable interest rate are considered to be representative of their fair value.
- The carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.
- Fair value of fixed interest rate financial assets and liabilities carried at amortised cost (including lease obligations) is determined by discounting the cash flows using a discount rate equivalent to market interest rate applicable to similar assets and liabilities as at the balance sheet date.

(v) Unquoted investments:

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

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

Unlisted equity securities	
As at 31st March, 2018	59.99
Gains/losses recognised in other comprehensive income	56.13
As at 31st March, 2019	116.12
Gains/losses recognised in other comprehensive income	15.19
As at 31st March, 2020	131.31

43. FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

(₹ crore)

Particulars	As at 31 st March, 2020			As at 31 st March, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments*		136.37			138.46	
Trade receivables			8812.39			4495.05
Cash and cash equivalents			153.43			34.59
Other Bank Balances			209.82			184.83
Loans			714.26			617.22
Derivative financial assets	421.80			172.29		
Other receivables			2213.75			2247.00
Total	421.80	136.37	12103.65	172.29	138.46	7578.69
Financial liabilities						
Borrowings			55626.30			46829.65
Trade payable			6327.04			7264.81
Derivative Liability	-			4.54		
Other payables			10602.50			10775.62
Total	-	-	72555.84	4.54	-	64870.08

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

ii) Risk Management

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

A) Credit risk

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

- Cash and cash equivalents
- Derivative financial instruments
- Trade receivables
- Other financial assets measured at amortized cost

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

a) Credit risk management

Cash and cash equivalent

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

Derivative financial instruments

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

Trade receivables

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

Other financial assets measured at amortized cost

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

b) Expected credit losses

Company provides expected credit losses based on the following:

Trade receivables

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

(₹ crore)

Ageing (As at 31 st March, 2020)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	5538.64	3040.40	143.94	79.54	225.27	9027.79
Expected loss rate	0.07%	0.15%	2.89%	3.59%	88.91%	2.39%
Expected credit loss provision	3.65	4.46	4.15	2.86	200.29	215.40
Carrying amount of trade receivables (Net of impairment)	5535.00	3035.95	139.78	76.68	24.98	8812.39

Ageing (As at 31 st March, 2019)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	3770.89	572.15	124.52	43.46	182.29	4693.31
Expected loss rate	1.80%	0.39%	0.00%	0.05%	70.25%	4.22%
Expected credit loss provision	67.96	2.23	0.00	0.02	128.05	198.26
Carrying amount of trade receivables (Net of impairment)	3702.93	569.92	124.52	43.44	54.24	4495.05

Reconciliation of Expected credit loss provision

Particulars	(₹ crore)
As at 31st March, 2018	190.02
Changes in provision	8.24
As at 31st March, 2019	198.26
Changes in provision	17.14
As at 31st March, 2020	215.40

Other financial assets measured at amortized cost

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

B) Liquidity risk

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

Maturities of financial liabilities

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

Contractual maturities of financial liabilities as at 31 st March, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	20363.64	6270.55	6936.69	27650.84	61221.71
Trade payable	6320.38	0.17	0.65	14.50	6335.70
Other payables	8871.19	83.59	65.55	1044.15	10064.48
Total	35555.21	6354.31	7002.89	28709.49	77621.89
Derivatives					
Derivative liability (net settled)	-	-	-	-	-
Total	-	-	-	-	-

Contractual maturities of financial liabilities as at 31 st March, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	17626.05	4901.99	5955.80	27521.22	56005.06
Trade payable	7257.99	0.00	0.00	6.82	7264.81
Other payables	10611.18	111.29	104.45	1409.63	12236.55
Total	35495.22	5013.28	6060.25	28937.67	75506.42
Derivatives					
Derivative liability	4.54	-	-	-	4.54
Total	4.54	-	-	-	4.54

C) Market Risk
a) Foreign currency risk

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

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

Foreign currency risk exposure:

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

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	84.81	-	42.62	-
Derivative financial assets (Gross amounts, to hedge borrowings)	6.79	-	-	-
Net exposure to foreign currency risk (assets)	91.60	-	42.62	-
Financial liabilities				
Borrowings	2625.19	363.54	2406.58	344.58
Trade payable	2517.26	470.35	3460.07	366.69
Derivative Liability	-	-	4.54	-
Other payables	33.13	175.59	20.34	191.77
Net exposure to foreign currency risk (liabilities)	5175.58	1009.48	5891.53	903.04

Sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 5.45% change of the INR/USD exchange rate for the year ended at 31 March, 2020 (2019: 6.82%). A +/- 7.57% change is considered for the INR/EUR exchange rate (2019: 7.26%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
USD sensitivity		
INR/USD- increase by 5.45% (31 March 2020)	282.07	
INR/USD- decrease by 5.45% (31 March 2020)	(282.07)	
INR/USD- increase by 6.82% (31 March 2019)		398.90
INR/USD- decrease by 6.82% (31 March 2019)		(398.90)
Euro sensitivity		
INR/EUR- increase by 7.57% (31 March 2020)	76.42	
INR/EUR- decrease by 7.57% (31 March 2020)	(76.42)	
INR/EUR- increase by 7.26% (31 March 2019)		65.56
INR/EUR- decrease by 7.26% (31 March 2019)		(65.56)

b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long term borrowings are therefore usually at fixed rates. At 31st March, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Company's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Company's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the company to interest rate risk:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Variable rate borrowing (excluding exposures offset by derivatives)	-	-
Fixed rate borrowing	55626.30	46829.65
Total borrowings	55626.30	46829.65

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest sensitivity		
Interest rates-increase by 100 basis points	556.26	468.30
Interest rates-decrease by 100 basis points	(556.26)	(468.30)

ii) Assets

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

Interest rate risk exposure

Below is the overall exposure of the financial assets:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	924.08	802.05
Total deposits	924.08	802.05

c) Price risk

Exposure

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

44. CAPITAL MANAGEMENT

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

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

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

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net debts	55263.05	46610.23
Total equity	39777.38	38151.57
Net debt to equity ratio	1.39	1.22
Dividends		
(i) Equity shares		
Final dividend for the year ended 31 st March, 2020 @ nil on the paid up share capital	nil	206.53
(ii) Dividends not recognised at the end of the reporting period	nil	206.53

45: DETAILS OF ASSETS PLEDGED

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current		
Inventories and trade receivables (to the extent pledged)	4112.33	3490.26
Non Current		
Immovable property at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - DSP including land on which it stands	120.00	134.00
Plant & Machinery (movable assets) - BSL, BSP & RSP (to the extent pledged)	25860.50	21072.57
Land at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - ISP including land on which it stands	6184.00	7726.00

46: EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Profit/(loss) before tax	3,170.66	3,337.89
Domestic tax rate for PFS	34.944%	34.944%
Expected tax expense [A]	1,107.96	1,166.39
Adjustment for tax-exempt income/ non-deductible expenses	(15.11)	0.74
Adjustment for difference tax rate items	(0.01)	(0.44)
Tax incentive on specific expenditure	(12.20)	(12.46)
Tax related to earlier years	66.00	4.84
Others	2.48	-
Total adjustments [B]	41.16	(7.32)
Actual tax expense [C=A+B]	1,149.12	1,159.07
Tax expense comprises:		
Current tax expense	224.14	-
Deferred tax credit	1,139.73	1,159.07
MAT credit	(214.75)	-
Tax expense recognized in Statement of profit and loss [D]	1,149.12	1,159.07

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

47.1 CONTINGENT LIABILITIES

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
(i) Claims against the Company pending appellate/judicial decisions :		
a) Excise Duty	5134.58	5080.94
b) Sales Tax on inter-state stock transfers from plants to stockyards*.	744.71	740.68
c) Other sales tax matters	742.27	591.38
d) Income Tax	903.76	972.39
e) Other duties, cess and levies	8063.93	7226.47
f) Civil matters **	4614.82	3949.52
g) Entry Tax	2068.44	2038.21
h) Miscellaneous **	7571.38	3653.27
* No liability is expected to arise, as sales tax has been paid on eventual sales. ** includes claims of ₹13.65 crore (as at 31 st March, 2019 ₹26.72 crore), against which there are counter-claims of ₹9.52 crore (as at 31 st March, 2019 ₹23.26 crore).		
(ii) Other claims against the Company not acknowledged as debt:		
a) Sales Tax	106.02	106.53
b) Duties, cess and levies	310.22	288.51
c) Civil Matters	134.28	116.64
d) Miscellaneous *	4412.69	2886.45
* includes claims of ₹89.15 crore (as at 31 st March, 2019 ₹53.79 crore, against which there are counter-claims of ₹94.98 crore (as at 31 st March, 2019 ₹28.78 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.	42.91	36.35
(iv) Bills drawn on customers and discounted with banks.	84.86	189.01
(v) Price escalation claims by contractors/suppliers and claims by employees.	361.98	401.96

- 47.2** a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by various States and has laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 31st March, 2020, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively upto 31st March, 2020 aggregating to ₹1373.42 crore (previous year ₹1092.28 crore, ₹241.00 crore and ₹5.15 crore respectively aggregating to ₹1338.43 crore upto 31st March, 2019) have been treated as contingent liabilities.
- (ii) The West Bengal Finance Act, 2017 has included WB Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Further, Hon'ble Calcutta High Court, vide its Order dated 15.06.2018, transmitted the Writ Petition of DSP, ISP, ASP and SAIL Growth Works, Kulti on Entry Tax to the West Bengal Taxation Tribunal. Pending decision by West Bengal Taxation Tribunal, the disputed Entry Tax demands amounting to ₹294.93 crore (upto 31st March, 2019 ₹209.52 crore) have been treated as contingent liabilities.
- b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation (DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018 which can also have effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 arises, DVC has not filed its retail tariff petition before the Jharkhand State Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Id.APTEL in Appeal No.163/2017. But Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 31st March, 2020 (upto 31st March, 2019, ₹587.72 crore) has been treated as Contingent Liability and included in Note No. 47.1(i)(f) above. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
- 47.3** Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹4028.18 crore upto 31st March, 2020 (upto 31st March, 2019 ₹3701.48 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(i)(e) above.
- 47.4** In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(v) above.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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

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

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

A writ petition has also been filed in the Hon'ble high Court of Chhattisgarh against the demand of ₹96.28 crore received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh.

The Company has deposited ₹96.28 crore with Principal Chief Conservator of Forest, Chhattisgarh and a Special Leave Petition has been filed in Hon'ble Supreme Court of India against the order of Hon'ble High Court of Chhattisgarh.

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

(a) As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:

(i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹278.94crore and ₹2057.97crore (₹245.89 crore and ₹1768.42 crore as on 31st March 2019) respectively (including interest). Based on internal assessment, the Company has provided an amount of ₹363.58 crore(₹15.06 crore during the year) on estimated basis. Balance amount of ₹1973.33crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).

(ii) In respect of Limestone, by the Government of Jharkhand amounting to ₹29.47crore (including interest) (₹24.88 crore as on 31st March 2019). Based on internal assessment, the Company has provided an amount of ₹10.56crore (₹1.65crore during the Year) on estimated basis. Balance amount of ₹18.91crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.

(b) In respect of Coal, by the Government of Jharkhand amounting to ₹515.08crore (including interest) (₹434.81 crore as on 31st March 2019), Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to the Company. Accordingly pending disposal, the amount of ₹515.08crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h) above.

47.8 a) M/s Tata Projects Limited (TPL) & M/s Danieli Corus BV (DC)(in consortium) have filed a case before Arbitral Tribunal in International Chamber of Commerce vide case No-22326/PTA against SAIL/Rourkela Steel Plant for resolution of dispute arising out of contract No. P/PROJ/643(10)/79001/08049126 dated 01.10.2008. Arbitral Tribunal has awarded a sum of ₹626.02 crores on 16-May-2018 against SAIL/Rourkela Steel Plant.

Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹300 Crores. The sum of ₹834.53crores (including interest) has been disclosed under contingent liability in Note No. 42.1(ii)(c) above.

b) M/s JSC Cryogenmash have filed a case before Arbitral Tribunal in International Chamber of Commerce against SAIL/Bhilai Steel Plant for resolution of dispute arising out of contract. Arbitral Tribunal has awarded a sum of ₹106.92 crores on 20.07.2018 against SAIL / Bhilai Steel plant.

Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, the sum of ₹113.95crore (including interest) has been disclosed under contingent liability in Note no 47.1(ii) (d) above.

47.9 Land measuring 5.545 acres was allotted to DVC for 30 years w.e.f. 12.07.1966 on long term lease basis. The Land was given to DVC for setting up of Electrical sub-station for ensuring supply of power for the benefit of ASP. There was no lease agreement for the subsequent period, i.e., w.e.f. 13/07/1996. In absence of any agreement, the dues receivables for the said period, could not be ascertained with reasonable certainty. The same will be accounted for in the year of settlement.

47.10 Consequent to the order of Hon'bleOdisha High Court, company's claim towards renewal of lease [total area of 2599.54 acre disclosed under Note No. 4.(ii) (b)], of land at Horomoto stands rejected, except surface area of 222.54 acre for which State Govt has been directed to consider as per provisions of Law.

47.11 An award arising out of the Arbitration between M/S. Goyal Mg Gases Pvt. Ltd. (Claimant) And SAIL/Alloy Steels Plant, Durgapur (Respondent) seeking claim of ₹116.86 Crore, has been received on 22.05.2020, vide SCOPE, New Delhi letter dated 18.05.2020.

By the aforesaid award the Tribunal allowed claim no. 1 and 2 of the Claimant w.r.t. differential amount pertaining to transportation charges of Argon from DSP BOO Plant to ASP based upon market rate claimed by the Claimant and refund of withheld/ deducted amount by ASP from the bills of the Claimant on account of merchant market sale of Oxygen, Nitrogen and Argon respectively along with applicable interest thereon out of the total claimed amount.

SAIL ASP is in process of taking further steps for filing a petition for setting aside the award under Section 34 of the Arbitration and Conciliation Act 1996 (the Act) before the District Court/ Commercial Court, as the issues pertain to patent illegality committed by the Tribunal while giving the award.

In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹5.62 crore as on 31st March 2020, including interest, has been booked under Contingent Liability in Note No. 47.1(i)(b) above.

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

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Capital commitments	5368.33	7031.26
Other commitments	4421.19	2026.68

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- 48.2** The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2020 are as under:

No.	Description	As at 31 st March, 2020	As at 31 st March, 2019
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	47.99	67.45
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 Year, 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, 2020	31st March, 2019
v.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under this Act.	-	-

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

- 48.4** The Company has a stock of 42.98 million tonnes (estimated in previous year at 41.52 million tonnes) of sub grade iron ore fines at various mines of the Company. The low Iron content of these Fines made them unsuitable for consumption in the Steel Plants of the company. Moreover, the Government of India, vide notification dated 19th September, 2012 prevented all captive miners (including the Company) from selling these sub-grade fines in the market. Since these materials could neither be consumed nor sold, they had no economic value, and therefore, no costs were assigned to these sub-grade fines till 2018-19 and considered as Inventory with NIL value.

In exercise of the powers conferred under Section 20A of the MMDR Act, 1957, the Ministry of Mines, Government of India, vide its order no. F.No.16/30/2019-M.VI dated 16th September, 2019 directed the concerned State Governments to allow the sale of sub-grade minerals lying at the captive mines of the Company, subject to ascertainment by the State Governments in consultation with the Indian Bureau of Mines, of the usability of such fines in the steel plant. Subsequently, by a clarification dated 4th January, 2020, Ministry of Mines has removed the condition of certification of usability.

On a clarification sought by the Company on the powers of the State Government in this matter, the Additional Solicitor General of India vide opinion dated 19th May, 2020, has opined that the above notification has been issued u/s 20A (2)(v) of the MMDR Act. The matter is under the Union List of Schedule VII of the Constitution and the power to issue directives vests entirely with the Central Government. It was specifically mentioned in the opinion that the State Governments have no power to deny SAIL the right to sell the fines.

Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company has opined vide their communication dated 6th June, 2020 that the accumulated sub-grade fines should be regarded as immaterial by-product and valued as inventory at Net Realizable Value as per Ind AS 2 (Inventories). Also, the increase in the carrying amount of such inventories due to the notification of the Central Government permitting sale should be recognized in the Statement of Profit and Loss as change in accounting estimates in accordance with the requirements of Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

The Company took steps for quantitative verification of SGFs at each of the mines and carried out qualitative analysis (including gradation) for Fe content during the last quarter of current Financial Year.

Based on the aforesaid Order of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the Expert Advisory Committee (EAC) of ICAI, the Company as at 31st March, 2020 has valued the Inventory of sub-grade fines of 42.98 million tonnes at Net Realisable Value (NRV) [net of write down due to Covid-19 impact – ₹329.67 crore considered as exceptional item – (Refer note no. 49.16)] amounting to ₹3791.18 crore by disclosing the same as a separate line item in the Financial Statements for the year ended on 31st March 2020.

- 48.5** The Company does not have taxable income in view of brought forward losses, unabsorbed depreciation and other reliefs available under the Income Tax Act, 1961 ('the Act').

Pursuant to introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, Company has an irreversible option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forward of additional depreciation. The Company has not yet exercised this option and continues to recognize the taxes on income for the quarter and current year ended 31st March, 2020 as per the earlier provisions.

- 49.1** In accordance with Ind AS 115- Revenue from Contracts with Customers', GST amount of ₹9929.08crore (Previous Year: ₹10678.01 crore) is not included in Revenue from Operations.

- 49.2** Sales include sale to Government Agencies recognized on provisional contract prices during the Year ended 31st March, 2020: ₹7634.55crore (Previous Year: ₹5012.76crore) and cumulatively up to 31st March, 2020 : ₹8074.36crore (upto Previous Year : ₹17252.66crore).

- 49.3** The prices of Rails supplied by the Company to Indian Railways during the period 2015-16 2018-19 were finalized during the current year. As a result, the differential amount of ₹1411.36 crores has been recognized as revenue from operations during the year.

- 49.4** The Company has an accumulated stock of non-granulated Blast Furnace Slag and LD Slag generated in the Blast Furnaces and LD Converters. These slags contain some element of Iron and Steel scrap which are routinely extracted, and either consumed in the Company or sold. Since the embedded scrap has economic value, the estimated stock of scrap as on 31st March-20, was assessed and valued, based on a detailed survey and technical analysis conducted by the Company, as follows:

- (i) Iron and Steel scrap embedded in various slag dumps at Rourkela and Bokaro Steel Plants have been valued on estimated basis at ₹51.67 crore and ₹204.41 crore respectively and Granulated HMnO Slag & HMnO Slag fines at Chandrapur Ferro Alloy Plant have been valued at ₹32.35 crore, aggregating to ₹288.43 crore (previous year: nil) and considered as part of inventories during the current financial year.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- (ii) Iron and Steel scrap embedded in slag generated during the year at Durgapur Steel Plants have been valued on estimated basis at ₹16.74 crore and considered as part of inventory during the current financial year.
- (iii) The Slag Dump between the Railway Tracks 4A & 4B of Bhilai Steel Plant was a live dump area where hot slag was being unloaded till 15th March, 2020. As railway tracks were in operation for slag dumping, it was impossible to access the slag and extract the scrap from it. During the financial year 2019-20, loop 4A and 4B was disconnected and declared abandoned due to safety concern of electrical tower on the side of line 4A and curvature of loop 4A-4B becoming very sharp. As a result further dumping of slag was stopped. The railway track was also dismantled, thereby making the Dump accessible for recovery of scrap. Since, the access to the Slag Dump became possible during the year, due to the events that occurred during year (namely abandonment and dismantling of railway track), Iron and Steel scrap embedded in slag dumps at Bhilai Steel Plant have been valued on estimated basis at ₹410.51 crore based on detailed survey and technical analysis conducted by Company (Previous Year : Nil).

49.5 Based on installation of Slime Beneficiation Plant at Dalli Mechanised Mines on BOO basis, 'Grant of Consent' to Operate dated 8th November, 2019 received from the Chhattisgarh Environment Conservation Board and captive consumption of beneficiated material, Bhilai Steel Plant has valued inventory of 5.60 million tonne of Slime containing the iron ore fines at ₹234.92 crore (previous year: ₹nil) during the current financial year.

49.6 As per the Department of Public Enterprises (DPE) guideline, the Company is required to contribute up to 30% of Salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly the Company has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st April, 2015. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st April, 2015.

Pension Scheme was approved in the Meeting of the Board of Directors held on 9th February, 2017 with modification that from the Financial Year 2015-16 and onwards, the contribution towards Pension shall be measured, as a percentage of Profit Before Tax (PBT) to average Net-worth. If the percentage of PBT to average Net-worth is 8% or above, amount of Pension contribution shall be limited to 9% of Basic Pay plus DA for Executives and 6% of Basic Pay plus DA for Non-executive, else the amount of contribution towards Pension will be reduced proportionately. However, a minimum Pension contribution shall be kept at the rate of 3% and 2% of Basic Pay plus DA for Executive and Non-Executive employees respectively even in case of loss during a Financial Year. Since the profit earned by the Company during the Financial Year ended 31st March, 2020 is more than 8% of average Net-worth, provision for Other Benefits (including pension) has been made @ 9% and 6% (of Basic Pay plus DA) w.e.f. 1st April 2019 for Executive and Non-executive employees respectively.

The cumulative provision/liability towards Other Benefits (including pension) for Executive and Non-executive employees, amounting to ₹2662.63 crore (₹334.75 crore during the year) and ₹49.92 crore (₹3.67 crore during the year) has been charged to Employee Benefits Expense' and Expenditure during Construction' respectively. An amount of ₹50.00 crore has been transferred to Pension Fund during the Year. Further, an amount of ₹17.88 crore has been paid to retired employees during the year.

49.7 The research and development expenditure charged to Statement of Profit and Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the year, amount to ₹274.36 crore (₹305.09 crore) and ₹18.44 crore (₹14.77 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, 2020	31 st March, 2019
Raw Materials	121.12	144.76
Employees Benefits Expense	66.26	64.81
Stores & Spares Consumed	12.11	12.46
Power & Fuel	26.10	23.37
Repairs & Maintenance	4.10	3.98
Depreciation and Amortisation Expense	6.84	7.69
Other Expenses	35.53	42.96
Finance Cost	2.30	5.06
Total	274.36	305.09

49.8 The Company considers the assets of one entire plant as Cash Generating Unit (CGU). The Company has internally reviewed whether there are any indicators that the carrying amount of its assets of CGUs may be impaired on each balance sheet date. If any such indicators exist, the asset recoverable amount is estimated as higher of the net selling price and the value in use. Value in use is based on present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amounts of assets of a CGU exceed the asset recoverable amount. Further to the internal assessment, the Company also determines net selling price of the assets of CGU, in which any such indication exists, once every three years by an independent expert.

Based on the internal assessment done by the Company at its different CGUs as per the accounting policy of the Company, no impairment loss is required to be provided.

49.9 As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, the Company reported average net loss during the three immediately preceding financial years, no amount is required to be spent for the Financial Year 2019-20.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

However, against the budgeted amount of ₹33.00crore (previous Year ₹30.00crore), the Company has spent an amount of ₹27.56crore (previous Year ₹31.18crore) on CSR activities during the Financial Year 2019-20 under the following heads:

(₹ crore)

Particulars	For the Year ended	
	31 st March, 2020	31 st March, 2019
Education	8.83	12.03
Healthcare	8.10	4.84
Livelihood Generation	1.33	2.71
Women Empowerment	0.51	0.47
Drinking Water	0.47	0.03
Sanitation	0.28	0.73
Sports	1.24	0.79
Art & Culture	3.52	5.39
Rural Development	1.56	1.84
Social Security	0.33	0.35
Environment Sustainability	1.05	1.62
Project Identification and Monitoring	0.05	0.03
Capacity Building of Personnel	0.29	0.36
Total	27.56	31.18

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

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

(₹ crore)

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2019-20	0.00	0.43
2018-19	1.47	1.02
2017-18	1.33	2.61

49.11 Central Government grant of ₹250.53 Crore (Rupees Two Hundred Fifty Crore Fifty three Lakh only) has been received up to 31.03.2020 against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital and has been presented as a line item in the Balance Sheet under the head "Other Liabilities- Deferred Income".

49.12 Information on leases as per Indian Accounting Standards (Ind AS) 116 on "Leases":

(i) The Company has leases for Land, office building, Plant & Equipment, warehouses & related facilities and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

Right of Use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ crore)

Particulars	Leasehold Land	Plant and equipment	Vehicles	Buildings	Right of Use assets Total
As at April 1, 2019	893.22	1,032.34	14.69	14.46	1,955
Additions	20.10	479.63	0.66	4.18	505
Adjustments/Disposals	(43.58)	-	-	(0.01)	(43.59)
Depreciation expense	(60.95)	(140.84)	(3.69)	(5.12)	(210.6)
As at March 31, 2020	808.79	1,371.13	11.66	13.51	2,205.08

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period.

(₹ crore)

Particulars	Lease liabilities
As at April 1, 2019	1,799.01
Additions	484.47
Interest accrued	212.32
Payments	(311.75)
Adjustments	(0.01)
As at March 31, 2020	2,184.04
Current	323.83
Non Current	1,860.21

a. Lease payments not included in measurement of lease liability

The expenses relating to payments not included in the measurement of the lease liability are as follows:

(₹ crore)

Particulars	31st March, 2020
Short-term leases	1.85
Leases of low value assets	-
Variable lease payments	37.60
Others	0.03

b. Total cash outflow for leases for the year ended 31st March, 2020 are ₹1278.18 crore.

c. The Company has total commitment for short-term leases of ₹NIL crores at 31st March, 2020.

d. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ crore)

Particulars	Minimum lease payments due as at 31 March 2020			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	352.77	1,138.96	2,293.49	3,785.22
Interest expense	(138.69)	(472.03)	(990.45)	(1,601.17)
Net present values	214.08	666.93	1,303.04	2,184.05

e. Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31st March, 2020 is ₹NIL.

f. Information about extension and termination options :

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases With termination option
Leasehold Land	53	0.08 - 90	27.70	43	34
Plant and equipment	9	0.12 - 15.01	5.78	5	1
Vehicles	15	0.01 - 9.05	3.72	-	7
Buildings	20	0.08 - 49.79	5.39	14	18

g. The total future cash outflows as at 31st March, 2020 for leases that had not yet commenced is of ₹NIL crore (office premises).

h. Impact on transition

- Effective from 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1st April, 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹339.36 crore and corresponding right of use asset of ₹290.23 crore. Accordingly, comparatives for the year ended 31st March, 2019 have not been restated.
- For contracts in place as at 1st April, 2019, the Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1st April, 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Company has applied the optional exemptions not to recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application, at the same amounts as under Ind AS 17 immediately before the date of initial application of Ind AS 116.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.
- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised is 8.75%.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- (ix) The following is a reconciliation of total operating lease commitments at 31st March, 2019 (as disclosed in the Financial Statements for the year ended 31st March, 2019) to the lease liabilities recognised at 1 April 2019 :

Particulars	₹ in crore
Operating lease commitments disclosed as at 31 March 2019 Adjustment:	-
Correction in amount of operating commitment disclosed as at 31 March 2019	517.56
Total Operating lease commitments disclosed as at 31 March 2019	517.56
Weighted average incremental borrowing rate as at 1 April 2019	8.75%
Discounted operating lease commitments as at 1 April 2019	341.24
Less: Recognition exemptions :	
Commitments relating to leases of low- value assets	-
Commitments relating to short-term leases	(1.85)
Other adjustments relating to lease commitment disclosures	(0.03)
Add:	
Commitments relating to leases previously classified as finance leases under Ind AS 17	1,459.65
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	1,799.01

Company as a lessor

Operating lease as a lessor

The Company has entered into lease agreements for spaces such as banks, housing societies, hospitals, mobile towers land plots and employee quarters/flats spaces, etc. The period for such leases ranges from 11 months to 50 years depending upon terms and conditions of each lease arrangements.

Future minimum lease payments receivable under the operating lease is as below:

(₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Not Later than one year	23.83	24.33
(b) Later than one year and not later than five years	58.37	60.50
(c) Later than five years	105.86	93.29
Total	188.06	178.12

Total operating lease rental income recognised in the statement of profit and loss was during the year ended March 31, 2020 is ₹11.49 Crores (March 31, 2019: ₹10.85 Crores).

Finance lease as a lessor

The Company has freehold land which has been leased to various parties under finance lease arrangements.

Future minimum lease payments receivable under the finance lease is as below:

(₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Not Later than one year	0.62	0.62
(b) Later than one year and not later than five years	0.34	0.36
(c) Later than five years	2.40	2.50
Total undiscounted lease payments	3.36	3.48
Unearned finance income	3.36	2.40
Net investment in lease	-	1.08

Total finance lease rental income recognised in the statement of profit and loss was during the year ended March 31, 2020 is ₹0.50 Crores (March 31, 2019: ₹0.51 Crores).

- (II) In the comparative period under Ind AS 17 – ‘Leases’, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to those assets.

Assets held under other leases were classified as operating leases and were not recognised in the Company’s statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(III) Description of major leasing arrangements

Power Plant

The Company has accounted for certain power plants as finance lease under Appendix C of Ind AS 17 by virtue of the power purchase agreement with the supplier. Under the terms of the power purchase agreement, the Company shall continue to purchase power until the parties decide to terminate the agreement, which has been determined to be an un-economic proposition considering the specialised nature and location of the asset. There is no change in treatment under Ind AS 116 – Leases.

Oxygen Plant

The Company has accounted for certain oxygen plants as finance lease (or operating lease) under Appendix C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement. There is no change in treatment under Ind AS 116 – Leases.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Mining land

The Company has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/ economic compulsion for renewal. There is no change in treatment under Ind AS 116 – Leases.

- 49.13** Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2017-18 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognised as income during the Year amounting to ₹36.34crore (till date ₹93.09crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India, such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exists regarding collectability and measurability of revenue.
- 49.14** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27th October, 2016 has "in-principle" decided for Strategic Disinvestment of Alloy Steels Plant (ASP), Durgapur; Visvesvaraya Iron and Steel Plant (VISP), Bhadravati and Salem Steel Plant (SSP), Salem. In line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary (DIPAM) and co-chaired by Secretary (Steel). Preliminary Information Memorandum (PIM)/Expression of Interest of ASP, SSP and VISP have been issued on 4th July, 2019. The Transaction Advisor has informed that in case of ASP, no EOIs were received from prospective bidders till the scheduled date. The EOIs of SSP and VISP were opened on 10th September, 2019. Transaction Advisor, under the guidance of IMG, is evaluating the EOIs received.
- 49.15** Based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the Financial Year 2019-20 excluding depreciation, of ₹14.78 crore (Previous Year ₹15.94 crore) has been included under Note No.40 'Other Expenses' in Statement of Profit and Loss (refer Note No 40). Head wise bifurcation is as under:

(₹ crore)

Account Head	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Salary and Wages	5.39	6.94
Stores and Spares	0.06	0.04
Power purchased	1.75	0.85
Repairs and Maintenance	0.44	0.35
Miscellaneous Expenses and Provisions	7.82	8.70
Total Expenditure	15.46	16.88
Less: Income	0.68	0.94
Net Expenditure	14.78	15.94

- 49.16** Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of current and noncurrent assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the impact of COVID-19 and expects the carrying amount of these assets will be recovered.

However, Exceptional items for the year and quarter ended 31st March, 2020 include the write down of ₹404.26 crore, ₹37.83 crore and ₹329.67 crore relating to Inventory of Finished/Semi finished goods, Inventory of Raw Material and Inventory of Sub grade Iron ore fines respectively. As per the Company's current assessment, other than the write down recorded, no significant impact on carrying amounts of property, plant and equipment, right-of-use assets, inventories intangible assets, trade receivables, investments and other financial assets is expected and it continues to monitor changes in future economic conditions. It has also been observed that the Company has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements is appropriate.

The impact of COVID-19 on the Plant's/Unit's financial statements may differ from that estimated as at the date of these financial statements in view of uncertain situation.

50.1 DEFINED BENEFIT SCHEMES

50.1.1 General Description of Defined Benefit Schemes:

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

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

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

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

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

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	6018.40 (6339.98)	2968.59 (2785.70)	937.04 (963.66)	133.52 (116.66)	21.29 (22.95)
ii)	Service Cost	276.77 (274.04)	566.71 (71.21)	- (-)	- (-)	0.55 (1.16)
iii)	Interest Cost	376.21 (447.86)	187.86 (198.85)	57.45 (67.92)	8.58 (8.51)	1.32 (1.62)
iv)	Actuarial Gains(-) / Losses(+)	9.38 (-306.28)	-473.93 (181.63)	193.64 (21.62)	-31.22 (14.78)	-1.92 (-1.67)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	636.20 (737.19)	244.21 (268.81)	133.08 (116.14)	7.49 (6.43)	2.44 (2.78)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	6044.55 (6018.40)	3005.03 (2968.58)	1055.03 (937.06)	103.40 (133.52)	18.79 (21.27)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

S I . No.	Particulars	2019-20	2018-19
i)	Fair Value of plan assets as at the beginning of the year	6277.42	6308.85
ii)	Expected return on plan assets	8.86	45.27
iii)	Actual Company's contribution	293.08	187.28
iv)	Interest Income/Actuarial Gain/Loss(-)	414.47	473.17
v)	Benefits payments	636.2	737.19
vi)	Fair value of plan assets as at the end of the year	6357.63	6277.42
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6044.55	6018.40
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	-313.21	-259.15

*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2020-21, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are non-funded.

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	276.77 (274.04)	566.71 (71.21)	- (-)	- (-)	0.55 (1.16)
ii)	Interest Cost	-38.14 (-25.31)	187.87 (198.85)	57.45 (67.92)	8.58 (8.51)	1.32 (1.62)
iii)	Actuarial Gains (-)/Losses	9.38 (-306.28)	-473.93 (181.63)	193.65 (21.62)	-31.22 (14.78)	-1.92 (1.67)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	8.82 (45.27)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	239.21 (-101.81)	280.65 (451.69)	251.10 (89.54)	-22.63 (23.29)	-0.06 (1.10)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 38)	235.64 (-247.62)	278.04 (447.61)	57.45 (67.92)	-13.73 (23.29)	-0.06 (1.10)
	b) Charged to Expenditure During Construction (Note 5.1)	3.01 (1.14)	2.61 (4.08)	- (-)	- (-)	- (-)
	c) Charged to OCI	0.56 (-351.54)	- (-)	193.65 (21.63)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (-)	- (-)	- (-)	-8.90 (-)	- (-)
viii)	Actual Return on Plan Assets	423.17 (518.64)				

Notes to the Standalone Financial Statements for the year ended 31st March, 2020
(d) Effect of half percentage point change in the Discount rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	-232.13	199.17
ii)	Leave	-156.82	107.48
iii)	Post Retirement benefit	-52.21	48.26
iv)	Long Term Service Award	-1.03	0.91
v)	Retirement Travelling Allowance	-5.45	5.05

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

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	188.07	-218.15
ii)	Leave	101.71	-149.28

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

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement medical benefits	-48.36	45.10

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2020	As at 31.03.2019
Insurance Investments	94.95	88.68
Central Government Securities	1.36	1.38
State Government Securities	1.61	3.00
PSU Bonds	2.07	6.93
Cash at Bank	0.01	0.01
Total	100.00	100.00

(h) Actuarial assumptions

Sl. No.	Description	As at 31 st March, 2020	As at 31 st March, 2019
i)	Discount Rate (per annum)	6.60%	7.50%
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	6.60%	7.50%
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. The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.

(i) Maturity profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31 st March, 2020
Upto 1 year	748.98
Between 1 to 2 years	697.42
Between 2 to 3 years	743.50
Between 3 to 4 years	742.37
Between 4 to 5 years	691.51
Between 5 to 10 years	3184.82
More than 10 years	3889.85
Total Undiscounted Payments related to Past Service	10698.44
Less: Discount for Interest	4653.89
Projected Benefit Obligation	6044.55

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

51. GENERAL

51.1 Segment Reporting

- Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS 108 -'Operating Segments' issued by Ministry of Corporate Affairs.
- In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Ind AS 108 -'Operating Segments', issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

51.2 Related Party

As per Ind AS 24-'Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties, are given below: -

A. Name of the related party and nature of relationship	
Subsidiary Companies	SAIL Provident Fund, New Delhi
SAIL-Jagdishpur Power Plant Limited	Hindustan Steel Provident Fund, Ranchi
SAIL Refractory Company Limited	Hindustan Steel Limited, Central Purchase Organisation, Sales & Transport, Calcutta Provident Fund
SAIL Sindri Projects Limited	Bharat Refractories Provident Fund, Bokaro
Chhattisgarh Mega Steel Limited	IFICO Provident Fund, Ramgarh
Joint Venture Companies	CCSO Provident Fund, Dhanbad
NTPC-SAIL Power Company Limited	SAIL RMD Establishment and Administrative Offices Employees Provident Fund, Kolkata
Bokaro Power Supply Company Private Limited	Bolani Ores Mines Provident Fund , Bolani
SAIL Bansal Service Centre Limited	SAIL Employees' Superannuation Benefit Fund
mjunction Services Limited	SAIL Gratuity Fund
Bhilai Jaypee Cement Limited	SAIL Pension Fund
S&T Mining Company Private Limited	
SAIL & MOIL Ferro Alloys Private Limited	
International Coal Ventures Private Limited	
SAIL-SCI Shipping Private Limited	
SAIL SCL Kerala Limited	
SAIL-RITES Bengal Wagon Industry Private Limited	
SAIL Kobe Iron India Private Limited	
TMT SAL SAIL JV Limited	
SAL SAIL JVC Limited	
SAIL-Bengal Alloy Castings Private Limited	
Prime Gold-SAIL JVC Limited	
VSL SAIL JVC Limited	
Abhinav-SAIL JVC Limited	
N.E. Steel &Galvanising Private Limited	
North Bengal Dolomite Limited	
Romelt-SAIL (India) Limited	
NMDC SAIL Limited	
Bastar Railway Private Limited	
GEDCOL SAIL Power Corporation Limited	
Associate Company	
Almora Magnesite Limited	
Other Companies	
ICVL Mauritius	
Riverdale Mining (PTY) Limited (RML)	
Minas De Banga (Mauritius) Limited Mozambique	
ICVL Zambeze Mauritius Limited	
Promark Services Limited RPU	
Benga Power Plant (Mauritius) Limited	
Minas De Benga LDA	
Benga Energia SA	
IISCO Ujjain Pipe & Foundry Co. Limited	
UEC-SAIL Information Technology Limited	
Post-employment Benefit Plans	
HSL BSP Provident Fund, Bhilai	
DSP Provident Fund, Durgapur	
Hindustan Steel Ltd Contributory Provident Fund, Rourkela	
Bokaro Steel Employees Provident Fund, Bokaro	
IISCO Limited Provident Institution, Burnpur	
IISCO Limited Provident Institution, Kolkata	
IISCO Limited Works Provident Fund, Burnpur	
SAIL ASP Provident Fund, Durgapur	
Salem Steel Provident Fund, Salem	
Visvesvaraya Iron and Steel Plant Employees Provident Fund Trust, Bhadravati	
	B. Key Management Personnel
	Shri Anil Kumar Chaudhary
	Dr. G. Vishwakarma (upto 31/01/2020)
	Smt. Soma Mondal
	Shri Harinand Rai
	Shri Atul Srivastava
	Shri Amit Sen (w.e.f 05/11/2019)
	Shri Vivek Gupta
	Shri A Dasgupta
	Shri K K Gupta
	Prof. N K Taneja
	CA K S Chauhan
	Dr. Samar Singh (upto 03/02/2020)
	Shri Nilanjan Sanyal (upto 03/02/2020)
	CA Parmod Bindal (upto 17/11/2019)
	Smt. Anshu Vaish (upto 17/11/2019)
	Prof. Ashok Gupta (upto 17/11/2019)
	Shri A.K. Rath (upto 31/05/2019)
	Shri P K Singh
	Shri D Chattaraj
	Shri A.V. Kamlakar
	Shri Kalyan Maity
	Shri Kajal Das (pto 31/10/2019)
	Smt. K Raman
	Shri Jagdish Arora (w.e.f 01/11/2019)
	Shri S.K. Mishra (upto 30/06/2019)
	Shri Sanjeev Taneja (w.e.f 10/05/2019)
	Shri P K Pradhan (upto 31/10/2019)
	Shri S Subbaraj (w.e.f 01/11/2019)
	Shri KLS Rao (w.e.f 01/06/2019)
	Shri Subir Mondal
	Shri Ajay Arora
	Shri Ram Gopal (upto 04/11/2019)
	M V Zode (w.e.f 05/11/2019)
	Shri Mukesh Chand Jain (upto 30/06/2019)
	Shri M B Balakrishnan (w.e.f. 01/07/2019)
	Shri Som Nath Nandi (w.e.f 06/11/2019)
	Shri C N Bhattacharya

Notes to the Standalone Financial Statements for the year ended 31st March, 2020
C. Details of transactions between the Company and the Related Parties during the Year

(₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Key Management Personnel	Total	Note No. and account head
i)	Purchase of Investment	7.54 (35.48)		7.54 (35.48)	8 : Investments
ii)	Advance for purchase of shares	- (-)		- (-)	11/19 : Other Financial Assets
iii)	Services rendered	7.94 (11.05)		7.94 (11.05)	
iv)	Rental Income	0.12 (0.26)		0.12 (0.26)	35: Other income
v)	Dividend Received	83.73 (42.71)		83.73 (42.71)	
vi)	Sale of Goods	2.84 (6.44)		2.84 (6.44)	34 : Revenue from Operations
vii)	Other Operating Revenues	15.27 (5.47)		15.27 (5.47)	34 : Revenue from Operations
viii)	Purchase of Goods	247.99 (232.41)		247.99 (232.41)	25/30 : Trade Payables
ix)	Purchase of Power	2505.42 (2134.94)		2505.42 (2134.94)	40 : Other Expenses
x)	Services received	57.44 (58.06)		57.44 (58.06)	40 : Other Expenses
		1.17 (1.31)		1.17 (1.31)	5 : Capital WIP
xi)	Interest Income	0.82 (0.78)		0.82 (0.78)	
xii)	Managerial remuneration		8.57 (8.11)	8.57 (8.11)	38 : Employees' Benefits Expenses

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

(₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Note No. and Account Head
i)	Investments	1474.56 (1467.02)	8 : Investments
ii)	Provision for investments	22.90 (17.50)	
iii)	Other Loans and Advances	36.59 (43.36)	24/29: Loans
iv)	Provision for Loans and Advances	16.85 (16.85)	
v)	Advance for Purchase of shares	3.54 (3.54)	11/19 : Other Financial Assets
vi)	Trade Receivable	7.17 (6.69)	9/16 : Trade Receivables
vii)	Trade Payable	166.44 (189.01)	25/30 : Trade Payables
viii)	Security Deposit	1.22 (0.39)	26/31 : Other financial liabilities

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

E. Disclosure of Material Transactions with Related Parties

(₹ crore)

	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019	Note No. and account head
Purchase of Investment			8 : Investments
S&T Mining	5.20		
Bastar Railway Ltd		35.22	
GEDCOL SAIL Power Corporation Ltd.	2.34	0.26	
Sale of Goods			34: Revenue from Operations
Bhilai Jaypee Cement Limited	1.65	1.42	
SAIL Refractory Co. Ltd	0.01	3.92	
NTPC-SAIL Power Supply Co. Pvt. Ltd.	1.18	1.10	
Other Operating Revenues			34: Revenue from Operations
NTPC-SAIL Power Supply Co. Pvt. Ltd.	15.27	5.47	
Purchase of Goods			25/30 : Trade Payables
SAIL Refractory Co. Ltd.	233.48	220.67	
Almora Magnesite Ltd	14.51	11.74	
Purchase of Power			40 : Other Expenses
Bokaro Power Supply Co. Pvt. Ltd.	927.37	839.93	
NTPC-SAIL Power Supply Co. Pvt. Ltd.	1578.05	1295.01	
Dividend Income			35: Other income
M junction Services Limited	6.60	6.00	
SAIL Refractory Co. Ltd.	11.55	4.26	
Bokaro Power Supply Co. Pvt. Ltd.	15.50	12.40	
SAIL-Bansal Services Centre Limited	0.08	0.05	
NTPC-SAIL Power Supply Co. Pvt. Ltd	50.00	20.00	
Services Rendered			
Bhilai Jaypee Cement Limited	0.55	0.67	
M junction Services Limited	0.19	7.08	
SAIL-Bansal Services Centre Ltd.	0.05	0.04	
Bokaro Power Supply Co. Pvt. Ltd	0.94	1.91	
NTPC SAIL Power Supply Co. Pvt. Ltd.	4.80		
SAIL Refractory Co. Ltd.		1.35	
Auction services			40 : Other Expenses
Mjunction Services Limited	56.12	58.06	5 : Capital WIP
	0.82	1.31	

F. During the year, Sales and Trade Receivables include ₹11102.43 crore (₹10665.71 crore) and ₹6207.61 crore (₹2222.39 crore) for transactions with the Central Government (including Indian Railways) which constitute 18.19% (16.09%) and 70.44% (49.44%) of the Sales and Trade Receivables respectively.

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

Brief Description of Provisions :

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

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal Costs	Total
Balance as at 1 st April, 2019	202.08	80.67	151.37	434.12
Additions during the Year	3.97	14.23	18.49	36.69
Amounts utilised during the Year	175.99	2.09	32.28	210.36
Unused amount reversed during the Year	1.78	5.70	44.79	52.27
Balance as at 31st March, 2020	28.28	87.11	92.79	208.18

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

(₹ crore)

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

*₹2.53 crore (₹2.53 crore), being doubtful of recovery has been provided for in the books of accounts.

- ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
iii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

51.5 The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current periods classification.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

52. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- External sales											
Current Year ended 31 st March 2020	18,885.03	7,327.45	11,870.03	13,170.18	7,547.79	543.15	1,555.70	38.90	86.65		61,024.88
Previous Year ended 31 st March 2019	16,463.61	8,788.65	14,510.32	16,167.83	7,762.59	630.85	1,687.49	122.88	133.08		66,267.30
- Inter segment sales											
Current Year ended 31 st March 2020	431.72	348.57	552.24	41.82	181.61	166.84	9.67	56.87	4,587.96	(6,377.30)	-
Previous Year ended 31 st March 2019	302.60	263.52	998.51	91.42	168.62	184.05	7.63	52.80	4,862.59	(6,931.74)	-
- Total Revenue from sale of products											
Current Year ended 31 st March 2020	19,316.75	7,676.02	12,422.27	13,212.00	7,729.40	709.99	1,565.37	95.77	4,674.61	(6,377.30)	61,024.88
Previous Year ended 31 st March 2019	16,766.21	9,052.17	15,508.83	16,259.25	7,931.21	814.90	1,695.12	175.68	4,995.67	(6,931.74)	66,267.30
RESULT											
- Operating Profit / (-) Loss before Interest and Exceptional items											
Current Year ended 31 st March 2020	3,398.94	(107.87)	321.20	468.53	(432.97)	(63.71)	(227.93)	(73.85)	4,146.84		7,429.18
Previous Year ended 31 st March 2019	1,608.91	586.63	2,109.74	2,290.86	303.46	(5.28)	(120.50)	(73.49)	181.88		6,882.21
- Finance cost											
Current Year ended 31 st March 2020											3,486.76
Previous Year ended 31 st March 2019											3,154.92
- Exceptional items											
Current Year ended 31 st March 2020											771.76
Previous Year ended 31 st March 2019											389.40
- Tax expenses											
Current Year ended 31 st March 2020											1,149.12
Previous Year ended 31 st March 2019											1,159.07
- Profit / Loss (-) for the year											
Current Year ended 31 st March 2020											2,021.54
Previous Year ended 31 st March 2019											2,178.82
OTHER INFORMATION											
- Segment assets											
Current Year ended 31 st March 2020	32,783.83	6,892.20	21,078.70	16,174.56	18,106.14	564.29	2,485.32	347.12	26,665.65		1,25,097.81
Previous Year ended 31 st March 2019	31,549.20	6,548.52	20,076.32	15,292.37	18,856.76	572.30	2,856.49	419.41	20,266.36		1,16,437.73
- Segment Liabilities (including Long Term Borrowing)											
Current Year ended 31 st March 2020	8,530.29	2,549.61	4,230.47	3,185.82	1,512.93	202.62	312.33	56.15	64,740.21		85,320.43
Previous Year ended 31 st March 2019	7,709.02	2,451.24	4,421.29	3,418.32	1,693.55	198.85	368.95	66.57	57,958.37		78,286.16
- Capital expenditure											
Current Year ended 31 st March 2020	1,297.22	422.59	1,191.41	932.19	167.73	3.42	6.45	2.65	45.77		4,069.43
Previous Year ended 31 st March 2019	1,304.73	139.23	1,012.87	1,121.28	147.21	2.95	9.18	1.48	207.91		3,946.84
- Depreciation											
Current Year ended 31 st March 2020	968.35	228.46	815.79	642.73	759.66	8.82	98.73	7.38	225.13		3,755.05
Previous Year ended 31 st March 2019	692.29	200.20	754.72	611.36	746.73	9.08	99.23	7.22	263.89		3,384.72
- Non Cash expenses other than Depreciation											
Current Year ended 31 st March 2020	51.66	9.93	25.80	31.61	24.31	0.64	10.20	0.74	134.09		288.98
Previous Year ended 31 st March 2019	26.75	15.34	10.54	6.66	21.86	1.48	0.44	0.10	159.27		242.44

1	V. K. Dhingra & Co. Chartered Accountants, 1E/15, Jhandewalan Extn., New Delhi-110055	2	A. K. Sabat & Co. Chartered Accountants, A-348, Sahid Nagar, Bhubaneswar-751007	3	Tej Raj & Pal Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	4	S. Jaykishan Chartered Accountants, 12, Ho Chi Minh Sarani, 2nd Floor, Suite No. 2D, 2E & 2F, Kolkata-700071
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INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of Steel Authority of India Limited

Comments

Management's Replies

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

Qualified Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **STEEL AUTHORITY OF INDIA LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements"), in which are included the Returns of 8 branches for the year ended on that date audited by the branch auditors of the Company's branches.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate Ind AS Financial Statements of the branches referred to in the Other Matters section below, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020 and its profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company has not provided for:

- Demand for Entry tax in various states amounting to ₹1,668.35 crore as on 31st March, 2020 [Refer Note No. 47.2(a)] and
- Amount paid to Damodar Valley Corporation ("DVC") in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore as on 31st March, 2020 [Refer Note No.47.2(b)];

Had the impact of aforesaid qualifications been considered, Total Comprehensive Income (net of tax) for the year ended 31st March, 2020 would have been ₹438.12 crore against reported Total Comprehensive Income (net of tax) of ₹1,905.83 crore, other equity as on 31st March, 2020 would have reduced by ₹1,467.71 crore, current liability as on 31st March, 2020 would have increased by ₹2,256.07 crore and deferred tax asset as on 31st March, 2020 would have increased by ₹788.36 crore.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/ tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches of the Apex Court on levy of entry tax in the States of Chhattisgarh, Odisha, Jharkhand and in respect of the case pending before West Bengal Taxation Tribunal, the Entry Tax demands under dispute have been treated as contingent liabilities.

In respect of item stated at (ii), the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. Further, the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), have been dismissed by the Hon'ble Supreme Court of India vide its Order dated 3rd December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC.

The above stated disputed demands, stated at (i) and (ii), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2020. Therefore, there is no adverse impact on Profit for the year.

Emphasis of Matter

We draw attention to the following:

- Note no. 49.16, which explains the uncertainties and the management's assessment of the financial impact due to outbreak of Covid-19 pandemic and lockdown/ restrictions imposed by the Government. A definitive assessment of the impact is dependent upon future economic conditions.
- Note no. 48.4 on valuation of inventories of sub-grade fines of 42.98 million tonnes at net realisable value (net of write-down due to impact of COVID-19 – ₹329.67 crore considered as exceptional item) amounting to ₹3,791.18 crore, and recognising the same as an increase in the carrying value of the inventories in the Statement of Profit and Loss for the financial year ended 31st March 2020 as change in accounting estimate, based on notification issued by Government of India allowing the sale of sub-grade minerals lying at the captive mines of the Company, the opinion of the Additional Solicitor General of India and the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI).

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

- (iii) Note no. 49.4 on valuation of Iron and Steel scrap embedded in various slag dumps considered under inventories on estimated basis valued at ₹715.68 crore as at 31st March 2020.
- (iv) Note no. 49.5 on valuation of inventories of iron ore fines extractable from the desilted slime amounting to ₹234.92 crore as on 31st March 2020 in view of the installation of slime beneficiation plant at Bhilai Steel Plant during the financial year under report.
- (v) Note no. 49.2 - Revenue from operations include sales to Government agencies for ₹7,634.55 crore for the year ended 31st March 2020 (cumulative upto 31st March 2020 ₹8,074.36 crore) which is recognised on provisional contract prices.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion and Emphasis of Matter sections, we have determined the matters described below to be the key audit matters to be communicated in our report:

S r . No.	Key Audit Matter	Auditors' Response to Key Audit Matters
1	<p>Sub-Grade Fines (SGFs)</p> <p>Sub-Grade Fines (SGFs) as inventory is determined to be a key audit matter because it is considered for valuation for first time during the year and such valuation requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and rate of sub grade fines.</p> <p>The consideration of 42.98 million tonnes of SGFs at Net Realisable Value of ₹3791.18 crore resulted in increase in the carrying value of inventories in the Statement of Profit and Loss disclosed as a separate line item (Refer Note No. 48.4 to the Standalone Ind AS Financial Statements).</p> <p>Further, the decision to provide for write-down due to impact of COVID-19 amounting to ₹329.67 crore is based purely on management judgement (Refer Note No. 49.16).</p>	<p>We understood and evaluated the Company's processes and procedures, including controls relating to SGFs.</p> <p>In assessing management's assessment of the value of SGFs we discussed in detail with the management to understand the procedure adopted in ascertaining the quantity and quality (including gradation) of the sub grade fines considered for valuation.</p> <p>We perused the order of the GOI, opinion of Addl. Solicitor General of India and EAC of ICAI for our perception of the recognition of the concerned event in Ind AS Standalone Financial Statements.</p> <p>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the IBM. We also obtained technical analysis report from external experts sought by management for determining the quantity of SGFs. Internal chemical analysis report relied by the management for arriving at the quality (including gradation) of fines was also obtained and assessed by us.</p> <p>Also refer para (ii) of the Emphasis of Matter section.</p> <p>Based on the above procedures there were no other matters to report.</p>
2	<p>Provisions and Contingent Liabilities</p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to contingent liabilities are presented in Note Nos. 47 read with Note No. 3.17 to the Standalone Ind AS Financial Statements.</p> <p>The assessment of the risks associated with the litigations is based on complex assumptions. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Accordingly, this matter is considered to be a key audit matter.</p>	<p>In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Company's legal and finance departments.</p> <p>We read the summary of litigation matters provided by the Company's/ Unit's Legal and Finance Team.</p> <p>We read, where applicable, external legal or regulatory advice sought by the Company.</p> <p>We discussed with the Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.</p> <p>In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Standalone Ind AS financial statements.</p>

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

S r . No.	Key Audit Matter	Auditors' Response to Key Audit Matters
3	<p>Tax Expenses</p> <p>Provision for current tax (including Minimum Alternate Tax on Book Profits) is dependent upon availability of brought forward losses, depreciation as per income tax/ books of accounts, statement of profit and loss, balance sheet, etc.</p> <p>Deferred Tax Assets on unabsorbed depreciation and carry forward losses are to be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.</p> <p>Refer Note No. 12 and 48.5 to the standalone Ind AS Financial Statements.</p>	<p>Considered the taxable profits of the Company and taxes paid, obtained details of carry forward losses and details of estimate of taxable incomes for future periods.</p> <p>Tested period over which deferred tax assets on such unabsorbed losses would be recovered against future taxable income including Management's underlying assumptions.</p> <p>Reviewed on overall basis, internally as well as the opinions given by legal/ tax experts on various issues along with various judicial/ jurisdictional pronouncements available on certain issues.</p>
4	<p>Property, Plant & Equipment and Intangible Assets</p> <p>There are areas where Management judgements impact the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortisation amounts. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter.</p>	<p>We assessed the controls in place, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of assets and the de-recognition criteria for assets retired from active use.</p> <p>In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realisable value of the assets retired from active use; the appropriateness of asset live applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no material changes.</p>
5	<p>Capital Work-in- Progress</p> <p>The Company is in the process of executing various projects like installation and expansion of mills, facilities, etc. These projects take a substantial period of time to get ready for intended use. Due to the materiality in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter.</p>	<p>We performed an understanding and evaluation of system of internal control over the capital work-in-progress, with reference to identification and testing of key controls.</p> <p>We assessed the progress of the projects and the intention of the management to carry forward and bring the asset to its state of intended use.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the Standalone Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have concluded that such material misstatement of the other information exists in respect of matters described in the Basis for Qualified Opinion section above.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 8 branches included in the Standalone Ind AS Financial Statements of the Company whose financial statements reflect total assets of ₹77,418.39 crore as at 31st March, 2020 and total revenue from operations of ₹21,270.01 crore for the year ended on that date. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors, except for the qualified opinion of Raw Material Division (RMD) branch auditors in respect of sub-grade fines, which after due consideration has been reported under Emphasis of Matter and Key Audit Matters section, based on review of documents on record, additional information provided to us and appropriate adjustments made by the management.

The Standalone Ind AS Financial Statements of the Company for the corresponding year ended 31st March 2019, were audited by the joint auditors of the Company, two of whom were predecessor audit firms, and they had expressed a qualified conclusion vide their report dated 30th May, 2019 on such Standalone Ind AS Financial Statements.

Due to complete lockdown imposed by the Government, to restrict the spread of COVID-19, the audit finalization process, for the year under report, was carried out from remote locations i.e. other than plants/ offices of the Company, based on data/ details made available and based on financial information/ records remitted by the management through digital medium.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in the Annexure – 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the branch auditors on the separate financial statement of the branches, referred to in other matters above, we report, to the extent applicable, that:
- 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.
 - Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and with the returns received from the branches.
 - Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.
 - The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Company.
 - As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Companies Act, 2013 relating to disqualification of directors are not applicable to the Company, being a Government Company.
 - With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure – 2.
 - With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, we are informed that the provisions of Section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company, being a Government Company in terms of notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements (Refer Note No. 47);
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - The Company has not transferred to the Investor Education and Protection Fund, an amount of ₹ 120,75,460, being Unclaimed Matured Deposits which the Company was required to transfer to the said Fund in the financial year 2017-18.
3. As required by Section 143(5) of the Act, we give in Annexure-3, a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the Company.

The Matured Deposits have already been claimed by the successors/relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the Matured Deposits to the legal heirs.

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No. 000250N
Sd/-
(CA Vipul Girotra)
Partner
M.No. 084312
UDIN:20084312AAAAAR4631
New Delhi

For A.K.Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E
Sd/-
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For Tej Raj & Pal
Chartered Accountants
Firm Registration No. 304124E
Sd/-
(CA B. Gangaraju)
Partner
M.No. 007605
UDIN: 20007605AAAAAI4593
Berhampur, Ganjam

For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E
Sd/-
(CA S. Chatterjee)
Partner
M.No. 017361
UDIN: 20017361AAAAAJ3675
Kolkata

For and on behalf of Board of Directors
Sd/-
(Anil Kumar Chaudhary)
Chairman

Date: 10th July, 2020

Date: 14th September, 2020
Place: New Delhi

Annexure 1 To The Independent Auditors' Report on Standalone Financial Statements
Comments
Management's Replies

We report that:

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets. However, the location and the extent of arrear in respect of a few lands needs to be updated in the fixed assets register 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.
- (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the assets once in three years. However, it is observed certain land and buildings are under encroachments/ unauthorised occupation. As informed, no material discrepancies have been noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title/lease deeds of immovable properties are held in the name of the Company except in the following cases:

Particulars	Freehold Land	Leasehold Land	Building
Area not in name of the Company	45112.805 acres	14577.63 acres	571.24 sqmts
- Gross Block thereof ₹crore	166.27	146.21	0.48
- Net Block thereof ₹crore	155.01	121.83	0.30

Necessary action is being taken to update location and extent of area in respective plants in 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:

- a. The inventories have been physically verified by the management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey/estimates.
- b. In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories, which were not material, have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clauses (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees and security, covered under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Companies Act 2013 and rules framed there-under during the year. Accordingly paragraph 3(v) of the order is not applicable to the Company.
- (vi) Pursuant to the rules made by the central government of India, the Company is required to maintain Cost Records as specified u/s 148(1) of the Act in respect of its products.

We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate and complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess and other Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2020.
- b. According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2020 as given herein below:

Statute	Nature of Dues	Amount (₹ in crore)	Forum where disputes are pending.
Sales Tax & VAT	Sales Tax and VAT Demands	13.26	Supreme Court
		491.62	High Courts
		689.34	Sales Tax Tribunal
		280.95	Sales Tax Department
Goods and Services Tax	GST demands	18.32	High Court
Entry Tax	Entry Tax Demands	164.98	Supreme Court
		1516.09	High Courts
		1003.31	Tribunal
		302.21	Department
Central Excise Act, 1944	Excise Duty	349.16	Supreme Court
		151.69	High Courts

		3694.11 200.70 0.32	CESTAT Department BIFR
Finance Act, 1994	Service Tax	35.46 79.00 414.74	High Courts CESTAT Department
Customs Duty	Customs Duty	2.58 1.71	CESTAT Department
Income Tax Act, 1961	TDS on Perks	2.32 102.95	Supreme Court High Court
	Other TDS matters	1.37	Department
	Income Tax Disputes	198.20	High Courts
		314.57 380.08	ITAT Department
Other Matters	Stamp duty	2320.40	High Court
	Other Statutory dues	73.81	Supreme Court
		160.92	High Court
		11.44	Department
	TOTAL	12975.61	

- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument). Term loans from banks and financial institutions have been applied for the purpose for which they were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us and based on the audit procedures performed, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Ind AS 24 'Related Party Disclosures' specified under Section 133 of the Act read with relevant rules.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For V.K. Dhingra & Co.
Chartered Accountants
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Sd/-
(CA Vipul Girotra)
Partner
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New Delhi

For Tej Raj & Pal
Chartered Accountants
Firm Registration No. 304124E
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Berhampur, Ganjam

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For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E
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(CA S. Chatterjee)
Partner
M.No. 017361
UDIN: 20017361AAAAAJ3675
Kolkata

For and on behalf of Board of Directors
Sd/-
(Anil Kumar Chaudhary)
Chairman

Date: 10th July, 2020

Date: 14th September, 2020
Place: New Delhi



Annexure 2 to The Independent Auditor's Report on Standalone Financial Statements

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")**Opinion**

We have audited the internal financial controls with reference to Financial Statements of the Steel Authority of India Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31st March, 2020, based on the internal control with reference to Financial Statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For V.K. Dhingra & Co.
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For S. Jaykishan
Chartered Accountants
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UDIN: 20017361AAAAAJ3675
Kolkata

Date: 10th July, 2020

Annexure 3 to The Independent Auditor's Report on Standalone Financial Statements
Comments
Management's Replies

On the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us, we report that:

A. Directions under Section 143(5) of Companies Act, 2013		
	QUESTIONS	AUDITOR'S COMMENTS
1	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company uses SAP software for processing accounting transactions at five integrated steel plants, Central Marketing Organisation and Head Office. In respect of other plants/ units, the Company uses legacy software systems. Based on our audit, on test basis, and based on reports received from the branches, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted/ reported.
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc., made by a lender to the company due to the company's inability to repay the loan? if yes, the financial impact may be stated.	As per information and explanations obtained there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan.
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilised as per its terms and conditions? List the cases of deviation.	To the best of our information, checks applied by us during the course of our audit and based on reports received from the branches/ units, we are of the opinion that funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilised as per its terms and conditions.

For V.K. Dhingra & Co.
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Kolkata

Date: 10th July, 2020

Comments of C&AG

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2020.

Comments	Management's Replies
<p>The preparation of financial statements of Steel Authority of India Limited for the year ended 31 March 2020 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 10/07/2020.</p> <p>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 31 March 2019. 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.</p>	
<p>A. COMMENTS ON FINANCIAL POSITION</p> <p>Balance Sheet Note 23 : Other Equity Retained Earnings: ₹28871.07 crore</p> <p>Companies (Share Capital and Debentures) Rules, 2014 (amended in 2019, effective from 16 August, 2019) states that listed companies were not required to create Debenture Redemption Reserve (DRR). SAIL created Bond Redemption Reserve of ₹276.63 crore during the year 2019-20 in contrary to the above amended rule. This has resulted in overstatement of Bond Redemption Reserve and understatement of retained earnings by ₹276.63 crore.</p>	<p>In the Balance Sheet, both Bond Redemption Reserve and Retained Earnings are covered under the head "Other Equity". Hence, provision of Bond Redemption Reserve did not result in over/under statement of "Other Equity". Out of the total BRR of ₹276.63 crores created in 2019-20, an amount of ₹48.88 crores was transferred to Retained Earnings in 2019-20 itself on account of Bonds that were redeemed in that year. The balance amount of ₹ 227.75 crores has been reversed in Q1 of the current year, i.e. 2020-21.</p>
<p>B COMMENTS ON PROFITABILITY</p> <p>Note 15: Inventories : ₹23747.20 crore Note-37A: Changes in Inventories of finished goods and WIP-₹(1434.97) crore</p> <p>(a) The above includes ₹683.33 crore being the value of estimated 6.59 lakh tonnes of extractable iron and steel scrap from the BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants of SAIL. Valuation of scrap embedded in the slag is not justified because slag, in its present form, can neither be sold nor used for consumption in production process. Since there was no physical existence of iron/steel scrap of 6.59 lakh tonnes in hand as on 31 March 2020, it cannot be considered as inventory in terms of para 6 of Ind AS 2.</p> <p>Thus, consideration of scrap which was not in existence on the balance sheet date and valuing the same as inventory has resulted in overstatement of inventories and profit for the year by ₹683.33 crore.</p>	<p>Any material that has realisable economic value needs to be valued as inventory. Iron and steel scrap embedded within BF/LD Slag can be sold, or consumed internally after recovery. Therefore, the material has value and accordingly, needs to be valued in the financial statements. Non-valuation of such inventory would amount to misrepresentation of assets owned by the Company.</p> <p>The quantum of iron and steel scrap embedded within the slag has been established scientifically by drawing samples of slag and getting it processed by the scrap recovery contractor. The weight of scrap recovered as a percentage of the weight of slag processed has been calculated and applied to the estimated quantity of slag inventory. Substantial quantity of iron scrap is being extracted from the slag dumps and sold/ consumed on a regular basis while steel scrap extracted is being consumed captively as per consistent practice. Accordingly, the inventory has been considered in line with para 6 and para 8 of Ind AS-2.</p> <p>The scrap embedded in slag is in existence on the Balance Sheet date and there is no overstatement of inventories and profit for the year.</p>
<p>(b) The above includes ₹ 234.92 crore being the value of estimated 31.94 lakh tonne of extractable iron ore fines from the Slime at Dalli mines, Bhilai Steel Plant. Valuation of iron ore fines embedded in the slime is not justified because slime, in its present form, can neither be sold nor used for consumption in production process. Therefore, it does not fall under the definition of inventory in terms of para 6 of Ind AS 2.</p> <p>Thus, valuation of iron ore fines as inventory against the provision of Ind AS 2 has resulted in over-statement of inventory and profit for the year by ₹234.92 crore.</p>	<p>Slime is actually the tailings having low Fe content, dredged from the Tailing Pond of Dalli Mines. Due to poor quality, these iron ore fines are not readily usable in the Steel Plant but can be sold in the open market, for which prices published by IBM are available.</p> <p>More importantly, with advanced technological development, a beneficiation plant has been set up at Dalli Mines, which became operational from November, 2019. This plant beneficiates the low-grade fines into high-grade fines with Fe content of around 65%, which is higher than the Fe content of fresh fines produced in Dalli Mines. With the operationalisation of the plant, the entire inventory of low-grade fines acquired economic value, and has therefore been valued as inventory in accordance with Ind AS 2. Non-valuation of such inventory would amount to misrepresentation of assets owned by the Company.</p> <p>The low-grade fines at Dalli Mines can be sold as such, or beneficiated to produce high-grade fines which can then be further processed into steel. Thus, these fines satisfying the test of Inventory as per Ind AS-2 have been correctly valued and there is no overstatement of Inventories and profit for the year.</p>
<p>For and on the behalf of the Comptroller & Auditor General of India</p> <p style="text-align: right;">Sd/ (A.P. Choppy) Director General of Audit (Steel), Ranchi Place : Ranchi Date : 10 September 2020</p>	<p>For and on behalf of Board of Directors</p> <p style="text-align: right;">Sd/ (Anil Kumar Chaudhary) Chairman Place: New Delhi Date: 14th September, 2020</p>

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
Steel Authority of India Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Steel Authority of India Limited (hereinafter called SAIL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the SAIL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SAIL for the financial year ended on 31st March, 2020 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"), as applicable:-
 - (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; Not applicable
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable
- (vi) Compliances/processes/systems under following specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company:
 - (a) Mines Act, 1952
 - (b) Mines and Mineral (Regulation and Development) Act, 1957
 - (c) The Factories Act, 1948
 - (d) Explosives Act, 1884

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

- (a) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. Generally complied with.
- (b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.

(c) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

Observation No. 1 Non-compliance of Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company shall have requisite no. of Non-executive Directors on the Board of the Company for the period 04.02.2020 to 31.03.2020 and independent woman director on the Board of Company for the period 18.11.2019 to 31.03.2020.

Observation No. 2 Non-Compliance of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Company shall have requisite no. of Independent Directors on the Board of the Company for the period from 18.11.2019 to 31.03.2020. Consequently, in terms of Clause 3.1.2 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Company did not have requisite no. of Functional Directors on the Board of the Company w.e.f. 04.02.2020 to 31.03.2020.

Observation No. 3 Non-compliance of Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall carry out the performance evaluation of the Directors.

Observation No. 4 Non-compliance of Regulation 19 (4) read with Schedule II Part D (A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee shall formulate the policies and criteria's as defined under the regulation.

We further report that the Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors for the period from 06th November, 2019 to 12th November, 2019 and 18th November, 2019 to 31st March, 2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting from Directors. We have not reviewed the minutes of 65th Nomination & Remuneration committee meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates,**

Company Secretaries,

ICSI Unique Code: P2003DE049100

Sd/-

CS Sachin Agarwal

Partner

FCS No. : 5774

CP No. : 5910

UDIN: F005774B000723601

Place: New Delhi

Date: 17.09.2020

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 records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for 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 and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, 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 and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

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.
7. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
Sachin Agarwal
Partner
FCS No. : 5774
CP No. : 5910

Place: New Delhi
Date: 17.09.2020

CORPORATE GOVERNANCE REPORT 2019-20
(a) Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that confirms fully to laws, regulations and guidelines including DPE guidelines, and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. Your 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, 2020, the Board of Directors comprised of a full time Chairman, 6 Whole Time Directors (i.e. Executive Directors) and 6 Non-Executive Directors (consisting of 2 Government Nominee Directors and 4 Independent Directors). During the year, 10 Board meetings were held on 10.04.2019, 30.05.2019, 28.06.2019, 09.08.2019, 30.08.2019, 24.09.2019, 14.11.2019, 19.12.2019, 27.01.2020 and 14.02.2020.

The names of Director(s), their attendance at the Board meeting(s) held during 2019-20 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 2019-20	Attendance at last AGM	No. of other Directorships held as on 31.03.2020 *	No. of Board Committee(s) as Chairman/Member as on 31.03.2020**
1. Shri Anil Kumar Chaudhary	Executive Chairman	10	Yes	1	-
2. Shri Saraswati Prasad (upto 16.03.2020)	Non-Executive Director (Gol. Nominee)	6	No	-	-
3. Shri Puneet Kansal	Non-Executive Director (Gol. Nominee)	10	No	-	-
4. Shri Vijoy Kumar Singh (from 17.03.2020)	Non-Executive Director (Gol. Nominee)	-	Not Applicable	6	-
5. Prof. Ashok Gupta (upto 17.11.2019)	Independent Director	7	Yes	-	-
6. CA Parmod Bindal (upto 17.11.2019)	Independent Director	7	Yes	-	-
7. Mrs. Anshu Vaish (upto 17.11.2019)	Independent Director	5	Yes	-	-
8. Dr. G. Vishwakarma (upto 31.01.2020)	Executive Director	9	Yes	-	-
9. Dr. Samar Singh (upto 03.02.2020)	Independent Director	9	Yes	-	-
10. Shri Nilanjan Sanyal (upto 03.02.2020)	Independent Director	9	Yes	-	-
11. Ms. Soma Mondal	Executive Director	9	Yes	-	-
12. CA K.S. Chauhan	Independent Director	10	Yes	-	C-1 M-1
13. Prof. N.K. Taneja	Independent Director	7	Yes	-	-
14. Shri Atul Srivastava	Executive Director	10	Yes	-	M-1
15. Shri Harinand Rai	Executive Director	10	Yes	2	M-1
16. Shri K. K. Gupta	Independent Director	10	Yes	-	M-1
17. Shri Vivek Gupta	Executive Director	9	No	1	-
18. Shri Amit Sen (from 05.11.2019)	Executive Director	4	Not Applicable	-	M-1
19. Shri N. Shankarappa (from 13.11.2019)	Independent Director	4	Not Applicable	-	-
20. Shri Anirban Dasgupta (from 01.02.2020)	Executive Director	1	Not Applicable	3	-

* Includes Directorship in Private companies.

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

M = Member, C = Chairman

None of the above Directors, other than Shri Saraswati Prasad and Shri Vijoy Kumar Singh, were on the Board of listed entity during 2019-20 other than SAIL. Besides SAIL, Shri Saraswati Prasad and Shri Vijoy Kumar Singh were on the Board of NMDC Limited and KIOCL Limited.

(c) Audit Committee:
(i) Terms of Reference:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Financial Reports; the Company's systems of internal financial controls and Risk management systems, accounting and legal compliance that Management and the Board have established; review Related Party Transactions in accordance with the Related Party Transaction Policy of the Company; and the Company's auditing, accounting and financial reporting process generally.

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory Auditors, reviews the auditor's independence, performance and effectiveness of audit process, discusses their findings, suggestions and other related matters and reviews Accounting Policies followed by the Company. The Audit Committee reviews with the Management, the Quarterly and Annual Standalone and Consolidated Financial Statements and the Auditors' thereon, before their submission to the Board.

The minutes of the Audit Committee meetings are circulated to the Board, discussed, and taken note of.

(ii) Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31st March, 2020, the Audit Committee comprised of CA. K.S. Chauhan (Chairman), Shri K.K. Gupta and Director (Technical). During the last year, the Committee met 7 times and attendance of the Members at the meetings is given below:

Name of the Director	Status	No. of meetings attended
CA Parmod Bindal, Independent Director (upto 17.11.2019)	Chairman	5
Prof. Ashok Gupta, Independent Director (upto 17.11.2019)	Member	5
Mrs. Anshu Vaish, Independent Director (upto 17.11.2019)	Member	3
Shri Nilanjan Sanyal, Independent Director (upto 03.02.2020)	Member	5
Dr. Samar Singh, Independent Director (upto 03.02.2020)	Member	5
CA K.S. Chauhan, Independent Director (from 06.12.2019)	Chairman	2
Shri K.K. Gupta, Independent Director (from 06.12.2019)	Member	2
Shri Harinand Rai, Director (Technical)	Member	6

(d) Nomination & Remuneration Committee

(i) SAIL, being a Government Company, the nomination and fixation of terms and conditions for appointment of its Director, is made by the Government of India. However, the Company has constituted a Nomination & Remuneration Committee (NRC) to, inter-alia, look into various HR issues, matters prescribed under the Companies Act, 2013 and SEBI Regulations, finalization of Performance Related Pay (PRP) for the executives of the Company in terms of Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises, etc.

As on 31st March, 2020, the Nomination & Remuneration Committee comprised of Prof. N.K. Taneja, Independent Director (Chairman); and Shri Anil Kumar Chaudhary, Chairman, SAIL; Shri K.K. Gupta, Independent Director, Joint Secretary, Ministry of Steel (Government Nominee Director) as Members.

As per Section 178(2) of the Companies, 2013, the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors. The evaluation is to be carried out either by the Board, NRC or by an independent external agency and NRC shall review the implementation and compliance of the evaluation system. 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. The Ministry of Corporate Affairs(MCA) has vide its Notification dated 5th June, 2015 notified exemptions to Government Companies from certain provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The appointment of Functional Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made based on nomination/appointment

by Government of India (GOI). The terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry. Further, the Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has notified amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

(ii) The details of remuneration to Whole Time Directors for FY 2019-20 are given below:

(₹)

Name of the Director	Salary*	Perquisites, etc.	Total
Shri Anil Kumar Chaudhary	48,29,752	5,27,524	53,57,276
Dr. G. Vishwakarma (upto 31.01.2020)	40,64,928	4,85,876	45,50,804
Ms. Soma Mondal	49,18,382	6,34,513	55,52,895
Shri Atul Srivastava	40,03,792	1,01,435	41,05,227
Shri Harinand Rai	41,74,036	5,35,117	47,09,153
Shri Vivek Gupta	34,60,579	66,090	35,26,669
Shri Amit Sen (from 05.11.2019)	12,67,781	1,27,963	13,95,744
Shri Anirban Dasgupta (from 01.02.2020)	2,74,464	5,825	2,80,289
Total	2,69,93,714	24,84,343	2,94,78,057

*Salary includes Pension

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

(iv) The salary of the Whole Time Directors is governed by Pay scales and Rules issued by the Department of Public Enterprises. No variable incentive is being paid to the Directors except Performance Related Pay (PRP), paid to them on annual basis as per DPE Guidelines. No Bonuses and Stock Options were paid during the financial year 2019-20.

(v) Terms & Conditions

The Whole Time Directors are nominated by Government of India for appointment as Director for a period of five years or till the age of superannuation or until further orders, whichever is the earliest. They are initially appointed by the Board of Directors as Additional Directors and, thereafter, by the Shareholders in the Annual General Meeting in terms of the provisions of the Companies Act, 2013.

The appointment may, however, be terminated by either side on three months' notice or on payment of three months' salary in lieu thereof.

(e) Stakeholders' Relationship Committee

(i) A Stakeholders' Relationship Committee comprising CA K.S. Chauhan, Independent Director and two Whole Time Directors, i.e. Director (Finance) and Director (Personnel), 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 dividend, etc.

(ii) Name of Compliance Officer: Shri M.B. Balakrishnan, Company Secretary.

(iii) There was no complaint pending for redressal as on 31st March, 2019. Number of shareholders' complaints received during the year from 1st April, 2019 to 31st March, 2020 was 15. All the 15 complaints were resolved and no complaint was pending for redressal as on 31st March, 2020.

(f) **Risk Management Committee:** The Company has constituted SAIL Risk Management Committee (SRMC) and the Chief Risk Officer of the Company is acting as the Secretary of the Committee. Chairman, Audit Committee is the Chairman of the SRMC and majority of the members are Directors on the Board of the Company. 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. As on 31st March, 2020, the SRMC comprised of CA K.S. Chauhan, Independent Director, Chairman; and Shri K.K. Gupta, Independent Director; Ms. Soma Mondal, Director(Commercial); Shri Harinand Rai, Director(Technical) with Additional Charge of CEO (Bokaro Steel Plant); Shri Amit Sen, Director(Finance); Shri A.V. Kamlakar,

CEO(IISCO Steel Plant) as Members. During the year, one meeting of the Risk Management Committee was held on 28th June, 2019.

(g) **Corporate Social Responsibility Committee:** Corporate Social Responsibility is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner, whereby organisations serve the interests of the society, by taking responsibility for the impact of their activities. The Board of Directors of the Company has constituted Corporate Social Responsibility Committee and has also approved Corporate Social Responsibility Policy of the Company. The Policy is available on the website of the Company-www.sail.co.in. As on 31st March, 2020, Shri N. Shankarappa, Independent Director, was Chairman of the Committee.

(h) During the year, constitution of the Board Sub Committees (BSCs) was reviewed and some of the BSCs were reconstituted. At present, besides mandatory Committees, the following BSCs have been constituted by the Company so that the issues are examined in detail before the same are considered by the Board of Directors:

- Strategic Issues & Joint Ventures Committee- To examine and recommend to the Board the issues relating to formation of Strategic

Alliance(s) and Joint Ventures of the Company and review their performance.

- Projects Committee- To monitor and recommend to the Board the matters regarding taking up of new projects, monitoring implementation of major capital projects vis-a-vis approved plan, etc.
- Operational Issues Committee- To review production performance, sales & marketing performance, operational performance of the mines & collieries; to review coordination amongst Mines and Plants for availability of the required quantity and quality of raw materials for the Plants, etc.
- Health, Safety & Environment Committee- To review the policy, procedures and systems on Health, Safety and Environmental matters in respect of Plants & Mines.
- Share Transfer Committee- To consider (i) transmission, rejection, issue of duplicate share certificate and split share certificates; and (ii) transfer of shares for which request was received before 31st March, 2019 but was rejected earlier on account of discrepancies, and resubmitted after duly rectifying the objections.

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

Board Sub-Committee	Audit Committee	Projects Committee	Strategic Issues & Joint Ventures Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Health, Safety & Environment Committee	Stake holders Relationship Committee	Operational Issues Committee
1	2	3	4	5	6	7	8	9
Meetings held	7	7	2	8	#	4	1	1
Directors Attendance								
Shri Anil Kumar Chaudhary	-	-	-	8	-	-	-	-
Shri Puneet Kansal	-	4	2	8	-	-	-	-
Prof. Ashok Gupta (upto 17.11.2019)	5	-	-	6	-	3	-	1
CA Parmod Bindal (upto 17.11.2019)	5	6	2	-	-	-	-	1
Mrs. Anshu Vaish (upto 17.11.2019)	3	-	2	6	-	1	-	-
Dr. G. Vishwakarma* (upto 31.01.2020)	-	7	2	-	-	-	-	-
Dr. Samar Singh (upto 04.02.2020)	5	-	2	-	-	-	1	-
Shri Nilanjan Sanyal (upto 04.02.2020)	5	7	2	8	-	3	-	1
Ms. Soma Mondal	-	-	-	-	-	-	-	1
CA K.S. Chauhan (from 06.12.2019 in ACB)	2	7	-	-	-	-	1	1
Prof. N.K. Taneja (from 06.12.2019 in HSE)	-	6	2	8	-	1	-	1
Shri Atul Srivastava	-	-	-	-	-	4	1	-
Shri Harinand Rai	6	6	-	-	-	4	-	1
Shri K.K. Gupta (from 06.12.2019 in ACB, NRC & OI)	2	7	-	2	-	4	-	1
Shri Vivek Gupta	-	-	-	-	-	4	-	1
Shri Amit Sen (from 05.11.2019)	-	1	-	-	-	-	-	-
Shri N. Shankarappa (from 13.11.2019)	-	-	-	-	-	1	-	-
Shri Anirban Dasgupta (from 01.02.2020)	-	-	-	-	-	-	-	-

The Meeting of the CSR Committee scheduled to be held on 26th March, 2020 had to postponed due restrictions on movement on account of the Covid-19 Global Pandemic.

*For part of the year, Dr. G. Vishwakarma, Director(Projects & Business Planning) was holding additional charge of the post of Director (Finance).

(j) In addition to above, 1 meeting of Independent Directors was held during the Financial Year 2019-20.

(k) General Body Meetings:

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2018-19	30.08.2019	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2017-18	20.09.2018	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2016-17	22.09.2017	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(i) In the last 3 years, seven Special Resolutions were passed in the Annual General Meetings and none through Postal Ballot, as detailed below:

Financial Year	No. of Special Resolutions Passed
2018-19	4
2017-18	1
2016-17	2

(ii) No Special Resolution is proposed to be conducted through Postal Ballot upto the ensuing Annual General Meeting.

issued by the Department of Public Enterprises, Government of India, during the Financial Year 2019-20. However, there was shortfall of three to five Independent Directors, including Woman Independent Director, for a period of about four and a half months (between 18th November, 2019 and 31st March, 2020) during the Financial Year 2019-20. 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 including Woman Independent Director on the Board of SAIL was taken up with the Ministry of Steel, Government of India. Further, the Company has not fully adopted non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

(l) Disclosures:

(i) Pecuniary Relationship: There were no transactions by the Company of material nature with Promoters, Directors or the Management, their Subsidiaries, relatives, etc. that may have potential conflict with the interests of the Company at large. The Board has taken note of the declaration and confirmation regarding meeting the criteria of independence submitted by the Independent Directors. The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the Company during the year except receipt of sitting fee paid to Independent Directors for attending the meetings of the Board/Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.

(ii) Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Directors is made by Government of India.

(iii) Letter of appointment to Independent Directors: SAIL being a Government Company, Directors on its Board are nominated/appointed by the Government of India. During the Financial Year 2019-20, 1(one) Independent Director was nominated by the Government of India on the Board of the Company. The letter of appointment was issued to the Independent Director based on the Terms and Conditions mentioned by Government of India while nominating/appointing the Independent Director.

(iv) Familiarization programme for Independent Directors: An induction cum familiarization programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product Portfolio, Financial and Operational Performance, Modernization and Expansion Programme, etc. The Company also organizes visits of the Directors to various Plants/Units of the Company for first-hand knowledge of the operations. Further, the Directors are nominated to the training programmes organised by various institutions such as DPE, SCOPE, IOD, etc. on issues related to Corporate Governance, etc. The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company - www.sail.co.in.

(v) The Company has adopted Whistle Blower Policy of Central Vigilance Commission (CVC) and it has not denied access to any personnel to approach the Audit Committee/ Management on any issue. The Whistle Blower Policy is available on the website of the Company - www.sail.co.in. The Company has also formulated a Vigil Mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company and Directors on the Board of the Company are covered under this Mechanism. This Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Vigil Mechanism has been posted on the website of the Company - www.sail.co.in.

(vi) 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

(vii) There was one Whole Time Woman Director on the Board of the Company as on 31st March, 2020.

(viii) Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL were issued by the Ministry of Steel vide file No.7(12)/2008-SAIL(PC) dated 5th October, 2009 w.e.f. 1st January, 2007 for ten years i.e. upto 31st December, 2016. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC. The Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL w.e.f. 1st January, 2017 are yet to be issued by the Ministry of Steel.

(ix) The Independent Directors have submitted the declaration of independence, as required under Regulation 25(8) of the SEBI Listing Regulations read with Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Regulation 16(1)(b) of the SEBI Listing regulations read with sub-section (6) of Section 149 of the Companies Act, 2013 and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The same has been taken on record by the Board.

(x) 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.

(xi) Policy on Related Party Transactions: In terms of the Listing Agreement, the Board of Directors of the Company has adopted a Policy on Related Party Transactions. The Policy is placed on the website of the Company - www.sail.co.in.

(xii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy for determination of Material Subsidiaries. The Policy is placed on the website of the Company - www.sail.co.in. The Company did not have any Material Subsidiary during 2019-20.

(xiii) In terms of the Regulation 43A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy and the same is uploaded on the website of the Company-www.sail.co.in.

(xiv) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company.

However, in absence of appointment of a full time Director (Finance), Director(Projects and Business Planning) was assigned Additional Charge of the post of Director(Finance) w.e.f. 23.03.2019 for a period of 3 months, which was extended till further orders.

(xv) Directors on the Board of the Company are nominated/appointed by the Government of India. Therefore, preparation of a chart or a matrix setting out the skills/ expertise/competence of the Board of Directors is outside the purview of the Board of SAIL.

(xvi) During the Financial Year 2019-20, no funds have been raised through preferential allotment or qualified institutions placement.

(xvii) Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015,

M/s. Agarwal S. & Associates, Practising Company Secretaries, has certified that none of the Directors on the Board of SAIL have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such other Statutory Authority.

(xviii) An amount of ₹4.37 crore was paid as total fees for all services by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which statutory auditors are part.

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

The Company has set up Internal Complaints Committees in line with the 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 these Rules. The details

of sexual harassment complaints received and disposed off during the year 2019-20 are as under:

Number of complaints pending as on 01.04.2019	:	2
Number of complaints filed during the financial year	:	2
Number of complaints disposed off during the financial year	:	4
Number of complaints pending as on 31.03.2020	:	0

(xx) During the financial year 2019-20, no independent director has resigned before completion of their respective tenure.

(xxi) No non-executive director has held shares/convertible instruments except CA Parmod Bindal who till completion of his tenure in SAIL held 5000 equity shares of M/s. Vayu Agro Farm Private Limited.

(xxii) Credit Ratings obtained along with any revision thereto during the Financial Year 2019-20 are as under:

A. India Ratings	₹ in crore	Current Rating		Previous Rating
Particulars	Rated amount	14.11.2019	Status	09.11.2018
Long Term Bonds	17000	IND AA - Negative Outlook	Affirmed, Outlook Revised	IND AA - Stable Outlook
Short Term (CPs)	8000	IND A1+	Affirmed	IND A1+
Fund-Based Working Capital based limits@	4500	IND AA-Negative Outlook / IND A1+	Affirmed, Outlook Revised	IND AA- Stable Outlook / IND A1+
Non-Fund-Based Working Capital limits#	2000	IND A1+	Affirmed	IND A1+ (Reaffirmed)
Non-Fund-Based limits\$	7000	IND AA- Negative Outlook	Affirmed, Outlook Revised	IND AA- Stable Outlook
Bank Loan	2000	IND AA- Negative Outlook	Affirmed, Outlook Revised	IND AA- Stable Outlook
Public Deposits	1000	IND tAA Negative Outlook	Affirmed, Outlook Revised	IND tAA Stable Outlook

@ Increased from ₹4,500 crore to ₹8,500 crore. Consortium Lead bank sanctioned limits ₹10,000 crore as on date.

Increased from ₹2,000 crore to ₹5,000 crore.

\$Reduced from ₹7,000 crore to ₹5,000 crore.

B. CARE Ratings	₹ in crore	Current Rating		Previous Rating
Particulars	Rated amount	04.10.2019	Status	27.09.2018
Long Term Bonds Programme	19000	CARE AA - Outlook Stable	Reaffirmed	CARE AA - Outlook Stable
Long Term Public Deposits	1000	CARE AA - Outlook Stable	Reaffirmed	CARE AA - Outlook Stable
Short Term CP / ICD Programme	8000	CARE A1+	Reaffirmed	CARE A1+
		08.03.2019		08.03.2019
Long Term Fund Based bank facilities (Term Loans)	30000	CARE AA - Outlook Stable	Reaffirmed	CARE AA - Outlook Stable

C. Brickworks Ratings	₹ in crore			
Particulars	Rated amount	20.09.2019	Status	12.08.2019
Long Term Bonds Programme	5000	BWR AA Negative Outlook	Reaffirmed	BWR AA Negative Outlook

(xxiii) Risk w.r.t. Commodities:Pursuance to Circular No. SEBI/HO/CFD/ CMD1/ CIR/ P/2018/0000000141 dated 15th November, 2018, SAIL does not perceive any risk with respect to commodities, as it has taken adequate steps to ensure uninterrupted supply of major materials. SAIL has diversified sourcing of coal and is procuring coal through Long Term Agreements from different geographical locations from five countries, i.e., Australia, USA, Canada, Indonesia and Mozambique. For iron ore, SAIL has its own captive iron ore mines which meet its requirement. Similarly, for refractories and ferro-alloys, SAIL has its own captive Plants and SAIL is procuring limestone under Long Term Agreement.

(m) Means of Communication:

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

Quarter Ending	30.06.2019	30.09.2019	31.12.2019	31.03.2020
Date of Publication	10.08.2019	15.11.2019	15.02.2020	11.07.2020
Name of the Newspapers	Mint (E)	Business Line (E)	Business Standard (E)	Financial Express(E)
E-English	Hindustan (H)	Dainik Jagran(H)	Business Standard (H)	Jansatta(H)
H-Hindi				

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) In terms of the General Circular No.20/2020 dated 5th May, 2020 issued by Ministry of Corporate Affairs(MCA), Annual General Meeting(AGM) is scheduled to be held on 22nd October, 2020 at 1030 Hours at Registered Office through Video Conferencing or Other Audio Visual Means. Necessary public notices, publications and other arrangements have been made pursuant to the MCA Circulars- General Circular No.14 dated 8th April, 2020, General Circular No.17 dated 13th April, 2020 and General Circular No.20 dated 5th May, 2020.
- (ii) Financial Year: 1st April, 2019 - 31st March, 2020.
- (iii) Date of Book Closure: 16th October, 2020 to 22nd October 2020. (Both days inclusive)
- (v) The monthly high and low quotes of the Company's shares during each month in the Financial Year 2019-20 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are indicated below:

- (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, Exchange Plaza,
Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E),
Mumbai- 400051
(Code: SAIL)
The GDRs issued by the Company in 1996 are listed at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS, UK.
The Annual Listing fee for 2019-20 has been paid to each of the Stock Exchange(s).

MONTH & YEAR	SENSEX		SAIL at BSE (₹)		NIFTY		SAIL at NIFTY (₹)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL' 19	39,487.45	38,460.25	60.10	54.05	11856.15	11549.10	60.20	54.05
MAY'19	40,124.96	36,956.10	57.20	45.90	12041.15	11108.30	57.20	45.90
JUNE' 19	40,312.07	38,870.96	52.80	46.85	12103.05	11625.10	52.85	46.80
JULY' 19	40,032.41	37,128.26	52.60	40.75	11981.75	10999.40	52.60	40.80
AUGUST' 19	37,807.55	36,102.35	42.50	29.50	11181.45	10637.15	42.55	29.55
SEPTEMBER '19	39,441.12	35,987.80	36.25	30.15	11694.85	10670.25	36.20	30.10
OCTOBER' 19	40,392.22	37,415.83	38.35	30.20	11945.00	11090.15	38.35	30.15
NOVEMBER '19	41,163.79	40,014.23	41.20	36.10	12158.80	11802.65	41.20	36.05
DECEMBER' 19	41,809.96	40,135.37	43.30	36.80	12293.90	11832.30	43.35	36.80
JANUARY' 20	42,273.87	40,476.55	51.85	42.55	12430.50	11929.60	51.90	42.55
FEBRUARY'20	41,709.30	38,219.97	49.70	34.95	12246.70	11175.05	49.75	34.90
MARCH' 20	39,083.17	25,638.90	37.15	20.15	11433.00	7511.10	37.20	20.15

(vi) Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi-110020
Phone No.011-41406149

(vii) Share Transfer System:

The equity shares of the Company are mandatorily traded in the dematerialized form. In terms of Regulation 40(1) of SEBI Listing Regulations, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. The Share Transfer Committee of the Board meets at regular intervals, to consider requests for transmission, rejection, issue of duplicate share certificate, split share certificates and transfer of shares for which request was received before 31st March, 2019 but was rejected earlier on account of discrepancies, and resubmitted after duly rectifying the objections.

(viii) Distribution of Shareholdings as on 31st March, 2020:

Shareholding	Shareholders		Amount	
	Number	% to Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	334556	84.39	439161310	1.06
501 - 1000	29908	7.54	244812600	0.59
1001 - 2000	15974	4.03	245582340	0.59
2001 - 3000	5517	1.39	142427350	0.34
3001 - 4000	2464	0.62	89099370	0.22
4001 - 5000	2129	0.54	101306650	0.25
5001 - 10000	3129	0.79	233140820	0.57
10001 - 50000	2270	0.57	467614050	1.13
50001 - 100000	220	0.06	161545670	0.39
Above 100000	282	0.07	39180562730	94.86
Total	396449	100.00	41305252890	100.00

(ix) Shareholding pattern as on 31st March 2020:

Category	No. of Shares held	% age of Shareholding
A. Promoters' holding		
1 Promoters		
- Indian Promoters Viz., 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	148843758	3.60
b Banks & Financial Institutions	39745121	0.96
c Insurance Companies	413794834	10.02
d Foreign Institutional Investors (FIIs)	120171062	2.91
Sub-Total	722554775	17.49
4 Others		
a Private Corporate Bodies	67023391	1.62
b Indian Public	219448116	5.31
c NRIs/OCBs	21271639	0.52
d GDR	110990	0.00
e Any other -IEPF	2348929	0.06
Sub-Total	310203065	7.51
GRAND TOTAL	4130525289	100.00

(x) Status of dematerialization as on 31.03.2020:

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4019763488	97.32	223870
CDSL	106829303	2.59	152161
Total Dematerialised	4126592791	99.90	376031
Physical	3932498	0.10	20418
Total	4130525289	100.00	396449

Government of India's shares are held in Demat form.

(xi) The Company's Plants/Units/Subsidiaries are located at:
STEEL PLANTS

- Bhilai Steel Plant, Bhilai-490001, Chhattisgarh
- Durgapur Steel Plant, Durgapur-713203, West Bengal
- Rourkela Steel Plant, Rourkela-769011, Odisha
- Bokaro Steel Plant, Bokaro Steel City-827001, Jharkhand
- IISCO Steel Plant, Burnpur-713325, West Bengal
- Alloy Steels Plant, Durgapur-713208, West Bengal
- Salem Steel Plant, Salem-636013, Tamil Nadu
- Visvesvaraya Iron & Steel Plant, Bhadravati-577031, Karnataka
- Chandrapur Ferro Alloy Plant, Chandrapur, Maharashtra

UNITS

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700 071, West Bengal
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand
- Environment Management Division, SAIL House, 3rd Floor, 50, Jawaharlal Nehru Road, Kolkata-700071, West Bengal.
- SAIL Growth Works, Kulti, Distt. Burdwan, West Bengal.
- Management Training Institute, Ranchi-834002, Jharkhand
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata-700017, West Bengal

- Logistics and Infrastructure Department, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700071
- Collieries Division, SAIL Officers' Colony, Chasnalla Dhanbad, Jharkhand-828135
- 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-827004, Jharkhand

SUBSIDIARIES

- IISCO-Ujjain Pipe & Foundry Company Limited, Kolkata (under liquidation)
- SAIL Refractory Company Limited, Salem-636013, Tamilnadu
- Chhattisgarh Mega Steel Limited, Bhilai, Chhattisgarh
- SAIL Jagdishpur Power Plant Limited, New Delhi-110003 (under process of Striking Off)
- SAIL Sindri Projects Limited, Chasnala-828135, Jharkhand (under process of Striking Off)

(xii) Address for correspondence from shareholders for queries/ complaints, if any:

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020
Phone No.91-11-41406149,
Fax No. 91-11-41709881
E-mail:admin@mcsregistrars.com

For and on behalf of the Board of Directors
Sd/-

(Anil Kumar Chaudhary)
Chairman

Place: New Delhi

Dated: 19th September, 2020

1	V.K.Dhingra & Co. Chartered Accountants, 1E/15, Jhandewalan Extn., New Delhi-110055	2	A.K. Sabat & Co. Chartered Accountants, A-348 Sahid Nagar, Bhubaneswar-751007	3	Tej Raj & Pal Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	4	S. Jaykishan Chartered Accountants, 12, Ho Chi Minh Sarani, 2 nd Floor, Suite No. 2D, 2E & 2F, Kolkata-700071
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Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,

Steel Authority of India Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated August 1, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Steel Authority of India Limited ('the Company'), for the year ended on March 31, 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The compliance conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2020.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of regulation 46 and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2020, subject to the following observations:
 - (1) The Company has not complied with the requirements of minimum number of Independent Directors in the composition of Board of Directors during the period 6th November 2019 to 12th November 2019 and from 18th November 2019 to 31st March 2020.
9. We state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For V.K.Dhingra & Co.

Chartered Accountants
Firm Registration No. 000250N

Sd/-
(CA. Vipul Girotra)
Partner
M. No. 084312
UDIN:20084312AAAAAT7938
Place: New Delhi

For Tej Raj & Pal

Chartered Accountants
Firm Registration No. 304124E

Sd/-
(CA.B. Gangaraju)
Partner
M. No. 007605
UDIN:20007605AAAAAN6066
Place: Behrampur (Ganjam)

For A.K.Sabat & Co.

Chartered Accountants
Firm Registration No. 321012E

Sd/-
(CA. Vijaya Kumar)
Partner
M. No. 051961
UDIN:20051961AAAAAJ5694
Place: Hyderabad

For S. Jaykishan

Chartered Accountants
Firm Registration No. 309005E

Sd/-
(CA.S. Chatterjee)
Partner
M. No. 017361
UDIN: 20017361AAAAAN9646
Place:Kolkata

Dated: 10th July 2020

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.in
- Financial Year reported : 2019-20
- 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 Reinforcement Bar, 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 & Burnpur and three Special Steel Plants-Salem Steel Plant(SSP) at Salem, Alloy Steels Plant(ASP) at Durgapur and Visvesvaraya Iron & Steel Plant(VISP) at 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 Flux Mines at Nandini, Hirri, Baraduar in Chhattisgarh;
- VISP Flux Mines at Bhadigund, Kenchapuda in Karnataka;
- Collieries Division(Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
- Central Marketing Organisation, HQ at Kolkata;
- Central Coal Supply Organisation, Dhanbad;
- SAIL Consultancy Division at Delhi;
- R & D Center for Iron & Steel, SAIL Safety Organisation, Centre for Engineering & Technology and Management Training Institute at Ranchi;
- Environment Management Division, Growth Division and Logistics & Infrastructure Department at Kolkata; and
- Central Power Training Institute at Rourkela.

SAIL has a pan India marketing network which is the largest among all steel producers in the Country. SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 10 active Customer Contact Offices, 25 Departmental Warehouses and 20 functional Consignment Agency yards. Marketing efforts are further supplemented through SAIL's Retail Channel that reaches the products of mass consumption to remote corners of India. SAIL has an extensive dealership network comprising of 2308 dealers, including 1761 dealers appointed by distributors.

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

Section B: Financial Details of the Company

- Paid up capital (₹) : ₹ 4,130.53 crore
- Total turnover (₹) : ₹ 61,024.88 crore
- Total Profit after taxes (₹) : ₹ 2,021.54 crore
- Total spending on CSR as a % of Profit after Tax(%):

The Company incurred losses during the Financial Year (FY) 2016-17 & 2017-18. As such, it was not required to incur expenditure on CSR activities during Financial Year 2019-20. During the FY 2018-19, the Company has made Profit Before Tax of ₹3,337.89 crore. However, as a responsible Corporate Citizen, the Company fulfilling its obligations towards CSR initiatives, spent around ₹33.00 crore during 2019-20 on CSR activities.

- List of activities in which expenditure in 4 above has been incurred :
 - Promotion of Healthcare including Drinking Water facilities and Sanitation
 - Promotion of Education, Income Generation & Skill/Vocational Training
 - Empowerment of Women, Care for Sr. Citizens and Differently-abled persons
 - Environmental Sustainability
 - Promotion of Art & Culture
 - Promotion of Sports
 - Rural Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

- SAIL Refractory Company Limited.
- SAIL Jagdishpur Power Plant Limited. (Strike Off)
- SAIL Sindri Projects Limited. (Under Process of Striking Off)
- Chhattisgarh Mega Steel Limited.
- IISCO Ujjain Pipe & Foundry Co. Limited (Under Liquidation)

2. Do the Subsidiary Company / Companies participate in the BR initiative of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Business Responsibility initiatives of the parent company are applicable on the subsidiary companies.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

No

Section D: BR Information

1. Details of Director / Directors responsible for BR:

- Details of the Director / Directors responsible for BR policy/policies:
 - DIN Number : 03256818
 - Name: Shri Anil Kumar Chaudhary
 - Designation: Chairman, holding Additional Charge of Director (Personnel)
 - Details of the BR head

Sl. No	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	M.B. Balakrishnan
3	Designation	Company Secretary
4	Telephone number	011-24368105
5	e-mail id	Secy.sail@sail.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.

Sr No	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for.....	Y	Y The Company has Quality and Environment policies which ensure production of safe and sustainable products.	Y	Y This is included in Company's Code of Conduct , HR policies and various other HR practices	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	--	Y	Y	--	Y	--	Y	--
3	Does the policy conform to any national / international standards?	Y	--	Y	N	--	Y	--	Y	--
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Directors?	Y	--	Y	Y	--	Y	--	Y	--
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	--	Y	Y	--	Y	--	Y	--
6	Indicate the link for the policy to be viewed online?	--	--	--	@	--	*	--	@	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	--	Y	--	Y	--
8	Does the Company have in-house structure to implement the policy/policies?	Y	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 Sr No 1 against any principle , is 'No', please explain why: (Tick up to 2 options)

Sr 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 sixth month	--	--	--	--	--	--	--	--	--
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, Gol. 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/csrapolicy.pdf>

- The Company is not engaged in a business influencing public and regulatory policy.
- 3. Governance related to BR:**
- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. Annually.
 - Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? Yes, the Company publishes printed versions of its Sustainability Report. An electronic version of the report is uploaded on the Company's website in the intervening year as a web update. The hyperlink for viewing the Sustainability report of the Company is <http://www.sail.co.in>.

Section E : Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group / joint ventures / suppliers / contractors / NGOs / Others?**

The policies implemented by SAIL, in these regards cover employees of the Company as well as suppliers / contractors / bidders, etc.

As a responsible corporate citizen, SAIL not only seeks to conduct its business in the most ethical manner, it also motivates and encourages its employees to maintain the same ethical standards and carry forward the influence among the surrounding communities.

The Company has put in place Conduct, Discipline and Appeal (CDA) Rules which prescribe the code of conduct as applicable mostly to the executives of the Company whereas the non-executive workmen are covered under the code of conduct / misconduct as mentioned in the Standing Orders (tripartite agreement between Union and Government representatives) for respective Plants / Units of SAIL. In July 2007, the Company implemented Integrity Pact for all contracts / procurements valuing ₹ 100 crores and above. Subsequently, to cover more contracts / procurements, threshold value has been reduced to ₹ 20 crores and all tenders related to handling contracts in CMO departmental warehouses, irrespective of threshold value, are also covered under Integrity Pact. Guidelines on banning of business dealings with bidders / contractors / agencies dealing with SAIL have been implemented in the Company and made part of the Integrity Pact wherein it has been envisaged that appropriate action shall be taken against the signatories of Integrity Pact, if they are found involved in unethical practices including corruption and bribery.

To propagate ethical behaviour in the society at large, Ethics Clubs were formed in the schools of SAIL's Bhilai Steel Plant in 2011. Encompassing the core values of Honesty, Integrity, Responsibility, Compassion, Unity and Patriotism, etc., value education through Ethics Clubs is as an extra-curricular activity. Schools of other SAIL townships at Rourkela, Bokaro, Bumpur, Durgapur, Salem and Bhadravati soon joined the movement and today, Ethics Clubs members in SAIL run into many thousands. Membership to the club is voluntary for students in the age group of 11 to 16 years. Members of the club are designated as Young Champions of Ethics. SAIL believes that ethical values imbibed in the Young Champions of Ethics at an early age will lead to ethically sustainable growth in the years to come.

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

A total of 827 complaints from various sources including those referred by Central Vigilance Commission and Ministry of Steel were received in SAIL Vigilance during 2019-20. The complaints were examined vis-à-vis extant Systems and Procedures, Policies, Rules, etc. followed in the Company and actions as per Rules including systemic improvements were advised against the irregularities noticed in these complaints and the same were agreed to by the Management for implementation. Hence, it may be construed that almost 100% complaints were satisfactorily resolved as per procedure in vogue.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout life cycle

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

- TMT EQR Rebars (Thermo Mechanically Treated Earth Quake Resistant) provides improved ductility which enhances the safety of concrete structures and buildings and thus not only improves safety of the occupants but also reduces the socio-economic risks associated with earthquake damages.
- Plate Mill Plates in High Tensile Grade are used in rail/road bridges, foot over bridges and general fabrication. The design incorporating HT Plates results in saving of steel by weight, thereby, leading to lesser consumption and transportation of steel which also results

in less emission of gases in the environment. Normalized rolled plates have been developed which has done away with the process of reheating of plates, and thus, substantially reducing the carbon emission.

- Parallel flange Structural, which can be used in place of conventional Structural, are not only more convenient to fabricate but also reduce overall consumption of steel, thereby, adding value to the customer.

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

- i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain**

Consumption per unit of production in SAIL	Current Year	Previous year
Specific Water conservation (m ³ /TCS)*	3.50	3.44
Particulate Matter Emission Load (Kg/TCS)	0.68	0.70
Coke Rate (kg/THM)	457	453

*Provisional

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

The information is not available.

- 3. Does the Company have procedures in place of sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

SAIL has sourced its supply of major raw materials, except coal, from its captive mines. In addition to regular supplies from captive mines of SAIL, certain key input materials like coking coal, fluxes (limestone, dolomite), etc. are sourced either through competitive buying or long term agreements with established domestic and international suppliers. Environment Management System (EMS) is in place with ISO-14000 certification of Plants and Units. There are continuous efforts to minimize impact of carbon footprint. Transportation of all raw materials from mines and ports to Plants is carried mainly through rail. Well laid out systems and procedures of competitive buying reinforce sustainable sourcing of Company's requirement.

- 4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

In line with extant policy of Government of India, certain categories of goods & services are procured from Small & Medium Enterprises (SMEs). Thrust is given to local procurement as per "Make in India" Policy of Government of India. Additionally, major Plants have local level Policy which enables procurement of goods & services from local and small producers including communities like Mahila Samiti / Samaj, Self Help Groups (SHGs), etc. in the vicinity of Plant locations. Vendor Development Programs are organized periodically by the SAIL Plants which help in capacity and capability building of local and small vendors. Further, Plants/Units are buying materials through GeM Portal, where about 30% of suppliers are from SMEs.

- 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

SAIL Plants and Units have been striving to enhance the utilization of different solid wastes like mill scale, slag, flue dust, waste refractory bricks, etc. through application of the principle of 4Rs (Reduce, Recover, Recycle and Reuse). The BF slag, contributing major portion of total solid wastes as generated, is processed through slag granulation plants for using as a feed material to the cement industry. On the other hand, BOF slag can be utilised to a limited extent by recycling through sinter making and as a substitute of limestone for iron-making in blast furnace. Further, BOF slag is utilized in road making and also as rail track ballasts inside Plant premises. During 2019-20, 98.62% of BF slag and 56.09% of BOF slag were utilised.

Apart from these, solid wastes like mill scale and lime/dolo fines are recycled entirely through sinter making and waste refractory bricks are fully utilized either through selling to external agencies or through reusing internally. Belief of reuse and recycling of wastes is firmly embedded in the Corporate Environmental Policy of SAIL and several initiatives have accordingly been adopted to maximise utilisation of various solid wastes. Further, Durgapur Steel Plant and Rourkela Steel Plant have installed bio-digesters for processing of about 400 kg canteen wastes per day, resulting in safe disposal of such biodegradable wastes, inside Plant premises. At Bokaro Steel Plant, the project for installation of a bio-gas plant for processing of 500 kg of canteen waste per day is at advanced stage of completion.

During 2019-20, out of 88% of solid wastes utilisation, around 25% of solid wastes were re-cycled/reused internally in iron and steel making. Moreover, by-product gases like Coke Oven gas, BF gas and BOF gas are used as fuel in different processes.

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

1. **Please indicate the Total number of employees in SAIL.**
As on 01.04.2020 total number of employees in SAIL: 69379 (Executives:11408; Non-Executives: 57971)
2. **Please indicate the total no. of employees hired on temporary/contractual/casual basis.**
As on 01.04.2020, number of contract labour engaged at SAIL Plants/Units: 64192
3. **Please indicate the Number of permanent women employees.**
As on 01.04.2020, permanent women employees in SAIL: 4059 (Executives: 924; Non-Executives: 3135)
4. **Please indicate the Number of permanent employees with disabilities.**
As on 01.04.2020, total no. of permanent employees with disabilities in SAIL Plants/Units: 746 (Executives :134; Non-Executives: 612)
5. **Do you have an employee association that is recognized by Management?**
Recognition to trade unions having majority representation of non-executive employees is graded as per process at the Plant/Unit level. At apex level, National Joint Committee for Steel Industry (NJCS), a bipartite forum consisting of representatives from five Central Trade Union viz. INTUC, AITUC, CITU, HMS & BMS and representatives from recognized union of main Plants, provides representation to all non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants/Units which are affiliated to Steel Executives Federation of India (SEFI), the apex body representing executives in SAIL.
6. **What percentage of your permanent employees is members of this recognized employee association?**
Almost all employees of SAIL are members of either Trade Unions or Officers' Associations.
7. **Please indicate the Number of complaints relating to child labour, forced labour, Involuntary labour, Sexual harassment in the last financial year and pending as on the end of the financial year.**

Category	No. of complaints filed during the Financial 2019-20	No. of complaints pending at the end of the Financial Year
Child/Forced/Involuntary Labour	Nil	Nil
Sexual Harassment	2	Nil
Discriminatory Employment	Nil	Nil

8. **Percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**
Training need of Executives in the organisation is assessed under the Performance Management System. Each executive is asked to inform the Management regarding the training him/her to help the duties in a better way. Occupational training, safety and skill up-gradation training (technical/managerial / functional) are imparted to all permanent employees, including female employees and differently-abled employees. During the year 2019-20, 42,068 regular employees were trained on various programmes including safety. SAIL is in the process of completion of the 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 entry to Plant premise. Skill up-gradation of contractual workers is also taken care of while on job at their work-place.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders?**
Yes
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**
There has never been any discrimination in facilitation or extending benefits to stakeholders.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
Some of the special initiatives undertaken by the Company are :
i) In an attempt to bring the future generations of tribals to the mainstream, about 600 tribal children are being provided free Education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere at Gyanodya Chatrawas, Bhilai & BSP School Rajhara, Birhors (a tribe near extinction) under Gyanjyoti Yojna at Bokaro, Saranda Suvan Chhatravas, Kiriburu, RTC Residential Public School, Manoharpur Ore Mines.

- ii) Eklavya Archery Academy set up at Kiriburu mines is providing sports platform to 21 youths (09 girls & 12 boys) from neighbouring tribal belt, who are undergoing rigorous 'Modern Recurve Archery' coaching free of cost. RMD is providing them free schooling, hostel, food, and other facilities along with the sports coaching. The Cadets have brought laurels to the academy as well as proving their might in National and International championships.
With the objective to provide a homely environment themselves and facilitate a life of honour and respect, 34 senior citizens have been accommodated at Siyan Sadan in 20 fully-furnished rooms with recreational facilities. Bhilai Steel Plant is arranging daily meals, regular health check-ups, cultural programs like Kavi Sammelan, Musical Evening, Bhajan Sandhya and festival celebrations for welfare and recreation of these elderly peoples.

Principle 5: Business should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource policies and practices.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
15 number of complaints were received from the stakeholders during 2019-20 and all the complaints were resolved during 2019-20.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy of the related Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs and others?**
Policy and Strategy formulation at SAIL is a well-structured process guided by Company's Vision and Credo. Elements of Sustainability are ingrained in SAIL's vision, strategies, and policies. The basket of policies includes Quality, Environment, Safety, etc., which encompass concepts of Sustainability too. The policies on Human Resource, Occupational Health and Safety, Communication, Maintenance, Township, Energy Management and Social Accountability, etc. at the Plant level also promote concept of Sustainable Development.
The Corporate Environmental Policy affirms to maintain a clean and sustainable environment in and around Plants and Mines through sound environmental practices in all its activities, through adoption of cleaner and energy-efficient technologies; to restore the mined out landscapes and abandoned sites ecologically. The Policy also commits to ensure regular monitoring and review of environmental performance through a robust audit mechanism and a transparent reporting system and monitor emission, discharge and ambient air quality and make data available in the public domain.
Implementation of an Environment Management System linked to ISO 14001 standards, which is essentially a voluntary initiative, has become an effective tool for safeguarding the environment. Through adoption of this system, SAIL addresses the concerns of the stakeholders.
2. **Does the company have strategies/initiatives to address global environmental issues such as climate change/global warming etc.? Y/N. If yes, please give hyper link for web page, etc.**
Yes. SAIL, as a responsible corporate entity, has taken up various initiatives for climate change mitigation through technology up-gradation, sourcing of good quality of raw materials, retrofitting of new pollution control facilities, revamping of existing pollution control systems, etc. Through all these efforts, with a special thrust on adoption of cleaner and energy-efficient technologies, SAIL has achieved 2.31% reduction in specific carbon dioxide emission during the last five years. Further, this is a continuous process.
SAIL intends to assess its carbon footprint and potential of sequestration of CO₂ through its existing biotic resources. A project on carbon sequestration through afforestation has been taken up at the site of Rourkela Steel Plant, aiming at reduction of CO₂ emission as well as sequestration of generated carbon back into the system.
SAIL has also adopted Sustainable Development Policy and has been publishing its Corporate Sustainability Report, as per Global Reporting Initiative (GRI) Guidelines, since last nine years. The Report is available in the Corporate Citizenship section of the Company's website (www.sail.co.in).
Company's strategies/initiatives to address global environmental issues such as climate change/global warming is available on website. The hyperlink for the same is: https://www.sail.co.in/sites/default/files/Climate_Change.pdf.
3. **Does the Company identify and assess potential environmental risk? Y/N.**
Yes. The Company has adopted the Enterprise Risk Management (ERM) Policy and has also established a well-defined mechanism for identification and assessment of potential environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed.

SAIL had long ago identified several energy-efficient projects which were implemented during the modernization and expansion program for availing the Clean Development Mechanism (CDM) benefits. Amongst all, following six projects got validated as Verified Emission Reduction (VER) projects with respect to the VCS and ISO Standards:

1. Introduction of Blast furnace gas firing system in Boiler No.6 of PBS (PP-1) at Bhilai Steel Plant.
2. Introduction of Blast furnace gas firing system in Boiler Unit B of Power Plant at IISCO Steel Plant.
3. Installation of Multi-slit Burners in both the strands of Sinter Plant-I at Rourkela Steel Plant.
4. Heat Recovery System installed at the sinter cooler of Sinter Plant No.3 at Bhilai Steel Plant.
5. Thyristorisation of Blast Furnace Nos.3 & 4 skip hoist electric supply for better operation efficiency and energy conservation at Bhilai Steel Plant.
6. Installation of multi-slit burners in Sinter Plant at Bokaro Steel Plant. Around 1.37 Million Tonnes of CO₂ equivalent carbon credits have accrued. It's a voluntary approach. So, there is as such no mandatory requirement to file its compliance.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyper link for web page etc.



Photo: Top gas pressure Recovery Turbine installed in BF#8 at BSP

Yes. SAIL has already implemented latest state-of-the-art technologies along with energy-efficient pollution control equipment during the modernization and expansion program. Some of such major clean technologies are: Taller Coke Oven Batteries with Coke Dry Cooling Plant (CDCP), bigger Blast Furnaces with Top gas pressure Recovery Turbine (TRT) & Pulverized Coal Injection (PCI) System, Sinter Plants with heat recovery facility from sinter cooler, Walking Beam Reheating Furnace in Rolling Mills, Gas-fired boilers for power generation, etc.

Over the time, SAIL has been implementing many schemes for promotion of renewable energy in Plants, Mines and its peripheral villages/areas. Following projects have already been implemented in recent years:

- Ground mounted 1 MW Solar Power Plant at RSP.
- 2.5 MW (approx.) roof top solar power units on various buildings at Plants and Units.

In addition, the following renewable energy projects have been taken up for promotion of green energy:

- 10 MW Hydel power plant at Mandira Dam, RSP, under a Joint Venture initiative with Green Energy Development Corporation of Odisha Limited (GEDCOL).
- 6.195 MW roof-top solar units on different buildings under Ministry of New and Renewable Energy (MNRE) scheme, wherein, 25% capex will be contributed by MNRE as incentive. The proposal is under Stage-II approval.
- Installation of ground mounted 242 MW capacity solar power plants at different Plants through Joint Ventures. A Strategic Alliance Partner will be selected through tariff based bidding process. The project is under the process of approval.

Initiatives towards application of clean technology, energy-efficiency, renewable energy etc. may be referred to the hyperlink, as mentioned <https://www.sail.co.in/sites/default/files/ClimateChange.pdf>.

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

The "Consent to Operate" certificates are issued to SAIL Plants and Mines by the respective State Pollution Control Boards (SPCBs). As per the conditions stipulated in the "Consent to Operate", the applicable norms for air emission and effluent discharge quality are mostly complied with. In addition, various wastes generated are handled and disposed in environment-friendly manner as per the existing set of guidelines/rules. Compliance reports to this effect are also reported 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.

Six directions, one each received by BSP, DSP and RSP and three by CFP from their respective State Pollution Control Board (SPCB) and one direction received by BSL from Central Pollution Control Board (CPCB) during the Financial Year 2019-20. Time bound action plans have been made in consultation with the respective authorities and the conditions stipulated in the directions have mostly been complied with.

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 member of:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Standing Conference of Public Enterprises (SCOPE)
3. Indian Steel Association (ISA)
4. World Steel Association (WSA) & International Stainless Steel Forum (ISSF)
5. PHD Chamber of Commerce (PHDCCI)
6. The Indian Iron Chamber of Commerce and Industry (IICCI)
7. Forum of Women in Public Sector (WIPS)
8. Centre for Organization Development (COD)
9. All India Management Association (AIMA)
10. Indo-USSR Chamber of Commerce and Industries (IUCCI)
11. Institute of Public Enterprises (IPE)
12. The Energy and Research Institute (TERI)
13. World Confederation of Productivity Science (WCPS)
14. Indian Institute of Metals (IIM)
15. Consultancy Development Centre (CDC)
16. Indian Institute of Plant Engineers (IIPE)
17. Institute of Rail Transport (IRT)
18. Project Management Associate (PMA)
19. Indian Iron and Steel Sector Skill Council (IISSSC)
20. Indian Society for Training and Development (ISTD)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No.

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 provide long-lasting 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 erstwhile obscure villages, where SAIL Plants are located, turn into industrial hubs today.

SAIL's CSR initiatives are undertaken in conformity to the prevalent statutes like 'The Companies Act, 2013' and CSR Rules, 2014 and DPE Guidelines on CSR & Sustainability, 2014. SAIL carries out CSR projects in and around steel townships, mines and far flung locations across the Country in the area of rural development, including maintenance of Model Steel Villages (MSVs), Providing Medical and Health-Care, Immunization, Ante and post-natal care, Education, Access to water facilities, Roadside tree plantation, Environment Sustainability, Women Empowerment, Sustainable Income Generation through Self Help Groups (SHGs), Assistance to Sr. Citizens, Divyangs (PwD), Promotion of Sports, Art & Culture, etc.

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

Under the guidance of the Board Sub Committee on CSR, the CSR activities/projects listed in the approved Annual Plan of SAIL, are implemented using internal resources or through an identified suitable external agency or through providing financial assistance to NGOs/specialized agencies/institutions/societies as per the provisions of Companies Act, 2013 and Rules thereunder, and CSR Policy of the Company. During the financial year 2019-20, SAIL has contributed an amount of ₹5.00 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund for undertaking measures to tackle Covid-19 outbreak.

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 the expertise available with them like Mid-day meals project through Akshaya Patra Foundation at Bhilai & Rourkela, Comprehensive Water & Sanitation Project in the peripheral villages of Rourkela in association with Gram Vikas, Sustainable livelihood generation projects at Bokaro through Jharcraft and different projects at various Plant/Unit locations through Rama Krishna Mission, etc.

Except in cases where financial assistance is provided for a specific CSR project undertaken by a specific agency, the external implementation partner having strong credentials & 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 has 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 the CSR initiatives undertaken. The impact assessment/social audit of the Company's CSR & Sustainability initiatives has also been carried out through external professional agencies in the past.

In addition, SAIL has a strong internal mechanism to monitor the activities/initiatives undertaken under CSR & Sustainability. The Board Sub-Committee on CSR reviews/monitors CSR & Sustainability activities on regular basis.

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

In accordance with the CSR provisions of Company's Act, 2013, at least 2% of the average PAT of the immediately preceding three financial years is allocated for undertaking CSR activities in a fiscal. In spite of the fact that SAIL incurred losses during FY 2015-16 to 2017-18, SAIL Board allocated budget in order to sustain the ongoing CSR activities (in consonance with Schedule-VII of The Companies Act, 2013). CSR budget allocation and expenditure since FY 2017-18 are as follows:

(₹ in crores)

Year	CSR Allocation	CSR Expenditure
2017-18	26.00	25.70
2018-19	30.00	31.18
2019-20	33.00	27.56

Apart from the exclusive CSR budget, the Company 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, Sports Coaching, promotion of Art and Culture, etc.

SAIL Plants/Units are located mostly in backward areas that are inhabited by 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. Also, SAIL has undertaken CSR activities in 7 Aspirational Districts, viz. Kanker, Narayanpur and Rajnandgaon in Chhattisgarh and West Singhbhum, Bokaro and Ranchi in Jharkhand, Nuh in Haryana; aiming to provide comprehensive development of both physical and social infrastructure in these Aspirational Districts.

The details of CSR activities undertaken are as follows:

- **SAIL Employees Rendering Volunteerism and Initiatives for Community Engagement (SERVICE)** has been launched to support volunteer activities and community outreach by SAIL employees. It has provided a much needed platform for like-minded employees having a sense of social responsibility to unite in their effort to help the society brace the fallout of the CoVID-19 Pandemic. Over 29,000 volunteers have registered on the SERVICE portal upto March 2020.
- SAIL has activated a scaled response towards management of Covid-19 at its Plants, Units, Mines and Townships. SAIL Hospitals at 5 Integrated Steel Plant locations have earmarked 330 beds as isolation wards and set up a testing centre at IGH, Rourkela for Covid-19 patients. Quarantine Facilities at guest houses/hostels in the townships/Mines hospitals have been created for over 600 persons. Full-body automatic sanitizers, touch-free hand-sanitizers, water dispensers have been installed, spraying disinfectants, using digital thermal recorders at prominent locations, ensuring continuous water supply in all the peripheral villages.
- During financial year 2019-20, SAIL has contributed an amount of ₹5.0 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund and also allocated ₹3.0 crore to Plants/Units for emergency measures to tackle Covid-19 outbreak.
- SAIL, with the help of district authorities, civil society organizations, Self-Help Groups and its employees, is actively implementing the lockdown rules, social distancing norms and effective use of AarogyaSetu App for breaking the chain of transmission of Covid-19 virus in the peripheral areas of Steel Plants and Units from March, 2020 onwards.
- In order to support the vulnerable sections of society, daily-wage earners/labourers, poor peasants and their families, who are left with dwindled resources during lockdown, the SAIL Plants and Units, through district authorities, are distributing dry ration packets (comprising of Rice, Pulses, Salt, Condiments, flour, soap, etc.), Milk packets, Milk powder, Khichdi, routine medicines, sanitary napkins for women, etc. More than 6000 Dry ration kits have been distributed across Plants of the Company and the activity is continuing. Daily cooked meals to patients and healthcare workers are also being served. SAIL Plants/Units have also been shifting patients and health workers. CSR departments of Plants/Mines are also facilitating stitching of Face Masks, Gamachhas, Aprons, Gloves, etc., and their distribution to peripheral areas, District Authorities, Ministry of Steel/PMO through SHGs. More than 15000 Masks have been prepared and distributed so far.
- SAIL had achieved 100% compliance by construction of 672 toilets in schools without toilets/having dysfunctional toilets falling within the peripheral area of SAIL Plants and Units acknowledging and Partnering the Prime Minister's

ambitious drive for promotion of sanitation and hygiene in remote areas, under "Swachh Vidyalay Campaign".

- **Healthcare:** SAIL's extensive and specialised Healthcare Infrastructure provided basic and specialized healthcare to about 1,60,200 villagers during Financial Year 2019-20. About 1500 health camps and Ambulances/MMUs provided medical facilities like free health check-up, lab investigations, medicine, immunization, at the doorsteps of over 98,000 villagers during the Financial Year 2019-20.
- SAIL is providing healthy and nutritious Mid-Day Meals to around 64,000 students in 600 Govt. schools daily in and around Bhilai and Rourkela, in association with Akshaya Patra Foundation.
- **Education:** To develop the society through education, SAIL is supporting over 77 schools within and outside its steel townships to provide modern education to more than 40,000 children. Special Schools (Kalyan Vidyalaya) for BPL category students are run at Integrated Steel Plant locations with facilities of free education, mid-day meals, uniforms, shoes, text books, stationery items, school bags, water bottles and transportation in some cases, under CSR programme of SAIL.
- Over 79.03 Lakh people across 450 villages have been connected to the mainstream by SAIL since its inception by constructing and repairing of roads. Over 8176 water sources have been installed since inception, thereby, enabling easy access to drinking water for about 50 lakh people living in far-flung areas.
- Vocational and specialised skill development trainings have been imparted to 425 village youths and 1018 women folks in 2019-20 in industrial and agriculture techniques, soft skills, handlooms, empowering them to bond with the mainstream. About 753 rural youths have been sponsored for ITI trainings at various ITIs.
- SAIL is maintaining parks, water bodies and botanical gardens in its townships and plantation & maintenance of over 5 lakh trees at various locations have also been carried out for the conservation of the environment.
- **Sports, Art and Culture :** Various sports coaching 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 various tournaments witnessed participation of about 11,500 rural youths. 6,000 folk artists, students and viewers participated in the Lok Kala Mahotsava organised at Bhilai. Grameen Lokotsavas at Thanod and Aheri villages of Durg and in the mines villages of Jharkhand and Odisha.
- 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 undertaken regular 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 as per the necessity. For peripheral villages, dialogues are normally held with the local representatives in formal/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 and various stakeholders. Further, reforms/updates of the processes based on the feedback received from the beneficiaries are carried out so that the sense of ownership is generated among the community and social intervention is adopted 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?**
There were no customer complaints pending at the end of financial year 2019-20, even though at the year beginning i.e. as on 1st April, 2019, there were 31 complaints pending. During 2019-20, a total of 1519 number of complaints were received and the number of complaints resolved satisfactorily during the year were 1550, which included resolution of the pending complaints of last year also.
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. Over and above, if there is an additional requirement from the customer, attempt is made to incorporate the same on the label.
3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**
There is no such case pending as of end of financial year.
4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**
Yes, Customer satisfaction is measured in a structured in the form of Customer Satisfaction Index (CSI), which is computed every month in respect of Key Account Customers of the Company, based on the feedback collected from them on parameters pertaining to Product Quality, Service and Price.



Consolidated Balance Sheet

Annexure-V to the Board's Report

As at 31st March, 2020

(₹ crore)

	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	65384.47	59922.27
(b) Capital work-in-progress	5	8753.33	16013.61
(c) Right of use assets	4a	2205.08	-
(d) Investment Property	6	1.12	1.09
(e) Intangible assets	7	1443.61	1451.14
(f) Investments accounted for using the equity method		3107.27	2839.60
(g) Financial assets			
(i) Investments	8	133.12	135.23
(ii) Trade receivables	9	0.92	-
(iii) Loans	10	665.28	563.98
(iv) Other financial assets	11	448.58	254.87
(h) Deferred tax assets (net)	12	2022.17	2866.77
(i) Current tax assets (net)	13	153.31	154.09
(j) Other non-current assets	14	1483.92	1356.60
		85802.18	85559.25
Current Assets			
(a) Inventories	15	23836.27	19510.33
(b) Financial assets			
(i) Trade receivables	16	8844.73	4497.48
(ii) Cash and cash equivalents	17 (i)	190.54	65.58
(iii) Other bank balances	17 (ii)	254.48	222.11
(iv) Loans	18	49.67	54.04
(v) Other financial assets	19	2189.25	2161.21
(c) Other current assets	20	5733.32	5870.83
		41098.26	32381.58
Assets classified as held for sale	21	27.20	11.47
TOTAL ASSETS		126927.64	117952.30
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	4130.53	4130.53
(b) Other equity	23	37379.70	35515.62
(c) Non-controlling interest		0.01	0.01
		41510.24	39646.16
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	34560.03	30802.66
(ii) Trade payables	25		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		10.70	6.82
(iii) Other financial liabilities	26	1368.51	1330.62
(b) Provisions	27	4115.81	4295.64
(c) Other non-current liabilities	28	397.51	253.19
		40452.56	36688.93
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	16640.78	10631.22
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		47.99	67.45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6274.38	7157.79
(iii) Other financial liabilities	31	13740.89	14738.09
(b) Other current liabilities	32	5724.06	6707.26
(c) Provisions	33	2357.24	2315.40
(d) Current tax liabilities (net)	33a	179.50	-
		44,964.84	41,617.21
TOTAL EQUITY AND LIABILITIES		126927.64	117952.30
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company SecretarySd/-
(Amit Sen)
Director (Finance)
DIN: 08602987Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250NFor A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012EFor Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124EFor S. Jaykishan
Chartered Accountants
Firm Registration No.309005ESd/-
[Vipul Girotra]
Partner
M. No. 084312Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961Sd/-
[B. Gangaraju]
Partner
M. No. 007605Sd/-
[S. Chatterjee]
Partner
M. No. 017361Place : New Delhi
Dated : July 10, 2020

Consolidated Statement of Profit and Loss

For the year ended 31st March, 2020

(₹ crore)

	Note No.	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Income			
Revenue from operations	34	61664.16	66973.58
Other income	35	905.79	494.52
Total Income		62569.95	67468.10
Expenses			
Cost of materials consumed	36	29371.73	32402.97
Changes in inventories of finished goods, work in progress and by-products (including ₹4120.85 crore (previous year: nil) in respect of by-products))	37	(5577.63)	(2716.16)
Employee benefits expense	38	8797.32	8849.10
Finance costs	39	3486.76	3154.92
Depreciation and amortisation expense		3755.73	3385.34
Other expenses	40	18857.02	18676.16
Total expenses		58690.93	63752.33
Profit/(Loss) before Exceptional items, share of net profits of investment accounted for using equity method and tax		3879.02	3715.77
Share of Profit/(Loss) in investments accounted for using equity method		194.32	222.87
Profit/(Loss) before Exceptional items and tax		4073.34	3938.64
Less: Exceptional items	41	771.76	389.40
Profit/(Loss) before tax		3301.58	3549.24
Tax expense			
Current tax		229.79	8.67
Deferred tax		1,099.52	1186.99
MAT credit		(214.75)	-
Earlier years		66.31	4.87
Total tax expense		1,180.87	1200.53
Profit/(Loss) for the year		2120.71	2348.71
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(196.50)	330.01
Gain and losses from investments in equity instruments designated at fair value through OCI		16.60	57.96
(ii) Income tax relating to items that will not be reclassified to profit or loss		62.48	(128.82)
B (i) Items that will be reclassified to profit or loss			
Share of the OCI of associate and joint ventures accounted for using the equity method		143.45	95.75
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the year		26.03	354.90
Total Comprehensive Income/(Loss) for the year		2146.74	2703.61
Profit attributable to owners			
Owners of the parent		2120.71	2348.71
Non-controlling interest		-	-
		2120.71	2348.71
Total Comprehensive Income/(Loss) for the year			
Owners of the parent		2146.74	2703.61
Non-controlling interest		-	-
		2146.74	2703.61
Earnings per equity share			
Number of equity shares (face value ₹10/- each)		4130525289	4130525289
Basic and diluted earnings per share (₹)	41A	5.13	5.69

Significant Accounting Policies

3

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

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For A K Sabat & Co.
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For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020



Consolidated Statement of changes in equity

For the year ended 31st March, 2020

A Equity Share Capital

(₹ crore)

Particulars	Balance as at	Changes in equity share	Balance as at
	1 st April, 2018	capital	31 st March, 2019
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12
	Balance as at	Changes in equity share	Balance as at
	1 st April, 2019	capital	31 st March, 2020
Equity shares with voting rights	4,130.41	0.01	4,130.42
Equity shares without voting rights	0.12	(0.01)	0.11

B Other Equity

(₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve					Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Investment accounted for as equity method	Total other equity	Non-controlling interest		
Balance as at 1st April, 2018	510.92	235.10	5,104.14	2,340.69	24,561.81	11.59	51.87	32,816.12	0.01	32,816.13	
Profit/(Loss) for the year	-	-	-	-	2,348.71	-	-	2,348.71	-	2,348.71	
Other comprehensive income/(loss) for the year	-	-	-	-	214.69	44.46	95.75	354.90	-	354.90	
Total comprehensive income/ (loss) for the year	-	-	-	-	2,563.40	44.46	95.75	2,703.61	-	2,703.61	
Transfer from bond redemption reserve	-	-	-	(730.10)	730.10	-	-	-	-	-	
Transfer to bond redemption reserve	-	-	-	383.55	(383.55)	-	-	-	-	-	
Transfer to general reserve	-	-	2.18	-	(2.18)	-	-	-	-	-	
Changes due to additional investment in joint ventures	1.02	-	-	-	-	-	-	1.02	-	1.02	
Transaction with owners in their capacity as owners											
Dividends	-	-	-	-	(4.26)	-	-	(4.26)	-	(4.26)	
Tax on dividends	-	-	-	-	(0.88)	-	-	(0.88)	-	(0.88)	
Transaction with non-controlling interest	-	-	-	-	0.01	-	-	0.01	-	0.01	
Balance as at 31st March, 2019	511.94	235.10	5,106.32	1,994.14	27,464.45	56.05	147.62	35,515.62	0.01	35,515.63	
Balance as at 1st April, 2019	511.94	235.10	5,106.32	1,994.14	27,464.45	56.05	147.62	35,515.62	0.01	35,515.63	
Profit/(Loss) for the year	-	-	-	-	2,120.71	-	-	2,120.71	-	2,120.71	
Other comprehensive income/(loss) for the year	-	-	-	-	(130.15)	12.73	143.45	26.03	-	26.03	
Total comprehensive income/ (loss) for the year	-	-	-	-	1,990.56	12.73	143.45	2,146.74	-	2,146.74	
Transfer from bond redemption reserve	-	-	-	(895.75)	895.75	-	-	-	-	-	
Transfer to bond redemption reserve	-	-	-	276.63	(276.63)	-	-	-	-	-	
Transfer to general reserve	-	-	1.42	-	(1.42)	-	-	-	-	-	
Changes due to additional investment in joint ventures	(0.27)	-	-	-	-	-	-	(0.27)	-	(0.27)	
Ind AS 116 adjustment	-	-	-	-	(31.95)	-	-	(31.95)	-	(31.95)	
Transaction with owners in their capacity as owners											
Dividends	-	-	-	-	(206.53)	-	-	(206.53)	-	(206.53)	
Tax on dividends	-	-	-	-	(43.92)	-	-	(43.92)	-	(43.92)	
Transaction with non-controlling interest	-	-	-	-	0.01	-	-	0.01	-	0.01	
Balance as at 31st March, 2020	511.67	235.10	5,107.74	1,375.02	29,790.32	68.78	291.07	37,379.70	0.01	37,379.71	

Significant Accounting Policies

3

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

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

For A K Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

For Tej Raj & Pal
Chartered Accountants
Firm Registration No.304124E

For S. Jaykishan
Chartered Accountants
Firm Registration No.309005E

Sd/-
[Vipul Girotra]
Partner
M. No. 084312

Sd/-
[D. Vijaya Kumar]
Partner
M. No. 051961

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020

Consolidated Cash Flow Statement

For the year ended 31st March, 2020

(₹ Crore)

	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	3,301.58	3,549.24
Adjustments for:		
Depreciation and amortisation expenses	3,755.73	3,385.34
Loss/(Gain) on disposal of fixed assets (net)	49.43	45.27
Interest income	(143.48)	(128.32)
Dividend income	(2.92)	(1.73)
Finance costs	3,387.02	3,113.23
Unrealised Loss/(Gain) on foreign exchange fluctuations	99.74	41.69
Loss/(Gain) on sale of non-current investments	(0.59)	-
Bad debts and provision for doubtful advances/receivables	76.12	65.12
Other provisions	212.93	177.52
Share of profit from joint ventures	(194.32)	(222.87)
Unclaimed balances and excess provisions written back	(407.24)	(146.86)
Operating Profit/(Loss) before working capital changes	10,134.00	9,877.63
Changes in assets and liabilities:		
Trade receivables	(4,416.24)	(677.57)
Loans, other financial assets and other assets	(207.86)	(38.00)
Trade payable	(898.99)	(300.96)
Other financial liabilities, other liabilities and provisions	(623.80)	999.82
Inventories	(4,511.27)	(2,647.93)
Cash flow from operating activities post working capital changes	(524.16)	7,212.99
Income tax paid (net)	(93.51)	2.16
Net cash flow from operating activities (A)	(617.67)	7,215.15
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(4,754.36)	(3,981.19)
Proceeds from sale/disposal of property, plant & equipment	373.07	100.71
Purchase of current and non-current investments	6.74	26.50
Movement in fixed deposits (net)	(32.37)	29.44
Interest received	143.48	128.32
Dividend received	2.92	1.73
Net cash flows/(used) in investing activities (B)	(4,260.52)	(3,694.49)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	2,897.82	1,374.42
Proceeds from short-term borrowings (net)	6,009.56	(1,613.10)
Finance cost paid	(3,653.78)	(3,310.40)
Dividend paid (including tax)	(250.45)	-
Net cash flows/(used) in financing activities (C)	5,003.15	(3,549.08)
D Increase in cash and cash equivalents (A+B+C)	124.96	(28.42)
Cash and cash equivalents at the beginning of the year	65.58	94.00
Cash and cash equivalents at the end of the year	190.54	65.58

The amendments to Ind AS 7 - Statement of Cash Flows requires the entity to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. The required disclosure is given below. There is no other impact on the financial statements due to this amendment.

(₹ Crore)

	Non Cash Changes				As at 31.03.2020
	As at 31.03.2019	Cash Flows	Fair Value Changes	Current/Non Current Classification	
Borrowings-Non Current	30802.66	1988.86	4496.12	(2601.78)	34685.86
Current Maturities of Long Term Debt	3607.71	(3607.71)	-	2601.78	2601.78
Borrowing-Current	10631.22	5894.49	114.74	-	16640.45

The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows. The accompanying notes are an integral part of these consolidated financial statements.

For and on behalf of the Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Amit Sen)
Director (Finance)
DIN: 08602987

Sd/-
(Anil Kumar Chaudhary)
Chairman
DIN: 03256818

In terms of our report of even date

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N

For A K Sabat & Co.
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M. No. 051961

Sd/-
[B. Gangaraju]
Partner
M. No. 007605

Sd/-
[S. Chatterjee]
Partner
M. No. 017361

Place : New Delhi
Dated : July 10, 2020

Notes to Consolidated Financial Statements for the Year ended 31st March 2020

1. Corporate Information

Nature of Operations

Steel Authority of India Limited ('SAIL' or the 'Parent Company'), a public sector undertaking conferred with Maharatna status by Government of India and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), its joint ventures and its associate is engaged primarily in steel manufacturing business in the country.

General information and statement of compliance with Ind AS

The consolidated financial statements of the Group and Joint Ventures & Associate have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ("MCA")). The Group and Joint Ventures & Associates have uniformly applied the accounting policies during the periods presented.

The consolidated financial statements for the year ended 31st March, 2020 were authorised and approved by the Board of Directors in their meeting held on 10th July, 2020.

2. Summary of significant accounting policies

a) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below, which were applied uniformly during the period presented:

Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for the following:

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

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31st March, 2020.

The Group consolidates the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates and joint ventures

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve

arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- Joint ventures – Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.

- Joint operations – The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Where settlement of any part of cash consideration is deferred, the amount payable in future is discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which the similar borrowing could be obtained from an independent financier under comparable terms and condition.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

c) Current versus Non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

2.1 Functional and Presentation Currency

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

2.2 Use of Estimates and Management Judgement

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

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

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production and/ or supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is ready for management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

3.1.4 Depreciation

Depreciation on tangible assets and investment property is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II of the Companies

Act, 2013 except in case of Factory Buildings, Plant and Machinery, Water Supply & Sewerage and Railway Lines & Sidings and components thereof, where useful life is determined by technical experts. The useful life assumed by the technical experts is as under:

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

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

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

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

Depreciation on Bhilai Expansion Power Project (pp-II) located at Bhilai is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the 'Companies Act, 2013.

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

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

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

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

Other Intangible Assets

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

Research and development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,

- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

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

3.5 Borrowing costs

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

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

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

3.6 Inventories

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

Immaterial By-products, Residue products and other scrap are valued at estimated net realisable value.

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Payments to defined contribution

retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions towards Provident Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due.

Defined Benefit Plan

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

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

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

Short Term Employee Benefits

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

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

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

3.10 Revenue Recognition

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

Sale of goods

Sales are net of Goods and Services Tax (GST), rebates and price concessions. Sales are recognised when it satisfy performance obligation by transferring promised goods or services (i.e. assets) to the customers and the customers obtain control of those goods or services. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

- the issue of bill of lading, or
- negotiation of export bills upon expiry of laycan period, in cases where realisation of material value without shipment is provided in the letters of credit of respective contracts, whichever is earlier.

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

Interest and dividend income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

The Group has adopted Ind AS 116 Leases from 1st April, 2019. At the inception of a contract, the Group assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the

underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Certain lease arrangements include the options to extend the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reviewed for indicators of impairment and reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted based on the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including Information Technology (IT) equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

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

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

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

3.16 Mine Closure

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Segment reporting

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

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

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements.

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

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments

3.21 Equity and Reserves

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

Other components of equity include the following:

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

3.22 Financial Instruments

Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

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

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

Classification and subsequent measurement of financial liabilities

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

Embedded Derivatives

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

Impairment of Financial Assets

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

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

Trade Receivables

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

Other Financial Assets

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

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

3.23.1 Classification of Leases

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

3.23.2 Close-down and Restoration Obligations

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

3.23.3 Recognition of Deferred Tax Assets

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

3.23.4 Inventories

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

3.23.5 Defined Benefit Obligation (DBO)

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

3.23.6 Fair Value Measurements

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

3.23.7 Provisions and Contingencies

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

3.23.8 Mines Closure and Restoration Obligations

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 31 st March, 2019	Additions/ Adjustments	Disposals / Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
A. PLANTS, MINES & OTHERS										
Land										
- Freehold land	310.08	-	0.43	309.65	0.85	-	-	0.85	308.80	309.23
- Leasehold land	152.00	-	149.8	2.16	19.09	0.02	18.86	0.25	1.91	873.70
Buildings and related equipments	5204.34	25.42	3.81	5225.95	1963.17	118.75	2.65	2079.27	3146.68	3241.17
Plant and machinery										
- Steel plant	81885.10	10305.98	369.97	91821.11	30769.15	3004.75	217.26	33556.64	58264.47	51115.95
- Others - owned	3120.24	175.49	45.89	3249.84	2080.04	130.82	42.19	2168.67	1081.17	1040.20
- Others - Leasehold	192.42	-	192.42	-	89.37	-	89.37	-	-	789.03
Furniture and fixtures	136.57	3.99	0.74	139.82	105.28	6.96	0.77	111.47	28.35	31.29
Vehicles	1377.03	28.45	21.82	1383.66	881.07	73.70	17.38	937.39	446.27	495.96
Office equipments	62.16	1.75	1.72	62.19	52.05	1.61	1.09	52.57	9.62	10.11
Miscellaneous articles	365.35	22.45	1.89	385.91	234.52	15.29	1.64	248.17	137.74	130.83
Roads, Bridges & Culverts	436.43	15.32	0.49	451.26	293.81	31.42	(0.12)	325.35	125.91	142.62
Water Supply & Sewerage	666.17	36.16	0.13	702.20	381.14	23.52	0.13	404.53	297.67	285.03
EDP Equipments	432.65	13.48	3.04	443.09	373.89	13.52	3.04	384.37	58.72	58.76
Railway Lines and Sidings	844.06	76.26	8.27	912.05	272.47	23.03	5.97	289.53	622.52	571.59
Sub-total 'A'	95184.60	10704.75	800.46	105088.89	37515.90	3443.39	400.23	40559.06	64529.83	59095.47
Figures for the previous year	91920.61	6253.74	378.07	97796.28	35610.50	3332.08	241.77	38700.81	59095.47	
B. SOCIAL FACILITIES										
Land										
- Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
- Leasehold land	1.75	-	1.75	-	0.80	-	0.80	-	-	3.80
Buildings and related equipments	760.67	59.00	0.01	819.66	361.66	35.42	0.01	397.07	422.59	399.01
Plant and machinery - others	180.56	14.42	0.23	194.75	111.70	7.10	0.19	118.61	76.14	68.86
Furniture and fixtures	26.67	1.09	0.81	26.95	21.30	1.17	0.69	21.78	5.17	5.37
Vehicles	11.23	0.61	1.04	10.80	10.07	0.31	0.99	9.39	1.41	1.16
Office equipments	4.54	0.04	0.33	4.25	4.02	0.12	0.35	3.79	0.46	0.52
Miscellaneous articles	237.08	12.20	9.50	239.78	154.86	12.43	7.91	159.38	80.40	82.22
Roads, Bridges & Culverts	141.24	6.24	-	147.48	110.43	7.96	-	118.39	29.09	30.81
Water Supply & Sewerage	303.89	2.76	0.06	306.59	139.63	6.97	0.06	146.54	160.05	164.26
EDP equipments	11.00	0.55	0.56	10.99	9.16	0.56	0.51	9.21	1.78	1.84
Sub-total 'B'	1689.52	96.91	14.29	1772.14	923.63	72.04	11.51	984.16	787.98	768.74
Figures for the previous year	1664.30	38.40	4.93	1697.77	864.88	67.98	3.83	929.03	768.74	
C. Property, plant and equipment retired from active use										
Assets retired from active use	58.06	28.09	19.49	66.66	-	-	-	-	66.66	58.06
Figures for the previous year	60.03	6.61	8.58	58.06	-	-	-	-	58.06	
Total ('A'+ 'B'+ 'C')	96932.18	10829.75	834.24	106927.69	38439.53	3515.43	411.74	41543.22	65384.47	59922.27
Figures for the previous year	93644.94	6298.75	391.58	99552.11	36475.38	3400.06	245.60	39629.84	59922.27	



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Note : Allocation of Depreciation of PPE, Intangible assets and Investment property		
(a) Charged to Profit & Loss Account	3755.73	3385.34
(b) Amortisation on stamp duty and registration charges-refer note 41	-	52.91
(c) Charged to expenditure during construction	4.02	4.04
	3759.75	3442.29

(i) Contractual obligations

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

(ii) Land:

- Includes 66,865.29 acres (67,305.79 acres as on 31st March, 2019) owned/possessed/taken on lease by the parent Company, in respect of which title/lease deeds are pending for registration.
- Includes 34,484.73 acres (34,484.73 acres as on 31st March, 2019) in respect of which title is under dispute.
- 10,664.93 acres (9,737.83 acres as on 31st March, 2019) 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.
- 5,775.25 acres (5,832.01 acres as on 31st March, 2019) given on lease to various agencies/employees/ex-employees.
- Includes 4,542.94 acres (4,475.75 acres as on 31st March, 2019) under unauthorised occupation.
- 1,770.89 acres (1,770.89 acres as on 31st March, 2019) of Land which is not in the actual possession, shown as deemed possession.
- ₹57.50 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 34.471 acres.
- Includes 34.471 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, Pending determination of compensation from Land Acquisition Officer, Dist-Bokaro, Jharkhand as directed by High Court .
- Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to Rs.13.07 crore has been considered in the accounts for the Financial Year ended 31st March, 2020.
- ₹0.06 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Salem during the year 2013 towards compensation payable to land losers.
- 525.43 acres land includes 500 acres land granted by Govt. of Maharashtra under occupancy rights subject to restrictions agreed upon by the parent Company towards payment of unearned increment on the property transfer as per agreed terms.

(iii) Other Assets:

- Includes 6,658 (7107 as on 31st March, 2019), residential quarters/houses under unauthorised occupation.
- The process of technical evaluation of componentisation of MSM and useful life thereof from an expert as required by para 4(a), Part C, schedule II of the Companies Act, 2013 amended by MCA notification dated 29th August, 2015 could not be completed due to restrictions/ lockdown imposed by COVID 19 Pandemic. Pending technical evaluation of componentisation of fixed assets and useful life thereof, management of the Company has capitalised various component assets of MSM based of internal estimations and judgements. The management is of the view that the experts evaluation and estimates will have no significant impact on the depreciation in respect of above PPE.

(iv) Property, Plant and Equipment comprises of owned assets, leased assets and right to use assets. Movement in right of use assets has been summarised below:

(₹ Crore)

Description	Property, Plant and Equipment			Right of Use Assets			Total
	Leasehold Land	Plant and equipment	Leasehold Land	Plant and equipment	Vehicles	Buildings	
Gross carrying value							
As at March 31, 2019	1,319.95	1,643.23	-	-	-	-	-
ROU recognised on April 1, 2019	-	-	19.22	368.51	17.82	24.05	429.60
Reclassified on account of adoption of Ind AS 116	(1,319.95)	(1,643.23)	1,319.95	1,643.23	-	-	2,963.18
Additions	-	-	20.10	479.63	0.66	4.18	504.57
Disposals	-	-	(44.02)	-	-	-	(44.02)
As at March 31, 2020	-	-	1,315.25	2,491.37	18.48	28.23	3,853.33
Accumulated depreciation							
As at March 31, 2019	442.18	856.53	-	-	-	-	-
ROU recognised on April 1, 2019	-	-	3.77	122.87	3.13	9.59	139.36
Reclassified on account of adoption of Ind AS 116	(442.18)	(856.53)	442.18	856.53	-	-	1,299.09
Charge for the year	-	-	60.95	140.84	3.69	5.12	210.23
Adjustment for disposals	-	-	(0.44)	-	-	0.01	(0.43)
As at March 31, 2020	-	-	506.46	1,120.24	6.82	14.72	1,648.25
Net block as at March 31, 2019	-	-	893.22	1,032.34	14.69	14.46	1,954.33
Net block as at March 31, 2020	-	-	808.79	1,371.13	11.66	13.51	2,205.08

4a: RIGHT OF USE ASSETS

(₹ Crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1 st April, 2019	Additions / Adjustments	Disposals / Adjustments	As at 31 st March, 2020	As at 1 st April, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 1 st April, 2019
Right of use assets	3392.78	504.57	(44.02)	3853.33	1438.45	210.23	(0.43)	1648.25	2205.08	-
Total	3392.78	504.57	(44.02)	3853.33	1438.45	210.23	(0.43)	1648.25	2205.08	-
Figures for the previous year	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

		As at 31 st March, 2020		As at 31 st March, 2019
5: CAPITAL WORK-IN-PROGRESS				
Steel Plants & Units		8582.81		15785.16
Township		86.98		100.95
Ore Mines and Quarries		330.81		340.08
		<u>9000.60</u>		<u>16226.19</u>
Less: Provisions		279.20	8721.40	236.13
Construction stores and spares		32.44		19.95
Less: Provision for non-moving items		3.29	29.15	3.24
Expenditure during construction pending allocation (Note 5.1)			<u>2.78</u>	<u>6.84</u>
			<u>8753.33</u>	<u>16013.61</u>
5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION				
Opening balance	(a)		5.29	15.11
Expenditure incurred during the year				
Employees' Remuneration & Benefits				
Salaries & Wages		72.59		79.29
Company's contribution to provident fund		2.47		3.46
Travel concession		1.94		2.42
Welfare expenses		0.05		0.07
Gratuity		3.01	80.06	1.14
Other expenses				
Technical consultants' fees & know-how		3.03		3.11
Power & Fuel		68.20		76.25
Other expenses		2.98		2.92
Interest & Finance charges		581.68		703.74
Depreciation		4.02	659.91	4.04
			<u>739.97</u>	<u>876.44</u>
Less: Recoveries				
Interest Earned		0.01		0.01
Hire charges		0.16		0.29
Sundries		0.24	0.41	2.68
Net expenditure during the year	(b)		<u>739.56</u>	<u>873.46</u>
	Total (a)+(b)		<u>744.85</u>	<u>888.57</u>
Less : Amount allocated to property, plant and equipment / capital work-in-progress			<u>742.07</u>	<u>881.73</u>
Balance carried forward			<u>2.78</u>	<u>6.84</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2020
6: INVESTMENT PROPERTY

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 31 st March, 2019	Additions/ Adjustments	Disposals / Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2019
A. BUILDINGS									
Buildings	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12
Sub-total 'A'	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12
Figures for the previous year	1.45	0.49	-	1.94	0.62	0.03	(0.20)	0.85	1.09

(i) Contractual obligations

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

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

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Rental income	2.02	1.70
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment properties before depreciation	2.02	1.70
Depreciation	0.09	0.03
Profit from leasing of investment properties	1.93	1.67

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

(iii) Leasing arrangements

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

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Within one year	0.35	1.55
Later than one year but not later than 5 years	1.85	6.22
Later than 5 years	4.20	3.45
	6.40	11.22

(iv) Fair value

 Fair value of Investment properties as on 31st March, 2020 is ₹32.15 crore (₹30.71 crore as on 31st March, 2019)

(v) Estimation of fair value

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

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Discounted cash flow projections based on reliable estimates of future cash flows.
- Circle rate of the property as provided by State Government.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION**					NET BLOCK	
	As at 31 st March, 2019	Additions/ Adjustments	Disposals/ Adjustments	As at 31 st March, 2020	Up to 31 st March, 2019	For the Year	Disposals / Adjustments	Up to 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
A. PLANTS, MINES & OTHERS										
Computer Software*	104.21	12.76	-	116.97	100.15	3.45	-	103.60	13.37	3.80
Mining Rights	1823.44	13.64	-	1837.08	376.38	30.54	-	406.92	1430.16	1447.06
Sub-total 'A'	1927.65	26.40	-	1954.05	476.53	33.99	-	510.52	1443.53	1450.86
Figures for the previous year	1895.60	31.60	-	1927.20	440.98	42.10	6.74	476.34	1450.86	
B. SOCIAL FACILITIES										
Computer Software*	0.62	0.1	-	0.69	0.60	0.01	-	0.61	0.08	0.28
Sub-total 'B'	0.62	0.1	-	0.69	0.60	0.01	-	0.61	0.08	0.28
Figures for the previous year	1.08	-	0.01	1.07	0.69	0.10	-	0.79	0.28	
Total ('A'+ 'B')	1928.27	26.47	-	1954.74	477.13	34.00	-	511.13	1443.61	1451.14
Figures for the previous year	1896.68	31.60	0.01	1928.27	441.67	42.20	6.74	477.13	1451.14	

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2020
8 : INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ crore)	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	-	60,000	-	11.81
HDFC Bank Limited (Face value - ₹ 2/share)	-	2,500	-	0.58
ICICI Bank Limited (Face value - ₹ 2/share)	-	1,57,300	-	6.30
MSTC Limited	6,40,000	3,20,000	5.06	3.65
			5.06	22.34
Unquoted equity				
TRL Krozaki Refractories Limited	22,03,150	22,03,150	44.10	37.21
Indian Potash Limited	7,20,000	3,60,000	78.84	70.54
Haridaspur Paradeep Railway Co Ltd	50,00,000	50,00,000	5.00	5.00
Cement & Allied Products (Bihar) Limited	2	2	-	-
Chemical & Fertilizer Corporation (Bihar) Limited	1	1	-	-
Bhilai Power Supply Company Limited	5	5	-	-
IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)#	30,00,000	30,00,000	3.00	3.00
UEC SAIL Information Technology Limited*	1,80,000	1,80,000	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	500	500	0.01	0.01
			131.13	115.94
In Co-operative society				
Bokaro Steel Employees' Co-operative Credit Society	1,16,500	1,16,500	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative Society	250	250	0.00	0.00
NMDC Meghahatuburu Employees' Co-operative Society (Face value ₹ 100/share)	25	25	0.00	0.00
DSP Employees' Co-operative Society Limited (Face value ₹ 100/share)	1,377	1,377	0.01	0.01
Bolani Ores Employees' Consumer Co-operative society limited (Face value ₹ 25/share)	200	200	0.00	0.00
IISCO Employees Primary Co-operative society (Face value ₹ 20/share)	23,000	23,000	0.05	0.05
			0.18	0.18
Total (B)			136.37	138.46
Grand total (A+B)			136.37	138.46
Provision for impairment in the value of investments			3.25	3.23
Net investment			133.12	135.23
Aggregate amount of quoted investments (market value thereof)			5.06	22.34
Aggregate amount of unquoted investments			131.31	116.12
Aggregate amount of impairment in value of investments			3.25	3.23
			133.12	135.23

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
9: TRADE RECEIVABLES - NON CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured		0.92		-
Receivables - credit impaired		14.59		7.83
		<u>15.51</u>		<u>7.83</u>
Provision for doubtful receivables		14.59		7.83
		<u>0.92</u>		<u>-</u>
Receivables due from directors and officers of the parent Company is nil (previous year nil)				
10: LOANS - NON CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits	116.76		103.47	
Loan to employees	80.06		95.45	
Loans to related parties	-		4.90	
Loan to others	471.66	668.48	363.36	567.18
		<u>668.48</u>		<u>567.18</u>
Less : Provision for doubtful loans		3.20		3.20
		<u>665.28</u>		<u>563.98</u>
Receivables due from directors of the parent Company is nil (previous year nil)				
11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		338.21		172.29
Claims recoverable		8.61		7.89
Receivable - others		45.48		81.91
Lease equalisation reserve		0.37		-
Receivables from employees		0.07		0.08
Bills Receivable		58.30		-
Loans and advances to related parties	10.53		10.53	
Less: Provision for doubtful related party advances	10.53	-	10.53	-
Fixed deposits with maturity period more than 12 months		5.74		0.19
		<u>456.78</u>		<u>262.36</u>
Less: Provision for doubtful assets		8.20		7.49
		<u>448.58</u>		<u>254.87</u>
12 : DEFERRED TAX ASSETS (NET)				
Tax effect of items constituting deferred tax liabilities				
Diff between book and tax depreciation	11,486.29		10,117.50	
Amortisation of financial assets/liabilities	24.40		17.40	
Fair value adjustment through OCI	27.83	11,538.52	23.96	10158.86
Tax effect of items constituting deferred tax assets				
Retirement benefits	0.68		0.02	
Finance lease obligations	-		94.69	
Maturities of lease obligations	105.31		-	
Lease obligations opening adjustment	17.17		-	
Derivative adjustments	41.17		45.13	
Unpaid taxes and duties to be allowed on payment	1321.40		1121.70	
Losses available for offsetting against future taxable income	10160.54		10323.46	
Others	647.85	12294.12	388.80	11973.80
Tax credit (minimum alternative tax)		1266.57		1051.83
Deferred tax assets / (liabilities) (net)		<u>2022.17</u>		<u>2866.77</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2020 are summarized as follows:

(₹ crore)

	As at 1 st April, 2019	Recognized in profit or loss	Recognized in Other comprehensive income	As at 31 st March, 2020
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	10117.50	1,368.79	-	11486.29
Amortisation of financial assets/liabilities	17.40	7.00	-	24.40
Fair value adjustment through OCI	23.96	-	3.87	27.83
	10158.86	1375.79	3.87	11538.52
Tax effect of items constituting deferred tax assets				
Retirement benefits	0.02	(65.69)	66.35	0.68
Finance lease obligations	94.69	-	-	-
Maturities of lease obligations	-	10.62	-	105.31
Derivative adjustments	45.13	(3.96)	-	41.17
Unpaid taxes and duties to be allowed on payment	1121.70	199.70	-	1,321.40
Losses available for offsetting against future taxable income	10323.46	(162.92)	-	10,160.54
Tax credit (minimum alternative tax)	1051.83	214.75	-	1,266.57
Others	388.80	259.04	-	647.85
	13025.63	451.54	66.35	13543.52
Lease obligations opening adjustment	-	-	-	17.17
Deferred tax assets / (liabilities) (net)	2,866.77	(924.25)	62.48	2,022.17

The Company is having accumulated business losses (including investment allowance) of ₹29076.64 crore (previous year - ₹29542.88 crore) [including accumulated unabsorbed depreciation of ₹21537.70 crore (previous year - ₹21537.70 crore)] and MAT credit of ₹1266.57 crore as on 31st March, 2020 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹7538.93 crore (previous year - ₹8005.17 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

Accordingly, deferred tax asset of ₹2634.40 crores on accumulated business losses (including nil during the year ended 31st March, 2020) and MAT credit of ₹1266.57 crores, has been recognised as on 31st March, 2020 in line with IND AS 12.

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
13: CURRENT TAX ASSETS (NET)		
Current tax assets		
Advance income tax (net of provision)	153.31	154.09
	153.31	154.09
14: OTHER ASSETS - NON CURRENT		
Advances to contractors & suppliers	515.23	456.24
Advances others	1.18	4.18
Deposit with Government authorities	688.41	736.71
Prepaid expenses	19.14	25.35
Capital advances	350.75	201.87
Less: Provision for doubtful capital advances	5.34	197.66
	1569.37	1420.14
Less: Provision for doubtful other assets	85.45	63.54
	1483.92	1356.60

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
15: INVENTORIES*				
Stores & spares				
Production	3054.46		2804.12	
Fuel Stores	162.03		137.59	
Others	22.61		25.48	
	<u>3239.10</u>		<u>2967.19</u>	
Add: In-transit	177.67		248.67	
	<u>3416.77</u>		<u>3215.86</u>	
Less: Provision for non moving/obsolete items	242.24	3174.53	233.94	2981.92
Raw Material				
Raw material	3625.71		3732.92	
Add: In-transit	1849.98		2440.61	
	<u>5475.69</u>		<u>6173.53</u>	
Less: Provision for unusable materials	27.70	5447.99	15.17	6158.36
Finished / Semi-finished products				
Finished goods	8941.00		6973.49	
Work in progress	2481.57	11422.57	3396.56	10370.05
Others - By-products (sub-grade fines)**		<u>3791.18</u>		-
		<u>23836.27</u>		<u>19510.33</u>

*Valued as per accounting policy No. 3.6

**Refer note no 48.4 and 49.16

16: TRADE RECEIVABLES - CURRENT

Considered good - Secured		-		-
Considered good-Unsecured		8844.73		4497.48
Receivables - credit impaired		207.57		204.94
		<u>9052.30</u>		<u>4702.42</u>
Provision for doubtful receivables		207.57		204.94
		<u>8844.73</u>		<u>4497.48</u>

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

17 (i): CASH AND CASH EQUIVALENTS

Cash and stamps on hand		0.10		0.10
Cheques in hand		-		31.88
Balance with Banks				
Current accounts	170.91		24.78	
Term deposits with original maturity upto 3 months	19.51		8.80	
Term deposits as per court orders with maturity upto 3 months	0.02	190.44	0.02	33.60
		<u>190.54</u>		<u>65.58</u>

17 (ii): OTHER BANK BALANCES

Earmarked bank balances		205.16		179.24
Unpaid dividend accounts		4.66		5.59
Fixed deposits with maturity for more than 3 months but less than 12 months		44.66		37.28
		<u>254.48</u>		<u>222.11</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

**As at 31st
March, 2020**
**As at 31st
March, 2019**
18: LOANS - CURRENT

Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits	11.17		10.72	
Loan to employees	31.48		39.61	
Loan to related parties	5.60		2.10	
Loan to others	2.86	51.11	2.84	55.27
		51.11		55.27
Less: Provision for doubtful loans		1.44		1.23
		49.67		54.04
Receivables due from directors of the parent Company is nil (previous year nil)				

19: OTHER FINANCIAL ASSETS - CURRENT

Derivative assets		83.59		-
Claims recoverable		654.76		769.87
Receivable - others		412.55		385.17
Receivables from employees		17.45		6.68
Amount recoverable from Gratuity Trust		313.21		259.15
Bills receivable		1012.80		1036.75
Advances to related parties	21.68		21.68	
Less: Provision for doubtful related parties advances	13.42	8.26	13.42	8.26
		2502.62		2465.88
Less Provision for doubtful assets		313.37		304.67
		2189.25		2161.21

20: OTHER ASSETS - CURRENT

Gold coins in hand		0.23		0.23
Advances to contractors & suppliers	412.99		328.3	
Advance others	1033.05	1446.04	868.14	1196.44
Deposit with Government authorities		2965.87		2832.62
Deposits - GST		1.25		5.11
GST receivable-input service		2.98		4.53
GST receivable		1085.85		1633.13
TDS deducted by customers on GST		0.01		0.66
Prepaid expenses		32.07		31.23
Claims receivable		143.97		147.87
Export incentive receivables		118.81		74.57
		5797.08		5926.39
Less: Provision for doubtful other assets		63.76		55.56
		5733.32		5870.83

21: ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale		27.20		11.47
		27.20		11.47

- (i) On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as 'Assets classified as held for sale'.
- (ii) Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹10 each)	5000.00	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹10 each fully paid up)	4130.53	4130.53

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

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Numbers	Amount (₹ crore)	Numbers	Amount (₹ crore)
Equity shares with voting rights				
Balance at the beginning of the year	4130408854	4130.41	4130407654	4130.41
Shares converted to shares with voting rights during the year	5445	0.01	1200	-
Shares bought back during the year				
Balance at the end of the year#	4130414299	4130.42	4130408854	4130.41
Equity shares without voting rights *				
Balance at the beginning of the year	116435	0.12	117635	0.12
Shares Issued during the year	-	-	-	-
Shares converted to shares with voting rights during the year	(5445)	(0.01)	(1200)	-
Balance at the end of the year	110990	0.11	116435	0.12
Total Equity shares outstanding	4130525289	4130.53	4130525289	4130.53

i) *Represented by current holding of 110990 shares in Global Depository Receipt (GDR) issued in 1996 @ US \$ 29.55 each for an aggregate amount of US \$ 125 million.

ii) #Includes 2180454 shares (previous year 1961727 shares) transferred to IEPF authority on which the voting rights are frozen.

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

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

Name of Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3097767449	75.00
LIC of India	396663164	9.60	396663164	9.60

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020		As at 31 st March, 2019	
23: OTHER EQUITY				
Reserves & Surplus				
Capital Reserve				
Opening balance	511.94		510.92	
Additions during the year	(0.27)		1.02	
Less: Utilisation during the year	-	511.67	-	511.94
Securities Premium				
Opening balance	235.10		235.10	
Changes during the year	-	235.10	-	235.10
Bond Redemption Reserve				
Opening balance	1994.14		2340.69	
Transfer from retained earnings	276.63		383.55	
Transfer to retained earnings	895.75	1375.02	730.10	1994.14
General Reserve				
Opening balance	5106.32		5104.14	
Additions during the year	1.42		2.18	
Less: Utilisation during the year	-	5107.74	-	5106.32
Retained Earnings				
Opening balance	27464.45		24561.81	
Add: Net Profit/(Loss) for the year	2,120.71		2,348.71	
Add: Other comprehensive Income/(Loss)	(130.15)		214.69	
Add: Transfer from Bond Redemption Reserve	895.75		730.10	
Less: Transfer to Bond Redemption Reserve	276.63		383.55	
Less: Equity dividend	206.53		4.26	
Less: Interim dividend paid	-		-	
Less: Tax on Equity dividend	42.89		0.88	
Less: Tax on interim dividend paid	1.03		-	
Less, Transaction with non-controlling interest	(0.01)		(0.01)	
Less, Ind AS adjustment	31.95		-	
Less: Transfer to General Reserve	1.42	29790.32	2.18	27464.45
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income				
Opening balance	56.05		11.59	
Change in fair value of FVOCI equity instruments	12.73	68.78	44.46	56.05
Share in Other Comprehensive Income of equity accounted investees				
Opening balance	147.62		51.87	
Change in fair value of FVOCI equity instruments	143.45	291.07	95.75	147.62
Total other equity		37379.70		35515.62

Nature and purpose of other reserves
Capital reserve

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

Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Bond redemption reserve

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

Other Comprehensive Income (OCI) reserve

The Group has opted to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

As at 31st
March, 2020

As at 31st
March, 2019

24. BORROWINGS - NON CURRENT

SECURED

Redeemable Non-Convertible Bonds

Rate of Interest	Maturity Date	Call/Put option (yr)	Security reference		
9.35%	9-Sep-2026	12/nil	(a)	455.00	455.00
9.00%	14-Oct-2024		(a)	1000.00	1000.00
8.75%	15-Sep-2024		(b,d)	50.00	50.00
8.70%	25-Aug-2024		(a)	300.00	300.00
8.30%	3-Aug-2023		(a)	800.00	800.00
8.30%	1-Aug-2023		(a)	1200.00	1200.00
8.35%	19-Nov-2022		(a)	1185.00	1185.00
8.80%	26-Oct-2021		(b,c)	70.00	84.00
9.30%	23-Aug-2021		(a)	400.00	400.00
8.55%	11-Aug-2021		(a)	700.00	700.00
9.30%	25-May-2021		(a,i)	144.00	216.00
8.27%	25-Aug-2020		(a)	-	265.00
8.72%	30-Apr-2020		(a)	-	660.00
8.75%	23-Apr-2020		(a)	-	545.00
Total Bonds				6304.00	7860.00
Term Loans from banks					
Rupee loans			(h)	23235.31	18681.00
Foreign currency loans			(h)	2625.19	2391.57
				32164.50	28932.57
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	320.30	322.56
2	Natexis Banque		(f)	10.88	12.32
Steel development fund			(g)	204.16	204.16
				535.34	539.04
Long term maturities of finance lease obligations				-	1331.05
Long term maturities of lease liability				1860.19	-
Total Non Current Loans				34560.03	30802.66

No loans have been guaranteed by the directors and others.

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

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

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

- 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 Group's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).
- 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 Group's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant.(DSP).
- Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2020 has been shown in Other Current Liabilities.
- Redeemable in 3 equal instalments of ₹ 50 crore each on 15th September of 2014, 2019 and 2024.
- The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1 (b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on 1(c) is 3.66% p.a and the balance 5.09% p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is guaranteed by Government of India.
- The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- Terms of Repayment is to be decided by SDF management Committee.
- Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL, BSP and RSP to the extent of loan. SBIECB loan is repayable in 4 equal installments at the end of 4th, 5th, 6th and 7th from the first draw-down i.e. 25th Sept 2017.
- Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2020 has been shown in current liabilities.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
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25: TRADE PAYABLES - NON CURRENT

Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	10.70	6.82
	10.70	6.82

26: OTHER FINANCIAL LIABILITIES - NON CURRENT

Employees related dues	513.54	535.71
Interest Accrued but not due on borrowings	567.79	559.63
Other payables	287.18	235.28
	1368.51	1330.62

27: PROVISIONS - NON CURRENT

Provision for gratuity	2.60	0.07
Provision for accrued leave liability	2677.30	2683.08
Provision for post retirement medical & settlement benefits	963.52	962.76
Provision for long term service award	14.38	18.39
Provision for mines closure	87.14	75.01
Other provisions	370.87	556.33
	4115.81	4295.64

28: OTHER LIABILITIES - NON CURRENT

Deferred Income*	397.51	253.19
	397.51	253.19

*Deferred income includes:

- (a) award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.
- (b) Central Government grant of ₹144.83 crore was received during 2019-20 (₹105.75 crores in 2018-19) against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital.

29. BORROWINGS - CURRENT
Secured
Repayable on demand

From banks	4112.33	3490.26
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Other loans and advances

From Banks	-	-
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Unsecured

Other loans	6100.00	2900.00
Commercial paper	3756.52	4240.96
Foreign currency loans	2,671.9	-
	16640.78	10631.22

1. Security disclosure for the outstanding short term borrowings as on 31st March, 2020:
Borrowings from banks are secured, in respect of respective facilities by way of :

- (i) Hypothecation of all current assets

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	As at 31 st March, 2020	As at 31 st March, 2019
30: TRADE PAYABLES - CURRENT		
Due to micro, small and medium enterprises (refer note 48.2)	47.99	67.45
Amount payable to related parties	150.71	174.47
Amount payable to contractors/suppliers/others	6123.67	6983.32
	<u>6322.37</u>	<u>7225.24</u>
31: OTHER FINANCIAL LIABILITIES - CURRENT		
Employee related dues	138.54	156.82
Interest accrued but not due on borrowings	612.56	756.89
Interest accrued and due on steel development fund loans	152.00	152.00
Other liabilities-debtors banking arrangement	166.90	191.09
Derivative liability	-	4.54
Current maturities of long term debts	2602.40	3607.71
Current maturities of finance lease obligations	-	128.45
Current maturities of lease obligations	323.84	-
Unclaimed matured deposits and interest accrued thereon	1.01	1.01
Security deposits	1539.45	1488.38
Less: Investments received as security deposit	-	1488.38
Unpaid dividends	4.66	5.59
Payable for capital works	3318.68	3605.29
Other payables	4880.85	4640.32
	<u>13740.89</u>	<u>14738.09</u>
32: OTHER LIABILITIES - CURRENT		
Income received in advance from customers	1220.62	1456.63
Income received in advance - others	110.27	94.72
Deferred Income*	13.27	13.46
GST payable	1432.10	2158.00
Liab for interest on GST	0.76	0.76
TDS deducted from suppliers on GST	19.50	21.32
Other payables	2927.54	2962.37
	<u>5724.06</u>	<u>6707.26</u>
*Deferred income includes award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.		
33: PROVISIONS - CURRENT		
Provision for gratuity	-	-
Provision for accrued leave liability	327.84	285.51
Provision for post retirement medical & settlement benefits	194.91	107.93
Provision for long term service award	4.41	2.88
Provision for pollution control	33.51	39.48
Provision for foreign exchange fluctuation	24.96	12.78
Provision for wage revision	1351.56	1247.52
Provision for mine afforestation/restoration etc.	121.07	344.33
Other provisions	298.98	274.97
	<u>2357.24</u>	<u>2315.40</u>
33A: CURRENT TAX LIABILITIES (NET)		
Opening Balance	-	-
Add: Provision during the year	250.67	-
Less: Amount paid/transferred during the year	71.17	-
Less: Provision written back during the year	-	-
	<u>179.50</u>	<u>-</u>
	<u>179.50</u>	<u>-</u>

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
34: REVENUE FROM OPERATIONS		
Sale of products		
Domestic	57285.17	63298.26
Exports	3620.26	2872.64
Export incentives	123.00	102.42
Sub Total (a)	<u>61028.43</u>	<u>66273.32</u>
Sale of Services		
Service charges	22.89	28.61
Sub Total (b)	<u>22.89</u>	<u>28.61</u>
Other Operating Revenues		
Social amenities-recoveries	351.54	335.97
Sale of empties etc.	52.40	54.51
Sundries	208.90	281.17
Sub Total (c)	<u>612.84</u>	<u>671.65</u>
Total (a+b+c)	<u>61664.16</u>	<u>66973.58</u>
Desegregation of Revenue		
Nature of Goods and Services		
The Company is engaged in the manufacturing of Iron and Steel products and generate revenues from sale of Iron and Steel products and the same is only the reportable segment of the Company.		
(1) Primary Geographical Markets		
Within India	57285.17	63298.26
Outside India	3743.26	2975.06
Total	<u>61028.43</u>	<u>66273.32</u>
(2) Major Products		
Iron and steel	59298.35	62541.86
Other Secondary and By-products	1730.08	3731.46
Total	<u>61028.43</u>	<u>66273.32</u>
Contract Balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers receivables which are included in 'Trade Receivables'.		
Trade receivables	8845.65	4497.48
Contract assets	-	-
Contract liabilities	1220.62	1456.63
35. OTHER INCOME		
Interest income		
Loans & advances to other companies	0.98	0.79
Customers	145.06	133.92
Employees	11.98	13.36
Bank deposits	20.76	9.70
Others	62.10	39.58
Sub Total (a)	<u>240.88</u>	<u>197.35</u>
Dividend income		
Dividend from subsidiaries	-	-
Dividend from investments	2.92	1.73
(includes dividend from investments carried at fair value through OCI)		
Sub Total (b)	<u>2.92</u>	<u>1.73</u>
Net gain on sale of investments Sub Total (c)	<u>0.59</u>	-
Other non-operating Income		
Subsidy, relief and concession	-	1.10
Grant-in-aid	0.97	0.62
Provisions no longer required written back	131.06	87.65
Write back of other liabilities	276.18	59.21
Liquidated damages	131.19	101.37
Others	123.46	45.49
	<u>662.86</u>	<u>295.44</u>
Less: Expenses attributable to non-operating income	1.46	-
Sub Total (d)	<u>661.40</u>	<u>295.44</u>
Total (a+b+c+d)	<u>905.79</u>	<u>494.52</u>

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
36 : COST OF MATERIALS CONSUMED		
Iron ore	5191.70	5095.08
Coal	23058.44	26041.91
Coke	21.61	31.32
Limestone	1489.58	1355.12
Dolomite	584.91	591.92
Ferro manganese	323.68	425.17
Ferro silicon	213.22	236.85
Silico manganese	1378.04	1323.69
Zinc	117.60	172.30
Aluminium	297.34	315.65
Others	1715.12	1928.78
	<u>34391.24</u>	<u>37517.79</u>
Less: Inter account adjustments	5019.51	5114.82
	<u>29371.73</u>	<u>32402.97</u>

37 : CHANGES IN INVENTORIES

37A: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock		
Finished goods	6973.49	4440.25
Work in progress	3396.56	3213.64
	<u>10370.05</u>	<u>7653.89</u>
Less: Closing stock		
Finished goods	8941.00	6973.49
Work in progress	2481.57	3396.56
	<u>11422.57</u>	<u>10370.05</u>
Accretion (-)/depletion to stock	(1,052.52)	(2,716.16)
Write down due to Covid-19 considered as exceptional items	404.26	-
	<u>(a) (1,456.78)</u>	<u>(2,716.16)</u>

37B: CHANGES IN INVENTORIES OF BY PRODUCTS*

Sub grade iron ore fines		
Opening stock		
Iron ore fines (sub-grade)	-	-
Less: Closing stock		
Iron ore fines (sub-grade)	3791.18	-
Accretion (-)/depletion to stock	(3,791.18)	-
Write down due to Covid-19 considered as exceptional items	329.67	-
	<u>(b) (4,120.85)</u>	<u>-</u>
Accretion (-)/depletion to stock	<u>(a+b) (5,577.63)</u>	<u>(2,716.16)</u>

* Refer Note No. 41, 48.4 and 49.16

38: EMPLOYEE BENEFITS EXPENSE*

Salaries & wages	6777.80	6690.32
Leave encashment	278.41	448.20
Company's contribution to provident & other funds	920.78	902.52
Travel concession	198.19	33.54
Welfare expenses	384.97	526.66
Gratuity	237.17	247.86
	<u>8797.32</u>	<u>8849.10</u>

*Expenditure on employees's remuneration and benefits not included above and charged to:

Expenditure during construction	80.06	86.38
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**For descriptive notes on disclosure of defined benefit obligation, refer note 50.1

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

**Year ended
31st March, 2020**
**Year ended
31st March, 2019**
39: FINANCE COSTS
Interest Cost

Foreign currency loans*	299.21	169.24
Non convertible bonds	695.25	834.39
Bank borrowings - working capital	10.53	52.08
Steel development fund loans	5.60	4.94
Others	2449.58	2075.14
Other borrowing costs	26.59	19.13
	3486.76	3154.92

*Including foreign exchange fluctuations loss of ₹99.74 crore (As on 31st March, 2019: ₹41.69 crore)

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

Foreign currency loans	85.43	125.97
Non convertible bonds	118.34	210.97
Steel development fund loans - Interest	2.57	3.24
Others	375.34	363.56
	581.68	703.74

40: OTHER EXPENSES
Consumption of stores & spares

Consumption	4658.81	4244.2	
Less: Departmentally manufactured stores	924.2	925.98	
Less: Finished products internally consumed as stores and spares	494.22	526.62	2791.60

Repairs & maintenance

Buildings	191.82	204.81	
Plant & machinery	1069.68	1004.25	
Others	301.80	265.82	1474.88

Handling expenses

Raw material	500.62	480.21	
Scrap recovery	382.61	335.21	815.42

Remuneration to auditors

Audit fees	1.95	2.13	
Tax audit fees	0.54	0.64	
In other services	1.25	1.30	
Out of pocket expenses	0.65	0.84	4.91

Provisions

Doubtful debts, loans and advances	76.12	65.12	
Investments	5.22	-	
Stores, spares and sundries	207.71	177.52	242.64
Power and fuel	6198.96		6060.16
Freight outward	2216.57		2618.25
Royalty and cess	1901.13		2047.04

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

40: OTHER EXPENSES (CONTD.)

(₹ crore)

	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Conversion charges	210.59	306.43
Excise duty on inter-plant transfer/internal consumption	0.04	0.09
Demurrage & wharfage	38.63	49.79
Water charges & cess on water pollution	141.77	129.29
Insurance	52.72	27.60
Postage, telegram & telephone	15.38	19.71
Printing & stationery	10.60	9.08
Rates & taxes	34.44	46.45
Rent	16.69	82.50
Security expenses	659.73	593.79
Travelling expenses	113.40	160.23
Expenditure on temporary suspended mines (refer note - 49.15)	14.78	15.94
Training expenses	49.54	44.28
Expenditure on corporate social responsibility (refer note - 49.9)	28.13	31.74
Foreign exchange fluctuations (net)	245.19	163.59
Loss on sale/scraping of fixed assets (net)	49.43	45.27
Cost audit fee and reimbursement of expenses	0.12	0.10
Write-offs - Miscellaneous	0.06	0.10
Handling expenses - finished goods	170.93	175.62
Commission to selling agents	10.30	14.34
Export sales expenses	91.44	37.36
Miscellaneous	606.09	667.96
	18857.02	18676.16

41: EXCEPTIONAL ITEMS

Voluntary retirement compensation	-	100.72
COVID-19 impact (refer note - 49.16)		
Raw Material	37.83	-
Finished/Semi-finished goods	404.26	-
Iron ore fines (sub-grade)	329.67	-
Entry Tax	-	92.23
Royalty Difference	-	143.54
Amortisation on stamp duty and registration charges	-	52.91
	771.76	389.40

41A: EARNING PER SHARE

Profit for the year (₹crore)	2120.71	2348.71
Number of equity shares	4130525289	4130525289
Earning per share - basic and diluted (₹)	5.13	5.69
Face value per equity share (₹)	10	10

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020
42. FINANCIAL INSTRUMENTS
i) Fair values hierarchy

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

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

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

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

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

(₹ crore)

As at 31 st March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		421.80		421.80
Investments at FVOCI				
Equity instruments				
Quoted	5.06			5.06
Unquoted			131.31	131.31
Total financial assets	5.06	421.80	131.31	558.17
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		-		-
Total financial liabilities	-	-	-	-

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

(₹ crore)

As at 31 st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		172.29		172.29
Investments at FVOCI				
Equity instruments				
Quoted	22.34			22.34
Unquoted			116.12	116.12
Total financial assets	22.34	172.29	116.12	310.75
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		4.54		4.54
Total financial liabilities	-	4.54	-	4.54

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

(₹ crore)

Financial assets	Level	As at 31 st March, 2020		As at 31 st March, 2019	
		Carrying value	Fair Value	Carrying value	Fair Value
Loans	Level-3	714.95	843.81	618.02	631.60
Derivative financial assets	Level-2	421.80	421.80	172.29	172.29
Equity instruments					
Quoted	Level-1	5.06	5.06	22.34	22.34
Unquoted	Level-3	131.31	131.31	116.12	116.12
Total financial assets		1273.12	1401.98	928.77	942.35
Financial liabilities					
Borrowings	Level-3	55626.30	55673.85	46677.65	46998.97
Other payables	Level-3	10683.91	10739.03	10820.40	10862.57
Derivative liability	Level-2	-	-	4.54	4.54
Total financial liabilities		66310.21	66412.88	57502.59	57866.08

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

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

Specific valuation techniques used to value financial instruments include:

- Fair value of interest swap is determined based on dealer or counterparty quotes for similar instruments
- Fair value of forward foreign exchange contract and principal swap is determined using forward rate at balance sheet date.
- The carrying value of borrowings bearing variable interest rate are considered to be representative of their fair value.
- The carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.
- Fair value of fixed interest rate financial assets and liabilities carried at amortised cost (including lease obligations) is determined by discounting the cash flows using a discount rate equivalent to market interest rate applicable to similar assets and liabilities as at the balance sheet date.

(v) **Unquoted investments:**

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

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

Unlisted equity securities		
As at 31st March, 2018		59.43
Gains/losses recognised in other comprehensive income		56.69
As at 31st March, 2019		116.12
Gains/losses recognised in other comprehensive income		15.19
As at 31st March, 2020		131.31

43. FINANCIAL RISK MANAGEMENT

(i) **Financial instruments by category**

(₹ crore)

Particulars	As at 31 st March, 2020			As at 31 st March, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments		136.37			138.46	
Trade receivables			8845.65			4497.48
Cash and cash equivalents			190.54			65.58
Other Bank Balances			254.48			222.11
Loans			714.95			618.02
Derivative financial assets	421.80			172.29		
Other receivables			2216.03			2243.79
Total	421.80	136.37	12221.65	172.29	138.46	7646.98
Financial liabilities						
Borrowings			55626.30			46677.65
Trade payable			6333.07			7232.06
Derivative Liability	-			4.54		
Other payables			10683.91			10820.40
Total	-	-	72643.28	4.54	-	64730.11

(ii) **Risk Management**

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

A) Credit risk

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

- Cash and cash equivalents
- Derivative financial instruments
- Trade receivables
- Other financial assets measured at amortized cost

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

a) Credit risk management

Cash and cash equivalent

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

Derivative financial instruments

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

Trade receivables

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

Other financial assets measured at amortized cost

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

b) Expected credit losses

Group, its Joint Ventures and Associate provides expected credit losses based on the following:

Trade receivables

This Group, its Joint Ventures and Associate recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹ crore)

Ageing (As at 31 st March, 2020)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	5570.98	3040.40	143.94	79.54	232.95	9067.81
Expected loss rate	0.07%	0.15%	2.88%	3.60%	88.88%	2.45%
Expected credit loss provision	3.65	4.46	4.15	2.86	207.04	222.16
Carrying amount of trade receivables (Net of impairment)	5567.33	3035.94	139.79	76.68	25.91	8845.65

Ageing (As at 31 st March, 2019)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	3831.02	572.15	124.52	43.46	131.27	4702.42
Expected loss rate	1.77%	0.39%	5.36%	0.05%	97.55%	4.36%
Expected credit loss provision	67.96	2.23	6.68	0.02	128.05	204.94
Carrying amount of trade receivables (Net of impairment)	3763.06	569.92	117.84	43.44	3.22	4497.48

Reconciliation of Expected credit loss provision

(₹ crore)

Particulars	
As at 31st March, 2018	181.89
Changes in provision	23.05
As at 31st March, 2019	204.94
Changes in provision	17.22
As at 31st March, 2020	222.16

Other financial assets measured at amortized cost

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

B) Liquidity risk

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

Maturities of financial liabilities

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ crore)

Contractual maturities of financial liabilities as at 31 st March, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	20363.64	6270.55	6936.69	27650.84	61,221.71
Trade payable	6320.38	0.17	0.65	18.54	6,339.74
Other payables	8871.19	83.59	65.55	1044.15	10,064.48
Total	35,555.21	6,354.31	7,002.89	28,713.53	77,625.93
Derivatives					
Derivative liability (net settled)	-	-	-	-	-
Total	-	-	-	-	-

(₹ crore)

Contractual maturities of financial liabilities as at 31 st March, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	17,626.05	4,901.99	5,955.80	27,521.22	56,005.06
Trade payable	7,225.24	-	-	6.82	7,232.06
Other payables	10,757.22	121.00	112.53	1,427.51	12,418.26
Total	35,608.51	5,022.99	6,068.33	28,955.55	75,655.38
Derivatives					
Derivative liability	4.54	-	-	-	4.54
Total	4.54	-	-	-	4.54

C) Market Risk

a) Foreign currency risk

Most of the Group's, its Joint Venture's & Associate's transactions are carried out in INR. Exposures to currency exchange rates arise from the Group's, its Joint Venture's & Associate's overseas borrowing arrangements, which are primarily denominated in US dollars (USD). To mitigate the Group's, its Joint Venture's & Associate's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's, its Joint Venture's & Associate's risk management policies. Generally, the Group's, its Joint Venture's & Associate's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Foreign currency risk exposure:

The Group's, its Joint Venture's & Associate's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹crore are as follows:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	84.81	-	42.62	-
Cash and cash equivalents	-	-	-	-
Other Bank Balances	-	-	-	-
Loans	-	-	-	-
Derivative financial assets (Gross amounts, to hedge borrowings)	6.79	-	-	-
Other receivables	-	-	-	-
Net exposure to foreign currency risk (assets)	91.60	-	42.62	-
Financial liabilities				
Borrowings	2,625.19	363.54	2,406.58	344.58
Trade payable	2,517.26	470.35	3,460.07	366.69
Derivative Liability	-	-	4.54	-
Other payables	33.13	175.59	20.34	191.77
Net exposure to foreign currency risk (liabilities)	5,175.58	1,009.48	5,891.53	903.04

Sensitivity

The following table illustrates the sensitivity of profit and equity in regard to the Group's, its Joint Venture's & Associate's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 5.45% change of the INR/USD exchange rate for the year ended at 31st March, 2020 (2019:6.82%). A +/- 7.57% change is considered for the INR/EUR exchange rate (2019: 7.26%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's, its Joint Venture's & Associate's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
USD sensitivity		
INR/USD- increase by 5.45% (31 March 2020)	282.07	
INR/USD- decrease by 5.45% (31 March 2020)	(282.07)	
INR/USD- increase by 6.82% (31 March 2019)		398.90
INR/USD- decrease by 6.82% (31 March 2019)		(398.90)
Euro sensitivity		
INR/EUR- increase by 7.57% (31 March 2020)	76.42	
INR/EUR- decrease by 7.57% (31 March 2020)	(76.42)	
INR/EUR- increase by 7.26% (31 March 2019)		65.56
INR/EUR- decrease by 7.26% (31 March 2019)		(65.56)

b) Interest rate risk

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31st March, 2020, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's, its Joint Venture's & Associate's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's, its Joint Venture's & Associate's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2020, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Variable rate borrowing (excluding exposures offset by derivatives)	-	-
Fixed rate borrowing	55626.30	46677.65
Total borrowings	55626.30	46677.65

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest sensitivity		
Interest rates-increase by 100 basis points	556.26	466.78
Interest rates-decrease by 100 basis points	(556.26)	(466.78)

ii) Assets

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

Interest rate risk exposure

Below is the overall exposure of the financial assets:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	969.43	840.13
Total deposits	969.43	840.13

c) Price risk
Exposure

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44. CAPITAL MANAGEMENT

The Group's, its Joint Venture's & Associate's capital management objectives are

- to ensure the Group's, its Joint Venture's & Associate's ability to continue as a going concern.
- to provide an adequate return to shareholders

The Group, its Joint Ventures & Associate monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

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

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net debts	55181.28	46389.96
Total equity	41510.23	39646.15
Net debt to equity ratio	1.33	1.17
Dividends		
(i) Equity shares		
Final dividend for the year ended 31 st March, 2020 @nil on the paid up share capital	Nil	206.53
(ii) Dividends not recognised at the end of the reporting period	Nil	206.53

44A DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Sl. No.	Name	Relationship	Nature of activity	Principal Place of Incorporation	Principal Place of Business	Proportionate Ownership in %	
						As at 31 st March 2020	As at 31 st March 2019
1	SAIL Jagdishpur Power Plant Limited	Subsidiary	Power Production	India	India	100%	100%
2	SAIL Refractory Company Limited	Subsidiary	Refractory Material production	India	India	100%	100%
3	SAIL Sindri Projects Limited	Subsidiary	Cement production	India	India	100%	100%
4	Chhattisgarh mega steel limited	Subsidiary	Steel production	India	India	74%	74%
5	NTPC SAIL Power Company Ltd	Joint-ventures	Power Production	India	India	50%	50%
6	Bokaro Power Supply Co. Pvt. Ltd.	Joint-ventures	Power Production	India	India	50%	50%
7	mjunction Services Limited	Joint-ventures	Consultancy services	India	India	50%	50%
8	SAIL Bansal Service Centre Ltd	Joint-ventures	Consultancy services	India	India	40%	40%
9	Bhilai Jaypee Cement Limited	Joint-ventures	Cement production	India	India	26%	26%
10	S & T Mining Co. Pvt. Limited	Joint-ventures	Coal Mining	India	India	50%	50%
11	International Coal Ventures Private Ltd.	Joint-ventures	Coal Mining	India	Mozambique	47.82%	47.82%
12	SAIL-MOIL Ferro Alloys Private Ltd.	Joint-ventures	Ferro Manganese production	India	India	50%	50%
13	SAIL SCI Shipping Pvt. Limited	Joint-ventures	Logistics	India	India	50%	50%
14	SAIL SCL Kerala Limited	Joint-ventures	Steel production	India	India	49.26%	49.26%
15	SAIL RITES Bengal Industry Pvt. Ltd.	Joint-ventures	Railway Wagon Production	India	India	50%	50%
16	SAIL Kobe Iron India Pvt. Limited	Joint-ventures	Steel production	India	India	50%	50%
17	SAIL-BENGAL Alloy Castings Private Ltd.	Joint-ventures	Alloy Casting	India	India	50%	50%
18	Prime Gold-SAIL JVC Limited	Joint-ventures	Steel production	India	India	26%	26%
19	VSL SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	20.58%	20.58%
20	Abhinav SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	26%	26%
21	NMDC SAIL Limited	Joint-ventures	Railway Project	India	India	49%	49%
22	TMT SAL SAIL JV Limited	Joint-ventures	Metal Products	India	India	26%	26%
23	SAL SAIL JVC Limited	Joint-ventures	Metal Products	India	India	26%	26%
24	Bastar Railway Private Limited	Joint-ventures	Railway Project	India	India	12%	12%
25	GEDCOL SAIL Power Corporation Ltd.	Joint-ventures	Power Production	India	India	26%	26%
26	Almora Magnesite Limited	Associate	Magnesite Mining	India	India	20%	20%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44B. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEEES

Joint ventures individually significant

NTPC SAIL Power Company Limited

	(₹crore)	
Summarized balance sheet	31 st March, 2020	31 st March, 2019
Current assets.		
Cash and cash equivalents	130.35	52.03
Other assets	598.60	470.50
	<u>728.95</u>	<u>522.53</u>
Non-current assets	4,028.12	3,475.83
Current Liabilities		
Financial liabilities (excluding trade payables and provisions)	630.43	427.75
Other Liabilities	100.40	76.59
	<u>730.83</u>	<u>504.34</u>
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	1,278.59	956.75
Other liabilities	5.12	39.02
	<u>1,283.71</u>	<u>995.77</u>
Net Assets	<u>2,742.53</u>	<u>2,498.25</u>
Ownership Interest	50.00%	50.00%
Carrying Amount of Interest	1,371.27	1,249.13

	(₹crore)	
Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Revenue	2,891.46	2,656.59
Depreciation and ammortisation	156.80	149.06
Interest income	18.40	18.40
Interest Expense	14.02	22.50
Income tax expense or income	1.23	38.80
Profit or loss from continuing operations.	368.96	362.33
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	(4.54)	(1.88)
Total comprehensive income.	364.42	360.45
Ownership interest	50.00%	50.00%

mjunction Services Limited

	(₹crore)	
Summarized balance sheet	31 st March, 2020	31 st March, 2019
Current assets.		
Cash and cash equivalents	7.50	7.95
Other assets	248.23	380.77
	<u>255.73</u>	<u>388.72</u>
Non-current assets	212.75	89.02
Current Liabilities		
Financial liabilities (excluding trade payables and provisions)	144.91	177.64
Other Liabilities	8.11	9.41
	<u>153.02</u>	<u>187.05</u>
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	0.72	-
Other liabilities	12.19	11.56
	<u>12.91</u>	<u>11.56</u>
Net Assets	<u>302.55</u>	<u>279.13</u>
Ownership Interest	50.00%	50.00%
Carrying Amount of Interest	151.28	139.57

(₹crore)

Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Revenue	282.46	256.42
Depreciation and ammortisation	10.83	10.83
Interest income	-	-
Interest Expense	-	-
Income tax expense or income	18.82	18.82
Profit or loss from continuing operations.	40.29	41.56
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	(0.97)	0.08
Total comprehensive income.	39.32	41.64
Ownership interest	50.00%	50.00%

International Coal Ventures Limited

	(₹crore)	
Summarized balance sheet	31 st March, 2020	31 st March, 2019
Current assets.		
Cash and cash equivalents	18.76	18.25
Other assets	50.51	65.29
	<u>69.27</u>	<u>83.54</u>
Non-current assets	2,614.78	2,370.98
Current Liabilities		
Financial liabilities (excluding trade payables and provisions)	297.16	272.30
Other Liabilities	0.11	9.12
	<u>297.27</u>	<u>281.42</u>
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	-	-
Other liabilities	16.96	17.00
	<u>16.96</u>	<u>17.00</u>
Net Assets	<u>2,369.82</u>	<u>2,156.10</u>
Less: Share Application Money Pending Allotment		
	2,369.82	2,156.10
Ownership Interest	47.82%	47.82%
Carrying Amount of Interest	1,133.25	1,031.05

(₹crore)

Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Revenue	10.52	33.46
Depreciation and ammortisation	0.11	0.11
Interest income	0.49	0.71
Interest Expense	89.57	107.46
Income tax expense or income	-	-
Profit or loss from continuing operations.	(93.83)	(114.21)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	307.55	202.63
Total comprehensive income.	213.72	88.42
Ownership interest	47.82%	47.82%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44B. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEES (CONTD.)

Bokaro Power Supply Co. Ltd.

	(₹crore)	
Summarized balance sheet	31 st March, 2020	31 st March, 2019
Current assets.		
Cash and cash equivalents	14.59	7.12
Other assets	800.51	795.07
	815.10	802.19
Non-current assets	541.48	548.41
Current Liabilities		
Financial liabilities (excluding trade payables and provisions)	121.48	160.63
Other Liabilities	38.77	31.25
	160.25	191.88
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	8.78	9.36
Other liabilities	303.05	293.99
	311.83	303.35
Net Assets	884.50	855.37
Ownership Interest	50.00%	50.00%
Carrying Amount of Interest	442.25	427.69

	(₹crore)	
Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Revenue	920.25	880.93
Depreciation and amortisation	-	-
Interest income	30.34	23.87
Interest Expense	14.16	16.24
Income tax expense or income	23.60	20.70
Profit or loss from continuing operations.	71.95	65.17
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	(1.75)	(0.51)
Total comprehensive income.	70.20	64.66
Ownership interest	50.00%	50.00%

Bhilai Jaypee Cement Limited

	(₹crore)	
Summarized balance sheet	31 st March, 2020	31 st March, 2019
Current assets.		
Cash and cash equivalents	3.33	5.60
Other assets	41.68	40.17
	45.01	45.77
Non-current assets	652.43	710.87
Current Liabilities		
Financial liabilities (excluding trade payables and provisions)	184.51	155.57
Other Liabilities	583.46	574.59
	767.97	730.16
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	0.02	5.45
Other liabilities	7.64	7.23
	7.66	12.68
Net Assets	(78.19)	13.80
Ownership Interest	26.00%	26.00%
Calculated Share of Net Assets	(20.33)	3.59
Goodwill		
Carrying amount of Interest	(20.33)	3.59

	(₹crore)	
Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Revenue	229.76	276.44
Depreciation and amortisation	37.69	38.69
Interest income	-	0.23
Interest Expense	14.43	12.09
Income tax expense or income	21.97	2.66
Profit or loss from continuing operations.	(92.04)	(41.65)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	0.06	0.02
Total comprehensive income.	(91.98)	(41.63)
Ownership interest	26.00%	26.00%

Summarised financial information for Joint Ventures not individually significant

	(₹crore)	
Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Profit or loss from continuing operations.	(0.79)	(3.00)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	(0.01)	0.03
Total comprehensive income.	(0.80)	(2.97)

Associates, not individually significant

	(₹crore)	
Summarized statement of profit and loss	31 st March, 2020	31 st March, 2019
Profit or loss from continuing operations.	(0.69)	1.07
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	-	-
Total comprehensive income.	(0.69)	1.07

The unrecognised share of losses of joint ventures, both for the reporting period and cumulatively, where SAIL has stopped recognising its share of losses of the joint venture when applying the equity method

	(₹crore)	
	31 st March, 2020	31 st March, 2019
SAL SAIL JVC Limited - Reporting	-	-
SAL SAIL JVC Limited - Cumulative	0.01	0.01
SAIL MOIL Ferro Alloys Private Limited - Reporting	(0.06)	0.81
SAIL MOIL Ferro Alloys Private Limited - Cumulative	6.93	6.99
SAIL SCL Kerala Limited - Reporting	8.25	8.12
SAIL SCL Kerala Limited - Cumulative	36.67	28.42
Abhinav SAIL JVC Limited - Reporting	0.01	-
Abhinav SAIL JVC Limited - Cumulative	0.02	0.01
S&T Mining Pvt Limited - Reporting	0.80	1.35
S&T Mining Pvt Limited - Cumulative	5.41	4.61
Bhilai Jaype Private limited - Reporting	14.63	-
Bhilai Jaype Private limited - Cumulative	14.63	-
SAIL Bengal Alloy Casting Private Limited - Reporting	0.01	-
SAIL Bengal Alloy Casting Private Limited - Cumulative	0.02	0.01

Dividend Received from the Joint Ventures

	(₹crore)	
	31 st March, 2020	31 st March, 2019
NTPC SAIL Power Company Limited	50.00	20.00
Mjunction Services Limited	6.60	6.00
SAIL Bansal Service Center Limited	0.08	0.05
Bokaro Power Supply Co. Limited	15.50	12.40

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44C DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

44.C.1 Two of the subsidiary companies, SAIL Jagadishpur Power Plant Limited and SAIL Sindri Projects Limited, have filed application for closure of the company under Fast Track Exit Mode as per provisions of Section 248(2) of the Companies Act, 2013 and Rule 4(1) of the Companies (Removal of Names of the Companies from the Register of Companies) Rules, 2016. Out of the two, SAIL Jagadishpur Power Plant Limited name has been struck off from MCA vide Notice dated 12th December, 2019. The financial statements/ information in respect of these two subsidiary companies as of year ended 31st March, 2020 are not available. Considering the above, the assets and liabilities as at 31st March, 2020 and revenues and expenditures for the year ended 31st March, 2020 have not been considered in the Consolidated Ind AS Financial Statements.

44.C.2 Jointly controlled entities of the Group as detailed below are under liquidation/closure. The investment in these companies has been fully provided for as at 31st March, 2020. The share of profit/loss in respect of these joint ventures (except Sl. No. 2) has been considered at Nil:

Name of the Jointly Controlled Entities	Subsidiary/ Jointly controlled entities of ICVL (Joint Venture Entity):
1 NMDC-SAIL Limited	6 Benga Power Plant (Mauritius) Limited
2 SAIL SCI Shipping Private Limited	7 Promark Services Limited
3 Abhinav SAIL JVC Limited	8 ICVL Venture (Mauritius) Limited
4 SAIL-BENGAL Alloy Castings Private Ltd.	9 Benga Energia SA
5 S&T Mining Co. Limited	

The Group has exited from 2 (Two) jointly controlled entities viz. SAL SAIL JVC Limited and TMT SAL SAIL JV Limited on 5th March, 2020 whose share of net profit/ (loss) has not been included in the consolidated financial results.

44.C.3 In respect of one subsidiary of the Group and eleven jointly controlled entities, as detailed below, certain accounting policies are not consistent with that of the Group's accounting policies. The effect on the profit/ loss of these jointly controlled entities due to inconsistency in accounting policy with that of the group is not material

Sl No	Name of the Jointly Controlled Entities	Details of Differing Accounting Policy in comparison to Accounting Policy of the Holding Company
1	SAIL Refractory Company Limited - Subsidiary	Note No. 3.1.3: Depreciation on certain assets are provided on the basis of estimated useful life, which is different from Group. No monetary limit on capitalization of Capital Repairs.
2	Mjunction services limited - Jointly controlled entity	Note No. 2.4: Intangible assets (software) are amortised over a period of three years.
3	International Coal Ventures Private Limited - Jointly controlled entity	Note No. 3.2.2: Major repairs of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Group. Note No. 3.2.3: Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.
4	SAIL & MOIL Ferro Alloys Private Limited- Jointly controlled entity	Note No. 12(B)(d)(iv): Depreciation on addition/deletion during the year is provided on pro-rata basis with reference to the month of addition/ deletion j) Adjustment Pertaining to earlier years
5	NTPC-SAIL Power Company Limited- Jointly controlled entity	Note No. 1.1: No monetary limit on capitalization of Capital Spares Note No. 1.2: No monetary limit on capitalization of Capital Repairs Note No. 1.5: Depreciation on certain assets are provided on the basis of estimated useful life, which is different from Group. Note No. 3.4: Amortization of software is done for 3 years or legal right to use, whichever is less Note No. 19: Prior Period Adjustment
6	SAIL-RITES Bengal Wagon Industry private Limited- Jointly controlled entity	Note No 3.2: Sales are net of sales taxes, 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. Note No. 3.8: Basis of valuation of inventory is different from Group.
7	S & T Mining Company Private Limited- Jointly controlled entity	Note No.1. Going Concern is not applicable on S&T Mining Note No 2.3: PPE Note No 2.4: Intangible Assets life Note No. 2.5: Depreciation on certain assets are provided on the basis of estimated useful life, which is different from Group.
8	Abhinav SAIL JVC Limited	Note 21.4: Revenue recognition is not in conformity with Group Note No. 21.6: Depreciation on certain assets are provided on the basis of estimated useful life, which is different from Group Income/Expenditure relating to prior period expenses which do not exceed ₹5 lakh in each case are treated as Income/Expenditure of current year
9	Bokaro Power Supply Co. Pvt. Ltd.	Note No. 4.1- PPE- Initial Recognition and Measurement Note No.4.2 Derecognition Note No.4.3 Depreciation Note No.6.1 Life of Software Note No.9 Inventories Note No.13 Revenue Recognition Note No.14 Liquidated Damage Note No.24 Prior Period
10	Bhilai Jaypee Cement Limited	Depreciation
11	GEDCOL SAIL Power Corporation Ltd.	The estimated useful life of Computer is 3 years
12	SAIL SCL Kerela Limited	b) Basis of preparation e) Depreciation g) Cash and Cash equivalent i) Inventories

44.C.4 Under equity method, investment in a Joint venture/Associate is not calculated on a line by line method unlike in the case of subsidiaries. Therefore, only profit/loss element on closing stock of purchase/sale from jointly controlled entities is to be considered for elimination. SAIL mainly purchases power from its Joint ventures which has no closing stock. Further, transactions with other Jointly controlled entities is very immaterial and it is also not practically possible to compute profit/loss on the same.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44D INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹crore)

For the year ended 31 st March, 2020	Net worth		Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income		
	Ownership in % As at 31 st March, 2020	Proportionate Share	As % of Consolidated Net Worth	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive Income
Steel Authority of India	100	39,777.38	95.83%	2,021.54	95.32%	(115.71)	-444.52%	1,905.83	88.78%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL Refractory Company Limited	100	138.68	0.33%	14.22	0.67%	(1.71)	-6.57%	12.51	0.58%
SAIL Sindri Projects Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh mega steel limited	74	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Joint-ventures									
NTPC SAIL Power Company Ltd	50	1,371.26	3.30%	184.48	8.70%	(2.27)	-8.72%	182.21	8.49%
Bokaro Power Supply Co. Pvt. Ltd.	50	444.10	1.07%	35.98	1.70%	(0.88)	-3.36%	35.10	1.64%
mjunction Services Limited	50	151.27	0.36%	20.15	0.95%	(0.49)	-1.86%	19.66	0.92%
SAIL Bansal Service Centre Ltd	40	0.76	0.00%	0.14	0.01%	(0.00)	-0.02%	0.14	0.01%
Bhilai Jaypee Cement Limited	26	-	0.00%	(9.34)	-0.44%	0.02	0.06%	(9.32)	-0.43%
S & T Mining Co. Pvt. Limited	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
International Coal Ventures Private Ltd.	47.82	1,133.25	2.73%	(44.87)	-2.12%	147.07	565.00%	102.20	4.76%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL SCI Shipping Pvt. Limited	50	-	0.00%	(0.07)	0.00%	-	0.00%	(0.07)	0.00%
SAIL SCL Kerala Limited	49.26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL RITES Bengal Industry Pvt. Ltd.	50	28.77	0.07%	7.77	0.37%	-	0.00%	7.77	0.36%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Prime Gold-SAIL JVC Limited	26	5.61	0.01%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
VSL SAIL JVC Limited	20.58	1.02	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NMDC SAIL Limited	49	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TMT SAL SAIL JV Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
GEDCOL SAIL Power corp. Ltd.	26	2.61	0.01%	0.07	0.00%	-	0.00%	0.07	0.00%
Bastar Railway Private Limited	12	35.38	0.09%	0.17	0.01%	-	0.00%	0.17	0.01%
Associates							0.00%		
Almora Magnesite Limited	20	1.58	0.00%	(0.14)	-0.01%	-	0.00%	(0.14)	-0.01%
Non-controlling interest				-				-	
Consolidation adjustments		(1,581.70)	-3.81%	(109.36)	-5.16%	(0.00)	-0.01%	(109.36)	-5.09%
Grand total		41,510.24	100.00%	2,120.71	100.00%	26.03	100.00%	2,146.74	100.00%



Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

44E INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹crore)

For the year ended 31 st March, 2019	Net worth		Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income		
	Ownership in % As at 31 st March, 2019	Proportionate Share	As % of Consolidated Net Worth	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive Income
Steel Authority of India	100	38,151.57	96.23%	2,178.82	92.77%	259.08	73.01%	2,437.90	90.06%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL Refractory Company Limited	100	140.10	0.35%	21.81	0.93%	0.07	0.02%	21.88	0.81%
SAIL Sindri Projects Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh mega steel limited	74	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Joint-ventures									
NTPC SAIL Power Company Ltd	50	1,249.12	3.15%	181.17	7.71%	(0.95)	-0.27%	180.22	6.66%
Bokaro Power Supply Co. Pvt. Ltd.	50	427.69	1.08%	32.59	1.39%	(0.26)	-0.07%	32.33	1.19%
mjunction Services Limited	50	139.57	0.35%	20.79	0.88%	0.04	0.01%	20.83	0.77%
SAIL Bansal Service Centre Ltd	40	0.72	0.00%	0.11	0.00%	0.01	0.00%	0.12	0.00%
Bhilai Jaypee Cement Limited	26	9.32	0.02%	(10.83)	-0.46%	0.01	0.00%	(10.82)	-0.40%
S & T Mining Co. Pvt. Limited	50	-	0.00%	(1.35)	-0.06%	-	0.00%	(1.35)	-0.05%
International Coal Ventures Private Ltd.	47.82	1,031.05	2.60%	(54.62)	-2.33%	96.90	27.30%	42.28	1.56%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	(0.80)	-0.03%	-	0.00%	(0.80)	-0.03%
SAIL SCI Shipping Pvt. Limited	50	0.07	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL SCL Kerala Limited	49.26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL RITES Bengal Industry Pvt. Ltd.	50	21.00	0.05%	8.24	0.35%	-	0.00%	8.24	0.30%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Prime Gold-SAIL JVC Limited	26	5.63	0.01%	-	0.00%	-	0.00%	-	0.00%
VSL SAIL JVC Limited	20.58	1.02	0.00%	(0.09)	0.00%	-	0.00%	(0.09)	0.00%
Abhinav SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NMDC SAIL Limited	49	-	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
TMT SAIL SAIL JV Limited	26	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
SAIL SAIL JVC Limited	26	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
Bastar Railway Private Limited	26	0.20	0.00%	(0.06)	0.00%	-	0.00%	-	0.00%
Associates	12	35.14	0.09%	0.21	0.01%	-	0.00%	0.21	0.01%
Almora Magnesite Limited	20	1.72	0.00%	0.21	0.01%	-	0.00%	0.21	0.01%
Non-controlling interest				-				-	
Consolidation adjustments		(1,568.03)	-4.24%	(27.46)	-1.17%	(0.00)	0.00%	(24.05)	-0.89%
Grand total		39,646.16	99.70%	2,348.71	100.00%	354.90	100.01%	2,707.08	100.00%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹crore)

	As at 31 st March, 2020	As at 31 st March, 2019
45: DETAILS OF ASSETS PLEDGED		
Current		
Inventories and trade receivables (to the extent pledged)	4112.33	3490.26
Non Current		
Immovable property at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - DSP including land on which it stands.	120.00	134.00
Plant & Machinery (movable assets) - BSL, BSP & RSP (to the extent pledged).	25860.50	21072.57
Land at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - ISP including land on which it stands.	6184.00	7726.00
46: EFFECTIVE TAX RECONCILIATION		
Profit/(loss) before tax	3,301.58	3,549.24
Domestic tax rate for PFS	34.944%	34.944%
Expected tax expense [A]	1,153.70	1,240.25
Adjustment for tax-exempt income/non-deductible expenses	(15.11)	(0.68)
Adjustment for difference tax rate items	(0.01)	-
Tax incentive on specific expenditure	(12.20)	(14.05)
Tax related to earlier years	66.31	4.87
Others	(11.82)	(31.22)
Total adjustments [B]	27.17	(39.72)
Actual tax expense [C=A+B]	1,180.87	1,200.53
Tax expense comprises:		
Current tax expense	229.79	8.67
Deferred tax credit	1,165.83	1,191.86
MAT credit	(214.75)	-
Tax expense recognized in Statement of profit and loss [D]	1,180.87	1,200.53

47.1 CONTINGENT LIABILITIES

(₹crore)

	As at 31 st March, 2020	As at 31 st March, 2019
In Respect of SAIL:		
(i) Claims against the SAIL pending appellate/judicial decisions	29843.89	24730.00
(ii) Other claims against the SAIL not acknowledged as debt	4963.21	3309.95
(iii) Disputed income tax/service tax/other demand on joint venture company for which SAIL may be contingently liable under the joint venture agreement	42.91	36.35
(iv) Bills drawn on customers and discounted with banks.	84.86	189.01
(v) Price escalation claims by contractors/suppliers and claims by employees.	361.98	401.96
In Respect of Subsidiaries/Jointly Controlled entities:		
(i) Claims against the Subsidiaries/Jointly Controlled entities pending appellate/judicial decisions	1.28	8.96
(ii) Other claims against the Subsidiaries/Jointly Controlled entities not acknowledged as debt	2036.24	1238.78

47.2 IN RESPECT OF SAIL:

- a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by various States and has laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 31st March, 2020, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively upto 31st March, 2020 aggregating to ₹1373.42 crore (previous year ₹1092.28 crore, ₹241.00 crore and ₹5.15 crore respectively aggregating to ₹1338.43 crore upto 31st March, 2019) have been treated as contingent liabilities.
- (ii) The West Bengal Finance Act, 2017 has included WB Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Further, Hon'ble Calcutta High Court, vide its Order dated 15.06.2018, transmitted the Writ Petition of DSP, ISP, ASP and SAIL Growth Works, Kulti on Entry Tax to the West Bengal Taxation Tribunal.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Pending decision by West Bengal Taxation Tribunal, the disputed Entry Tax demands amounting to ₹294.93 crore (upto 31st March, 2019 ₹209.52 crore) have been treated as contingent liabilities.

- b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018 which can also have effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 arises, DVC has not filed its retail tariff petition before the Jharkhand State Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Id.APTEL in Appeal No.163/2017. But Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 31st March, 2020 (upto 31st March, 2019, ₹587.72crore) has been treated as Contingent Liability and included in Note No. 47.1(i)(f) above. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
- 47.3** Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹4028.18 crore upto 31st March, 2020 (upto 31st March, 2019 ₹3701.48 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(i)(e) above.
- 47.4** In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to SAIL on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(v) above.
- 47.5** Indigenous washed coking coal supplies, have been claimed by Bharat Coaking Coal Limited (BCCL) and Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 13th January, 2017 and 14th January, 2017 respectively, which is in deviation from the mutually agreed price with SAIL for the year 2016-17. SAIL has accounted for the supplies based on agreed prices as per jointly signed Memorandum of Understanding, valid for supplies w.e.f. 1st April, 2016 to 31st March, 2017, between SAIL and BCCL & CCL. The differential claims of BCCL & CCL, amounting to ₹334.45 crore at unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 47.1(ii)(d) above.
- 47.6** The Ministry of Environment & Forest and Climate Change (MoEF& CC) vide their letter No. - 11-599/2014-FC dated 1st April 2015 issued revised Guidelines for diversion of Forest Land for non-forest purpose under the Forest (Conservation) Act, 1980 (FC Act). These revised Guidelines stipulated that in case of existing mining leases having Forest Land (partially or fully), where approval for only a part of forest land has been obtained under the FC Act, the Central Government accorded general approval under Section-2(iii) of the FC Act for the remaining area also to be Forest Land, subject to certain conditions, which includes realising Net Present Value (NPV) for the entire forest land falling in the mining lease, in case NPV of such forest land has not already been realised.
- In this matter, as per legal opinion obtained by SAIL, Section 2 (iii) of FC Act, 1980 will not apply to Government Corporation and NPV is required to be paid only for that limited area, which has been approved by MoEF& CC and in which mining activities are proposed to be done and not for the entire forest area. The matter of applicability of NPV for total forest land has been challenged by SAIL in Hon'ble High Court of Jharkhand. The Hon'ble Court, in its order, has directed to place the matter before Division Bench of this Court.
- A writ petition has also been filed in the Hon'ble high Court of Chhattisgarh against the demand of ₹96.28 crore received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh.
- The Company has deposited ₹96.28 crore with Principal Chief Conservator of Forest, Chhattisgarh and a Special Leave Petition has been filed in Hon'ble Supreme Court of India against the order of Hon'ble High Court of Chhattisgarh.
- 47.7** Pursuant to the Hon'ble Supreme Court Judgment dated 2nd August, 2017 in the Common Cause matter regarding illegal mining, demand/Show cause notices have been issued for recovery of the price of minerals produced without and beyond the environmental clearances under Section 21(5) of Mines and Mineral Development Regulation Act, 1957, forest clearance under the Forest Conservation Act 1980, and towards excess production beyond consent to operate. SAIL has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand.
- (a) As the matter is pending for final determination and considering the implication of existing litigation, SAIL has provided as detailed below:
- (i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹278.94 crore and ₹2057.97 crore (₹245.89 crore and ₹1768.42 crore as on 31st March 2019) respectively (including interest). Based on internal assessment, SAIL has provided an amount of ₹363.58 crore (₹15.06 crore during the year) on estimated basis. Balance amount of ₹1973.33 crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.
- (ii) In respect of Limestone, by the Government of Jharkhand amounting to ₹29.47 crore (including interest) (₹24.88 crore as on 31st March 2019). Based on internal assessment, SAIL has provided an amount of ₹10.56 crore (₹1.65 crore during the Year) on estimated basis. Balance amount of ₹18.91 crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.
- (b) In respect of Coal, by the Government of Jharkhand amounting to ₹515.08 crore (including interest) (₹434.81 crore as on 31st March 2019), Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to SAIL. Accordingly pending disposal, the amount of ₹515.08 crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h) above.
- 47.8** a) M/s Tata Projects Limited (TPL) & M/s Danieli Corus BV (DC)(in consortium) have filed a case before Arbitral Tribunal in International Chamber of Commerce vide case No-22326/PTA against SAIL/Rourkela Steel Plant for resolution of dispute arising out of contract No. P/PROJ/643(10)/79001/08049126 dated 01.10.2008. Arbitral Tribunal has awarded a sum of ₹626.02 crores on 16-May-2018 against SAIL/Rourkela Steel Plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹ 300 Crores. The sum of ₹834.53 cores (including interest) has been disclosed under contingent liability in Note No. 42.1(ii)(c) above.
- b) M/s JSC Cryogenmash have filed a case before Arbitral Tribunal in International Chamber of Commerce against SAIL/Bhilai Steel Plant for resolution of dispute arising out of contract. Arbitral Tribunal has awarded a sum of ₹106.92 crores on 20.07.2018 against SAIL / Bhilai Steel plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, the sum of ₹113.95 crore (including interest) has been disclosed under contingent liability in Note no 47.1(ii) (d) above
- 47.9** Land measuring 5.545 acres was allotted to DVC for 30 years w.e.f. 12.07.1966 on long term lease basis. The Land was given to DVC for setting up of Electrical sub-station for ensuring supply of power for the benefit of ASP. There was no lease agreement for the subsequent period, i.e., w.e.f. 13/07/1996. In absence of any agreement, the dues receivables for the said period, could not be ascertained with reasonable certainty. The same will be accounted for in the year of settlement.

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47.10 Consequent to the order of Hon'ble Odisha High Court, SAIL's claim towards renewal of lease [total area of 2599.54 acre disclosed under Note No. 4.(ii) (b)], of land at Horomoto stands rejected, except surface area of 222.54 acre for which State Govt has been directed to consider as per provisions of Law.

47.11 An award arising out of the Arbitration between M/S. Goyal Mg Gases Pvt. Ltd. (Claimant) And SAIL/Alloy Steels Plant, Durgapur (Respondent) seeking claim of ₹116.86 Crore, has been received on 22.05.2020, vide SCOPE, New Delhi letter dated 18.05.2020.

By the aforesaid award the Tribunal allowed claim no. 1 and 2 of the Claimant w.r.t. differential amount pertaining to transportation charges of Argon from DSP BOO Plant to ASP based upon market rate claimed by the Claimant and refund of withheld/ deducted amount by ASP from the bills of the Claimant on account of merchant market sale of Oxygen, Nitrogen and Argon respectively along with applicable interest thereon out of the total claimed amount.

SAIL ASP is in process of taking further steps for filing a petition for setting aside the award under Section 34 of the Arbitration and Conciliation Act 1996 (the Act) before the District Court/ Commercial Court, as the issues pertain to patent illegality committed by the Tribunal while giving the award.

In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹5.62 crore as on 31st March 2020, including interest, has been booked under Contingent Liability in Note No. 47.1(i)(b) above.

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

In respect of SAIL:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Capital commitments	5368.33	7031.26
Other commitments	4421.19	2026.68

In respect of Subsidiaries/Jointly Controlled entities:

(₹ crore)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Capital commitments	556.92	471.40
Other commitments	20.47	103.59

In respect of SAIL:

48.2 The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with SAIL. The disclosures relating to Micro and Small Enterprises as at 31st March, 2020 are as under:

(₹crore)

No.	Description	As at 31 st March, 2020	As at 31 st March, 2019
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	47.99	67.45
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, 2020	31st March, 2019
v.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

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

48.4 SAIL has a stock of 42.98 million tonnes (estimated in previous year at 41.52 million tonnes) of sub grade iron ore fines at its various mines. The low Iron content of these Fines made them unsuitable for consumption in the Steel Plants of SAIL. Moreover, the Government of India, vide notification dated 19th September, 2012 prevented all captive miners (including SAIL) from selling these sub-grade fines in the market. Since these materials could neither be consumed nor sold, they had no economic value, and therefore, no costs were assigned to these sub-grade fines till 2018-19 and considered as Inventory with NIL value.

In exercise of the powers conferred under Section 20A of the MMDR Act, 1957, the Ministry of Mines, Government of India, vide its order no. F.No.16/30/2019-M.VI dated 16th September, 2019 directed the concerned State Governments to allow the sale of sub-grade minerals lying at the captive mines of SAIL, subject to ascertainment by the State Governments in consultation with the Indian Bureau of Mines, of the usability of such fines in the steel plant. Subsequently, by a clarification dated 4th January, 2020, Ministry of Mines has removed the condition of certification of usability.

On a clarification sought by SAIL on the powers of the State Government in this matter, the Additional Solicitor General of India vide opinion dated 19th May, 2020, has opined that the above notification has been issued u/s 20A (2)(v) of the MMDR Act. The matter is under the Union List of Schedule VII of the Constitution and the power to issue directives vests entirely with the Central Government. It was specifically mentioned in the opinion that the State Governments have no power to deny SAIL the right to sell the fines.

Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company has opined vide their communication dated 6th June, 2020 that the accumulated sub-grade fines should be regarded as immaterial by-product and valued as inventory at Net Realizable Value as per Ind AS 2 (Inventories). Also, the increase in the carrying amount of such inventories due to the notification of the Central Government permitting sale should be recognized in the Statement of Profit and Loss as change in accounting estimates in accordance with the requirements of Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

SAIL took steps for quantitative verification of SGFs at each of the mines and carried out qualitative analysis (including gradation) for Fe content during the last quarter of current Financial Year.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Based on the aforesaid Order of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the Expert Advisory Committee (EAC) of ICAI, SAIL as at 31st March, 2020 has valued the Inventory of sub-grade fines of 42.98 million tonnes at Net Realisable Value (NRV) (net of write down due to Covid-19 impact – ₹329.67 crore considered as exceptional item – Refer note no. 49.16) amounting to ₹3791.18 crore by disclosing the same as a separate line item in the Financial Statements for the year ended on 31st March 2020.

The NRV was estimated by the management based on average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India Organisation.

- 48.5** SAIL does not have taxable income in view of brought forward losses, unabsorbed depreciation and other reliefs available under the Income Tax Act, 1961 ('the Act'). Pursuant to introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, SAIL has an irreversible option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forward of additional depreciation. SAILy has not yet exercised this option and continues to recognize the taxes on income for the quarter and current year ended 31st March, 2020 as per the earlier provisions.
- 49.1** In accordance with Ind AS 115- Revenue from Contracts with Customers', GST amount of ₹9929.08 crore (Previous Year: ₹10,678.01 crore) is not included in Revenue from Operations.
- 49.2** Sales include sale to Government Agencies recognized on provisional contract prices during the Year ended 31st March, 2020: ₹7634.55 crore (Previous Year : ₹5012.76 crore) and cumulatively up to 31st March, 2020 : ₹8074.36 crore (upto Previous Year : ₹17252.66 crore).
- 49.3** The prices of Rails supplied by SAIL to Indian Railways during the period 2015-16 to 2018-19 were finalized during the current year. As a result, the differential amount of ₹1411.36 crores has been recognized as revenue from operations during the year.
- 49.4** SAIL has an accumulated stock of non-granulated Blast Furnace Slag and LD Slag generated in the Blast Furnaces and LD Converters. These slags contain some element of Iron and Steel scrap which are routinely extracted, and either consumed in SAIL or sold. Since the embedded scrap has economic value, the estimated stock of scrap as on 31st March-20, was assessed and valued, based on a detailed survey and technical analysis conducted by SAIL, as follows:
- Iron and Steel scrap embedded in various slag dumps at Rourkela and Bokaro Steel Plants have been valued on estimated basis at ₹51.67 crore and ₹204.41 crore respectively and Granulated HMnO Slag & HMnO Slag fines at Chandrapur Ferro Alloy Plant have been valued at ₹32.35 crore, aggregating to ₹288.43 crore (previous year: nil) and considered as part of inventories during the current financial year.
 - Iron and Steel scrap embedded in slag generated during the year at Durgapur Steel Plants have been valued on estimated basis at ₹16.74 crore and considered as part of inventory during the current financial year.
 - The Slag Dump between the Railway Tracks 4A & 4B of Bhilai Steel Plant was a live dump area where hot slag was being unloaded till 15th March, 2020. As railway tracks were in operation for slag dumping, it was impossible to access the slag and extract the scrap from it. During the financial year 2019-20, loop 4A and 4B was disconnected and declared abandoned due to safety concern of electrical tower on the side of line 4A and curvature of loop 4A-4B becoming very sharp. As a result further dumping of slag was stopped. The railway track was also dismantled, thereby making the Dump accessible for recovery of scrap. Since, the access to the Slag Dump became possible during the year, due to the events that occurred during year (namely abandonment and dismantling of railway track), Iron and Steel scrap embedded in slag dumps at Bhilai Steel Plant have been valued on estimated basis at ₹410.51 crore based on detailed survey and technical analysis conducted by SAIL (Previous Year : Nil).
- 49.5** Based on installation of Slime Beneficiation Plant at Dalli Mechanised Mines on BOO basis, 'Grant of Consent' to Operate dated 8th November, 2019 received from the Chhattisgarh Environment Conservation Board and captive consumption of beneficiated material, Bhilai Steel Plant has valued inventory of 5.60 million tonne of Slime containing the iron ore fines at ₹234.92 crore (previous year: ₹nil) during the current financial year.
- 49.6** As per the Department of Public Enterprises (DPE) guideline, SAIL is required to contribute up to 30% of Salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly SAIL has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st April, 2015. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st April, 2015.

Pension Scheme was approved in the Meeting of the Board of Directors of SAIL held on 9th February, 2017 with modification that from the Financial Year 2015-16 and onwards, the contribution towards Pension shall be measured, as a percentage of Profit Before Tax(PBT) to average Net-worth. If the percentage of PBT to average Net-worth is 8% or above, amount of Pension contribution shall be limited to 9% of Basic Pay plus DA for Executives and 6% of Basic Pay plus DA for Non-executive, else the amount of contribution towards Pension will be reduced proportionately. However, a minimum Pension contribution shall be kept at the rate of 3% and 2% of Basic Pay plus DA for Executive and Non-Executive employees respectively even in case of loss during a Financial Year. Since the profit earned by SAIL during the Financial Year ended 31st March, 2019 is more than 8% of average Net-worth, provision for Other Benefits (including pension) has been made @ 9% and 6% (of Basic Pay plus DA) w.e.f. 1st April 2018 for Executive and Non-executive employees respectively.

In respect of SAIL:

The cumulative provision/liability towards Other Benefits (including pension) for Executive and Non-executive employees, amounting to ₹2662.63 crore (₹334.75 crore during the year) and ₹49.92 crore (₹3.67 crore during the year) has been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively. An amount of ₹50.00 crore has been transferred to Pension Fund during the Year. Further, an amount of ₹17.88 crore has been paid to retired employees during the year.

In respect of SRCL:

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹3.73 crore (₹0.45 during previous year) has been charged to 'Employee Benefits Expense'.

In respect of SAIL

- 49.7** The research and development expenditure charged to Statement of Profit & Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the year, amount to ₹274.36 crore (₹305.09 crore) and ₹18.44 crore (₹14.77 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, 2020	31 st March, 2019
Raw Materials	121.12	144.76
Employees Benefits Expense	66.26	64.81
Stores & Spares Consumed	12.11	12.46
Power & Fuel	26.10	23.37
Repairs & Maintenance	4.10	3.98
Depreciation and Amortisation Expense	6.84	7.69
Other Expenses	35.53	42.96
Finance Cost	2.30	5.06
Total	274.36	305.09

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49.8 SAIL considers the assets of one entire plant as Cash Generating Unit (CGU). SAIL has internally reviewed whether there are any indicators that the carrying amount of its assets of CGUs may be impaired on each balance sheet date. If any such indicators exist, the asset recoverable amount is estimated as higher of the net selling price and the value in use. Value in use is based on present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amounts of assets of a CGU exceed the asset recoverable amount. Further to the internal assessment, SAIL also determines net selling price of the assets of CGU, in which any such indication exists, once every three years by an independent expert.

Based on the internal assessment done by SAIL at its different CGUs as per the accounting policy of the SAIL, no impairment loss is required to be provided.

49.9 As per Section 135 of the Companies Act, 2013, SAIL is required to spend, in every financial year, at least 2% of the average net profits of SAIL made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, SAIL reported average net loss during the three immediately preceding financial years; no amount is required to be spent for the Financial Year 2019-20.

In respect of SAIL:

However, against the budgeted amount of ₹33.00 crore (previous Year ₹30.00 crore), SAIL has spent an amount of ₹27.56 crore (previous Year ₹31.18 crore) on CSR activities during the Financial Year 2019-20 under the following heads:

₹ crore

Particulars	2019-20	2018-19
Education	8.83	12.03
Healthcare	8.10	4.84
Livelihood Generation	1.33	2.71
Women Empowerment	0.51	0.47
Drinking Water	0.47	0.03
Sanitation	0.28	0.73
Sports	1.24	0.79
Art & Culture	3.52	5.39
Rural Development	1.56	1.84
Social Security	0.33	0.35
Environment Sustainability	1.05	1.62
Project Identification and Monitoring	0.05	0.03
Capacity Building of Personnel	0.29	0.36
Total	27.56	31.18

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

In respect of SRCL:

SRCL has spent an amount of ₹0.57crore (previous year ₹0.56 crore) on CSR activities during the Financial Year 2019-20 under the following heads:

₹ crore

Particulars	2019-20	2018-19
Education	0.19	0.13
Healthcare	0.09	0.09
Women Empowerment	0.07	0.11
Sanitation	0.19	0.17
Art & Culture	0.00	0.04
Others	0.03	0.02
Total	0.57	0.56

In respect of SAIL

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

₹ crore

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2019-20	0.00	0.43
2018-19	1.47	1.02
2017-18	1.33	2.61

49.11 Central Government grant of ₹ 250.53 Crore has been received up to 31.03.2020 against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital and has been presented as a line item in the Balance Sheet under the head "Other Liabilities- Deferred Income".

49.12 Information on leases as per Indian Accounting Standards (Ind AS) 116 on 'Leases':

(i) SAIL has leases for Land, office building, Plant & Equipment, warehouses & related facilities and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. SAIL classifies its right-of-use assets in a consistent manner to its Property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the SAIL to sublease the asset to another party, the right-of-use asset can only be used by SAIL. Some leases contain an option to extend the lease for a further term. SAIL is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises, SAIL must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, SAIL is required to pay maintenance fees in accordance with the lease contracts.

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Right of Use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹crore)

Particulars	Leasehold Land	Plant and equipment	Vehicles	Buildings	Right of Use assets Total
As at April 1, 2019	893.22	1,032.34	14.69	14.46	1,955.00
Additions	20.10	479.63	0.66	4.18	505.00
Adjustments/Disposals	(43.58)	-	-	(0.01)	(43.59)
Depreciation expense	(60.95)	(140.84)	(3.69)	(5.12)	(210.60)
As at March 31, 2020	808.79	1,371.13	11.66	13.51	2,205.08

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period.

(₹crore)

Particulars	Lease liabilities
As at April 1, 2019	1,799.01
Additions	484.47
Interest accrued	212.32
Payments	(311.75)
Adjustments	(0.01)
As at March 31, 2020	2,184.04
Current	323.83
Non Current	1,860.21

a. Lease payments not included in measurement of lease liability

The expenses relating to payments not included in the measurement of the lease liability are as follows:

(₹crore)

Particulars	31 st March, 2020
Short-term leases	1.85
Leases of low value assets	-
Variable lease payments	37.60
Others	0.03

b. Total cash outflow for leases for the year ended 31st March, 2020 are ₹1278.18 crore.

c. SAIL has total commitment for short-term leases of ₹NIL crore as at 31st March, 2020.

d. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹crore)

Particulars	Minimum lease payments due as at 31 March 2020			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	352.77	1,138.96	2,293.49	3,785.22
Interest expense	(138.69)	(472.03)	(990.45)	(1,601.17)
Net present values	214.08	666.93	1,303.04	2,184.05

e. Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31st March, 2020 is ₹NIL.

f. Information about extension and termination options :

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases With termination option
Leasehold Land	53	0.08 - 90	27.70	43	34
Plant and equipment	9	0.12 - 15.01	5.78	5	1
Vehicles	15	0.01 - 9.05	3.72	-	7
Buildings	20	0.08 - 49.79	5.39	14	18

g. The total future cash outflows as at 31st March, 2020 for leases that had not yet commenced is of ₹NIL crore (office premises).

h. Impact on transition

- Effective from 1st April, 2019, SAIL has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1st April, 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹339.36 crore and corresponding right of use asset of ₹290.23 crore. Accordingly, comparatives for the year ended 31st March, 2019 have not been restated.
- For contracts in place as at 1st April, 2019, SAIL has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

- (iii) SAIL has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1st April, 2019.
- (iv) Instead of performing an impairment review on the right-of-use assets at the date of initial application, SAIL has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- (v) On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, SAIL has applied the optional exemptions not to recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.
- (vi) For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application, at the same amounts as under Ind AS 17 immediately before the date of initial application of Ind AS 116.
- (vii) SAIL has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.
- (viii) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised is 8.75%.
- (ix) The following is a reconciliation of total operating lease commitments at 31st March, 2019 (as disclosed in the Financial Statements for the year ended 31st March, 2019) to the lease liabilities recognised at 1 April 2019 :

Particulars	Amount (₹Crores)
Operating lease commitments disclosed as at 31 March 2019	-
Adjustment:	
Correction in amount of operating commitment disclosed as at 31 March 2019	517.56
Total Operating lease commitments disclosed as at 31 March 2019	517.56
Weighted average incremental borrowing rate as at 1 April 2019	8.75%
Discounted operating lease commitments as at 1 April 2019	341.24
Less: Recognition exemptions :	
Commitments relating to leases of low- value assets	-
Commitments relating to short-term leases	(1.85)
Other adjustments relating to lease commitment disclosures	(0.03)
Add:	
Commitments relating to leases previously classified as finance leases under Ind AS 17	1,459.65
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	1,799.01

SAIL as a lessor

Operating lease as a lessor

SAIL has entered into lease agreements for for spaces such as banks, housing societies, hospitals, mobile towers land plots and employee quarters/flats spaces, etc. The period for such leases ranges from 11 months to 50 years depending upon terms and conditions of each lease arrangements.

Future minimum lease payments receivable under the operating lease is as below::

₹ in crore

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Not Later than one year	23.83	24.33
(b) Later than one year and not later than five years	58.37	60.50
(c) Later than five years	105.86	93.29
Total	188.06	178.12

Total operating lease rental income recognised in the statement of profit and loss was during the year ended March 31, 2020 is ₹11.49 Crores (March 31, 2019: ₹10.85 Crores).

Finance lease as a lessor

SAIL has freehold land which has been leased to various parties under finance lease arrangements.

Future minimum lease payments receivable under the finance lease is as below::

₹ in crore

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Not Later than one year	0.62	0.62
(b) Later than one year and not later than five years	0.34	0.36
(c) Later than five years	2.40	2.50
Total undiscounted lease payments	3.36	3.48
Unearned finance income	3.36	2.40
Net investment in lease	-	1.08

Total finance lease rental income recognised in the statement of profit and loss was during the year ended March 31, 2020 is ₹0.50 Crores (March 31, 2019: ₹0.51 Crores).

- (ii) In the comparative period under Ind AS 17 – ‘Leases’, as a lessee SAIL classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to those assets.

Assets held under other leases were classified as operating leases and were not recognised in the SAIL’s statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(III) Description of major leasing arrangements

Power Plant

The Company has accounted for certain power plants as finance lease under Appendix C of Ind AS 17 by virtue of the power purchase agreement with the supplier. Under the terms of the power purchase agreement, the Company shall continue to purchase power until the parties decide to terminate the agreement, which has been determined to be an un-economic proposition considering the specialised nature and location of the asset. There is no change in treatment under Ind AS 116 – Leases.

Oxygen Plant

The Company has accounted for certain oxygen plants as finance lease (or operating lease) under Appendix C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement. There is no change in treatment under Ind AS 116 – Leases.

Mining land

The Company has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/ economic compulsion for renewal. There is no change in treatment under Ind AS 116 – Leases.

- 49.13** Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2017-18 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognised as income during the Year amounting to ₹36.34 crore (till date ₹93.09 crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India, such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exists regarding collectability and measurability of revenue.
- 49.14** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27th October, 2016 has "in-principle" decided for Strategic Disinvestment of Alloy Steels Plant (ASP), Durgapur; Visvesvaraya Iron and Steel Plant (VISP), Bhadravati and Salem Steel Plant (SSP), Salem. In line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. SAIL appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary (DIPAM) and co-chaired by Secretary (Steel). Preliminary Information Memorandum (PIM)/Expression of Interest of ASP, SSP and VISP have been issued on 4th July, 2019. The Transaction Advisor has informed that in case of ASP, no EOIs were received from prospective bidders till the scheduled date. The EOIs of SSP and VISP were opened on 10th September, 2019. Transaction Advisor, under the guidance of IMG, is evaluating the EOIs received.
- 49.15** Based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the year 2019-20, excluding depreciation of ₹14.78 crore (Previous Year ₹15.94 crore) has been included under Note No.40 'Other Expenses' in Statement of Profit and Loss (refer Note No 40). Head wise bifurcation is as under:

₹ crore

Account Head	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Salary and Wages	5.39	6.94
Stores and Spares	0.06	0.04
Power purchased	1.75	0.85
Repairs and Maintenance	0.44	0.35
Miscellaneous Expenses and Provisions	7.82	8.70
Total Expenditure	15.46	16.88
Less: Income	0.68	0.94
Net Expenditure	14.78	15.94

49.16 The Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of current and noncurrent assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has used internal and external sources of information. The Group has reviewed the impact of COVID-19 and expects the carrying amount of these assets will be recovered.

However, Exceptional items for the year ended 31st March, 2020 include the write down of ₹404.26 crore, ₹37.83 crore and ₹329.67 crore relating to Inventory of Finished/ Semi finished goods, Inventory of Raw Material and Inventory of Sub-Grade iron ore fines respectively. As per the Group's current assessment, other than the write down recorded, no significant impact on carrying amounts of property, plant and equipment, right-of-use assets, inventories intangible assets, trade receivables, investments and other financial assets is expected and it continues to monitor changes in future economic conditions. It has also been observed that the Group has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements is appropriate.

The impact of COVID-19 on the Group's/Unit's financial statements may differ from that estimated as at the date of these financial statements in view of uncertain situation.

50.1 DEFINED BENEFIT SCHEMES

50.1.1 General Description of Defined Benefit Schemes:

- Gratuity** : Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more (for service beyond 30 years, one month's salary for every completed year of service beyond 30 years). Maximum amount of ₹20 lakhs for executives & non-executives joined on or after 1st July, 2014 and without any monetary limit for other non-executives, has been considered for actuarial valuation.
- Leave Encashment** : Payable on superannuation to eligible employees who have accumulated earned and half pay leave, subject to maximum limit of 300 days combined for earned leave and half pay leave. Encashment of accumulated earned leave was also allowed up to 30 days once in a financial year up to 18th November, 2015 and stopped thereafter.
- Provident Fund** : 12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by SAIL.
- Post Retirement Medical Benefits** : Available to retired employees at SAIL's hospitals and/or under the health insurance policy.
- Post Retirement Settlement Benefits** : Payable to retiring employees for settlement at their home town.
- Long term service Award** : Payable in kind on rendering minimum 25 years of service and also on superannuation.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

In Respect of SAIL:

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

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

(₹crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	6018.40 (6339.98)	2968.59 (2785.70)	937.04 (963.66)	133.52 (116.66)	21.29 (22.95)
ii)	Service Cost	276.77 (274.04)	566.71 (71.21)	- (-)	- (-)	0.55 (1.16)
iii)	Interest Cost	376.21 (447.86)	187.86 (198.85)	57.45 (67.92)	8.58 (8.51)	1.32 (1.62)
iv)	Actuarial Gains(-) / Losses(+)	9.38 (-306.28)	-473.93 (181.63)	193.64 (21.62)	-31.22 (14.78)	-1.92 (-1.67)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	636.20 (737.19)	244.21 (268.81)	133.08 (116.14)	7.49 (6.43)	2.44 (2.78)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	6044.55 (6018.40)	3005.03 (2968.58)	1055.03 (937.06)	103.40 (133.52)	18.79 (21.27)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

Sl. No.	Particulars	2019-20	2018-19
i)	Fair Value of plan assets as at the beginning of the year	6277.42	6308.85
ii)	Expected return on plan assets	8.86	45.27
iii)	Actual Company's contribution	293.08	187.28
iv)	Interest Income/Actuarial Gain/Loss(-)	414.47	473.17
v)	Benefits payments	636.20	737.19
vi)	Fair value of plan assets as at the end of the year	6357.63	6277.42
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6044.55	6018.40
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	-313.21	-259.15

*SAIL does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2020-21, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are non-funded.

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

(₹crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	276.77 (274.04)	566.71 (71.21)	- (-)	- (-)	0.55 (1.16)
ii)	Interest Cost	-38.14 (-25.31)	187.87 (198.85)	57.45 (67.92)	8.58 (8.51)	1.32 (1.62)
iii)	Actuarial Gains (-)/Losses	9.38 (-306.28)	-473.93 (181.63)	193.65 (21.62)	-31.22 (14.78)	-1.92 (-1.67)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	8.82 (45.27)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	239.21 (-101.81)	280.65 (451.69)	251.10 (89.54)	-22.63 (23.29)	-0.06 (1.10)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 38)	235.64 (247.62)	278.04 (447.61)	57.45 (67.92)	-13.73 (23.29)	-0.06 (1.10)
	b) Charged to Expenditure During Construction (Note 5.1)	3.01 (1.14)	2.61 (4.08)	- (-)	- (-)	- (-)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
	c) Charged to OCI	0.56 (-351.54)	- (-)	193.65 (21.63)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	-	- (-)	- (-)	-8.90 (-)	- (-)
viii)	Actual Return on Plan Assets	423.17 (518.64)				

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

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	-232.13	199.17
ii)	Leave	-156.82	107.48
iii)	Post Retirement benefit	-52.21	48.26
iv)	Long Term Service Award	-1.03	0.91
v)	Retirement Travelling Allowance	-5.45	5.05

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

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	188.07	-218.15
ii)	Leave	101.71	-149.28

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

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement medical benefits	-48.36	45.10

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2020	As at 31.03.2019
Insurance Investments	94.95	88.68
Central Government Securities	1.36	1.38
State Government Securities	1.61	3.00
PSU Bonds	2.07	6.93
Cash at Bank	0.01	0.01
Total	100.00	100.00

(h) Actuarial assumptions

Sl. No.	Description	As at 31 st March, 2020	As at 31 st March, 2019
i)	Discount Rate (per annum)	6.60 %	7.50 %
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	6.60%	7.50%
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	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(i) Maturity profile of Defined Benefit Obligations

(₹ Crore)

Period	As at 31 st March, 2020
Upto 1 year	748.98
Between 1 to 2 years	697.42
Between 2 to 3 years	743.50
Between 3 to 4 years	742.37
Between 4 to 5 years	691.51
Between 5 to 10 years	3184.82
More than 10 years	3889.85
Total Undiscounted Payments related to Past Service	10698.44
Less: Discount for Interest	4653.89
Projected Benefit Obligation	6044.55

In Respect of SRCL:

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment
i)	Present Value of projected benefit obligations, as at the beginning of the year.	9.15	1.25
ii)	Service Cost	0.33	0.13
iii)	Interest Cost	0.51	0.07
iv)	Actuarial Gains(-) / Losses(+)	3.02	0.26
v)	Past Service Cost	-	-
vi)	Benefits Paid	2.93	0.41
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	10.07	1.29

(c) Reconciliation of Fair Value of Assets and Obligations

Subsidiary Company (SRCL) has funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund.

The reconciliation of fair value of assets of the Gratuity Fund and defined benefit gratuity obligations is as under:

(₹ crore)

Sl. No	Particulars	2019-20	2018-19
i)	Fair Value of plan assets as at the beginning of the year	9.08	10.81
ii)	Expected return on plan assets	0.60	0.80
iii)	Actual Company's contribution	0.00	0.04
iv)	Interest Income/Actuarial Gain/Loss	0.73	-0.08
v)	Benefits payments	2.93	-2.49
vi)	Fair value of plan assets as at the end of the year	7.48	9.08
vii)	Present value of defined benefit obligation	10.07	9.15
viii)	Net liability recognised in the Balance sheet (vii)-(vi)	2.59	0.07

(d) The reconciliation of fair value of assets of the Leave Encashment Fund and defined benefit Leave Encashment obligations is as under:

(₹ crore)

Sl. No	Particulars	2019-20	2018-19
i)	Fair Value of plan assets as at the beginning of the year	1.24	0.00
ii)	Expected return on plan assets	0.08	0.00
iii)	Actual Company's contribution	0.00	1.84
iv)	Interest Income/Actuarial Gain/Loss	0.27	0.02
v)	Benefits payments	0.41	-0.62
vi)	Fair value of plan assets as at the end of the year	1.18	1.24
vii)	Present value of defined benefit obligation	1.29	1.25
viii)	Net liability recognised in the Balance sheet (vii)-(vi)	0.11	0.01

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020
(e) Expenses recognised in the Statement of Profit and Loss for the Year:

(₹ Crore)

Sl. No.	Particulars	Gratuity	Leave Encashment
i)	Service Cost	0.33	0.13
ii)	Interest Cost	-0.09	-0.01
iii)	Actuarial Gains (-)/Losses	3.02	-0.02
iv)	Past Service Cost	0.00	0.00
v)	Expected Return on Plan Assets	-	0.00
vi)	Total (i+ii+iii+iv-v)	3.26	0.10
vii)	Employees' Benefits Expenses :		
	a) Charged to Statement of Profit and Loss	0.24	0.10
	b) Charged to Expenditure During Construction	-	-
	c) Charged to OCI	2.29	-
	d) Charged to Statement of Profit and Loss Account- Other Expenses	-	-
viii)	Actual Return on Plan Assets excluding interest income	0.73	0.00

(f) Effect of 0.5 percentage point change in the Discount rate on Employees' Benefit schemes

(₹ crore)

Sl. No	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	10.30	9.85
ii)	Leave	1.33	1.26

(g) Effect of 0.5 percentage point change in the salary escalation rate on Employees' Benefit schemes

(₹ crore)

Sl. No	Particulars	0.5percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	9.87	10.28
ii)	Leave	1.26	1.33

(h) Investments of Gratuity Trust / Leave Encashment Fund

Particulars	% of Investment	
	As at 31.03.2020	As at 31.03.2019
Insurance Investments – Gratuity Trust	74.24	99.23
Insurance Investments – Leave Encashment Trust	91.44	99.23

(i) Actuarial assumptions

Sl. No.	Description	As at 31 st March, 2020	As at 31 st March, 2019
i)	Discount Rate (per annum)	6.60%	7.50%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Retirement Age - Executives - Non Executives	58 Years 58 Years	60 Years 60 Years
iv)	Salary Escalation	Executives : 6.25% p.a. Non-Executives : 6.25% p.a.	Executives : 6.25% p.a. Non-Executives : 6.25% p.a.

(j) Maturity profile of Defined Benefit Obligations

(₹ Crore)

Period	As at 31 st March 2020	
	Gratuity	Leave Encashment
Upto 1 year	0.30	0.23
Between 1 to 2 years	1.69	0.13
Between 2 to 3 years	1.30	0.11
Between 3 to 4 years	0.99	0.12
Between 4 to 5 years	1.14	0.16
Between 5 to 10 years	4.82	0.77
More than 10 years	17.78	0.45
Total Undiscounted Payments related to Past Service	12.02	1.97
Less: Discount for Interest	1.95	0.72
Projected Benefit Obligation	10.07	1.25

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

51. GENERAL

51.1 SEGMENT REPORTING

- i) Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments of SAIL for reporting under Ind AS108, Operating Segments' issued by Ministry of Corporate Affairs.
- ii) In the opinion of the management, the captive mines are not a reportable business segment of SAIL as per Para 27 of Ind AS108, Operating Segments, issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

51.2 DISCLOSURES OF PROVISIONS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS)37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Brief Description of Provisions :

Mines afforestation costs - Payable on renewal (including deemed renewal)/forest clearance of mining leases to Government authorities, towards afforestation cost at mines for use of forest land for mining purposes.

Mines closure costs - Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.

Overburden backlog removal costs - To be incurred towards removal of overburden backlog at mines over the future years.

In respect of SAIL:

₹crore

Movement of provisions	Mines affore-station costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1 st April, 2019	202.08	80.67	151.37	434.12
Additions during the Year	3.97	14.23	18.49	36.69
Amounts utilised during the Year	175.99	2.09	32.28	210.36
Unused amount reversed during the Year	1.78	5.70	44.79	52.27
Balance as at 31st March, 2020	28.28	87.11	92.79	208.18

In respect of SRCL:

₹crore

Movement of provisions	Mines closure costs	Total
Balance as at 1 st April, 2019	0.03	0.03
Additions during the Year	-	-
Amounts utilised during the Year	-	-
Unused amount reversed during the Year	-	-
Balance as at 31st March, 2020	0.03	0.03

51.3 The figures of the previous period have been re-grouped, wherever necessary, so as to conform to the current periods classification.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

52. OPERATING SEGMENT INFORMATION

₹ crore

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- External sales											
Current Year ended 31 st March 2020	18,885.03	7,327.45	11,870.03	13,170.18	7,547.79	543.15	1,555.70	38.90	90.20		61,028.43
Previous Year ended 31 st March 2019	16,463.61	8,788.65	14,510.32	16,167.83	7,762.59	630.85	1,687.49	122.88	139.10		66,273.32
- Inter segment sales											
Current Year ended 31 st March 2020	431.72	348.57	552.24	41.82	181.61	166.84	9.67	56.87	4,587.96	(6,377.30)	-
Previous Year ended 31 st March 2019	302.60	263.52	998.51	91.42	168.62	184.05	7.63	52.80	4,862.59	(6,931.74)	-
- Total Revenue from sale of products											
Current Year ended 31 st March 2020	19,316.75	7,676.02	12,422.27	13,212.00	7,729.40	709.99	1,565.37	95.77	4,678.16	(6,377.30)	61,028.43
Previous Year ended 31 st March 2019	16,766.21	9,052.17	15,508.83	16,259.25	7,931.21	814.90	1,695.12	175.68	5,001.69	(6,931.74)	66,273.32
RESULT											
- Operating Profit / (-) Loss before Interest and Exceptional items											
Current Year ended 31 st March 2020	3,398.94	(107.87)	321.20	468.53	(432.97)	(63.71)	(227.93)	(73.85)	4,277.76		7,560.10
Previous Year ended 31 st March 2019	1,608.91	586.63	2,109.74	2,290.86	303.46	(5.28)	(120.50)	(73.49)	393.23		7,093.56
- Finance cost											
Current Year ended 31 st March 2020											3,486.76
Previous Year ended 31 st March 2019											3,154.92
- Exceptional items											
Current Year ended 31 st March 2020											771.76
Previous Year ended 31 st March 2019											389.40
- Tax expenses											
Current Year ended 31 st March 2020											1,180.87
Previous Year ended 31 st March 2019											1,200.53
- Profit / Loss (-) for the year											
Current Year ended 31 st March 2020											2,120.71
Previous Year ended 31 st March 2019											2,348.71
OTHER INFORMATION											
- Segment assets											
Current Year ended 31 st March 2020	32,783.83	6,892.20	21,078.70	16,174.56	18,106.14	564.29	2,485.32	347.12	28,495.48		1,26,927.64
Previous Year ended 31 st March 2019	31,549.20	6,548.52	20,076.32	15,292.37	18,856.76	572.30	2,856.49	419.41	21,780.93		1,17,952.30
- Segment Liabilities (including Long Term Borrowing)											
Current Year ended 31 st March 2020	8,530.29	2,549.61	4,230.47	3,185.82	1,512.93	202.62	312.33	56.15	64,837.18		85,417.40
Previous Year ended 31 st March 2019	7,709.02	2,451.24	4,421.29	3,418.32	1,693.55	198.85	368.95	66.57	57,978.35		78,306.14
- Capital expenditure											
Current Year ended 31 st March 2020	1,297.22	422.59	1,191.41	932.19	167.73	3.42	6.45	2.65	46.51		4,070.17
Previous Year ended 31 st March 2019	1,304.73	139.23	1,012.87	1,121.28	147.21	2.95	9.18	1.48	210.09		3,949.02
- Depreciation											
Current Year ended 31 st March 2020	968.35	228.46	815.79	642.73	759.66	8.82	98.73	7.38	225.81		3,755.73
Previous Year ended 31 st March 2019	692.29	200.20	754.72	611.36	746.73	9.08	99.23	7.22	264.51		3,385.34
- Non Cash expenses other than Depreciation											
Current Year ended 31 st March 2020	51.66	9.93	25.80	31.61	24.31	0.64	10.20	0.74	134.16		289.05
Previous Year ended 31 st March 2019	26.75	15.34	10.54	6.66	21.86	1.48	0.44	0.10	159.47		242.64

1	V. K. Dhingra & Co. Chartered Accountants, 1E/15, Jhandewalan Extn., New Delhi-110055	2	A. K. Sabat & Co. Chartered Accountants, A-348, Sahid Nagar, Bhubaneswar-751007	3	Tej Raj & Pal Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	4	S. Jaykishan Chartered Accountants, 12, Ho Chi Minh Sarani, 2nd Floor, Suite No. 2D, 2E & 2F, Kolkata-700071
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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of Steel Authority of India Limited

Comments	Management's Replies
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Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **STEEL AUTHORITY OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its jointly controlled entities**, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the branch auditors of the Holding Company on separate Financial Statements of the branches and the financial statements / financial information provided to us of its associate and its jointly controlled entities, except for the possible effects of the matters described in the Basis for Qualified Opinion Section of our report, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("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 associate and its jointly controlled entities as at 31st March, 2020 and its consolidated profit (including consolidated other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Holding Company has not provided for:

- I. Demand for Entry tax in various states amounting to ₹1668.35 crore as on 31st March, 2020 [Refer Note No. 47.2(a)] and
- II. Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant of the Holding Company amounting to ₹587.72 crore as on 31st March, 2020 [Refer Note No. 47.2(b)];

Had the impact of all the aforesaid qualifications been considered, Consolidated Total Comprehensive Income (net of tax) for the year ended 31st March, 2020 would have been ₹679.03 crore against reported Consolidated Total Comprehensive Income (net of tax) of ₹2146.74 crore, other equity as on 31st March 2020 would have reduced by ₹1,467.71 crore, current liability would have been increased by ₹2,256.07 crore and deferred tax asset as on 31st March, 2020 would have increased by ₹788.36 crore.

In respect of item stated at (I), the Holding Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches of the Apex Court on levy of entry tax in the States of Chhattisgarh, Odisha, Jharkhand and in respect of the case pending before West Bengal Taxation Tribunal, the Entry Tax demands under dispute have been treated as contingent liabilities.

In respect of item stated at (II), the Holding Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. Further, the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), have been dismissed by the Hon'ble Supreme Court of India vide its Order dated 3rd December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC.

The above stated disputed demands, stated at (I) and (II), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2020. Therefore, there is no adverse impact on Profit for the year.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements Section of our report. We are independent of the Group, its associate and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matter

We draw attention to the following in respect of the Holding Company:

- (i) Note no. 49.16, which explains the uncertainties and the management's assessment of the financial impact due to outbreak of Covid-19 pandemic and lockdown/ restrictions imposed by the Government. A definitive assessment of the impact is dependent upon future economic conditions.
- (ii) Note no. 48.4 on valuation of inventories of sub-grade fines of 42.98 million tonnes at net realisable value (net of write-down due to impact of COVID-19 – ₹329.67 crore considered as exceptional item) amounting to ₹3,791.18 crore, and recognising the same as an increase in the carrying value of the inventories in the Statement of Profit and Loss for the financial year ended 31st March 2020 as change in accounting estimate, based on notification issued by Government of India allowing the sale of sub-grade minerals lying at the captive

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

mines of the Holding Company, the opinion of the Additional Solicitor General of India and the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI).

- (iii) Note no. 49.4 on valuation of Iron and Steel scrap embedded in various slag dumps considered under inventories on estimated basis valued at ₹715.68 crore as at 31st March 2020.
- (iv) Note no. 49.5 on valuation of inventories of iron ore fines extractable from the desilted slime amounting to ₹234.92 crore as on 31st March 2020 in view of the installation of slime beneficiation plant at Bhilai Steel Plant during the financial year under report.
- (v) Note no. 49.2 - Revenue from operations include sales to Government agencies for ₹7,634.55 crore for the year ended 31st March 2020 (cumulative upto 31st March 2020 ₹8,074.36 crore) which is recognised on provisional contract prices.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion and Emphasis of Matter Sections we have determined the matters described below to be the key audit matters to be communicated in our report in respect of the Holding Company:

Sr. No.	Key Audit Matter	Auditors' Response to Key Audit Matters
1	<p>Sub-Grade Fines (SGFs)</p> <p>Sub-Grade Fines (SGFs) as inventory is determined to be a key audit matter because it is considered for valuation for first time during the year and such valuation requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and rate of sub grade fines.</p> <p>The consideration of 42.98 million tonnes of SGFs at Net Realisable Value of ₹3791.18 crore resulted in increase in the carrying value of inventories in the Statement of Profit and Loss disclosed as a separate line item (Refer Note No. 48.4 to the Consolidated Ind AS Financial Statements).</p> <p>Further, the decision to provide for reduction due to impact of COVID-19 amounting to ₹329.67 crore is based purely on management judgement (Refer Note No. 49.16).</p>	<p>We understood and evaluated the Holding Company's processes and procedures, including controls relating to SGFs.</p> <p>In assessing management's assessment of the value of SGFs we discussed in detail with the management to understand the procedure adopted in ascertaining the quantity and quality (including gradation) of the sub grade fines considered for valuation.</p> <p>We perused the order of the GOI, opinion of Addl. Solicitor General of India and EAC of ICAI for our perception of the recognition of the concerned event in Consolidated Ind AS Financial Statements.</p> <p>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the IBM. We also obtained technical analysis report from external experts sought by management for determining the quantity of SGFs. Internal chemical analysis report relied by the management for arriving at the quality (including gradation) of fines was also obtained and assessed by us.</p> <p>Also refer para (ii) of the Emphasis of Matter Section.</p> <p>Based on the above procedures there were no other matters to report.</p>
2	<p>Provisions and Contingent Liabilities</p> <p>The Holding Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to contingent liabilities are presented in Note Nos. 47 read with Note No. 3.17 to the Consolidated Ind AS Financial Statements.</p> <p>The assessment of the risks associated with the litigations is based on complex assumptions. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Accordingly, this matter is considered to be a key audit matter.</p>	<p>In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Holding Company's legal and finance departments.</p> <p>We read the summary of litigation matters provided by the Holding Company's/ Unit's Legal and Finance Team.</p> <p>We read, where applicable, external legal or regulatory advice sought by the Holding Company.</p> <p>We discussed with the Holding Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Holding Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.</p> <p>In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Consolidated Ind AS Financial Statements.</p>
3	<p>Tax Expenses</p> <p>Provision for current tax (including Minimum Alternate Tax on Book Profits) is dependent upon availability of brought forward losses, depreciation as per income tax/ books of accounts, statement of profit and loss, balance sheet, etc.</p>	<p>Considered the taxable profits of the Holding Company and taxes paid, obtained details of carry forward losses and details of estimate of taxable incomes for future periods.</p>

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

	<p>Deferred Tax Assets on unabsorbed depreciation and carry forward losses are to be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.</p> <p>Refer Note No. 12 and 48.5 to the Consolidated Ind AS Financial Statements.</p>	<p>Tested period over which deferred tax assets on such unabsorbed losses would be recovered against future taxable income including Management's underlying assumptions.</p> <p>Reviewed on overall basis, internally as well as the opinions given by legal/ tax experts on various issues along with various judicial/ jurisdictional pronouncements available on certain issues.</p>
4	<p>Property, Plant & Equipment and Intangible Assets</p> <p>There are areas where Management judgements impact the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortisation amounts. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the Holding Company and the level of judgements and estimates required, we consider this to be a key audit matter.</p>	<p>We assessed the controls in place, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of assets and the de-recognition criteria for assets retired from active use.</p> <p>In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realisable value of the assets retired from active use; the appropriateness of asset life applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no material changes.</p>
5	<p>Capital Work-in- Progress</p> <p>The Holding Company is in the process of executing various projects like installation and expansion of mills, facilities, etc. These projects take a substantial period of time to get ready for intended use. Due to the materiality in the context of the balance sheet of the Holding Company and the level of judgements and estimates required, we consider this to be a key audit matter.</p>	<p>We performed an understanding and evaluation of system of internal control over the capital work-in-progress, with reference to identification and testing of key controls.</p> <p>We assessed the progress of the projects and the intention of the management to carry forward and bring the asset to its state of intended use.</p>

Information other than the Consolidated Ind AS Financial Statements and Auditors' Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the Consolidated Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have concluded that such material misstatement of the other information exists in respect of matters described in the Basis for Qualified Opinion Section above.

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and jointly controlled entities 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective Management of the Group, its associate and jointly controlled entities included in the ability of the Group, its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management either intends to liquidate the companies under the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group, its associate and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group, its associate and jointly controlled entities.

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, the subsidiary companies, its associate and jointly controlled entities incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management of the Holding Company.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group, its associate and jointly controlled entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, its associate and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Ind AS Financial Statements of the entities within the Group, its associate and jointly controlled entities to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) Consolidated Ind AS Financial Statements include the audited Financial Statements of 2 (two) subsidiaries and 6 (six) jointly controlled entities, whose Financial Statements reflect Group's share of total assets of ₹ 235.66 crore as at 31st March 2020, Group's share of total revenue of ₹ 44.86 crore and ₹ 206.47 crore and Group's share of total net profit/(loss) after tax of ₹(11.61) crore and ₹161.74 crore for the year ended 31st March, 2020, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Statements of these entities have been furnished to us and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- (b) The Consolidated Ind AS Financial Statements include the unaudited Financial Statements of 1 (one) associate and 10 (ten) jointly controlled entities, whose Financial Statements reflect Group's share of total assets of ₹ Nil as at 31st March, 2020, Group's share of total revenue of ₹ Nil and ₹ Nil and Group's share of total net profit/

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

(loss) after tax of ₹(11.05) crore and ₹ 46.79 crore for the year ended 31st March, 2020. These unaudited Financial Statements have been furnished to us by the Board of Directors and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and jointly controlled entities is based solely on such unaudited Financial Statements.

- (c) The Consolidated Ind AS Financial Statements does not include the Financial Statements of 2 (two) subsidiaries and 3 (three) jointly controlled entities (detailed in Annexure B) whose Financial Statements are not available as these companies are under liquidation or filed application for closure. In the absence of their financial Statements the Group's share of assets, liabilities as of 31st March, 2020 and net profit / (loss) for the year ended 31st March, 2020 has not been considered in the Consolidated Ind AS Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.
- (d) The Consolidated Ind AS Financial Statements of the Company for the corresponding year ended 31st March 2019, were reviewed by the joint auditors of the Company, two of whom were predecessor audit firms, and they had expressed a qualified conclusion vide their report dated 30th May, 2019 on such Consolidated Ind AS Financial Statements.
- (e) Due to complete lockdown imposed by the Government, to restrict the spread of COVID-19, the audit finalization process, for the year under report, was carried out from remote locations i.e. other than plants/offices of the Company, based on data/ details made available and based on financial information/ records remitted by the management through digital medium.

Our opinion on the Consolidated Ind AS Financial Statements 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

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of joint operations, subsidiaries, associates and jointly controlled companies incorporated in India referred to in other matters above, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
 - (b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as appears from our examination of those books and the report of the other auditors;
 - (c) The reports on the accounts of the Holding Company, Subsidiaries, Associate and Jointly Controlled Companies incorporated in India, audited under Section 143(8) of the Act by other auditors have been sent to us/ 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 (including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;
 - (e) Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;
 - (f) The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Group, its associate and jointly controlled entities;
 - (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 Holding Company and some other Subsidiaries, Jointly Controlled Entities and Associate. In case of other companies of the Group, Jointly Controlled Entities and Associate incorporated in India, on the basis of reports of the Statutory Auditors of the respective companies, none of the directors are disqualified as of 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - (h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure – A, which is based on the auditors' reports of the Holding Company, subsidiary company, associate and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy internal financial controls over financial reporting and operating effectiveness of the Holding Company/ subsidiary companies / associate company/ jointly controlled companies incorporated in India;
 - (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the possible effect of the matter described in paragraph on the basis of qualified opinion above, the Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entities (Refer Note No. 47);
 - ii. The Group, its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

- iii. The Holding Company has not transferred to the Investor Education and Protection Fund, an amount of ₹ 1,20,75,460/-, being Unclaimed Matured Deposits which the Holding Company was required to transfer to the said Fund in the financial year 2017-18.
2. 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 Act is not applicable to the Government Companies.

The Matured Deposits have already been claimed by the successors/relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the Matured Deposits to the legal heirs.

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No. 000250N

Sd/-
(CA Vipul Girotra)
Partner
M.No. 084312
UDIN:20084312AAAAAS1327
New Delhi

For Tej Raj & Pal
Chartered Accountants
Firm Registration No. 304124E

Sd/-
(CA B. Gangaraju)
Partner
M.No. 007605
UDIN: 20007605AAAAAM2943
Berhampur, Ganjam

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

Sd/-
(CA D. Vijaya Kumar)
Partner
M.No.051961
UDIN: 20051961AAAAAI8581
Hyderabad

For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E

Sd/-
(CA S. Chatterjee)
Partner
M.No. 017361
UDIN: 20017361AAAAAK9604
Kolkata

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Date: 10th July, 2020

Date: 14th September, 2020
Place: New Delhi

Annexure A - To The Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements

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")

Opinion

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of STEEL AUTHORITY OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its jointly controlled entities as of 31 March, 2020 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

In our opinion, the Group, its associate and jointly controlled entities, wherever reported by the auditors of those entities have, in all material respects, an adequate internal financial controls system with reference to Consolidated Ind AS Financial Statements and such internal financial controls with reference to Consolidated Ind AS Financial Statements were operating effectively as at 31st March, 2020, based on the internal control with reference to Consolidated Ind AS Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Group, its associate and its jointly controlled entities are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Group, its associate and jointly controlled entities internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, 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 with reference to Consolidated Ind AS Financial Statements 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 with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group, its associate and jointly controlled entities internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

A Company's internal financial control with reference to Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements 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 authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Ind AS Financial Statements, 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 with reference to Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Ind AS Financial Statements in so far as it relates to subsidiary companies, associate and Jointly Controlled Entities which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For V.K. Dhingra & Co.
Chartered Accountants
Firm Registration No. 000250N

Sd/-
(CA Vipul Girotra)
Partner
M.No. 084312
UDIN:20084312AAAAAS1327
New Delhi

For Tej Raj & Pal
Chartered Accountants
Firm Registration No. 304124E

Sd/-
(CA B. Gangaraju)
Partner
M.No. 007605
UDIN: 20007605AAAAAM2943
Berhampur, Ganjam

For A.K.Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

Sd/-
(CA D. Vijaya Kumar)
Partner
M.No.051961
UDIN: 20051961AAAAAI8581
Hyderabad

For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E

Sd/-
(CA S. Chatterjee)
Partner
M.No. 017361
UDIN: 20017361AAAAAK9604
Kolkata

Date: 10th July, 2020

Annexure B to The Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements
List of subsidiaries
Subsidiaries
Audited Financial Statements :

Chhatisgarh Mega Steel Limited
SAIL Refractory Company Limited

Financial Statements Not Available:

SAIL Sindri Projects Limited
SAIL -Jagdishpur Power Plant Limited

Annexure C to The Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements
List of Jointly Controlled Entities and Associates
1. Jointly Controlled Entities
i. Audited Financial Statements :

SAIL Rites Bengal Wagon Industry Pvt Ltd
NTPC-SAIL Power Company Ltd
International Coal Ventures Pvt Limited
S&T Mining Company Private Limited
SAIL-Bansal Service Centre Ltd
SAIL & MOIL Ferro Alloys Pvt Ltd

ii. Unaudited Financial Statements / information:

Abhinav SAIL JVC Limited
SAIL SCI Shipping Private Limited
mjunction Services Ltd

GEDCOL SAIL Power Corporation limited
Bastar Railway Private Limited
Bokaro Power Supply Company (P) Limited
Bhilai Jaypee Cement Limited
SAIL Kobe Iron India Private Limited
SAIL SCL Kerala Limited
Prime Gold- SAIL JVC
iii. Financial Statements not available
VSL-SAIL JVC Limited
SAIL Bengal Alloy Casting Private Limited
NMDC SAIL Limited
2. Associates- Un-audited
Almora Magnesite Ltd

Comments of C&AG

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

Comments	Management's Replies
<p>The preparation of Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31 March 2020 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 10 July 2020.</p> <p>I, on the 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 31 March 2020 which include the standalone financial statements of Steel Authority of India Limited; its two¹ subsidiaries, and one² joint venture company all controlled by the government and/or government companies. Supplementary audit under Section 143(6)(a) of the Act of two subsidiary company³, ten⁴ such joint venture companies and one associate company⁵ 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 eight⁶ companies not controlled by the government but included in the Consolidated Financial Statement. Financial statement of one⁷ subsidiary and one⁸ joint venture company controlled by the government and one⁹ company not controlled by the government were not consolidated. (Details are enclosed as Annexure-1). Supplementary audit of Consolidated Financial Statements has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.</p> <p>1 SAIL Refractory Company Ltd. and Chhattisgarh Mega Steel Ltd. 2 NTPC SAIL Power Company Private Ltd. 3 SAIL Jagdishpur Power Plant Ltd and SAIL Sindri Projects Ltd 4 Bokaro Power Supply Company Pvt. Ltd., SAIL SCL Kerala Limited , SAIL-Bengal Alloy Casting Private Ltd, Baster Railway Pvt. Ltd., SAIL & MOIL Ferro Alloys Pvt. Ltd, SAIL SCI Shipping Pvt. Ltd, International Coal Venture Ltd, SAIL RITES Bengal Wagon Industry Pvt. Ltd, NMDC SAIL Ltd. and GEDCOL SAIL Power Corporation Limited 5 Almora Magnesite Limited 6 M Junction Services Limited, Bhilai Jaypee Cement Ltd., S & T Mining Co. Pvt. Ltd., SAIL Kobe Iron India Pvt. Ltd, Prime Gold- SAIL JVC Ltd., SAIL Bansal Services Ltd., Abhinav SAIL JVC Ltd and VSL SAIL JVC Ltd. 7 IISCO Ujjain Pipe & Foundry Company Ltd. 8 North Bengal Dolomite Limited 9 Romelt SAIL (India) Ltd</p> <p>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 Consolidated Financial Statements and the related audit report:</p>	
<p>A. COMMENTS ON CONSOLIDATED FINANCIAL POSITION Balance Sheet Note 23 : Other Equity Retained Earnings: ₹29790.32 crore</p> <p>Companies (Share Capital and Debentures) Rules, 2014 (amended in 2019, effective from 16 August, 2019) states that listed companies were not required to create Debenture Redemption Reserve (DRR). SAIL created Bond Redemption Reserve of ₹276.63 crore during the year 2019-20 in contrary to the above amended rule. This has resulted in overstatement of Bond Redemption Reserve and understatement of retained earnings by ₹276.63 crore.</p>	<p>In the Balance Sheet, both Bond Redemption Reserve and Retained Earnings are covered under the head "Other Equity". Hence, provision of Bond Redemption Reserve did not result in over/under statement of "Other Equity". Out of the total BRR of ₹276.63 crores created in 2019-20, an amount of ₹48.88 crores was transferred to Retained Earnings in 2019-20 itself on account of Bonds that were redeemed in that year. The balance amount of ₹227.75 crores has been reversed in Q1 of the current year, i.e. 2020-21.</p>
<p>B COMMENTS ON CONSOLIDATED PROFITABILITY Note 15: Inventories: ₹23836.27 crore Note-37A: Changes in Inventories of finished goods and WIP- ₹ (1456.78) crore</p> <p>(a) The above includes ₹683.33 crore being the value of estimated 6.59 lakh tonnes of extractable iron and steel scrap from the BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants of SAIL. Valuation of scrap embedded in the slag is not justified because slag, in its present form, can neither be sold nor used for consumption in production process. Since there was no physical existence of iron/steel scrap of 6.59 lakh tonnes in hand as on 31 March 2020, it cannot be considered as inventory in terms of para 6 of Ind AS 2.</p> <p>Thus, consideration of scrap which was not in existence on the balance sheet date and valuing the same as inventory has resulted in overstatement of inventories and profit for the year by ₹683.33 crore.</p>	<p>Any material that has realisable economic value needs to be valued as inventory. Iron and steel scrap embedded within BF/LD Slag can be sold, or consumed internally after recovery. Therefore, the material has value and accordingly, needs to be valued in the financial statements. Non-valuation of such inventory would amount to misrepresentation of assets owned by the Company.</p> <p>The quantum of iron and steel scrap embedded within the slag has been established scientifically by drawing samples of slag and getting it processed by the scrap recovery contractor. The weight of scrap recovered as a percentage of the weight of slag processed has been calculated and applied to the estimated quantity of slag inventory.</p>

		Substantial quantity of iron scrap is being extracted from the slag dumps and sold/consumed on a regular basis while steel scrap extracted is being consumed captively as per consistent practice. Accordingly, the inventory has been considered in line with para 6 and para 8 of Ind AS-2. The scrap embedded in slag is in existence on the Balance Sheet date and there is no overstatement of inventories and profit for the year.
(b) The above includes ₹234.92 crore being the value of estimated 31.94 lakh tonne of extractable iron ore fines from the Slime at Dalli mines, Bhilai Steel Plant. Valuation of iron ore fines embedded in the slime is not justified because slime, in its present form, can neither be sold nor used for consumption in production process. Therefore, it does not fall under the definition of inventory in terms of para 6 of Ind AS 2. Thus, valuation of iron ore fines as inventory against the provision of Ind AS 2 has resulted in over-statement of inventory and profit for the year by ₹234.92 crore.		Slime is actually the tailings having low Fe content, dredged from the Tailing Pond of Dalli Mines. Due to poor quality, these iron ore fines are not readily usable in the Steel Plant but can be sold in the open market, for which prices published by IBM are available. More importantly, with advanced technological development, a beneficiation plant has been set up at Dalli Mines, which became operational from November, 2019. This plant beneficiates the low-grade fines into high-grade fines with Fe content of around 65%, which is higher than the Fe content of fresh fines produced in Dalli Mines. With the operationalisation of the plant, the entire inventory of low-grade fines acquired economic value, and has therefore been valued as inventory in accordance with Ind AS 2. Non-valuation of such inventory would amount to misrepresentation of assets owned by the Company. The low-grade fines at Dalli Mines can be sold as such, or beneficiated to produce high-grade fines which can then be further processed into steel. Thus, these fines satisfying the test of Inventory as per Ind AS-2 have been correctly valued and there is no overstatement of Inventories and profit for the year.
	For and on the behalf of the Comptroller & Auditor General of India Sd/- (A.P. Choppy) Director General of Audit (Steel), Ranchi	For and on behalf of Board of Directors Sd/- (Anil Kumar Chaudhary) Chairman
Place : Ranchi Date : 10 September, 2020		Place: New Delhi Date: 14 th September, 2020

Annexure-1
Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidated of accounts for the year 2019-20

Sl No.	Name of the related party and nature of relationship	Whether accounts were consolidated	Whether under the jurisdiction of C&AG
	Parent Company		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Companies		
1	SAIL Jagdishpur Power Plant Limited	Yes	Yes
2	SAIL Refractory Company Limited	Yes	Yes
3	SAIL Sindri Projects Limited	Yes	Yes
4	Chhattisgarh Mega Steel Limited	Yes	Yes
5	IISCO Ujjain Pipe & Foundry Company Limited	No	Yes
	Joint Venture Companies		
6	NTPC SAIL Power Company Limited	Yes	Yes
7	Bokaro Power Supply Company Private Limited	Yes	Yes
8	SAIL-Bengal Alloy Casting Private Limited	Yes	Yes
9	SAIL & MOIL Ferro Alloys Private Limited	Yes	Yes
10	SAIL SCI Shipping Private Limited	Yes	Yes
11	International Coal Venture Limited	Yes	Yes
12	SAIL SCL Kerala Limited	Yes	Yes
13	SAIL RITES Bengal Wagon Industry Private Limited	Yes	Yes
14	NMDC SAIL Limited	Yes	Yes
15	Baster Railway Private Limited	Yes	Yes
16	GEDCOL SAIL Power Corporation Limited	Yes	Yes
17	North Bengal Dolomite Limited	No	Yes
18	M Junction Services Limited	Yes	No
19	Bhilai Jaypee Cement Limited	Yes	No
20	S & T Mining Co. Private Limited	Yes	No
21	SAIL Kobe Iron India Private Limited	Yes	No
22	Prime Gold- SAIL JVC Limited	Yes	No
23	SAIL Bansal Services Limited	Yes	No
24	Abhinav SAIL JVC Limited	Yes	No
25	VSL SAIL JVC Limited	Yes	No
26	Romelt SAIL (India) Limited	No	No
	Associate Company		
27	Almora Magnesite Limited	Yes	Yes

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement
of subsidiaries/associate companies/joint ventures**

Part "A": Subsidiaries

Sl. No.	Particulars	Details			
		SAIL Refractory Company Limited	SAIL Jagdishpur Power Plant Limited	SAIL Sindri Projects Limited	Chhattisgarh Mega Steel Limited
1.	Name of the subsidiary				
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable

₹ in crore

4.	Share capital	0.10	0.05	0.05	0.05
5.	Reserves & surplus	138.58	(-)0.05	(-) 0.05	(-)0.03
6.	Total assets	235.64	0.00	0.00	0.03
7.	Total Liabilities	96.96	*	*	*
8.	Investments	-	-	-	-
9.	Turnover	202.17	-	-	-
10.	Profit before taxation	20.34	-	-	(-)0.01
11.	Provision for taxation	6.12	-	-	-
12.	Profit after taxation	14.22	-	-	(-)0.01
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100	100	100	74

*Amount less than ₹50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10th July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10th July '97 was ₹17.05 crore.

For and on behalf of Board of Directors

Sd/-
(M.B. Balakrishnan)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place : New Delhi

Date: 10th July, 2020



Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
For the Year ended 31st March, 2020

Sl. No.	Name of the Associate /Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end	Amount of Investment in Associates / Joint Venture ₹ crore	Extent of Holding (%)	Description of how there is significant influence	Revenue from operations	Net worth attributable to shareholding as per latest audited Balance Sheet ₹ crore	Profit/ Loss (-) for the year ₹ crore	Considered in Consolidation ₹ crore	Not Considered in Consolidation ₹ crore
		1	2	3	4	5	6	7	8	9	10
Joint Ventures											
1	NTPC SAIL Power Company Ltd.	31-03-2020	490250050	490.25	50.00%	Note-1		1371.26	368.96	184.48	184.48
2	Bokaro Power Supply Co. Pvt. Ltd.*	31-03-2019	124025000	124.03	50.00%	Note-1		444.10	71.95	35.98	35.98
3	Mjunction Services Limited	31-03-2019	4000000	4.00	50.00%	Note-1		151.27	40.29	20.15	20.15
4	SAIL Bansal Service Centre Ltd *	31-03-2020	3200000	3.20	40.00%	Note-1		0.75	0.31	0.12	0.19
5	Bhilai Jaypee Cement Limited *	31-03-2019	98718048	52.51	26.00%	Note-1		0.00	-92.04	-9.34	-82.70
6	S & T Mining Co. Pvt. Limited	31-03-2020	18141400	18.14	50.00%	Note-1		0.00	-1.60	0.00	-1.60
7	International Coal Ventures Private Limited	31-03-2020	693759279	693.76	47.82%	Note-1		1133.25	-93.83	-44.87	-48.96
8	SAIL-MOIL Ferro Alloys Private Limited	31-03-2020	100000	0.10	50.00%	Note-1		0.00	0.11	0.00	0.11
9	SAIL SCI Shipping Pvt. Limited	31-03-2019	100000	0.10	50.00%	Note-1		0.00	-0.13	-0.07	-0.07
10	SAIL SCL Kerala Limited *	31-03-2018	13017801	18.75	49.26%	Note-1		0.00	-16.75	0.00	-16.75
11	SAIL RITES Bengal Wagon Industry Pvt. Limited	31-03-2020	24000000	24.00	50.00%	Note-1		28.77	15.54	7.77	7.77
12	SAIL Kobe Iron India Pvt. Limited*	31-03-2018	250000	0.25	50.00%	Note-1		0.26	0.00	0.00	0.00
13	SAL SAIL JVC Limited *	31-03-2018	-	-	26.00%	Note-1		0.00	0.00	0.00	0.00
14	TMT SAL SAIL JV Limited *	31-03-2018	-	-	26.00%	Note-1		0.00	0.00	0.00	0.00
15	SAIL-BENGAL Alloy Castings Private Limited*	31-03-2018	10000	0.01	50.00%	Note-1		0.00	0.00	0.00	0.00
16	Prime Gold-SAIL JVC Limited*	31-03-2018	4680000	4.68	26.00%	Note-1		5.61	-0.09	-0.02	-0.07
17	VSL SAIL JVC Limited *	31-03-2018	1297780	1.30	20.58%	Note-1		1.02	0.00	0.00	0.00
18	Abhinav SAIL JVC Ltd*	31-03-2018	-	-	26.00%	Note-1		0.00	-0.04	0.00	-0.04
19	Romelt SAIL (India) Ltd @		63000	0.06		Note-1	Accounts not available	-	-	-	-
20	UEC SAIL Information Technology Limited #		-	-		Note-1	-do-	-	-	-	-
21	North Bengal Dolomite Ltd #		97900	0.98		Note-1	-do-	-	-	-	-
22	N.E. Steel & Galvanising Pvt. Limited #		-	-	49.00%	Note-1	-do-	-	-	-	-
23	NMDC SAIL Limited*	31-03-2018	24500	0.02	49.00%	Note-1		0.00	0.00	0.00	0.00
24	Bastar Railway Pvt Limited*	31-03-2019	35232600	35.23	12.00%	Note-1		35.38	1.44	0.17	1.27
25	GEDCOL SAIL Power Corporation Limited	31-03-2019	2600000	2.60	26.00%	Note-1		2.61	0.25	0.07	0.19
Associate											
1	Almora magnesite Limited*	31-03-2018	400000	0.40	20.00%	Note-2		1.58	-0.69	-0.14	-0.55

1. Voting power as per Joint Venture Agreement
 2. Holds 20% share capital
- * Based on the Unaudited Accounts for the Year 2018-19
- @ Operations under suspension
- # Companies under winding up/liquidation

For and on behalf of Board of Directors

Sd/
(M.B. Balakrishnan)
 Company Secretary

Sd/
(Anil Kumar Chaudhary)
 Chairman

Place : New Delhi
 Date: 10th July, 2020

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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.in
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	48
2	Long Products (TMT Bars, Wire Rods, etc.)		44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. 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. (Strike Off)	U40106DL2011GOI219901	SUBSIDIARY	100	2(87)
2.	SAIL Refractory Company Limited, Salem Steel Plant, Salem, Tamil Nadu-636013 IN	U14200TZ2011GOI017357	SUBSIDIARY	100	2(87)
3.	SAIL Sindri Projects Limited, Chasnala – 828135, Jharkhand, IN (Under Process of Striking Off)	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited, Ispat Bhawan, Bhilai, Sector 1, Durg, Chhattisgarh-490001 IN	U27100CT2015GOI001627	SUBSIDIARY	74	2(87)
5.	IISCO Ujjain Pipe & Foundry Co. Limited, 50, Chowringhee Road, Kolkata-700071, West Bengal, IN (Under Liquidation)	U28113WB1964PLC026148	SUBSIDIARY	100	2(87)
6.	Almora Magnesite Limited, Magnesite House, Ranidhara Road, Almora-263601, Uttarakhand, IN	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
7.	NTPC-SAIL Power Company Ltd., 4 th Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi-110066 IN.	U74899DL1999PLC098274	JOINT VENTURE	50	2(6)
8.	Bokaro Power Supply Company Pvt. Ltd., Ispat Bhawan, Lodi Road, New Delhi-110003, IN	U40300DL2001PTC112074	JOINT VENTURE	50	2(6)
9.	North Bengal Dolomite Limited, 28-B, Shakeshpere Sarani, "Neelamber", Flat No.10A, 10 th Floor, Kolkata-700017, West Bengal, IN. (Strike Off)	U14109WB1980PLC033031	JOINT VENTURE	50	2(6)
10.	UEC SAIL Information Technology Ltd. C/o I.M. Puri & Co., C-30, Chiragh Enclave, New Delhi-110048. (Under Liquidation)	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, Godrej Waterside, 3 rd Floor, Tower-I, Plot-V, Block DP, Sector-V, Salt Lake, Kolkata-700091, West Bengal, IN	U00000WB2001PLC115841	JOINT VENTURE	50	2(6)
13.	SAIL-Bansal Service Centre. Limited, 12/2, Park Mansion, 57-A, Park Street, Kolkata-700 016.	U27310WB2000PLC092486	JOINT VENTURE	40	2(6)
14.	Bhilai Jaypee Cement Ltd., JA House, 63, Basant Lok, Vasant Vihar, New Delhi – 110057.	U26940CT2007PLC020250	JOINT VENTURE	26	2(6)
15.	SAIL & MOIL Ferro Alloys Pvt. Ltd., Sector-1, Bhilai – 490 001.	U27101CT2008PTC020786	JOINT VENTURE	50	2(6)
16.	S&T Mining Co. Pvt. Ltd, Tata Centre, 43, Jawaharlal Nehru Road, Kolkata – 700 071, West Bengal, IN	U13100WB2008PTC129436	JOINT VENTURE	50	2(6)
17.	International Coal Ventures Private Limited, 20th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi – 110092, IN.	U10100DL2009PTC190448	JOINT VENTURE	47.82	2(6)
18.	SAIL SCI Shipping Private Limited, Shipping House, 13 Strand Road, Kolkata – 700001, West Bengal, IN. (Under Process of Striking Off)	U61100WB2010PTC148428	JOINT VENTURE	50	2(6)
19.	SAIL-SCL Kerala Limited, Steel Nagar, P.B. No. 42, Feroke – 673 631, Kozhikode, Kerala, IN.	U27104KL1969SGC002253	JOINT VENTURE	49.26	2(6)



S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
20.	SAIL-RITES Bengal Wagon Industry Pvt. Ltd., Scope Minar, Laxmi Nagar, Delhi - 110092, IN.	U35200DL2010PTC211955	JOINT VENTURE	50	2(6)
21.	SAIL-Kobe Iron India Private Limited, Ispat Bhawan, Lodi Road, New Delhi-110003, IN.	U27100DL2012PTC236499	JOINT VENTURE	50	2(6)
22.	SAIL- Bengal Alloy Castings Private Limited, 22B, Raja Santosh Road, New Alipore, Kolkata-700027, West Bengal, IN.	U35122WB2013PTC190532	JOINT VENTURE	50	2(6)
23.	VSL-SAIL JVC Limited, Door No.2-51, Near Darga, Kardnur, Postpati Patan Cheruvu Mandal, Hyderabad - 502300, Telangana, IN.	U27106TG2012PLC083896	JOINT VENTURE	20.58	2(6)
24.	Prime Gold-SAIL JVC Limited, 5/2, Punjabi Bagh Extn., Club Road, New Delhi - 110026, IN.	U28113DL2012PLC245537	JOINT VENTURE	26	2(6)
25.	Abinav-SAIL JVC Limited, 401, Mahaveer Ji Complex, LSC Rishab Vihar, Delhi-110092, IN.	U27100DL2012PLC245749	JOINT VENTURE	26	2(6)
26.	NMDC SAIL Limited, 10-3-311/A, Khanij Bhavan Castle Hills, Masab Tank, Hyderabad, TG 500028 IN. (Under process of Striking Off)	U27320TG2016GOI109798	JOINT VENTURE	49	2(6)
27.	Bastar Railway Private Limited, Global Exploration Centre, NMDC Building Geens Villey City, Housing Board Colony Boriyakala Raipur CT 492015, IN	U74900CT2016PTC007251	JOINT VENTURE	12	2(6)
28.	GEDCOL SAIL Power Corporation Limited, GEDCOL Corporate Office, 2 nd Floor, OSPH & WC Building, Vani Vihar, Janpath, Bhoynagar, Bhubnaeswar-751022, IN.	U40300OR2018SGC029410	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/HUF									
b) Central Govt	3097767449		3097767449	75.00	3097767449		3097767449	75.00	0.00
c) State Govt(s)									
d) Bodies Corp.									
e) Banks/FI									
f) Any other									
Sub Total (A)(1):	3097767449		3097767449	75.00	3097767449		3097767449	75.00	0.00
2. Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other.									
Sub Total (A)(2):-									0.00
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	125854384	124600	125978984	3.05	148719158	124600	148843758	3.60	0.55
b) Banks/FI	75691691	59629	75751320	1.83	39685521	59600	39745121	0.96	-0.87
c) Central Govt.									0.00
d) State Govt.(s)									0.00

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	
e) Venture Capital Funds									0.00
f) Insurance Companies	413792934	1900	413794834	10.02	413792934	1900	413794834	10.02	0.00
g) FIs	169344462	41026	169385488	4.10	120130636	40426	120171062	2.91	-1.19
h) Foreign Venture Capital Funds									0.00
i) Others (specify) IEPF	1961727	-	1961727	0.05	2348929	-	2348929	0.06	0.01
Sub-Total(B)(1):	786645198	227155	786872353	19.05	724677178	226526	724903704	17.55	-1.5
2. Non-Institutions									
a) Bodies Corp.	53886436	51741	53938177	1.31	60499617	49811	60549428	1.47	0.58
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	112434981	3502601	115937582	2.81	140498254	3082761	143581015	3.48	0.67
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	49151442	107100	49258542	1.19	75760001	107100	75867101	1.84	0.65
c) Other (specify) NBFC	30002	0.00	30002	0.00	68124	-	68124	0.00	0.00
i) Non Resident Indian	19504401	396500	19900901	0.48	20875139	396500	21271639	0.51	0.03
ii) Trust & Foundation	6501148	2300	6503448	0.16	6199639	1800	6201439	0.15	-0.01
iii) Cooperative Societies	200400	-	200400	0.00	204400	-	204400	0.00	0.00
Sub-Total(B)(2)	241708810	4060242	245769052	5.95	304105174	3637972	307743146	7.45	1.50
Total Public Shareholding (B)= (B)(1)+(B)(2)	1028354008	4287397	1032641405	25	1028782352	3864498	1032646850	25	0.00
C. Shares held by Custodian for GDRs & ADRs	48435	68000	116435	0.00	42990	68000	110990	0.00	0.00
Grand Total(A)+(B)+(C)	4126169892	4355397	4130525289	100	4126592791	3932498	4130525289	100	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			% change in share holding during 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	
1	Govt. of India	3097767449	75.00	0	3097767449	75.00	0	-
	Total	3097767449	75.00	0	3097767449	75.00	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Government of India At the beginning of the year	3097767449	75.00	3097767449	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	-	-	-	-
	At the End of the year	3097767449	75.00	3097767449	75.00

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Folio No	Name	PAN	No		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
				No of Shares at the Beginning (31-03-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	No
1	IN3008121000012	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	396663164	9.60	30.03.2019				
				396663164	9.60	31.03.2020	NIL			
2	IN30016710015686	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER	AAATR0090B	21600000	0.52	30.03.2019				
						12.04.2019	8100000	Purchase	29700000	0.72
						26.04.2019	3600000	Purchase	33300000	0.81
						17.05.2019	1800000	Purchase	35100000	0.85
						24.05.2019	2700000	Purchase	37800000	0.92
						14.06.2019	4500000	Purchase	42300000	1.02
						21.06.2019	2700000	Purchase	45000000	1.09
						12.07.2019	47700000	Purchase	47700000	1.15
						16.08.2019	12600000	Purchase	60300000	1.46
						23.08.2019	2700000	Purchase	63000000	1.53
						06.09.2019	4500000	Purchase	67500000	1.63
						04.10.2019	4500000	Purchase	72000000	1.74
						11.10.2019	81000100	Purchase	81000100	1.96
						18.10.2019	8999900	Purchase	90000000	2.18
						10.11.2019	1800000	Purchase	91800000	2.22
						03.01.2020	9900000	Purchase	101700000	2.46
						24.01.2020	-1317413	Sale	100382587	2.43
						07.02.2020	1317413	Purchase	101700000	2.46
						06.03.2020	2700000	Purchase	104400000	2.53
				104400000	2.53	31.03.2020				
3	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	AAACL0582H	25853245	0.63	30.03.2019				
				25853245	0.63	31.03.2020	NIL			
4	IN30016710034409	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA LARGE CAP FUND	AAATR0090B	0.00	0.00	30.03.2019				
						20.03.2020	22500000	Purchase	22500000	0.54
				22500000	0.54	31.03.2020				
5	IN30343810003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	AABTV0442N	16908353	0.41	30.03.2019				
						26.04.2019	-447143	Sale	16461210	0.40
						28.02.2020	738660	Purchase	17195070	0.42

S. No	Folio No	Name	PAN	No		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
				No of Shares at the Beginning (31-03-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	No
						20.03.2020	994464	Purchase	18189534	0.44
						27.03.2020	1238838	Purchase	19428372	0.47
						31.03.2020				
6	IN30343810016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD	AAATY0918K	16758752	0.41	30.03.2019				
						12.04.2019	42458	Purchase	16801210	0.41
						10.05.2019	44304	Purchase	16845514	0.41
						21.06.2019	-99684	Sale	16745830	0.41
						28.06.2019	-880959	Sale	15864871	0.38
						27.09.2019	-710961	Sale	15153910	0.37
				15153910	0.37	31.03.2020				
7	IN30005410094202	POLLUNIN DEVELOPING COUNTRIES FUND, LLC	AAICP0164F	14279748	0.35	30.03.2019				
						03.05.2019	256803	Purchase	14536551	0.35
						07.06.2019	146165	Purchase	14682716	0.36
						02.08.2019	-201447	Sale	14481269	0.35
						06.09.2019	-137800	Sale	14343469	0.35
						07.02.2020	260000	Purchase	14603469	0.35
				14603469	0.35	31.03.2020				
8	IN30016710142910	HDFC LIFE INSURANCE COMPANY LIMITED	AAACH8755L	5400000	0.13	30.03.2019				
						05.04.2019	1600000	Purchase	7000000	0.17
						17.05.2019	500000	Purchase	7500000	0.18
						07.06.2019	69397	Purchase	7569397	0.18
						05.07.2019	-2082	Sale	7567315	0.18
						19.07.2019	-680	Sale	7566635	0.18
						26.07.2019	862	Purchase	7567497	0.18
						02.08.2019	664656	Purchase	8232153	0.20
						09.08.2019	-1358	Sale	8230795	0.20
						16.08.2019	498718	Purchase	8729513	0.21
						23.08.2019	498711	Purchase	9228224	0.22
						30.08.2019	637209	Purchase	9865433	0.24
						06.09.2019	-3048	Sale	9862385	0.24
						20.09.2019	334604	Purchase	10196989	0.25
						27.09.2019	498802	Purchase	10695791	0.26
						30.09.2019	2000000	Purchase	12695791	0.31
						04.10.2019	-1258	Sale	12694533	0.31
						11.10.2019	-15941	Sale	12678592	0.31

S. No	Folio No	Name	PAN	No		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
				No of Shares at the Beginning (31-03-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	No
						18.10.2019	-1837	Sale	12676755	0.31
						25.10.2019	-29873	Sale	12646882	0.31
						10.11.2019	-2237	Sale	12644645	0.31
						08.11.2019	-13554	Sale	12631091	0.31
						15.11.2019	-2819	Sale	12628272	0.31
						22.11.2019	-7716	Sale	12620556	0.31
						29.11.2019	-11663	Sale	12608893	0.31
						06.12.2019	-8056	Sale	12600837	0.31
						13.12.2019	-1160	Sale	12599677	0.31
						20.12.2019	-23253	Sale	12576424	0.30
						27.12.2019	-5083	Sale	12571341	0.30
						31.12.2019	-4639	Sale	12566702	0.30
						03.01.2020	-21538	Sale	12545164	0.30
						10.01.2020	-1034	Sale	12544130	0.30
						17.01.2020	-358	Sale	12543772	0.30
						24.01.2020	-21814	Sale	12521958	0.30
						06.03.2020	689635	Purchase	13211593	0.32
						13.03.2020	310365	Purchase	13521958	0.33
						27.03.2020	500000	Purchase	14021958	0.34
						31.03.2020				
9	1203280000374484	YUSUFFALI MJUSALIAMI VEETIL ABDUL KADER	AGNPY6727D	11900000	0.28					
				11900000	0.28		NIL	NIL		
10	IN30081210001728	THE NEW INDIA ASSURANCE COMPANY LIMITED	AAACN4165C	8825060	0.21	30.03.2019				
				8825060	0.21	31.03.2020	NIL	NIL		
11	IN30005410013410	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT	AAACD1644G	4131035	0.10	30.03.2019				
						14.06.2019	645355	Purchase	4776390	0.12
						21.06.2019	272132	Purchase	5048522	0.12
						28.06.2019	2060167	Purchase	7108689	0.17
						19.07.2019	559785	Purchase	7668474	0.19
						06.03.2020	-486822	Sale	7181652	0.17
				7181652	0.17	31.03.2020				
12	IN30005410040054	DIMENSIONAL EMERGING MARKETS VALUE FUND	AAACD1578M	4730984	0.11	30.03.2019				
						12.04.2019	247807	Purchase	4978791	0.12
						02.08.2019	438638	Purchase	5417429	0.13

S. No	Folio No	Name	PAN	No		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
				No of Shares at the Beginning (31-03-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	No
						09.08.2019	379549	Purchase	5796978	0.14
						16.08.2019	310450	Purchase	6107428	0.15
						23.08.2019	251646	Purchase	6359074	0.15
						30.08.2019	465547	Purchase	6824621	0.17
						15.11.2019	-403785	Sale	6420836	0.16
						22.11.2019	-584502	Sale	5836334	0.14
				5836334	0.14	31.03.2020				
13	IN30014210753517	KOTAK FUNDS - INDIA MIDCAP FUND	AA0CK4148L	31197285	0.76	30.03.2019				
						01.11.2019	-1100840	Sale	30096445	0.73
						15.11.2019	-947061	Sale	29149384	0.71
						20.12.2019	-1300000	Sale	27849384	0.67
						31.01.2020	-24977	Sale	27824407	0.67
						14.02.2020	-1026700	Sale	26797707	0.65
						13.03.2020	-1685052	Sale	25112655	0.61
						20.03.2020	-11474947	Sale	13637708	0.33
				13637708	0.33	31.03.2020				
14	IN30081210498007	LIC OF INDIA MARKET PLUS 1 GROWTH FUND		27781738	0.67	30.03.2019				
						05.04.2019			27781738	0.67
						12.04.2019	-2382376	Sale	25399362	0.61
						19.04.2019	-2748684	Sale	22650678	0.55
						26.04.2019	-5750000	Sale	16900678	0.41
						03.05.2019	-1200000	Sale	15700678	0.38
						10.05.2019	-1960000	Sale	13740678	0.33
						17.05.2019	-3235000	Sale	10505678	0.25
						24.05.2019	-4848402	Sale	5657276	0.14
						31.05.2019	-3865000	Sale	1792276	0.04
						07.06.2019	-1792276	Sale	0	0.00
				0	0.00	31.03.2020				
15	IN30016710000279	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE VISION		17100000	0.41	31.05.2019				
						31.05.2019	-3000000	Sale	14100000	0.34
						07.06.2019	-2964574	Sale	11135426	0.27
						14.06.2019	-4500000	Sale	6635426	0.16
						05.07.2019	-6635426	Sale	0	0.00
				0	0	31.03.2020				

S. No	Folio No	Name	PAN	No		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
				No of Shares at the Beginning (31-03-19) / end of the Year (31-03-20)	% of total shares of the Company				Shares	No
16	IN30179910081740	BNP PARIBAS ARBITRAGE	AAGFB5324G	15738949	0.38	30.03.2019				
						05.04.2019	768528	Purchase	16507477	0.40
						14.04.2019	361826	Purchase	16869303	0.41
						19.04.2019	-674354	Sale	16194949	0.39
						17.05.2019	1764420	Purchase	17959369	0.43
						31.05.2019	-2496000	Sale	15463369	0.37
						21.06.2019	-228000	Sale	15235369	0.37
						28.06.2019	-826000	Sale	14403369	0.35
						12.07.2019	-4536000	Sale	9873369	0.24
						02.08.2019	2292000	Purchase	12165369	0.29
						23.08.2019	-480000	Sale	11685369	0.28
						30.08.2019	-2148000	Sale	9537369	0.23
						13.09.2019	-316000	Sale	9221369	0.22
						20.09.2019	-5813085	Sale	3408284	0.08
						27.09.2019	-138915	Sale	3269369	0.08
						08.11.2019	-12000	Sale	3257369	0.08
						29.11.2019	-456000	Sale	2801369	0.07
						03.01.2020	-2801369	Sale	0	0.00
				0	0.00	31.03.2020				
17	IN30005410009134	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	AAATH1809A	15720000	0.38	30.03.2019				
						23.08.2019	-6773000	Sale	8947000	0.22
						30.08.2019	-3025000	Sale	5922000	0.14
						06.09.2019	-3922000	Sale	2000000	0.05
						04.10.2019	-2000000	Sale	0	0.00
				0	0.00	31.03.2020				

(v) Shareholding of Directors and Key Managerial Personnel

S I . No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Anil Kumar Chaudhary				
	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

S I . No.	Shareholding of each Director and each Key Managerial Personnel	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
2	Shri Atul Srivastava				
	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

S I . No.	Shareholding of each Director and each Key Managerial Personnel	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
3	Shri Anirban Dasgupta				
	At the beginning of the year	100	0.00	100	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	100	0.00	100	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 2019-20.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2020.

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	37465.33	7704.71	-	45170.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	730.91	25.98	-	756.89
Total (i+ii+iii)	38196.24	7730.69	-	45926.93
Change in Indebtedness during the Financial Year				
· Addition	21666.24	81361.12	537.45	103564.81
· Reduction	18433.93	75636.42	537.45	94607.80
Net Change	3232.31	5724.70	0.00	8957.01
Indebtedness at the end of the Financial Year				
i) Principal Amount	40697.64	13429.41	-	54127.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	584.91	27.65	-	612.56
Total (i+ii+iii)	41282.55	13457.06	-	54739.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager								Total Amount (₹)
		Shri Anil Kumar Chaudhary	Dr. G. Vishwakarma (upto 31.01.20)	Ms. Soma Mondal	Shri Atul Srivastava	Shri Harinand Rai	Shri Vivek Gupta	Shri Amit Sen (from 05.11.19)	Shri Anirban Dasgupta (from 01.02.20)	
		Chairman	Director (P&BP)	Director (Commercial)	Director (Personnel)	Director (Technical)	Director (RM&L)	Director (Finance)	Director (P&BP)	
1	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	48,29,752	40,64,928	49,18,382	40,03,792	41,74,036	34,60,579	12,67,781	2,74,464	2,69,93,714
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	5,27,524	4,85,876	6,34,513	1,01,435	5,35,117	66,090	1,27,963	5,825	24,84,343
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-	-	-	-
5	Others, specify	-	-	-	-	-	-	-	-	-
	Total (A)	53,57,276	45,50,804	55,52,895	41,05,227	47,09,153	35,26,669	13,95,744	2,80,289	2,94,78,057
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to Other Directors:

Sr. No	Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, Please Specify	Total Amount (₹)
1	Independent Directors*				
	CA Parmod Bindal(upto 17.11.2019)	4,60,000	-	-	4,60,000
	Mrs. Anshu Vaish(upto 17.11.2019)	3,60,000	-	-	3,60,000
	Prof. Ashok Gupta (upto 17.11.2019)	4,80,000	-	-	4,80,000
	Dr. Samar Singh (upto 03.02.2020)	3,60,000	-	-	3,60,000
	Sh. Nilanjan Sanyal (upto 03.02.2020)	7,20,000	-	-	7,20,000
	CA K.S. Chauhan	4,40,000	-	-	4,40,000
	Prof. N.K. Taneja	5,20,000	-	-	5,20,000
	Sh. Krishan Kumar Gupta	5,40,000	-	-	5,40,000
	Sh. N. Shankarappa (from 13.11.2019)	1,00,000	-	-	1,00,000
	Total(1)	39,80,000	-	-	39,80,000
2	Other Non- Executive Directors**				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	39,80,000	-	-	39,80,000
	Total Managerial Remuneration				
	Ceiling as per the act (@1% of profits calculated under section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

*Only sitting fee is paid to Independent Directors.

**No sitting fee is paid to other Non-Executive Directors.

§ Shri Krishan Kumar Gupta attended the meeting of BSC on Operational Issues as Invitee.

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Shri M. C. Jain Company Secretary (upto 30.06.2019)	Shri. M. B Balakrishnan, Company Secretary (from 01.07.2019)	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	12,92,646 41,996 -	27,01,393 6,815	39,94,039 48,811
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission - as % of profit - others, specify...		-	-
5	Others, please specify		-	-
	Total (A)	13,34,642	27,08,208	40,42,850

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding of Fees imposed	Authority (RD/NCLT/Court)	Appeal Made, if any
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. DEFAULT					
Penalty					
Punishment					
Compounding					

Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013
i) Amount Outstanding as at 31st March, 2020

Particulars	Amount (₹ crore)
Loans Given *	
IISCO Ujjain Pipe & Foundry Co. Ltd.	2.53
NTPC SAIL Power Company Pvt. Limited	7.88
NMDC SAIL Limited	0.10
UEC SAIL Information Technology Limited	1.30
SAIL-MOIL Ferro Alloys Private Limited	12.00
S&T Mining Co. Pvt. Limited	0.02
SAIL SCL Kerala limited	8.25
Romelt SAIL (India) limited	0.13
SAIL RITES Bengal Industries Pvt. Ltd.	5.60
TOTAL	37.81
Investments Made #	1474.56

* 35.95 crore provided for

#Refer Note No.8 to Standalone Accounts

ii) Investments made during the Year ended 31st March, 2020

Name of the Entity	Relation	Amount (₹.crore)	Purpose for which Investments are proposed to be utilised
S&T Mining Co. Pvt Limited	Joint Venture	5.20	Business Purpose
GEDCOL SAIL Power Corporation Limited	Joint Venture	2.34	Business Purpose

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Chaudhary)
 Chairman

Place: New Delhi

Dated: 19th September, 2020

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

The trend of increasing energy cost and environmental degradation due to increased GHG emission have necessitated a renewed thrust towards reduction in energy consumption. In Indian steel industry, energy cost constitutes about 40% of the total cost of production.

In view of high energy cost component, SAIL has continually undertaken various measures like optimisation in plant utilisation, improvement in existing processes, introduction of new technologies and increase in waste heat recovery. At the same time, focus is also on reduction of consumption/purchased fuel and power.

Performance of Integrated Steel Plants in terms of energy and power was as follows:

Parameter	Unit	BSP	DSP	RSP	BSL	ISP
Specific Energy Consumption	Gcal/tcs	6.68	6.34	6.24	6.67	6.20
Specific Power Consumption	kWh/tss	538	425	485	513	539

Some of the steps taken in these areas are listed below.

Bhilai Steel Plant (BSP)

- Increased waste heat recovery from hot coke resulted in highest ever generation of 5.15 GWh power from Back Pressure Turbine Generator (BPTG) alongwith generation of 410 thousand tonne of process steam from Coke Dry Quenching (CDQ) facility in Coke Oven Battery(COB)-11. The previous best of 1.8 GWh was achieved in 2018-19.
- Introduction of Top-pressure Recovery Turbine (TRT) in Blast Furnace (BF) 8 for conversion of high top-gas discharge pressure to electrical energy resulted in first ever generation of 51.25 GWh of power through TRT.
- Lowest ever overall Coke rate in BFs of 462.7 kg/thm achieved by permanently stopping production through BFs # 2 & 3 and taking down BF 4 for repair. All these 3 BFs had low productivity and consequent high Coke rates. Previous best overall Coke rate in BFs of BSP was 491.0 kg/thm, achieved in 2008-09.
- Highest ever overall Coal Dust Injection (CDI) rate in BFs of 61.1 kg/thm was achieved by permanently stopping production through BFs # 2 & 3, which did not have the facility. Previous best overall CDI rate in BFs of BSP was 42.8 kg/thm, achieved in 2017-18.
- Lowest ever specific heat consumption of 24.9 Mcal/tcs was achieved at Steel Melting Shop(SMS)-II by optimising consumption of by-product gases. The previous best of 25.5 Mcal/tcs was achieved in 2007-08.
- Lowest ever specific furnace oil consumption of 1.96 L/tss was achieved by increasing lime production through energy efficient by product gas fired kilns of New Refractory Materials Plant (RMP)-III instead of liquid fuel fired kilns. The previous best of 2.54 L/tss was achieved in 2002-03.
- Waste heat recovery through Evaporative Cooling System installed in Plate Mill Re-Heating Furnaces (RHF) & Waste Heat Boilers installed in Double Contact Double Adsorption Sulphuric Acid Plant, resulted in generation of 129 and 11.5 thousand tonnes of low pressure steam, respectively, for use in process.
- Replacement of numerous HPSV luminaries in high bay lights, flood lights and well glass with LED lights have resulted in power saving to the tune of 714 MWh/yr.
- Installation of Variable Voltage Variable Frequency (VVVF) Drive in Basic Oxygen Furnace (BOF) gas booster # CB-4, with in-house resources, resulted in an estimated power saving of 155 MWh/year.

Durgapur Steel Plant (DSP)

- Highest ever overall pushing rate in Coke Ovens of 325 numbers / day was achieved by increasing availability of coke ovens to 309 numbers through planned re-building and repair. Previous best overall pushing rate in Coke Ovens of DSP was 314 numbers / day, achieved in 2015-16.
- Highest ever ratio of crude steel production through Continuous Casting (CC) route to total production, of 96.9% was achieved by increasing the

feed material for Wheel & Axle plant from Bloom and Round Caster. Previous best ratio of crude steel production through CC route to total production was 96.6 %, achieved in 2017-18.

- Lowest ever Total Metallic Input (TMI) of 1,118 kg/tcs was achieved by increasing the iron ore consumption in converter to 25.9 kg/tcs and simultaneously reducing the scrap and gross Hot Metal consumption. Previous best TMI was 1,122 kg/tcs, achieved in 2017-18 & 2018-19.

Rourkela Steel Plant (RSP)

- Increased waste heat recovery from hot coke resulted in highest ever generation of 27.15 GWh of power from BPTG alongwith generation of 368 thousand tonnes of medium pressure steam from CDQ facility in COB-6. The previous best of 25.3 GWh was achieved in 2018-19.
- TRT in BF-5 for conversion of high top-gas discharge pressure to electrical energy resulted in generation of 99.0 GWh of power.
- Highest ever BF Gas (BFG) yield of 1,661 Nm³/thm achieved by re-designing the orifice plate in BFG header to COB-6 to reduce pressure loss and increasing the pressure set value of BFG flare stack bleeder valve to 900 mmWG. The previous best of 1,645 Nm³/thm was achieved in 2018-19.
- Installation of VVVF Drive in Induced Draught fans of Converter A & B in SMS-2 resulted in an estimated power saving of 862 MWh/year
- ISO 50001:2018 Energy Management System certifications conferred to four departments of RSP viz. BF-5, COB-6, PBS & NPM.

Bokaro Steel Plant (BSL)

- Commissioning of newly built BF-1 stoves, resulted in increased hot blast temperature from an average of 871°C achieved in 2012-13, before BF-1 was shut down, to an average of 1,030°C at present.
- Total elimination of purchased gaseous fuel consumption of 1,882 thousand Nm³ of Coal Bed Methane and 793 t of Propane, consumed during 2017-18, by increasing availability of by-product gases to the mills through a new alternate gas network.
- Interconnection with new alternate gas network resulted in gainful utilisation of excess Coke Oven gas to the tune of 14 thousand Nm³/hr in Power Plant.
- Thorough repair of 5 nos. Soaking Pits and partial repair of another 5 nos. have resulted in conservation of an estimated 15 Tcal of energy.
- Replacement of damaged Waste Heat Recuperator of Hot Strip Mill (HSM), RHF-3; repair of flue tunnels of HSM, RHF # 3 & 4 and introduction of new improved design high top insulation with refractory blocks in RHF of HSM; resulted in an estimated saving of 150 Tcal of energy.
- Capacitor bank of Ladle Furnace-2 of SMS-2 replaced with a new one, resulting in improvement of power factor from 0.96 to 0.97, thereby saving an estimated 6.0 GWh of power.
- Waste heat recovery through Waste Heat Boilers installed in RMP & Sulphuric Acid Plant and Evaporative Cooling System installed in HSM RHF, resulted in generation of 439, 22 & 316 thousand tonnes of low pressure steam, respectively, for use in process.
- Replacement of 300 street lights & 200 high mast lights with LED lights and installation of VVVF Drive in SMS 2 converter Induced Draught fans have resulted in an estimated power saving of 7.75 GWh/yr.
- Liquidation of 55 numbers of steam leakages, fresh insulation of 500 m of damaged steam pipeline insulation & replacement of 35 numbers of damaged steam traps, resulted in an estimated saving of 19 thousand tonne of steam.

ISCO Steel Plant (ISP)

- Waste heat recovery from hot coke resulted in generation of 505,095 t of high pressure steam from CDQ facility in COB - 11 for power generation through BPTG in Power & Blowing Station 2.
- TRT in BF-5 for conversion of high top-gas discharge pressure to electrical energy resulted in generation of 95.5 GWh of power.

ii) Capital Investment on energy conservation equipment

A Capital expenditure of ₹9.95 crore, as detailed below, has been incurred during the Financial Year 2019-20:

Particulars	₹ crore
Installation of Variable Voltage Variable Frequency Drive in ID fans of Converter A & B in SMS-II at RSP	4.98
Installation of PRDS for usage of excess HP steam of Coke Dry Cooling Plant as process steam in RHOB of SMS-II at RSP	2.18
Use of Variable Voltage Variable Frequency Drives in operation of MP Boilers # 2 and ID FAN & FD FAN (2 Nos. of 187KW & 1 Nos. of 140KW) at RSP	0.35
Up-gradation of 6 Nos. Of Cooling Tower in CCD at RSP	2.44
Total	9.95

(B) Technology absorption

i) Efforts made towards technology absorption

Research and Development Centre for Iron & Steel (RDCIS) is the Corporate R&D Unit of SAIL. Over the years, RDCIS has earned credentials of being an R&D Centre of international repute in the field of ferrous metallurgy. The major thrust of RDCIS is to plan, demonstrate and implement multi-disciplinary R&D programmes in SAIL Plants to improve their key performance indices related to quality, productivity and yield. RDCIS works with steel Plants and Central Marketing Organisation of the Company to reduce product cost, develop value added market centric products and demonstrate the application of SAIL products amongst the customers. Specific areas in which R&D activities were carried out by the Company in 2019-20 are as under:

a) Process Developments

Coke Making

- Increasing the usage of soft coal through optimization of coal blending parameters, BSL.
- Improvement in M_{10} Index of coke by 0.5 for COB#4-5, RSP.

Agglomeration

- Utilisation of alternate fuel as part replacement of coke breeze in Sintering process, BSL.
- Improvement in Sinter Plant productivity from current level : 1.15 t/m²/hr, ISP.
- Development of flow sheet for effective utilisation of sludge through sintering, ISP.

Blast Furnaces

- Design and development of an online de-clogging system for pre-scrubber of GCP at BF # 2, BSL.
- Stabilization of Blast Furnace # 1, RSP.

Steel Making, Casting & Refractory

- Evaluation and comparison of steel cleanliness in special steel grades with and without Argon Diffuser in tundish, BSL.
- Characterization and control of Ultrasonic Testing(UT) failure in rails, BSP.
- Improvement in steel cleanliness and calcium recovery by introduction of Barium bearing Ca cored wire, BSP.
- Optimisation of process technology for improvement in steel De-Sulphurisation at Steel Melting Shop, DSP.
- Reduction in Arc Vacuum Degasser Treatment Time for Production of Wheel Heat, DSP.
- Reduction in Aluminium consumption in Steel Melting Shop-I, RSP.
- Modification of mould filling strategy in Beam Blank Caster, ISP.

Rolling Mills

- Emulsion flow control system in stand #1-4 of Tandem Mill #1, CRM, BSL.
- Study of Roll Lubrication at Edger & Finishing Stands of HSM, BSL.
- Improvement in strip steering, squeezing and rinsing systems in Pickling Line-2, CRM, BSL.
- Recommendation for Coiler Pinch Roll Materials and specification for HSM, BSL.
- Design of automation system for roller gap & speed control in leveller 1 & 2 and slab positioning in front of RHF of Plate Mill, BSP.
- Design and implementation of automation system for equipment of Charging area and Loopers of Strand A of Wire Rod Mill (WRM), BSP.

- Design and development of post weld controlled cooling facility and establishing welding and heat treatment parameters for alloyed rails at flash butt welding plant, BSP.
- Development and supply of LHB wheels as per Indian Railway requirement, DSP.
- Improvement in thermal profile of work roll in old Plate Mill, RSP.
- Model based process optimization of New Plate Mill, RSP.

Energy Conservation and Environment

- Investigation into aspects of improvement in water quality management of Walking Beam Furnace (WBF) zone of new Plate Mill, RSP.
- Design of propane fired gas burners for tundish heating system at SMS-2, RSP.
- Assessment of bio-sequestration potential and carbon-sequestration through afforestation, RSP.
- Feasibility study on utilization of decanter tar sludge from by-product plant of COB#11 complex, ISP.
- Pilot studies for control of cyanide in effluent of Blast Furnace Gas Cleaning Plant, ISP.

b) Laboratory based work

- Development of S460ML steel grade, RDCIS.
- Development of MgAl₂O₄ solid solution layer on MgO grains through addition of nano ceramic components for application as superior refractory materials, RDCIS.
- Study of the fissure formation phenomenon during carbonization process and enhancement of BF grade coke mean size from the coals used in SAIL plants, RDCIS.
- Fluid flow analysis for drainage of metal and minimization of skull formation in a slab caster tundish, RDCIS.
- Study of various properties of lime stone used at ISP from different sources w.r.t. its calcination behaviour, RDCIS.

c) Product Development & Application

RDCIS, through continuous technological inputs, has been helping the Company in producing value added steel products at a competitive price. Several new products, particularly special steels, having superior product quality attributes have been developed and commercialized 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 2019-20, the following 18 no. of products have been developed. Some of these products have been developed using the newly commissioned production facilities viz., CRM III (BSL), NPM (RSP), MSM (DSP), WRM (ISP), BRM (ISP) and USM (ISP).

S. No.	Product Details	Plant	Application
1	Ship building quality IRS Gr. B Plates	BSP	Ship building
2	TMT Wire Rods at WRM & BRM Without Micro-alloying	BSP	Reinforcement bars for concrete structures
3	Ship Building Quality IRS Gr.B HR coils	BSL	Ship building
4	IS 513 ISC 390W High Strength CR coils	BSL	Auto segment
5	ISC 440W High Strength CR coils	BSL	Auto segment
6	ISC 410LA High Strength CR coils	BSL	Bike Handle
7	IS 10748 Gr.1 RC01 (Low C, Low Si)	BSL	For Galvanising purpose
8	EN 10025-4 S355 J2W grade plates	RSP	LHB Coaches
9	Customized IS 2062 E410C Plates	RSP	Axle
10	ASTM A 537 Cl.1 (Normalized)	RSP	Boiler & Pressure vessel
11	ASTM A 516 Gr. 60	RSP	Boiler & Pressure vessel
12	IS2062 E450 Plates	RSP	Structural
13	SAE 1006/ IS 7887 Grade 2 including AIK	ISP	Cable Armour
14	SAE15B25 in 8 & 16 mm & EN8D	ISP	Fastener/ Forging
15	IS 2062 E 250 BR (NPB 750)	ISP	Structural
16	IS 1786 Fe 500D Rebars with Low CE	DSP	Construction Segment
17	IS 2830 Semis (with restricted Si) for lower zinc consumption in galvanizing	DSP	TLT segments
18	IS 2062 E 250 BR A100x100/ Channel 125/ 150/300/ WPB150	DSP	Infrastructure

(ii) Benefits derived from key projects in 2019-20:

• Process Area

Project Title	Plant	Benefits derived
Design of automation system for roller gap & speed control in leveller 1 & 2 and slab positioning in front of RHF of Plate Mill.	BSP	The Speed regulation of Mill drive & screw down motors for levellers has helped in reduction in average monthly tonnage loss due to levelling & bends by around 48%. After the installation of the new camera based slab position system, the stoppage due to slab falling has been zero (18 days/ annum in 2018-19). In RHF(s) the parallax error during the charging of slabs is completely eliminated.
Design and implementation of automation system for equipment of Charging area and Loopers of Strand A of WRM.	BSP	An enhanced automation and control system has been designed and implemented for the Charging section and Strand A loopers leading to reduction of electrical downtime in the concerned areas by more than 50%.
Design and development of post weld controlled cooling facility and establishing welding and heat treatment parameters for alloyed rails at flash butt welding plant.	BSP	Required insight provided into selection of parameters for Weld Annealing Program 925 of FBW Machine in RWL at URM, BSP and the process could be established to execute proper weld joints on commercial basis for these alloy grades of rail steel.
Improvement in steel cleanliness and calcium recovery by introduction of Barium bearing Ca cored wire.	BSP	Trials with CaSiBa cored wire validated that improvement in calcium recovery as well as cleanliness can be achieved with barium bearing Ca alloys under normal operating conditions.
Characterization and control of UT failure in rails.	BSP	Implementation of control measures in phased manner in plant, helped to control ultrasonic testing(UT) rejection below 2% from the month of November 2019 to March 2020 at URM from previous level of ~ 5.0%.
Optimisation of process technology for improvement in steel De-Sulphurisation(De-S) at Steel Melting Shop.	DSP	The steel making process technology was modified to make the steel melt and slag more conducive for De-S
Reduction in Arc Vacuum Degasser Treatment Time for Production of Wheel Heat.	DSP	The average treatment time (i.e., VAD in to VAD out) of wheel heat refining to overall 131 minutes from 152 minutes (2018-19).
Design of Bottom quenching system in COB #4.	DSP	Developed a scheme of combined top & bottom quenching and study the feasibility for implementation of the schemes in the existing hot car of COB#4 to improve coke quality.
Development and supply of LHB wheels as per Indian Railway requirement.	DSP	Appropriate Chemistry and Heat treatment cycle was designed and developed for these wheels. After inspection of RDSO, 479 LHB wheels were supplied to Indian Railways and 810 Nos. of wheels are in various stages of manufacturing.
Improvement in thermal profile of work roll in old Plate Mill.	RSP	The modified system with properly aligned spray band onto the rolls has exhibited improved heat transfer effect. The mill wear has reduced by ~20%. The average campaign rolling size (tonnage) has increased by around 10% .
Investigation into aspects of improvement in water quality management of Walking Beam Furnace (WBF) zone of new Plate Mill.	RSP	Two (2) specific low cost measures have been recommended in water treatment regime.
Design of propane fired gas burners for tundish heating system at SMS-2.	RSP	A new burner is designed for caster #3 (new caster), which will work both on mixed gas as well as propane gas as fuel separately. With provision of propane gas firing, this burner can be used for pre-heating of tundish and increase the availability of tundish for casting during unavailability of mixed gas. The modified burner design would help in reducing caster down time.
Improvement in M ₁₀ Index of coke by 0.5 for COB#4-5.	RSP	Modification done in coal handling plant instrumentation logistics and Intervened in heating operation to improve the centre coke mass temperature leading to improvement in M ₁₀ Index of coke by 0.67.
Model based process optimization of New Plate Mill.	RSP	Number of passes could be reduced for certain size of plates of IS2062 E250 grade. With implementation of scheme, rolling rate of the mill has increased from 140 to 145 t/hr.
Stabilization of Blast Furnace # 1.	RSP	Burden distribution optimization, heat load monitoring, optimization of Blowing parameters, Deadman Cleanliness Index (DCI) study, alkali management, etc. were carried out for early stabilization of BF #1.
Reduction in Aluminium consumption in SMS-1.	RSP	Trial with optimised process parameters and modified de-oxidation practice helped to reduce Aluminium consumption to ~4.2 Kg/T in trial heats compared to ~6 Kg/T.
Increasing the usages of soft coal through optimization of coal blending parameters.	BSL	Detailed characterization of incoming coal to BSL was carried out. It was concluded that soft coal (Imported Soft + MCC) can be increased in existing blend (w.r.t. coking properties of hard coking coal) up to 27 % without compromising the coke quality.
Improvement in strip steering, squeezing and rinsing systems in Pickling Line-2, CRM.	BSL	The modified squeezing and rinsing system is found to be significantly effective. The surface reflectance of the strip has improved from 82% to 89% and the surface chloride has reduced by 40% (from 400 to 238 mg/m ² /side) leading to brighter surface of pickled quality strip.
Recommendation for Coiler Pinch Roll Materials and specification for HSM.	BSL	Suitable alloy chemistry formulated and processing specification recommended for manufacture of HSM coiler top pinch rolls to improve its performance.

Project Title	Plant	Benefits derived
Study of Roll Lubrication at Edger & Finishing Stands of HSM.	BSL	The use of Edger Roll Lubrication (ERL) System at the edger stands led to appreciable reduction in friction and wear. Roll force with the ERL reduced by 5-10% and there was increase in average campaign size of rolling for all the four stands by over 40%.
Emulsion flow control system in stand #1-4 of Tandem Mill #1, CRM.	BSL	New scheme has been provided where the motor-pump capacity changed to 160 kW with increase in number of pumps from nine to eleven. Secondly, a separate emulsion header has been provided for stand #2 & #3 instead of a common header in prior scheme which will reduce roll spalling. The given scheme will lead to saving of energy.
Evaluation and comparison of steel cleanliness in special steel grades with and without Argon Diffuser in tundish, BSL.	BSL	The detailed study carried out on the effect of argon gas on the efficiency of removal of inclusions leading to steel cleanliness in special grades under BSL conditions. Also, the effect of TAD size, its location in tundish and argon flow rate through TAD in tundish of slab caster has been analysed using Computational Fluid Dynamics (CFD) software.
Utilisation of alternate fuel as part replacement of coke breeze in Sintering process.	BSL	Pot sintering experiments with varying replacement ratio of Jhama coal have been carried out and effect on process parameters and product sinter characteristics analysed. Sinter produced with 20% Jhama replacement produced maximum 10-25 mm sinter.
Improvement in Sinter Plant productivity from current level : 1.15 t/m ² /hr.	ISP	Technological innovations and its suitable modification led to improvement in specific productivity of sinter plant by ~7.5 % (from 1.15 to 1.24 t/m ² /hr).
Feasibility study on utilization of decanter tar sludge from by-product plant of COB#11 complex.	ISP	Existing systems of other plants of SAIL for utilisation of decanter tar sludge in blend were studied and the design and working process of system followed at BSP is recommended for COB#11, ISP for the utilization of decanter tar sludge with addition of a centrifuge.
Pilot studies for control of cyanide in effluent of Blast Furnace Gas Cleaning Plant.	ISP	Recommendations made to reduce the accumulation of cyanide along with other pollutants in the re-circulating water.
Development of flow sheet for effective utilisation of sludge through sintering.	ISP	On the basis of tests conducted, recommendations made for effective utilisation of sludge through sintering.
Modification of mould filling strategy in Beam Blank Caster.	ISP	The modified SEN design provided a stable mould flow for strands which are prepared within tolerances. Operated strand represented a stable operation at a cast speed of 1.01 m/min against an average present casting speed ~ 0.85 m/min (in case of asymmetric mould feeding). The optimized design thus provides symmetric and stable mould flow also with increased casting speed.
Development of MgAl ₂ O ₄ solid solution layer on MgO grains through addition of nano ceramic components for application as superior refractory materials.	RDCIS	The formation of partially supersaturated solid solution of Al-containing MgO during pressure less sintering at 1700°C followed by 'air quenching' has been successfully demonstrated in the MgO - 1wt.% Al ₂ O ₃ system. MgO-MgAl ₂ O ₄ spinel ceramic alloys' was developed with 69 % increased strength and better spalling resistance. It was found that the intragranular second phase spinel particles were observed in the solution treated samples as well, with particle sizes ranging from ~80 nm to ~120 nm.
Fluid flow analysis for drainage of metal and minimization of skull formation in the slab caster tundish.	RDCIS	This analysis is helpful for tundish design optimization or usage of turbulence suppressing flow modifiers for improvising process yield.
Study of various properties of lime stone used at ISP from different sources w.r.t. its calcination behavior.	RDCIS	Limestone samples obtained from different sources were calcined at different temperatures. Reactivity values, percentage loss in weight and percentage fines generation of calcined lime were evaluated. The results were co-related with Decipitation test, chemical analysis, DTA, porosity and strength test of limestone.
Development of S460ML steel grade.	RDCIS	Two heats of S460ML grade were successfully made in Steel Making Laboratory of RDCIS and the desired chemistry was achieved.

• **Product Area**
Special Steel Products Developed during 2019-20 and Benefits Derived

Product	Plant	Benefits Derived
Ship building quality IRS Gr. B plates & HR coils.	BSP/BSL	IRS Gr. B steel was developed in plates and HR coils for its application in the construction of Diving Support Vessel (DSV). Indian Register of Shipping (IRS) has certified BSP for manufacture & supply of IRS grade plates and BSL for manufacture & supply of IRS grade HR coils. Accordingly, production of IRS Gr. B was started in SAIL and the steel was supplied in the form of plates & HR coils to Hindustan Shipyard Limited, Visakhapatnam.

TMT Wire Rods at Wire Rod Mill (WRM) & Bar Rod Mill (BRM) without microalloying.	BSP	Heats were made and successfully processed into TMT wire rods at WRM & BRM without expensive micro-alloying. A total of 104875T was produced and supplied to Construction segment for use as reinforcement bars in concrete structures.
EN 10025-4 S355 J2W grade plates.	RSP	This grade of steel was developed to meet the requirement of enhanced corrosion resistance properties for fabrication of LHB coaches suitable for high speed trains.
Customized IS 2062 E410C plates.	RSP	IS 2062 E410C grade plates were developed to meet the specific requirements of retaining mechanical properties even after hot forming at 700-750°C. A sizable tonnage has been supplied to M/s Axle India Ltd., Chennai for manufacturing drive axle of heavy truck which requires hot forming to avoid the problems associated with forming at room temperature.
ASTM A 537 Cl.1 (Normalized) plates.	RSP	ASTM A537 Cl. 1 normalized carbon steel plates were developed for use in pressure vessel applications to serve the oil, gas and petrochemical industry.
ASTM A 516 Gr. 60 plates.	RSP	ASTM A516 Gr. 60 steel is a boiler and pressure vessel quality steel used for moderate and lower temperature service. The steel possesses good weldability and excellent notch toughness. Plates were developed for fabrication of industrial boilers and pressure vessels for oil, gas and petrochemical industry.
IS 2062 E450 with CIE 27J at 0 °C plates.	RSP	IS 2062 E450 grade of steel plates have been developed successfully employing thermo-mechanically controlled processing and supplied to M/s Ghaziabad Mech Fab Pvt. Ltd. This grade of steel is characterized by high yield strength of 450 MPa min. and high toughness of 27 J at 0 °C.
IS 513 ISC 390W High Strength CR coils.	BSL	Nb & Nb-Ti microalloyed IS 513 ISC 390W high strength cold rolled steel coils was developed with good forming capabilities for manufacturing of automobile body parts. The coils were supplied to M/s. Magnum India Steel Pvt. Ltd. for use in bike handles.
IS 513 ISC 440W High Strength CR coils.	BSL	Microalloyed IS 513 ISC 440W high strength cold rolled steel coils were developed for cold reducing applications in the automobile body parts and have been supplied to Ware House Manager, Faridabad.
ISC 410LA High Strength CR coils.	BSL	Cold rolled and annealed HSLA ISC 410LA grade steel coils with suitable forming properties and good surface quality are used for manufacture of automobile chassis parts. This steel is covered under BIS Standard IS 513: 2016 (Part-2). Cold rolled coils were successfully developed and supplied to M/s. Neel Metal, Pantnagar.
IS 10748 Gr.1 RC01 (Low C, Low Si) HR coils.	BSL	Low C, low Si grade of steel is used for cold reducing and galvanizing purpose to make precision tubes for Cycle & Auto segment. IS 10748 Gr.1 RC01 grade steel HR coils were developed and supplied to M/s. Avon Ispat & Power Ltd., Ludhiana.
IS 2830 Semis (with restricted Si) for lower Zinc consumption in galvanizing.	DSP	Heats were made and successfully processed into IS 2830 semis (with restricted Si) with & without microalloying at DSP. A sizable tonnage was produced and supplied to TLT segment to facilitate lower Zinc consumption in batch galvanizing of steel structurals.
IS 1786 Fe 500D TMT rebars with low CE.	DSP	To bring down the cost of production, necessary processing technology was successfully developed using low carbon equivalent steel to lower the ferro-alloy consumption and cost of production.
IS 2062 E250 BR structural.	DSP	To meet the ever growing demand of structurals in infrastructural applications, IS 2062 E250 BR A100x100/ Channel 125/ 150/ 300/ WPB150 structurals were developed and a substantial tonnage supplied to various infrastructure projects.
Fire Resistant Steel structural.	DSP	Fire resistant steel has been developed recently to meet the forthcoming demands of steel structures in the country with adequate fire resistance properties. This steel is characterized by its ability to retain its yield strength even at 600 °C. As per Indian Standard IS: 15103, yield strength of steel at 600 °C should be at least 2/3rd of specified value at room temperature. The developed steel has been thoroughly evaluated in-house and at CBRI Roorkee for its fire performance. The elevated and room temperature tensile results of fire resistant steel met all the requirements as per IS:15103.
SAE15B25 in 8 & 16 mm & EN8D wire rods.	ISP	Heats were made and successfully processed into SAE15B25 in 8 & 16 mm & EN8D wire rods for fastener/ forging applications. Necessary BIS license has been obtained for its production and supply.
SAE 1006/ IS 7887 Grade 2 including AIK wire rods.	ISP	Heats were made and successfully processed into SAE 1006/ IS 7887 Grade 2 including AIK wire rods and a large tonnage has been produced and supplied for use in cable armour applications.
IS 2062 E450 BR (NPB 600) structural.	ISP	High strength IS 2062 E450 BR grade structurals were successfully processed in NPB 600 section and processing technology established for its regular production and supply.

Other Technology Absorption, Adaption & Innovation measures

Technology development, absorption, adaption and further improvement are continuously taking place in the Company in different areas of Steel Plant operation through a definitive technology strategy. A number of new technologies are installed / being installed as a part of modernization/continuous improvement. These area-wise include:

Sl. No.	Description	Year	Status
COKE MAKING			
1.	Rebuilding of Coke Oven Battery No-8 at BSL	2020	Likely to be commissioned
SINTER MAKING/AGGLOMERATION			
1.	Installation of Sinter Plant II, BSL	2021	Likely to be commissioned
IRON MAKING			
1.	Blast Furnace (BF) with modern facilities such as :- <ul style="list-style-type: none"> • Conveyor charging system • Closed Loop Cooling System with soft water as an efficient cooling system • Modern refractory design • Flat Cast House design with ramp for use of mobile equipment for maintenance etc. 		
i)	BF#8 at BSP	2019	Commissioned in July 2019
ii)	BF#1 RSP	2019	Commissioned in July 2019
2.	INBA Cast House Slag Granulation Technology at BSL		
i)	BF #1, Cast House 1 & 2	2020	Likely to be commissioned
3.	High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200°C		
i)	Stoves System in BF#8, BSP	2019	Commissioned in June 2019
ii)	Stoves System in BF#1, BSL	2019	Completed in January, 2019
iii)	Stoves System in BF#4, BSL	2020	Likely to be commissioned
4.	Top Recovery Turbine in Blast Furnaces for Generation of Power		
i)	BF#8, BSP	2019	Commissioned in June 2019
5.	Coal Dust Injection System		
i)	BF#4, BSP	2020	Likely to be commissioned
ii)	BF#8, BSP	2019	Commissioned in July 2019
STEEL MAKING			
1.	Installation of 45 MVA SAF at CFP	2019-20	Commissioned
2.	SMS III at BSP	2020	Likely to be Commissioned
3.	1x130T BOF at SMS-I at BSL	2020	Likely to be commissioned
4.	Conversion of BRC to 300x150 mm ² bloom casting for MSM at DSP	2019	Commissioned in June 2019.
ROLLING & FINISHING			
1.	Universal Rail Mill, BSP		
i)	Walking-beam (WB) type re-heating furnaces.	2020	Likely to be commissioned
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
2.	Bar & Rod Mill.		
i)	Hot charging of billets to reduce specific fuel consumption.	2020	Likely to be commissioned
ii)	Walking-beam (WB) type re-heating furnaces.		
iii)	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars.		
iv)	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods.		
v)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		
3.	Medium Structural Mill, DSP		

i)	Walking-beam (WB) type re-heating furnaces.	2020	Likely to be commissioned
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
iii)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		
4.	New Hot Strip Mill, RSP		
i)	Walking-beam (WB) type re-heating furnaces with modern features including energy efficient digital furnace, crop optimization, heat retention panels.	2020	1st Hot Rolled Coil produced in February, 2020. Commercial production will be initiated. Likely to be commissioned
ii)	A new 3.0 MT capacity Hot Strip Mill to meet the market requirements of higher coil weight, wider strip, higher strength grades for auto body grades and API grades and excellent product qualities. Features include pair cross rolling, microstructure controlled cooling, online surface inspection, pallet conveyors etc. it is equipped with high level of automation including process control, MES & yard management.		

Expenditure on Research & Development

(₹ crore)

(a)	Capital	:	18.44
(b)	Revenue	:	274.36
	Total	:	292.80
	Total R&D Expenditure as a % of Total Turnover	:	0.47

Foreign Exchange Earnings and Outgo

(₹ crore)

i)	Foreign Exchange earned from exports and other activities	:	3,619.68
ii)	Foreign Exchange used:		
a)	CIF Value of imports	:	22,734.24
b)	Other expenditure in foreign currency	:	139.67

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place: New Delhi

Date: 19th September, 2020

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. A brief outline of the CSR Policy, including overview of Projects proposed to be undertaken and a reference to the web link to the CSR Policy and Projects.

1(A) Brief Outline (Objectives) of SAIL CSR Policy:

- Create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill towards the Company from those living along the periphery by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the under privileged.
- 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, etc.
- Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups.
- Ensuring environmental sustainability.
- 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 1st September, 2020 are:

Sl. No.	Name	Designation
1	Shri N. Shankarappa	Independent Director & Chairman
2	Shri K.K. Gupta	Independent Director
3	Shri Anil Kumar Chaudhary	Chairman, holding additional charge of Director(Personnel)
4	Shri Amit Sen	Director(Finance)

3. Average Net Profit for last three FYs :

Negative

4. Prescribed CSR Expenditure :

'Nil' as 2% of amount as in Item 3 above is in the negative.

5. Details of CSR spent during FY 2019-20 :

- Total amount to be spent : "Nil" **
- Amount unspent, if any : "Nil" **

** (NIL as per the provisions of Companies Act, 2013. However, for ongoing Core & Committed CSR activities, the Board decided to spend ₹ 33 crore)

- Manner in which the amount spent : Details furnished in prescribed format at **Annexure-A**.

6. In case the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Board's Report to disclose reasons for such non-compliance.

In terms of Section 135(5) of the Companies Act, 2013, 2% of average net profit during the three immediately preceding Financial Years i.e. FY 2016-17 to FY 2018-19 is "Nil". However, the Board of Directors in order to sustain the ongoing CSR activities in the periphery of Plants and Mines of the Company(which primarily consist of the backward districts) allocated budget for carrying out CSR interventions in consonance with Schedule-VII to the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

Even after having earned profit in the FY 2018-19, it may be noted that statutorily the CSR budget is 'Nil' as SAIL incurred losses during the Financial Years 2015-16 to 2017-18. The implementation and monitoring of Corporate Social Responsibility Program is in compliance with CSR Objectives and Policy of the Company.

During the Financial Year 2019-20, SAIL mainly focused on sustenance of ongoing core CSR activities intertwined with theme of national priority, in the areas of Education, Health, Skills Development, Women Empowerment, Assistance to Divyangs and Sr.Citizens, etc. in accordance with provisions of Schedule-VII to the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

During the Financial Year 2019-20, around 51% of the total expenditure was incurred on thematic program pronounced by the Government of India, viz. promotion of Education, Healthcare and Nutrition under CSR. In addition, 816 rural youths have been sponsored for ITI trainings. Over 710 youths and 1168 women folk have undergone Skills Development Trainings in Industrial Trades, Soft Skills, Hospitality, Handlooms, Handicrafts, Improved Agriculture Techniques, Domestic Products, etc., at various Training Centres set up at Plants/Mines of the Company. SAIL is also instrumental in marketing of the products manufactured at such centres.

SAIL is also implementing CSR projects in 7 Aspirational Districts, viz. West Singhbhum, Bokaro & Ranchi in Jharkhand; Kanker, Narayanpur and Rajnandgaon in Chhattisgarh (also Naxal affected areas) and Nuh in Haryana. During the Financial Year 2019-20, around 21% of the total expenditure has been incurred on the development of these 7 Aspirational Districts.

SAIL has activated a scaled response towards management of Covid-19 at its Plants, Units, Mines and Townships. SAIL Hospitals at five Integrated Steel Plant locations have earmarked 10% of the beds (330 beds) of the total beds (3300 Beds) as isolation wards and have set up a Covid testing centre at IGI, Rourkela for Covid-19 patients. Quarantine Facilities at guest houses/hostels in the Townships and at Mines hospitals have also been created to treat over 600 persons. SAIL Plants and Units have installed touch-free hand-sanitizers, water dispensers, spraying disinfectants, using digital thermal recorders at prominent locations and also ensuring continuous water supply in all the peripheral villages/areas.

During the Financial Year 2019-20, SAIL has contributed an amount of ₹5.0 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund for undertaking measures to tackle Covid-19 outbreak.

The major CSR activities undertaken by SAIL during the Financial Year 2019-20 have been elaborated in the prescribed format at **Annexure-A to this Report**.

Sd/
(Amit Sen)
Director (Finance)

Sd/
(K.K. Gupta)
Independent Director

Sd/
(Anil Kumar Chaudhary)
Chairman, SAIL with
Addl. Chg. of Director(Personnel)

Sd/
(N. Shankarappa)
Independent Director &
Chairman, CSR Committee

SAIL CSR PROJECTS/ACTIVITIES UNDERTAKEN DURING THE FINANCIAL YEAR 2019-20

(₹ crore)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered Schedule VII of the Companies Act, 2013	Projects (State & District where projects were undertaken)	Amount outlay (Budget) projects wise	Amount spent on the projects: Direct expenditure or Overheads	Cumulative expenditure upto the reporting period (2014-15 to 2019-20)	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, Ranchi & Khunti in Jharkhand, Salem & Cuddalore in Tamilnadu, Chikamagaluru in Karnataka, Chandrapur in Maharashtra, Gwalior in MP, Guntur in Andhra Pradesh etc.	5.06	8.85	57.92	Direct and through Implementing Agencies, viz. Akshay Patra Foundation, Swami Vivekananda Vani Prachar Samity, Mahila Samity, Ramakrishna Mission, Bharati Bhaban, Women Voluntary Services, Burnpur Mahila Samaj, Dipanwita Sab Payechhir Asar, Shamayita Math, Burnpur Ambagan Voluntary Social Welfare Organisation, Kartavya, Durgapur Mishra Ispat Abasik Mahila Samaj, Peace House Welfare Trust, Gopalmath Sisu Kalyan Samity, Industrial Training Institute, Central Institute for Plastic Engineering & Technology, Intensive Khadi Rural Development Centre, Jharcraft, State agencies, Bhilai Ispat Kaushal Kutir, Swayamsiddha, DSP Mahila Samaj, Jan Shikshan Sansthan, AROH Foundation, Society for Research and Rudimentary Education on Social and Health Issues, Durgpaur, Sona College of Technology, SCEWASTAMB & Balagoda Self Help Group Aashaye, Gua, Deen-Disha Centre (Self Employment Centre) Manoharpur, Society for Rural Industrialisation, Missionaries of charity, Cheshire Home, etc.
2	Promotion of education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	Cl.(ii) Education & Livelihood Generation		11.06	10.16	61.43	
3	Promotion of gender equality and empowering women, setting up homes and hostel for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Cl.(iii) Women Empowerment & Care for Sr. Citizens & PwDs		1.56	0.84	10.44	
4	Protection of heritage, art, culture & Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture		2.70	4.76	19.61	
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		1.05	1.05	23.11	
6	Rural development projects	Cl.(x) Infrastructure & Rural Dev.		1.97	1.56	17.33	
7	Capacity Building	CSR Rules, 2014 Cl.4(6)		0.10	0.34	3.68	
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)		9.50	0	0	
Total				33.00	27.56	193.52	

PRINCIPAL EXECUTIVES as on 1st September, 2020

CORPORATE OFFICE

NEW DELHI

Chairman

Anil Kumar Chaudhary

Directors

Personnel

Addl. Charge with Chairman, SAIL

Commercial

Soma Mondal

Technical

Harinand Rai

Raw Materials & Logistics

Addl. Charge with Director (Technical)

Finance

Amit Sen

Projects & Business Planning

Anirban Dasgupta

Executive Directors

Power, Elec. & SAILCON

Tej Veer Singh

CMMG

R Gopal

Operations

A. Devadas

Vigilance

Sanjay Sharma

Personnel & Administration

K. K. Singh

Internal Audit

Rajesh Bhasin

Chairman's Sectt.

R. K. Shrivastava

Law & PLO

A. K. Sinha

Coal Import Group

B. Mishra

C&IT

M. H. Siraji

Company Secretary

M. B. Balakrishnan

Chief of Corporate Affairs

Sumita Dutta

Safety

Executive Director

K. K. Jha

Management Training Institute

Executive Director (HRD)

Kamakshi Raman

Growth Division

Environment Management Division

Executive Director

Somnath Nandi

STEEL PLANTS / UNITS

Bhilai Steel Plant

Chief Executive Officer

Addl. Charge with Director (Projects & Business Planning)

Executive Directors

Mines & Rowghat

M. Biswas

Director I/c - M&HS

Dr. S.K. Issar

Materials Management

Rakesh

Works

Rajeev Sehgal

Projects

A. K. Bhatta

Personnel & Administration

S. K. Dubey

Durgapur Steel Plant

Chief Executive Officer

Addl. Charge with CEO, IISCO Steel Plant

Executive Directors

Projects

T. B. Singh

Director I/c - M&HS

Dr. K. N. Thakur

Materials Management

N. Roy

Works

B. P. Singh

Rourkela Steel Plant

Chief Executive Officer

D. Chattaraj

Executive Directors

Works

P. K. Dash

Personnel & Administration

R. V. Singh

Materials Management

D. K. Mohapatra

Projects

P. Kumar

Bokaro Steel Plant

Chief Executive Officer

Addl. Charge with Director (Technical)

Executive Directors

Director I/c - M&HS

Dr. A. K. Singh

Projects

R. Kushwaha

Materials Management

V. K. Pandey

Works

Atanu Bhowmick

Finance & Accounts

D. K. Saha

IISCO Steel Plant

Chief Executive Officer

A.V. Kamlakar

Executive Directors

Works

A. K. Singh

Materials Management

Shibasis Basu

Projects

K. B. Sunil

Director I/c - M&HS

Dr. R. Guha Niyogi,

Alloy Steels Plant

Executive Director

S. Subbaraj

Salem Steel Plant

Executive Director

Sanjeev Taneja

Visvesvaraya Iron & Steel Plant

Executive Director

K.L.S. Rao

UNITS

Research & Development Centre for Iron & Steel

Executive Director I/c

Ajay Arora

Executive Director

Dr. Santosh Kumar

Raw Materials Division

Executive Directors

RP&E and Operations

P. C. Naik

Sales

A. K. Kundu

Personnel & Administration

R. Muniraju

Centre for Engg. & Technology

Executive Director

Jagdish Arora

Central Marketing Organisation

Executive Directors

Commercial

Alok Sahay

Sales & ITD

M. C. Agarwal

Marketing Services

D. Kumar

Marketing

G. Ghosh

Finance & Accounts

A. K. Tulsiani

Logistics & Infrastructure

Executive Director

L. N. Mallick

SAIL Refractory Unit

Executive Director

S. Mondal

Chandrapur Ferro Alloy Plant.

Executive Director

M. V. Zode

Collieries

Executive Director

Arvind Kumar

STEEL AUTHORITY OF INDIA LIMITED
REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003
CIN: L27109DL1973GOI006454

NOTICE

NOTICE IS HEREBY GIVEN THAT the 48th Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Thursday, the 22nd October, 2020, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

Item No.1-Adoption of Audited Standalone and Consolidated Financial Statements

To receive, consider and adopt:

- (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020, 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, 2020 and the Report of the Auditors thereon.

Item No.2-Re-appointment of a Director

To appoint a director in place of Shri Harinand Rai (DIN:08189837), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

Item No.3-Fixation of Remuneration of Auditors

To authorise the Board of Directors of the Company to fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2020-21.

SPECIAL BUSINESS

Item No.4- Appointment of a Director

To appoint Shri Amit Sen (DIN:08602987) 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 Amit Sen (DIN:08602987), 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."

Item No.5- Appointment of a Director

To appoint Shri Nidgurti Shankarappa (DIN:08609086) 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 Nidgurti Shankarappa (DIN:08609086), 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 12th November, 2022."

Item No.6- Appointment of a Director

To appoint Shri Anirban Dasgupta (DIN:06832261) 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 Anirban Dasgupta (DIN:06832261), 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."

Item No.7- Ratification of Remuneration to Cost Auditors

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 ₹11,70,000/- plus taxes as applicable and reimbursement of Daily Allowance, Travelling Expenses and out of pocket expenses to be paid to the Cost Auditors viz. M/s. R.M. Bansal & Co., Kanpur (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Chandra Wadhwa & Co., New Delhi (for Rourkela Steel Plant and Bokaro Steel Plant) and M/s. ABK & Associates, Mumbai (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) for the Financial Year 2020-21, 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.B. Balakrishnan)
Company Secretary

Place: New Delhi

Dated:19th September, 2020

Registered Office:

Ispat Bhawan, Lodi Road, New Delhi-110003.

CIN: L27109DL1973GOI006454

NOTES:

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No.20/2020 dated 5th May, 2020 read with General Circulars No.14/2020 dated 8th April, 2020 and No.17/2020 dated 13th April, 2020 and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (collectively referred to as 'Applicable Circulars') have permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Applicable Circulars, the AGM of the Company is being held through VC / OAVM.
2. AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 (The Act), A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, PURSUANT TO APPLICABLE CIRCULARS, THE AGM IS BEING HELD THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE APPLICABLE CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES WILL NOT BE AVAILABLE FOR THE AGM. HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE. MEMBERS ARE REQUESTED TO PARTICIPATE IN THE AGM IN PERSON THROUGH VC/OAVM.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to the Applicable Circulars, the facility of participation in the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') website at www.evoting.nsdl.com.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.
5. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business Item Nos.4 to 7 above is annexed hereto. The relevant details under Item Nos. 2, 4, 5 and 6 of the Notice of the person(s) seeking appointment/re-appointment as Director required vide Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also annexed to the Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of Resolution/Authorization, etc. by its Board or Governing Body authorizing its representative to attend the Annual General meeting through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to sachinag1981@gmail.com with a copy marked to evoting@nsdl.co.in.
7. The Register of Members of the Company will remain closed from Friday, 16th October, 2020 to Thursday, 22nd October, 2020 (from end of business hours on 15th October, 2020), for the purpose of AGM.
8. M/s. MCS Share Transfer Agents Limited (MCSTAL) are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities viz. Transfer/ transmission/ transposition/ dematerialisation/ rematerialisation/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfer and allied activities with this agency only, at the following address:

M/s. MCS Share Transfer Agents Limited,

F-65, 1st Floor, Okhla Industrial Area, Phase-I,

New Delhi-110020

Phone No.011-41406149, E-mail: admin@mcsregistrars.com

9. Dematerialisation

- i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. **Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 (subsequently amended), has mandated that w.e.f. 1st April, 2019, (SEBI/MIRSD/DTAMB/CIR/P/2020/166 dated September 7, 2020) transfer of shares in a Listed Company shall only be in Dematerlised Form. Though most of the shareholders have converted their holdings into Demat Form, it is seen that some shareholders still hold their shares in paper form (Physical). In this connection, shareholders are advised, to open a Demat Account with any Depository Participant authorized by either National Securities Depository Ltd. or Central Depository Services Ltd. and dematerialize their shares.**
- ii) Members holding shares in the physical form should notify change in their addresses including their email address, 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 including their email address to their Depository Participant.
- iii) Members who have not registered their email-id with the Company or with the Depository participants (DP) and wish to receive communications/informations/ documents including notice for the AGM, are required to record their email address with the R&TA or alternatively send their request to investor.relation@sail.in where shares are held in physical form or to their respective DP.

Members holding shares in the physical form shall mention the folio-no. along with a self-attested copy of the Pan Card/Aadhaar and copy of the front and back side of the Share certificate, where shares are held in physical mode;

Members holding shares in Demat mode shall tender their request to the DP.

- iv) For making nomination, Members holding shares in physical form are advised to collect the Nomination Form from the Company's RTA and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).
- v) **EFT MANDATE**

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT)/ National Electronic Clearing System (NECS), for any future payouts from the Company. Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has directed to make payment of dividend only through approved electronic mode and Bank Details and Permanent Account Number(PAN) of the shareholders be obtained, updated against their folio, if not already available with the Company. Under the EFT, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority (RBI or SBI). The clearing authority provides credit reports to the payee's Bank, who credits the amount to their respective accounts. It becomes inevitable that the shareholders opting for EFT should provide details of their Bank Name, IFSC Code, A/c No., A/c Type, Branch Name, 9 digit MICR No. along with their Name and Folio Number (DP-ID/Client ID) to the Company if their holding is in Physical Form and to the Depository participant, if their holding is in Demat Form. Accordingly, Shareholders holding shares in Physical form and receiving dividend by

Dividend Warrant/Demand Draft, etc. are requested to fill the attached Form and submit it along with a copy of the Self-attested PAN CARD, an Original Cancelled Cheque Leaflet/ Attested Bank Passbook Copy showing Name of the Account Holder to M/s.MCS Share Transfer Agents Limited, R&TA of SAIL, to update the records for payment of any dividend in future.

- The Securities Exchange Board of India(SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Therefore, Members holding shares in Electronic Form are requested to submit their PAN to their Depository Participant (DP) with whom they maintain their DEMAT Accounts. Members holding shares in Physical Form can submit their PAN to the Company or M/s. MCS Share Transfer Agents Limited (R&TA).
- Members holding shares in identical order of names in more than one folio are requested to write to the Company/R&TA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
- The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2012-13 (Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2012-2013	-	4.00
2013-2014	20.20	-
2014-2015	17.50	2.50
2015-2016	-	-
2016-2017	-	-
2017-2018	-	-
2018-2019	-	5.00

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all unpaid/unclaimed dividend declared by it upto Financial year 2012-13 (Interim). Upon completion of a period of seven years, the Company would transfer the unclaimed /unpaid dividend (final) of Financial year 2012-13 in November, 2020.

Section 124(6) of the Companies Act, 2013 read with Rules provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. The Company has complied with the provisions and transferred the Shares, which had become eligible for transfer to IEPF after following the due process. The Company has sent individual communication(s) to the concerned shareholders whose dividend has remained unpaid or unclaimed for seven consecutive years, providing complete details of the shares due for transfer to IEPF. The Company has also published Notice in the newspapers advising such shareholders to encash their unclaimed dividend to avoid transfer of the shares. Details of such Shareholders and Shares due for transfer to IEPF has been uploaded on the Company's website. Claimants of the dividend /shares transferred to IEPF are entitled to claim refund by applying to IEPF.

Further, Dividend accruing against shares already transferred to IEPF has also been credited to the IEPF A/c.

Company Secretary is the Nodal Officer of the Company for IEPF Authority.

- 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 through email at investor.relation@sail.in. The same shall be replied suitably.

14. 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 paper less 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, Board's 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 R&TA 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.

- The documents referred to in this Notice and the Registers referred to in Section 170 and Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM. All such documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the AGM. Members seeking inspection or any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 15th October, 2020 through email at investor.relation@sail.in. The same will be replied by the Company suitably.

- In compliance with the Applicable Circulars, Notice of the AGM along with the Annual Report of FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.sail.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

- In order to prevent fraudulent transactions, Members are hereby advised to exercise due diligence and inform the Company of any change in address or demise of any Member as soon as possible. It is also advised that Members should avoid their Demat Account(s) becoming dormant. The statement of holdings in the Demat Accounts(s) should be obtained regularly from the concerned Depository Participants(DP) and holdings be verified periodically.

18. General Information and Instructions for Remote E-voting prior to AGM and E-voting in the AGM:

- In compliance with 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electric voting system through remote e-voting and in the AGM through e-voting.

- The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- III. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting and e-voting facility.
- IV. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates (and in his absence Mrs. Anuradha Jain of M/s. Agarwal S. & Associates) as Scrutiniser to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and available for the same purpose.
- V. The **CUT-OFF** date for recognising the eligibility of members to attend and vote on resolutions at the AGM shall be 15th October, 2020. 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 October, 2020 '**End of Business Hours**' only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- VI. A person who becomes a Member of the Company after circulation of the Notice of the AGM and holding shares as on cut-off date i.e. 15th October, 2020 can **follow the process for generating the Login ID and Password as provided in the Notice of the AGM.**
- VII. The remote e-voting period commences on 19th October, 2020 (9:00 am) and ends on 21st October, 2020 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th October, 2020, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**
- VIII. The Scrutinizer, after scrutinizing the votes cast at AGM by e-voting and through remote e-voting, will, not later than 48 Hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith the consolidated scrutiniser's report shall be placed on the website of the Company-www.sail.co.in and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.
- IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 22nd October, 2020.
- X. **The process and manner for remote e-voting are as under:**
- A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- Details for Step 1 are mentioned below:**
- How to Log-in to NSDL e-Voting website?**
- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer/Laptop or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under '**Shareholders/ Members**' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step*

2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your initial password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your **8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form**. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
- (vi) If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (viii) Now, you will have to click on "Login" button.
- (ix) After you click on the "Login" button, Home page of e-Voting will open.

Details for Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- B. In case of any queries/grievance, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact **Ms. Pallavi Mhatre, Manager or Ms. Sarita Mote, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SaritaM@nsdl.co.in or at telephone nos.:- +91 22 24994545 or 9769990397+91 22 24994890 or 9892890013 who will also address the grievances connected with the voting by electronic means.**

XI. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote e-voting login credentials The link for VC/ OAVM will be available in Shareholders/ Members login where the EVEN of the Company will be displayed.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the scheduled time of the AGM and will be available for Members on first come first served basis. The facility to join the meeting will close after 15 minutes, of the commencement of the meeting.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact **Ms. Pallavi Mhatre, Manager or Ms. Sarita Mote, Asst. Manager, National Securities Depository Limited at the email id evoting@nsdl.co.in or pallavid@nsdl.co.in or SaritaM@nsdl.co.in or at telephone nos.:- +91 22 24994545 or 9769990397+91 22 24994890 or 9892890013**
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at sail48agm.2020@sail.in from 15th October, 2020 (9:00 a.m. IST) to 17th October, 2020 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Further, Members who wish to have their queries/questions responded to during at the AGM are requested to send the queries/questions as mentioned above.

Only those Members who are attending the AGM and have not cast their vote through remote voting (prior to AGM) and otherwise are not barred from doing so, shall be eligible to vote through electronic voting system during the AGM.

- XII. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sachinag1981@gmail.com with a copy marked to NSDL's email ID- evoting@nsdl.co.in.
- XIII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.
- XIV. Those who became Members of the Company after dispatch of the Notice but on or before **cut-off date (15th October, 2020)** may mail to NSDL at evoting@nsdl.co.in, requesting for user ID and password. On receipt of user ID and password, the details on step 2 in A above should be followed for casting of vote.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4

Pursuant to the Government of India, Ministry of Steel Order No.6/2/2018-BLA dated 4th November, 2019, Shri Amit Sen (DIN:08602987) was appointed as an Additional Director of the Company with effect from 5th November, 2019 subject to his re-appointment by the shareholders in the Annual General Meeting. His tenure as Director is for a period starting from the date of assumption of charge of the post till the date of his superannuation (31st December, 2021) 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 Amit Sen as a candidate for the office of Director of the Company.

Shri Amit Sen is a Chartered Accountant with over 31 years of experience in the manufacturing sector, handling various areas of finance function.

He joined Bhilai Steel Plant of SAIL in 1993 and has been with SAIL ever since. Prior to joining SAIL, he worked with Lovelock & Lewes, Kolkata, (a PwC firm), and BHEL. His area of expertise includes cost management and commercial functions – especially the financial and commercial aspects of large turnkey contracts. He has also made significant contributions to the profitability of SAIL through revisit of existing practices and aligning them with best practices. As CFO of SAIL Refractory Co Ltd (a subsidiary of SAIL), he was instrumental in turning around the finances of the company. Shri Amit Sen 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 Amit Sen 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.

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

Pursuant to the Government of India, Ministry of Steel Order F.No. 1(10)/2015-BLA(Vol-IV) dated 21st October, 2019, Shri Nidgurti Shankarappa(DIN:08609086) was appointed as an Additional Director of the Company with effect from 13th November, 2019. His tenure as Non-Official Independent Director is for a period of three years with effect from 13th November, 2019 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013(the Act), Shri Nidgurti Shankarappa 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 Nidgurti Shankarappa for the office of Director of the Company.

Shri Nidgurti Shankarappa is an Advocate by profession. Shri Shankarappa had completed his graduation from Dharwad University in 1973 and LL.B from Gulbarga University in 1980. He was member of Karnataka Legislative Council during the period 2008 to 2011.

Shri Nidgurti Shankarappa 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 Nidgurti Shankarappa that he meets with the criteria of independence as prescribed under sub- section 6 of Section 149 of the Act.

Save and except Shri Nidgurti Shankarappa 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 Shri Nidgurti Shankarappa, 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

Pursuant to the Government of India, Ministry of Steel Order No.6/1/2019-BLA dated 27th January, 2020, Shri Anirban Dasgupta(DIN:06832261) was appointed as an Additional Director of the Company with effect from 1st February, 2020 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 February, 2020 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 Anirban Dasgupta as a candidate for the office of Director of the Company.

Shri Anirban Dasgupta is a distinguished alumnus of IIT, BHU in Metallurgy. He started his career in Centre for Engineering & Technology (CET) of SAIL in 1986. During his stint in CET, Shri Dasgupta worked in several important areas, which included preparation of feasibility reports and tender specifications of various projects in SAIL, collaborating with M/s. McKinsey & Company for restructuring of SAIL, formulation of SAIL's Corporate Plan 2005 & 2012, working as a key member of many corporate initiatives including preparation of blueprint for the revival of IISCO Steel Plant before its amalgamation into SAIL, etc. Subsequently, he worked in Chairman's Secretariat, SAIL from October, 2010 to August, 2017, where he was instrumental in initiating various successful projects. Thereafter, he was elevated to the post of Chief Executive Officer(CEO) of IISCO Steel Plant (ISP) with additional charge

of CEO (Durgapur Steel Plant) and Alloy Steels Plant of SAIL. Under his leadership, ISP progressed towards achieving rated capacities and the Plant's performance witnessed turnaround. Prior to taking over the charge of Director (Projects & Business Planning), Shri Dasgupta was CEO (Bhilai Steel Plant) from 1st June, 2019 onwards. During his tenure at BSP, the major achievements included growth of 37% in production of prime rails, ramping up of production from various Modernisation Units like Universal Rail Mill, Steel Melting Shop-III, Blast Furnace- 8, Bar & Rod Mill, among others.

Shri Anirban Dasgupta 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 Anirban Dasgupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No.7

The Board of Directors of the Company, on the recommendation of the Audit Committee has considered and approved the appointment of M/s. R.M. Bansal & Co., Kanpur (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Chandra Wadhwa & Co., New Delhi(for Rourkela Steel Plant and Bokaro Steel Plant) and M/s. ABK & Associates, Mumbai for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2020-21 at a remuneration of ₹11,70,000/- plus taxes as applicable and reimbursement of daily allowance, travelling expenses and out of pocket expenses. In addition, M/s. Chandra Wadhwa & Co., New Delhi 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 ₹42,000/- plus taxes as applicable.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the Resolution for ratification of the fee of the Cost Auditors as set out at Item No.7 of the Notice is submitted for approval of the Shareholders.

The Board recommends the resolution for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the resolution.

By order of the Board of Directors



(M.B. Balakrishnan)
Company Secretary

Place: New Delhi

Dated: 19th September, 2020

Registered Office:

Ispat Bhawan, Lodi Road, New Delhi-110003.

CIN: L27109DL1973GOI006454

Details of Directors seeking appointment/re-appointment in Annual General Meeting furnished in terms of SEBI Regulations:

Name of the Director	Shri Harinand Rai	Shri Amit Sen	Shri Nidgurti Shankarappa	Shri Anirban Dasgupta
DIN	08189837	08602987	08609086	06832261
Date of Birth	1 st May, 1962	12 th December, 1961	6 th August, 1947	29 th April, 1965
Date of Appointment	1 st August, 2018	5 th November, 2019	13 th November, 2019	1 st February, 2020
Expertise in Specific functional areas	Blast Furnace Technology; Operations and Logistics.	Cost Management and Commercial functions – especially the financial and commercial aspects of large Turnkey Contracts.	Legal Matters.	Tehnology, Operations and Corporate Planning;
Qualifications	B.Tech (Metallurgy)	Chartered Accountant	LL.B.	B.Tech (Metallurgy)
List of Companies in which outside Directorship is held.	(1)International Coal Ventures Private Limited (2)MINAS De BENGAL (Mauritius) Limited	International Coal Ventures Private Limited	NIL	(1)Chhattisgarh Mega Steel Limited (2)TRL Krosaki Limited
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director.	Member: Audit Committee; Projects Committee; Operational Issues Committee; Health, Safety & Environment Committee.	Member: Stakeholders Relationship Committee; Projects Committee; Strategic Issues & Joint Ventures Committee; Operational Issues Committee; CSR Committee.	Chairman: CSR Committee; Member: Health, Safety & Environment Committee; Operational Issues Committee.	Member: Strategic Issues & Joint Ventures Committee; Projects Committee.
No. of Shares held in SAIL	NIL	NIL	NIL	100



FORMAT FOR FURNISHING THE BANK DETAILS, PAN, EMAIL ID, ETC.

To
 MCS Share Transfer Agents Limited
Unit : Steel Authority of India Limited
 F-65, Okhla Industrial Area, phase-I,
 New Delhi – 110020

Dear Sir,

I/We, give my/our consent to update the following details in your records to effect payments of dividend or sending other communications by electronic means in compliance with the circular(s) issued by SEBI for equity shares of Steel Authority of India Limited.

FOLIO NO. : _____

NAME OF THE FIRST / SOLE HOLDER : _____

BANK'S NAME : _____

BRANCH'S NAME & ADDRESS : _____

ACCOUNT NO. : _____ ACCOUNT TYPE (SB / CURRENT) : _____

IFSC CODE : _____ MICR CODE : _____

EMAIL ID : _____ PHONE NO. : _____

PARTICULARS	NAME OF SHAREHOLDER(S)	PAN
FIRST / SOLE SHAREHOLDER		
1 ST JOINT SHAREHOLDER		
2 ND JOINT SHAREHOLDER		

 Signature of 1st Shareholder

 Signature of 1st Joint Shareholder

 Signature of 2nd Joint Shareholder

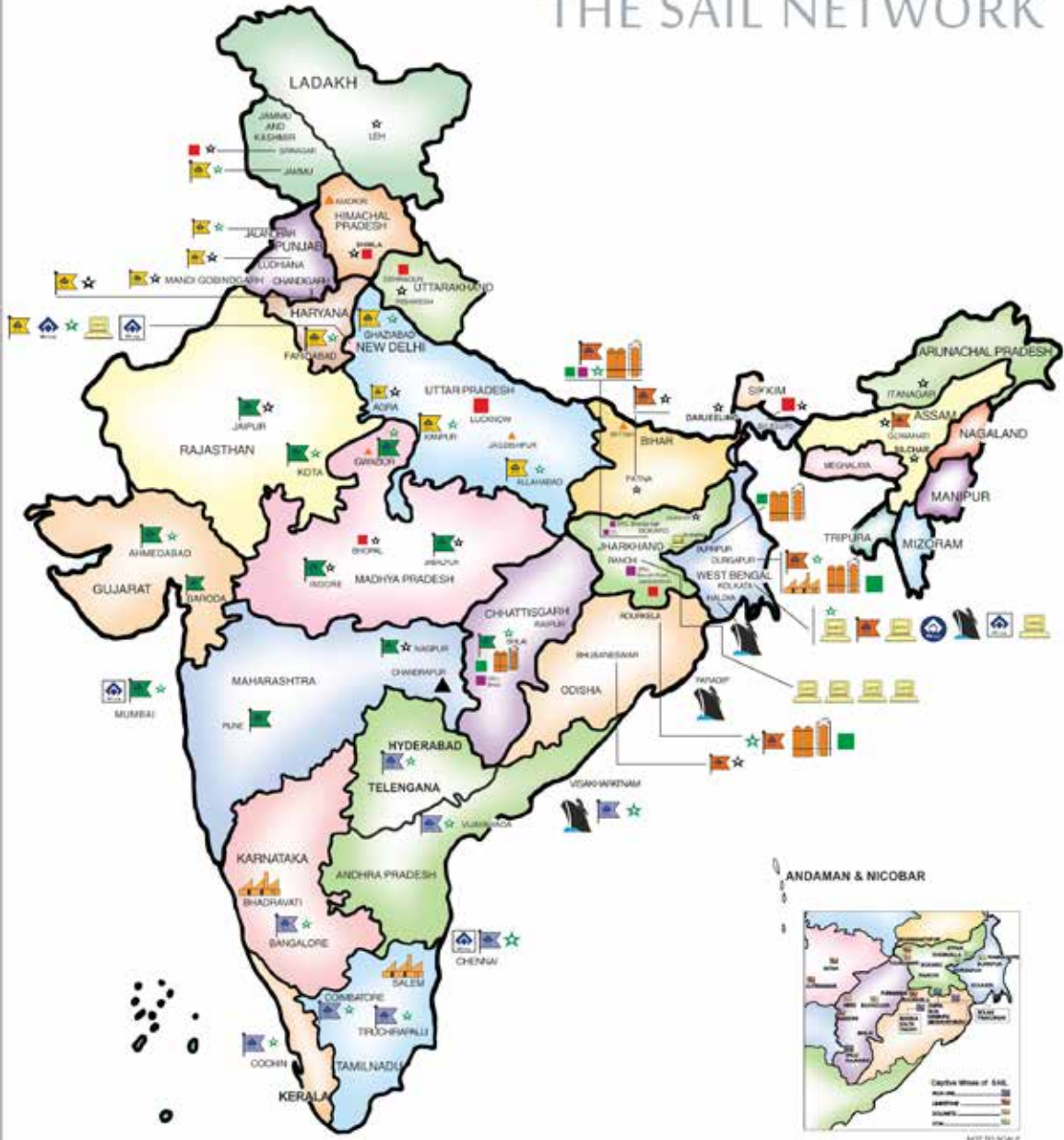
Date : _____
 Place: _____

Encl : Original cancelled cheque leaflet or attested copy of bank pass book showing name of account holder and self- attested copy of PAN Card(s).



A MAHARATNA COMPANY

THE SAIL NETWORK



CORPORATE OFFICE		UNITS		CONSIGNMENT AGENCY YARD		BRANCH SALES OFFICES	
INTEGRATED STEEL PLANTS		CMD 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



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड

STEEL AUTHORITY OF INDIA LIMITED

Ispat Bhawan, Lodi Road, New Delhi-110 003

website: www.sail.co.in

There's a little bit of SAIL in everybody's life