स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/2019

August 02, 2019

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: Annual Report for 47th Annual General Meeting, Book Closure & Record Date

Dear Sir,

The 47th Annual General Meeting of the Members of the Company will be held on 30th August, 2019 at 10:30 AM at NDMC Indoor Stadium, Talkatora Garden, New Delhi – 110001.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report of the Company for the year 2018-19, along with the Notice of the Annual General Meeting is enclosed for your reference and record. The same is also being emailed to NSE and BSE at annualreports@nse.co.in and corp.rleations@bseindia.com respectively and uploaded at NEAPS and BSE Listing Centre.

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 hereby notified that Register of Members and Share Transfer Books of Steel Authority of India Limited will remain closed from Saturday 24th August, 2019 to Friday, 30th August, 2019 (both days inclusive) for the purpose of taking on record the eligible Members for payment of final dividend of Rs.0.50 per equity share of Rs.10/- each for the financial year 2018-19. The Final Dividend, if approved at the AGM, will be paid to those eligible Members whose names appear in the Register of Members and as per Beneficial Owners' position as at the close of working hours of 23rd August, 2019. The payment of dividend will be made on and from 5th September, 2019.

Thanking you,

Yours faithfully,

(M.B. Balakrishnan)
Company Secretary

Encl: As above.

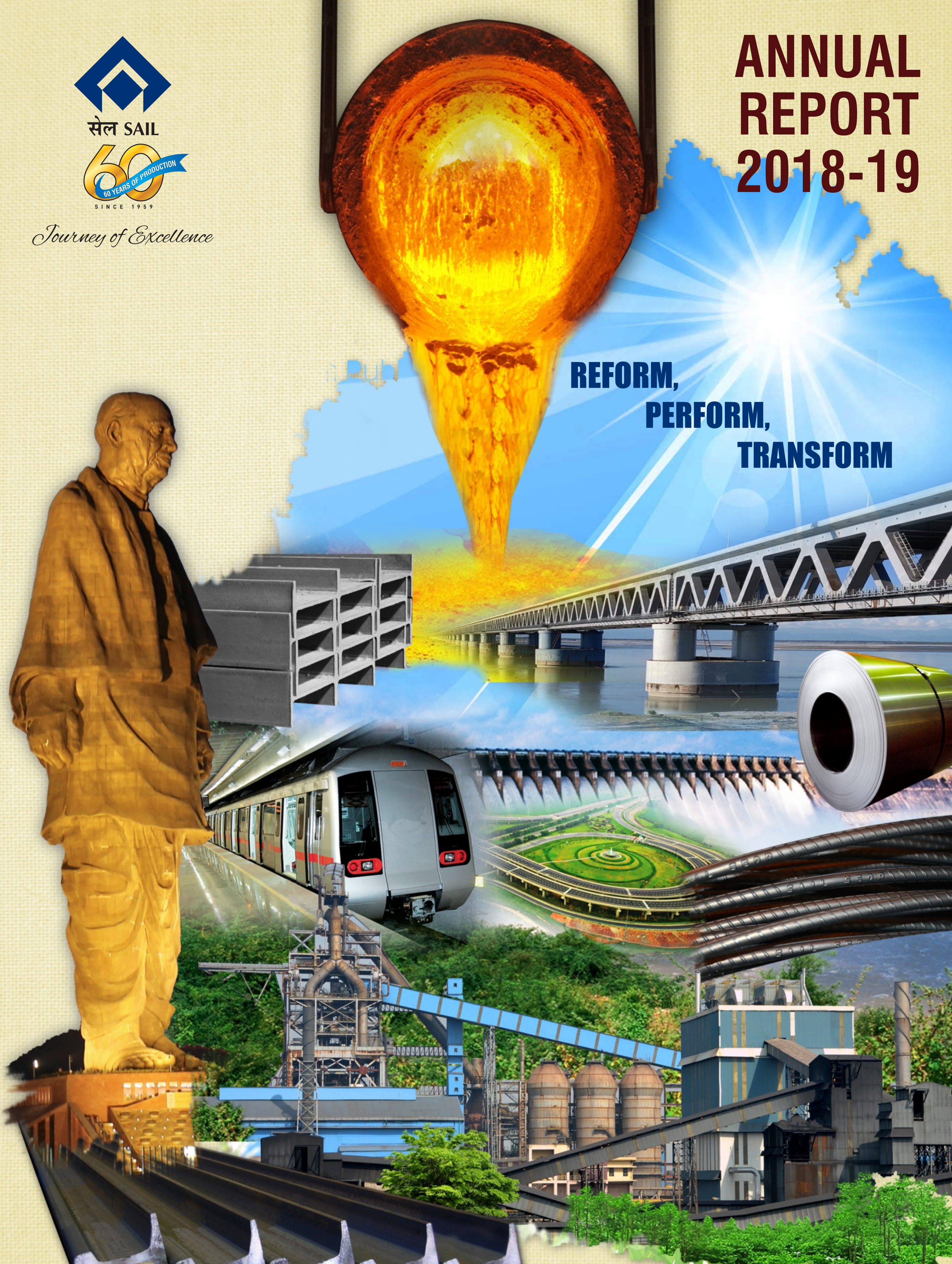
सेल SAIL

60 YEARS OF PRODUCTION

SINCE 1959

Journey of Excellence

ANNUAL REPORT 2018-19



BUILDING A ROBUST INDIA

SAIL supplied 12000 metric tonnes of steel (more than 50 percent) for construction of 182 metre tall 'The Statue of Unity', the world's tallest statue.

Vision

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

Credo

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

Contents

Letter to Shareholders

Dear Shareholders,

It is my privilege to apprise you with the achievements of your Company during the Financial Year 2018-19. The year marked the return of your Company into black. It was a year of noticeable improvement in the performance, a year in which the persistent efforts of your Company to stage the turnaround, finally culminated into profits after posting losses for the past 3 years consecutively.

Your Company achieved sales turnover of ₹66,267 crore during the Financial Year 2018-19, which is higher by 16% over previous year. The position of loss in the previous year 2017-18 at ₹(-) 482 crore was reversed and your Company posted a Profit after Tax (PAT) on standalone basis at ₹2,179 crore in FY19. The consolidated profit after tax of the Company stood at ₹2,349 crore for FY19 as against ₹(-) 281 crore in FY18. The persistent strategic approach to improve operational profitability assisted SAIL to improve the EBITDA in FY19 to ₹10,283 crore, almost doubling over the performance of ₹5,184 crore in FY18.

The improvement in financial performance was based upon the improved operational performance indicated by increase in Saleable Steel production (7%), increase in Net Sales Realisation (NSR) for 5 ISPs (16%), higher share of Concast production, improved product-mix, reduction in Coke Rate, reduction in specific wage bill, etc. However, the same has been partially offset due to increase in imported coal rate, purchased power rate, higher expenditure on repairs & maintenance, stores & spares, security expenses, loss on account of foreign exchange variations, higher imported coal in blend, provisioning towards various mining related issues, provision for entry tax in the State of UP following the Court Order and increase in interest and depreciation costs.

On the production front, Financial Year 2018-19 saw number of new records being created. The production improved substantially with the ramping up of new facilities. Your Company achieved its highest ever production of Hot Metal of 17.5 MT, Crude Steel of 16.3 MT and Saleable Steel of 15.1 MT. It also clocked an all-time best performance of Continuous-Cast (CC) Steel production of 13.8 MT with a growth of 8% over previous best of 12.8 MT achieved in 2017-18.

With the modernisation and expansion plan on the verge of completion, the modernised and expanded Bhilai Steel Plant (BSP) was dedicated to the Nation by the Hon'ble Prime Minister on 14th June, 2018. The new Steel Melting Shop (SMS-III) at BSP was put into operation along with 2 convertors, 3 casters, 2 Ladle Furnace and 1 RH Degasser. The hot trial for Bar Line of Bar & Rod Mill (BRM) at BSP also commenced during December'18 while the trial rolling of Wire Rod from Rod Line of BRM started in February'19. At Bokaro Steel Plant (BSL), the hot trials of Hot Dip Galvanising Line at Cold Rolling Mill-III were started in June'18. The upgraded Blast Furnace-1 (Parvati) at Rourkela Steel Plant (RSP) was blown-in on in May'18 and also dedicated to the Nation on 11th June, 2018 by the Hon'ble Union Minister of Steel.

A number of new initiatives were taken during the year resulting in improvement in productivity and efficiency across all Plants. 20 new products/grades were developed during the year with noticeable amongst them being NPB-750 at IISCO Steel Plant (ISP) and LHB Wheels at Durgapur Steel Plant (DSP). One of the most important products in the basket of SAIL viz., Rails (for supplies to Indian Railways) witnessed the highest ever production at 9.85 lakh tonnes (vis-à-vis 9.03 lakh tonnes in FY 18) during the Financial Year 2018-19 with commercial production from new Universal Rail Mill (URM) showcasing a 83% growth year on year. The total despatches of UTS-90 Rails consisted of record long rail dispatch of 4.48 lakh tonnes. At DSP, the new mill, MSM saw the production double to 1.71 lakh tonnes from 0.99 lakh tonnes in FY18. This aided the Plant in achieving its best ever performance for overall Saleable Steel production at 2.13 MT. At RSP, the New Plate Mill continued the stellar performance and the new benchmark by producing 8.61 lakh tonnes during the FY19. Supported by the performance at other facilities, the Plant overhauled its previous performance and recorded the best ever Saleable Steel production at 3.34 MT. Bokaro Steel Plant (BSL) recorded best ever performance in production of Cast Slab, HR Coil and CR Coil at 3.40 MT, 3.69 MT and 1.14 MT respectively. ISP apart from development of NPB 750, started closed casting through monotube route. Other initiatives at ISP ensured its rapid progress towards stabilization and the Plant is also expected to contribute a decent share in the overall profitability of your Company in the years to come.

During the year, your Company's total requirement of iron ore was met from captive sources. SAIL's captive mines produced 28.35 million tonnes (MT) of iron ore.

SAIL steel has been a part of every major national infrastructure project. Your Company proudly associates itself with India's Defence, Railways, Infrastructure, Space, Power, Manufacturing, etc. Living up to its label of being the most trusted and valued partner in Nation's development, SAIL supplied steel to projects of national importance like Statue of Unity (tallest statue in the World), Bogibeel Bridge (longest rail-cum-road bridge in India), Kishanganga and Tuirial Hydro Projects, Eastern and Western Peripheral Expressways, Lucknow-Agra Expressway, etc. in FY'19, thus giving a fillip to India's growth story under the ambit of National Steel Policy 2017 as well as 'Make in India' movement. Aimed at import substitution, new grades like Quenched & Tempered Plates (SAIL WR 400, ASTM 517 F, S690 QL), High Tensile Parallel Flanged Beams, Medium Carbon Wire Rods (HC 52B,SAE 15B21), etc. were produced and supplied for the first time. Your Company has also supplied steel for various defence projects including indigenously built Anti-Submarine Warfare (ASW), Stealth Corvette INS-Kiltan and the first indigenous as well as biggest artillery gun 'Dhanush' of the Indian Army.

On the marketing front, SAIL launched diverse initiatives to increase its market presence in different areas by targeting defined market segments. The Company introduced strategic processes like Sales Force Effectiveness (SFE) Programme and Key Accounts Management (KAM) Process during the year. The branding initiatives saw the launch of a new brand "NEX" to promote Parallel Flange Sections being manufactured by DSP and ISP. Further, the Company had made preparation for launch of its "SeQR" brand to promote the TMT Bars being manufactured by ISP based on its higher safety related properties and features against earthquake. The brand has finally been launched in the FY 2019-20. The initiative "Gaon Ki Ore" saw organisation of more than 150 workshops aimed at enhancing per capita usage of steel in rural construction sector.

During 2018-19, your Company achieved its best ever sales volume of 14.12 million tonnes (MT) despite the second half of the year witnessing a strong undercurrent in the market for steel products. Continuing to strengthening its presence in international markets, SAIL exported 0.76 MT of steel, a growth of 9% over CPLY. With the emphasis on increasing sales of special quality steel, the proportion of these products was increased to 42% of the overall sales. In this regard, supplies from the Cold Rolling Mill #3 at Bokaro have been steadily increasing to consumers in the highly demanding, high value auto segment, besides new customers in Power sector. Supplies of WRC in special grades has commenced from the new mill at IISCO Steel Plant. With focus on meeting the requirement of small consumers, 0.7MT of steel was sold through the retail channel. With the aim of improving the product-mix to meet the requirement of local markets, SAIL has inaugurated new Steel Processing Units at Bettiah and Jagdishpur.

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 CO_2, enhancing utilization of wastes through application of 4Rs

Steel Authority of India Limited supplied steel for indigenously built Stealth Corvette INS-Kiltan.

(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. More than 20.5 million saplings have been planted across SAIL Plants and Mines till date since inception. Giving special thrust for plantation, more than 4.42 lakhs of saplings have been planted during 2018-19.

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 confirms 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.

Your Company has been taking a number of strategic initiatives for its turnaround, growth and sustainance. SAIL had launched the Company-wide turnaround program 'SAIL Uday' in 2016-17 which laid the roadmap for improvement in the areas of Raw Materials, Operations, Sales & Marketing, Supply Chain & Logistics, Personnel and Human Resource has been developed and deployed culminating in the performance during FY 19. Other than this, 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. 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.

Looking at the future, IMF has projected the world growth outlook in April'19 for the year 2019 and 2020 at 3.3 percent and 3.6 percent respectively. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging due to considerable uncertainties in the short term especially for the advanced economies. While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies. With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. Beyond 2020 growth will stabilize at around 3½ percent, bolstered mainly by growth in China and India and their increasing weights in world income.

Thus, the Indian Economy is expected to continue to do reasonably well in the long run which augurs well for the Steel Industry, as the two enjoy a strong correlation. Similar sentiments have been echoed in the Short Range Outlook published by World Steel Association (WSA) in April'19. It has been forecast that Global steel demand will reach 1,735 Million Tonnes (MT) in 2019, an increase of 1.3% over 2018. It is further forecast that Global steel demand will grow by another 1% to reach 1,752 MT in 2020. WSA has further added that the Indian economy is expected to achieve faster growth starting in the second half of 2019 after the election. While the fiscal deficit might weigh on public investment to an extent, the wide range of continuing infrastructure projects is likely to support growth in steel demand above 7% in both 2019 and 2020.

India having already overtaken Japan as World's second largest steel producing Nation in FY 18, is all likely to overtake US as the second largest steel consuming Nation in the world in 2019. The 300 MTPA steel production capacity for India by 2030 as envisioned in "National Steel Policy 2017" is commensurate with this growth projection. SAIL has also started its plans for increasing its capacity commensurate with the National growth.

At the end, I take this opportunity to thank all our stakeholders who have contributed internally and externally in the improved performance of the Company. I must specifically thank our valued customers, trusted suppliers, the Central and State Governments and our talented employees, who have always stood by the Company and contributed in the progress of SAIL. I must especially thank our shareholders including the Central Government for the faith they have reposed in the Company when it has been unable to pay the dividend owning to the continued losses. As the Company has started its ascent to the top, it is time we keep our investors in good spirits. Accordingly, the Board of Directors has proposed a dividend of 5% for the year 2018-19. I hope this will further strengthen the faith of the stakeholders in us and I look forward to the continued support and unflinching trust.

Place: New Delhi
Dated: 31st July, 2019

(Anil Kumar Chaudhary)
Chairman

Highlights

- SAIL bounced back to profits in FY 2018-19 with Net Profit after Tax of ₹ 2,179 crore, after being in red for three consecutive years.
- Hon'ble Prime Minister Shri Narendra Modi dedicated SAIL's Modernized and Expanded Bhilai Steel Plant to the nation in June, 2018.
- Launched a new brand of TMT bars named 'SAIL SeQR' which is safer and has higher strength and better ductility, providing enhanced safety to the Construction Sector.
- SAIL developed and supplied the first lot of Link-Hoffman-Busch(LHB) wheels to Indian Railways for use in LHB coaches. These wheels are currently being imported and the new product in SAIL basket shall further the "Make-in-India" initiative.
- SAIL supplied an all time high volume of 9.45 Lakh tonne rails to Indian Railways in 2018-19, further augmenting its value-added product basket and continuing its quest for participation in National infrastructure building.
- In solidarity with the people affected by the severe cyclonic storm "Fani" that hit Odisha in April/May 2019, SAIL supplied around 81,000 electric poles of special quality Wide Parallel Beam (WPB-160) to the Odisha Government on topmost priority. SAIL Employees also contributed Rs.3 crore towards the relief work of cyclone 'Fani' to Odisha Chief Minister's Relief Fund. SAIL's quick response was highly appreciated by the Central and State Government.
- As a partner in nation building, and in furtherance of the 'Make in India' initiative of the Government of India:
  - ❖ SAIL supplied steel for India's first indigenous long range artillery gun 'Dhanush', which was inducted into the Indian Army in April, 2019, thereby establishing SAIL's commitment to fulfil every requirement for strengthening India's defence systems.
  - ❖ More than 50% Steel (35400 MT approx.) for the construction of Bogibeel Road-cum-Rail Bridge on the river Brahmaputra was supplied by SAIL.
  - ❖ More than 50% Steel (12000MT approx.) was supplied for the world's tallest statue (182 meters) - 'The Statue of Unity', which was dedicated to the nation by Hon'ble Prime Minister Shri Narendra Modi on the 143rd Birth Anniversary of independence movement leader, Sardar Vallabhbhai Patel.
  - ❖ The first consignment of Metro Railway Wheels for Kolkata Metro was despatched in June, 2018.
  - ❖ SAIL supplied around 60,000 tonnes of Steel for the 111-km-long Jiribam-Tupul-Imphal new broad gauge railway project for the world's tallest girder rail bridge and India's longest tunnel.
  - ❖ 43000 tonnes (approx.) of steel was supplied for the construction of the 135 Km long Eastern Peripheral Highway, inaugurated by Hon'ble Prime Minister, Shri Narendra Modi in May, 2018.
- Towards a unique initiative of making the Country clean and beautiful, SAIL launched 'Smart Garbage Bins' made of SALEM Stainless Steel in South Delhi Municipal Corporation.
- Under the Guidance of Ministry of Steel, SAIL associated with administration of district 'Nuh' in Haryana in a unique initiative under Corporate Social Responsibility for supporting the "Menstrual Hygiene Management Program".
- SAIL's Steel Processing Unit situated at Bettiah in West Champaran, Bihar was dedicated to the nation on 18th February, 2019 by the then Union Steel Minister, Chaudhary Birender Singh and Union Minister of Consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan. High quality steel tubes and pipes will be produced by this Unit.
- SAIL's Steel Processing Unit situated at Jagdishpur in Uttar Pradesh was dedicated to the nation in April 2019 by the Hon'ble Prime Minister, Shri Narendra Modi. The Unit will produce TMT rebars for catering to the expanding demand of infrastructure sector.
- In its maiden attempt, SAIL Hockey Academy, run by Rourkela Steel Plant (RSP), won one of the oldest and prestigious Hockey Tournaments of the Country, the 115th All India Aga Khan Gold Cup Hockey Tournament-2018 held at Pune from 1st to 9th December 2018.
- SAIL awarded with the National Award for Excellence in Cost Management for First place in the category 'Public-Manufacturing-Mega' by The Institute of Cost Accountants of India.
- SAIL won more than 30% of the prestigious Vishwakarma Rashtriya Puraskar for the Year 2016. Out of the total 139 awardees, 48 awardees were from SAIL (Sep 2018).
- SAIL awarded with the "Golden Peacock Environment Management Award (GPEMA)"-2019.
- Bokaro Steel Plant of SAIL conferred with the National Water Award 2018 in Best Industry for Industrial Water Conservation (Best Large scale Industry) category in Eastern Zone of India.

Shri Dharmendra Pradhan taking charge as Minister of Steel on 31.05.2019, in presence of Minister of State for Steel, Shri Faggan Singh Kulaste and Secretary Steel, Shri Binoy Kumar.

BOARD OF DIRECTORS (As on 09.07.2019)

Chairman
Shri Anil Kumar Chaudhary

Functional Directors

Projects & Business Planning with Additional Charge of Director (Finance)
Dr. G. Vishwakarma

Commercial
Ms. Soma Mondal

Personnel
Shri Atul Srivastava

Technical
Shri Harinand Rai

Raw Materials & Logistics
Shri Vivek Gupta

Government Directors

Shri Saraswati Prasad
Special Secretary & Financial Advisor,
Ministry of Steel, Government of India

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

Independent Directors

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Dr. Samar Singh

Shri Nilanjan Sanyal

CA Kartar Singh Chauhan

Prof. Narendra Kumar Taneja

Shri Krishan Kumar Gupta

Chief Executive Officers (Permanent Invitees)

Bokaro Steel Plant
Shri P.K. Singh

Bhilai Steel Plant
Shri Anirban Dasgupta

Rourkela Steel Plant
Shri Deepak Chattaraj

Durgapur Steel Plant & Alloy Steels Plant
Shri A.V. Kamlakar

IISCO Steel Plant
Shri A.V. Kamlakar

Company Secretary
Shri M.B. Balakrishnan

Bankers

Axis Bank Limited
Allahabad Bank
Bank of India
Bank of Baroda
Bank of Maharashtra
Canara Bank
Dena Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank limited
IDFC Bank Limited
IndusInd Bank Limited
Indian Bank
Jammu & Kashmir Bank Limited
Kotak Mahindra Bank Limited
Mizuho Bank Limited
Punjab National Bank
Punjab & Sind Bank
RBL Bank Limited
State Bank of India
Syndicate Bank
United Bank of India
Yes Bank Limited

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants

M/s. Chatterjee & Co.
Chartered Accountants

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

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

Cost Auditors

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

M/s. Sanjay Gupta & Associates
Cost Accountants

M/s. Shome & Banerjee
Cost Accountants

Secretarial Auditor

M/s. Agarwal S. & Associates
Company Secretaries

Registered Office

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

Board of Directors


Shri Anil Kumar Chaudhary


Shri Saraswati Prasad


Shri Puneet Kansal


Dr. G. Vishwakarma


Ms. Soma Mondal


Shri Atul Srivastava


Shri Harinand Rai


Shri Vivek Gupta


Prof. Ashok Gupta


CA Parmod Bindal


Smt. Anshu Vaish


Dr. Samar Singh


Shri Nilanjan Sanyal


CA K.S. Chauhan


Prof. N.K. Taneja


Shri K. K. Gupta

Ten Years at a Glance

FINANCIAL HIGHLIGHTS

(₹ crore)

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Gross sales	66267	58297	49180	43294	50627	51866	49350	50348	47041	43935
Net sales	66267	56893	43866	38471	45208	46189	43961	45654	42719	40551
Earnings before depreciation, interest and tax (EBIDTA)	10283	5184	672	(2204)	5586	5909	5621	7658	9030	11871
Depreciation	3385	3065	2680	2402	1773	1717	1403	1567	1486	1337
Interest & Finance charges	3155	2823	2528	2300	1454	968	748	678	475	402
Profit / (Loss) before exceptional items	3743	(703)	(4536)	(6906)	2359	2266	3470	5413	7069	-
Exceptional items : Gain / (Loss)	(405)	(56)	(315)	(101)	-	959	(229)	(262)	125	-
Profit / (Loss) before tax (PBT)	3338	(759)	(4851)	(7008)	2359	3225	3241	5151	7194	10132
Provision for tax / Income Tax refund and deferred tax asset (-)	1159	(277)	(2018)	(2986)	266	608	1070	1608	2289	3378
Profit / (Loss) after tax (PAT)	2179	(482)	(2833)	(4021)	2093	2616	2170	3543	4905	6754
Dividends	-	-	-	-	826	834	826	826	991	1363
Equity Capital	4131	4131	4131	4131	4131	4131	4131	4131	4130	4130
Reserves & Surplus (net of DRE)	34021	31583	31879	35065	39374	38536	36894	35680	32939	29186
Net Worth (Equity Capital and Reserves & Surplus)	38152	35714	36009	39196	43505	42666	41025	39811	37069	33317
Total Loans	45170	45409	41396	35141	29898	25281	21597	16320	19375	16511
Net Fixed Assets	61359	58612	50285	45926	36169	26771	16777	17127	15059	13615
Capital work-in-progress	16014	18395	23275	24927	29196	33651	35891	28205	22226	14953
Current Assets (including short term deposits)	32249	29638	25545	24304	28482	26891	27616	28431	36544	39154
Current Liabilities & Provisions	23632	24068	21486	18992	16338	15212	13012	12225	12172	11073
Working Capital (Current Assets less Current Liabilities)	8617	5570	4060	5312	12145	11679	14604	16206	24372	28081
Capital Employed (Net Fixed Assets + Working Capital	69976	64182	54345	51238	48314	38450	31381	32921	39431	41696
Mkt price per share (in ₹) (As at the end of the period)	53.75	70.20	61.20	43.00	68.35	71.40	62.35	94.05	170.00	252.55
Key Financial Ratios										
EBIDTA to average capital employed (%)	15.3	8.7	1.3	(4.3)	12.9	16.9	17.5	21.0	21.7	31.1
PBT to Net Sales (%)	5.0	(1.3)	(11.1)	(18.2)	5.2	7.0	7.4	11.3	16.8	25.0
PBT to average capital employed (%)	5.0	(1.3)	(9.2)	(13.6)	5.4	8.4	10.1	14.2	17.3	26.6
Return on average net worth (%)	5.9	(1.3)	(7.5)	(9.7)	4.9	6.1	5.4	9.2	13.9	22.0
Net worth per share of ₹ 10	92.4	86.5	87.2	94.9	105.3	103.3	99.3	96.4	89.7	80.7
Earnings per share of ₹ 10	5.3	(1.2)	(6.9)	(9.7)	5.1	6.3	5.3	8.6	11.9	16.4
Price-earning ratio (times)	10.2	(60.2)	(8.9)	(4.4)	13.5	11.3	11.9	11.0	14.3	15.4
Dividend per share of ₹ 10	0.5*	-	-	-	2.0	2.0	2.0	2.0	2.4	3.3
Effective dividend rate (%)	-	-	-	-	2.9	2.8	3.2	2.1	1.4	1.3
Debt - Equity (times)	1.2	1.3	1.1	0.9	0.7	0.6	0.5	0.4	0.5	0.5
Current ratio (times)	1.4	1.2	1.2	1.3	1.7	1.8	2.1	2.3	3.0	3.5
Capital employed to turnover ratio (times)	0.9	0.9	0.9	0.8	1.0	1.3	1.6	1.5	1.2	1.1
Working capital turnover ratio (times)	7.7	10.5	12.1	8.2	4.2	4.4	3.4	3.1	1.9	1.6
Interest coverage ratio (times)	1.8	0.58	(0.7)	(1.9)	1.8	2.3	2.6	3.8	7.1	14.4
Dividend payout ratio (%)	-	-	-	-	39.4	31.9	38.1	23.3	20.2	20.2

*Subject to approval of the shareholders

PRODUCTION

(Unit: '000T)

Item	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Hot Metal	17513	15982	15726	15721	15413	14447	14266	14116	14888	14505
Crude Steel	16266	15020	14496	14279	13908	13579	13417	13350	13761	13506
Pig Iron	480	270	495	642	634	223	214	106	261	323
Saleable Steel	15069	14074	13867	12381	12842	12880	12385	12400	12887	12632
- Semi Finished Steel	3169	2610	3170	3054	3007	2760	2422	2527	2394	2392
- Finished Steel	11900	11464	10697	9327	9835	10120	9962	9872	10493	10240

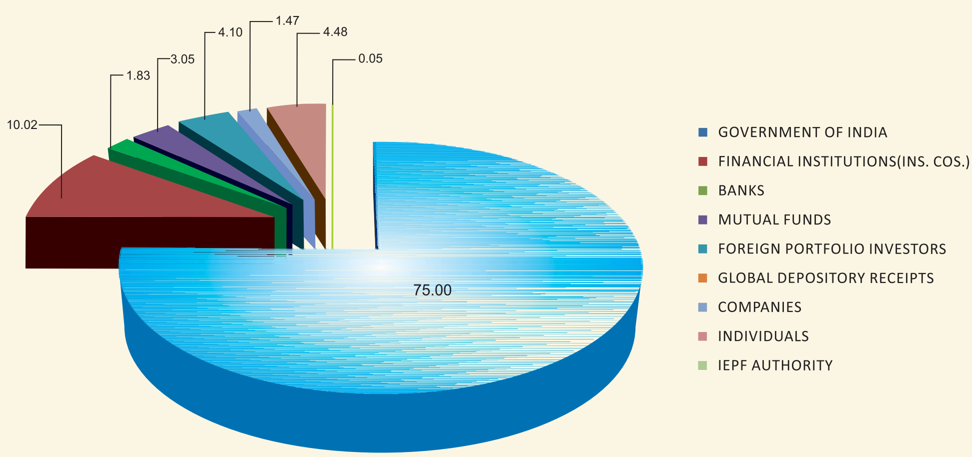
VALUE ADDED STATEMENT

(₹ crore)

For the year		2018-19		2017-18
Value of own production	69511		57636	
Other Revenues	1145	70656	1059	58695
Less: Cost of Raw Materials	32291		26679	
Stores and Spares	3504		2879	
Power and Fuel	6053		5810	
Excise Duty	-		1404	
Freight Outward	2611		2242	
Other Operating Cost	7490	51948	5703	44716
Total Value Added		**18708**		**13979**
Establishment Cost		8830		8850
Financing Cost		3155		2823
Dividend Provision		-		-
Corporate Income Tax		1159		-277
Dividend Tax		-		-
Income Retained in Business				
Depreciation	3385		3065	
General Reserve	-		-	
Bonds Redemption Reserve	-347		367	
Balance of Profit	2525		-849	
Retained in Business	2179	5564	-482	2583
Total Value Applied		**18708**		**13979**

SHAREHOLDING PATTERN
(AS ON 31.03.2019)

Category	Number of Holders	Number of Equity Shares	% of Equity
GOVERNMENT OF INDIA	1	3097767449	75.00
FINANCIAL INSTITUTIONS(INS. COS.)	9	413794834	10.02
BANKS	31	75751320	1.83
MUTUAL FUNDS	26	125978984	3.05
FOREIGN PORTFOLIO INVESTORS	100	169385488	4.10
GLOBAL DEPOSITORY RECEIPTS	2	116435	0.00
COMPANIES (including Trusts & Clearing Members)	2034	60672027	1.47
INDIVIDUALS (including NRI & Employees)	357649	185097025	4.48
IEPF AUTHORITY	1	1961727	0.05
TOTAL	**359853**	**4130525289**	**100.00**



BOARD'S REPORT

To,

The Members,
Steel Authority of India Limited,
New Delhi

The Board of Directors has the pleasure of presenting the 47th 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, 2019.

A. FINANCIAL REVIEW

Your Company achieved sales turnover of ₹66,267 crore during the Financial Year 2018-19, which is higher by 16% as compared to corresponding period of last year (CPLY) mainly due to increase in Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants by about 16%. During the Financial Year 2018-19, the Profit before Tax and Profit after Tax at ₹3,338 crore and ₹2,179 crore respectively reflect substantially better and higher performance over CPLY.

The profit of your Company during the Financial Year 2018-19 has improved on account of higher Saleable Steel production, increase in Net Sales Realisation of Saleable Steel of 5 Integrated Steel Plants, sales of secondary products, lower voluntary retirement compensation, lower Coke Rate, etc. However, the same has been partially offset by increased imported coking coal rate, purchased power rate, increase in repairs & maintenance expenditure, stores & spares expenditure, security expenses, royalty rates on Iron Ore, foreign exchange loss, higher imported coal in blend, higher usage of Iron Ore, provision for differential royalty on Bolani and Barsua Iron Ore Mines as well as Entry Tax in UP State consequent to the Order of Hon'ble Allahabad High Court, and incremental interest expenses & depreciation charges due to capitalisation of new facilities.

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 ₹45,170 crore as on 31st March 2019 vis-à-vis ₹45,409 crore as on 31st March 2018. The Company has fully hedged the foreign currency risk on Buyers' Credit and External Commercial Borrowings. The debt equity ratio of the Company as on 31st March, 2019 decreased to 1.18:1 from 1.27:1 as on 31st March 2018 primarily due to increase in net worth during the year. The net worth of the Company increased to ₹38,152 crore as on 31st March 2019 from ₹35,714 crore as on 31st March 2018.

The Board of Directors has recommended a dividend of ₹ 0.50 per Equity Share of face value of ₹ 10/- each for the Financial Year 2018-19, subject to approval of shareholders.

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

B. OPERATIONS REVIEW

Production Review

Financial Year 2018-19 was another remarkable year in the performance of the Company, even with greater challenges like stiff competition from domestic market and certain operational setbacks. However, SAIL Plants, continued with their journey of relentless efforts for improvement in production, product-mix and efficiency parameters.

During the sixtieth year of production, your Company recorded its highest ever annual production of Hot Metal of 17.5 million tonnes (MT), Crude Steel of 16.3 MT and Saleable Steel at 15.1 MT, with a growth of 10%, 8 % and 7%,

Hon'ble Prime Minister, Shri Narendra Modi at SAIL's Bhilai Steel Plant.

SAIL's Durgapur Steel Plant supplied the first consignment of Linke Hofmann Busch (LHB) wheels to Indian Railways for improved safety and higher speed.

respectively with respect to 2017-18, (CPLY). Finished steel production at 11.9 MT was achieved with a growth of 4% over CPLY.

SAIL, in its endeavor to become energy and cost efficient, increased production of Crude Steel through Continuous Casting route and achieved highest ever Crude Steel production through Continuous Casting route at 13.8 MT in the Financial Year 2018-19 with a growth of 8% over Previous Year. A large number of innovations are being carried out in the Plants for process improvement and cost competitiveness.

The Research & Development Centre of SAIL, provided innovative technological inputs to different Plants/Units of the Company, with special emphasis on productivity and quality improvement, product development and commercialization, energy conservation and automation.

At Bhilai Steel Plant(BSP), the 'state of the art' Blast Furnace-8, Mahamaya, achieved a landmark of 1 MT Hot Metal production on 18th October, 2018 in record 8 months and 17 days after blowing in on 2nd February, 2018, fastest in SAIL. BF-8 production has been ramped up to a level of 7000 tons per day. The improvement in production from new Universal Rail Mill (URM), has enabled a growth in UTS-90 rails production at 9.85 lakh ton by 9.1% compared to 9.03 lakh tonne in the previous year, coupled with record loading of long rails at 4.42 lakh tonne in 2018-19 over 3.16 lakh tonne in 2017-18, registering a growth of 40%. In SMS-III, the first heat was tapped from Converter-2 on 27th November, 2018, Caster CV1 for blooms was started on 28th September, 2018 and clearance from Research Designs and Standards Organisation for making Rail Bloom Heats was obtained on 18th February, 2019. At SMS-II, Cast blooms production of 13.89 lakh tonne is the best ever yearly performance against the previous best of 12.16 lakh tonne in 2017-18, with a growth of 14.9%. The trial rolling at the new 'state of the art' Bar and Rod Mill was started on 28th December, 2018.

Durgapur Steel Plant(DSP) achieved the best ever annual Hot Metal, Crude Steel and Saleable Steel production during the Financial Year 2018-19 at 2.52 MT, 2.22 MT and 2.13 MT respectively. Under the development of new wheels, DSP supplied wheels for Kolkata Metro Railways and NTPC. Further, 30 nos. of LHB wheels, which are safe & light, were supplied to Indian Railways. In addition to this, various new initiatives were undertaken to improve productivity and efficiency of the process. Profile measurement device was installed at Medium Structural Mill (MSM) for preventing generation of defectives and reduce downtime. Use of cost effective dolomite based refractory in steel ladles and use of CC Rounds for production of BG Coach/ EMU/ LHB wheels has been introduced.

At Rourkela Steel Plant (RSP), the new 'state of the art' Plate Mill achieved highest ever annual production of 0.861 MT. Hot Metal, Crude Steel and Saleable Steel production for the Financial Year 2018-19 recorded the highest annual production at 3.837 MT, 3.660 MT and 3.335 MT respectively.

Bokaro Steel Plant(BSL) recorded best annual figures of cast slab production of 3.394 MT, HR Coils at 3.686 MT and CR Saleable at 1.142 MT.

At IISCO Steel Plant (ISP) various new sections were developed like, IPE/NPB 750 Narrow Parallel Flange Beams (5 variants), HE / WPB 240 Wide Parallel Flange Beams (4 variants), IPE 600V Narrow Parallel Flange Beams (Sec. wt. 184 Kg/m), 6.5 mm WRC, 36 mm TMT Bars (IS 1786 Fe 500D). ISP successfully rolled out NPB 750 in its Universal Section Mill and added this section to its product basket during the Financial Year 2018-19, thus becoming the only Plant in the Country to roll this section.

Your Company renewed various initiatives to reduce environmental footprint and enhance operational efficiency and this has led to a significant improvement in environmental parameters as well as techno-economic efficiency. This enabled us to produce greener and more environmental friendly steel than ever before. SAIL recorded the best ever coke rate at 453 kg/thm. This was achieved as a result of higher volume of Hot Metal produced through new 'state of art' large volume Blast Furnaces (38% of total Hot Metal, up by 29% over CPLY).

For the past sixty years, your Company's steel has significantly contributed to almost all the key projects of the Country including Railways, Defence, Hydro-electric, Space Programs, Infrastructure projects, and has partnered with the Government in its initiatives like 'Make in India', 'Digital India' and 'Skill India', etc.

Your Company has played a key role in the development of home grown, 'state-of-the-art' gun-Dhanush, for which it has supplied special quality forging steel from its Durgapur based Alloy Steels Plant. Besides this, your Company has supplied steel to India's space missions and has been part of Country's growth story under the ambit of National Steel Policy 2017.

SAIL's steel has been used in every single infrastructure project of National significance in the last sixty years like- Chenani Nashri tunnel, Statue of Unity, the world's tallest statue, etc. The quality and variety of steel produced by SAIL is praiseworthy and your Company is prioritizing to increase its volumes and achieve its rated capacities along with adding value added products to cater to the market requirements.

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 Financial Year 2018-19, about 58% of the total requirement of 11120 Million Units(MU) was met from the captive Power Plants. 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 437 MU of energy under provisions of Open Access which amounts to about 3.93% of the total power requirement. This included purchase of about 283 MU from the power exchanges.

With the objective to enhance the share of captive power and supply reliable power at optimum cost to all ongoing expansion projects, commissioning of new captive power plants of 290 MW capacity is in advanced stage 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 also one of the thrust areas of SAIL Plants for lowering the power consumption per ton of saleable steel production.

As a responsible corporate house, your Company has laid adequate emphasis on development and usage of renewable power sources. While Rooftop Solar Power Plant of 2 MWp capacity was commissioned during the Financial Year 2018-19 at various buildings of Bokaro Steel Plant, tenders have also been invited for installation of another 6.2 MWp capacity of Roof Top Solar Plants at different SAIL Plants/ Units.

In addition to this, a new Joint Venture Company GEDCOL SAIL Power Corporation Limited (GSPCL) was incorporated during the Financial Year 2018-19 to develop a small Hydro Electric Plant of 10 MW capacity at Mandira Dam, Rourkela. SAIL owns 26% equity in the Joint Venture Company whereas remaining 74% equity is owned by Green Energy Development Corporation of Odisha Limited (GEDCOL), a Government of Odisha Company.

Raw Materials

During Financial Year 2018-19, total requirement of iron ore was met from captive sources. Your Company's captive mines produced about 28.35 million tonnes (MT) of iron ore. In case of clean coking coal, about 1.5MT was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (13.21 MT), the Company had to depend on imports due to limitation in availability of required quantity and quality within the Country. In the Financial Year 2018-19, production in captive collieries of the Company was about 0.74 MT, out of which 0.44 MT was raw coking coal and balance 0.30 MT of non-coking coal. In case of fluxes, around 1.32 MT of limestone and 0.52 MT of dolomite were produced, giving a production of 1.84 MT fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited except small quantity produced from captive mines.

SAIL supplied steel for India's first indigenous long range artillery gun 'Dhanush'.

Consequent upon issuance of the order by Hon'ble Supreme Court on 11.05.2018, iron ore production at Barsua mines, which remained suspended since 17.05.2014, got resumed on 20.05.2018.

Grant of Environment Clearance(EC), Forest Clearance(FC)

In order to expedite capacity expansion projects of mines, following Environment and Forest Clearance have been obtained during 2018-19:

- Stage-II FC for diversion of Sabik Kisam forest lands under 6.9 Sq. mile lease of Bolani Mine was granted by MoEFCC on 29.04.2019.
- Terms of Reference (ToR) for conducting EIA study for ML-139 Mining Lease of Barsua Mine was granted on 24.08.2018.

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.

MoEFCC has also linked grant of EC for Kalwar-Nagur lease of BSP with payment of Net Present Value(NPV) for entire forest land under lease. SAIL has challenged the notice in this regard in the Hon'ble Chhattisgarh High Court. In pursuance of the Hon'ble Chhattisgarh High Court Order dated 11.09.2018, two meetings were held under the Chairmanship of Secretary, MoEFCC on 27.11.2018 and 22.01.2019. SAIL has submitted comprehensive plan for development of Kalwar-Nagur deposit as directed during the first meeting held on 27.11.2018 and has also submitted its representation regarding issues in disagreement during the second meeting held on 22.01.2019. In the meantime, vide OM dated 01.01.2019, MoEFCC provided the opinion of AGI to SAIL, which is in line with the interpretation of FC Act made by SAIL. The matter was last heard in Hon'ble Chhattisgarh High Court on 07.05.2019 wherein, it was informed by the respondents (MoEFCC and Government of Chhattisgarh) that pleading on their part is complete. In the final hearing held from 17th and 19th June, 2019, Hon'ble Court heard all the parties at length, including pleadings made by the UOI, Chhattisgarh State Govt. and SAIL. The case has been posted for next date of hearing.

Legal recourse in the matter of rejection of Environment Clearance proposals of Pandridalli & Rajhara Pahar iron ore mining lease of BSP and Tulsidamar Dolomite lease of RMD is being taken.

Extension of lease period and reservation of new areas

- On 06.08.2018 Government of Chhattisgarh amended the Chhattisgarh Minor Minerals Rules, 2015 and made a provision for extension of lease period of mining leases of minor minerals through onetime extension of lease period of twenty years after expiry of a period of 50 years from the date of original grant. With this amendment, the lease period of Hirri dolomite and Baraduar dolomite leases will extend up to the period of 2029 and 2040 respectively, which would have otherwise expired in 2020.
- Vide Notification dated 20.02.2019, Ministry of Mines, Government of India reserved the area of 150 Acres at Ramandurga Bellari District, Karnataka for iron ore for undertaking prospecting or mining operations through VISL for a period of 10 year.
- Government of Jharkhand has agreed for extension of lease period of iron ore mining leases including sub-judice leases.
- Pronouncement of Judgment by Hon'ble Delhi High Court on 26.03.2019 has paved the way for grant of iron ore mining lease in NEB area in Bellary District in favour of VISL.
- Under the provisions of Mineral (Mining by Government Company) Rules, 2015, Government of Jharkhand vide order dated 25.06.2019 has extended the lease period of Duargaiburu Lease of Gua Iron Ore Mine for 20 years w.e.f. 22.02.2009, with conditions.

However, delay in renewal of mining leases of Tasra Coking Coal Block and reservation of area for sand mining leases for stowing are areas of concern. The matter regarding clarification, as sought by Government of Jharkhand for renewal of Tasra lease from Ministry of Coal and reservation of area for sand for stowing are being actively pursued with Ministry of Coal.

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

Consequent to the judgement dated 2nd August, 2017 of the Hon'ble Supreme Court in the matter of Common Cause, 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 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 order to mitigate the impact of order of Hon'ble Supreme Court, Secretary, Ministry of Steel vide letter dated 13.10.2017 had taken up the, matter with Secretary, Ministry of Mines to bring an Ordinance to amend Section (3) of MMDR Act, 1957 by including the definition of "lawful authority" and "mining operation without any lawful authority" and consequently, Ministry of Mines vide O.M. dated 15.03.2018 has sent a draft note for the Cabinet on proposal for amending the Mines and Minerals (Development and Regulation) Act, 1957. Ordnance in this regard is awaited.

Return of Parbatpur and Sitanala Coal Blocks

Sitanala Coal Block

Consequent to the SAIL's letter dated 12.03.2018 to Ministry of Coal(MoC) regarding returning of Sitanala Coal Block, MoC, vide letter dated 04.10.2018 issued a Termination Notice against Allotment Agreement and Allotment Order, in respect of Sitanala Coal Block and advised the bank on 25.10.2018 to invoke the Bank Guarantee(BG) of ₹10.43 crore. Consequently, the bank invoked the BG on 30.10.2018. On challenging the Termination Notice before Delhi High Court, Hon'ble Court vide its Order has not stayed the invocation of BG but directed that if the petition is decided in favour of SAIL, consequential direction for refund of the amount collected by invoking the Bank Guarantee will be passed. The matter was listed on 10.01.2019 wherein, counsel appearing for Ministry of Coal sought further time to file a counter affidavit. The matter has been listed for further hearing.

Parbatpur Coal Block

SAIL vide letter dated 08.03.2018 had intimated Nominated Authority, Ministry of Coal(MoC), about the decision of its Board to return Parbatpur Coal Block to MoC. However, decision from MoC in this regard is still awaited. Further, Secretary, MoC, during a meeting held on 16.10.2018 advised SAIL to make all efforts for ensuring mining of coal from the Parbatpur block by forming a Joint Venture with ONGC. On examination by both SAIL and ONGC along with Central Mine Planning and Design Institute (CMPDI), Ranchi, it emerged that concurrent mining of Coal & Coal Bed Methane (CBM) from the same area is not feasible technically and from safety view as well. SAIL informed the same to MoC on 14.02.2019 and reiterated it's earlier request to refund the amounts paid including bank guarantee, submitted at the time of allocation of the coal block and also for allotment of a potential coking coal block in lieu of the returned coal block.

Notwithstanding the fact that SAIL has already returned the block to MoC, Joint Secretary, MoC passed an order on 15.02.2019 regarding determination of compensation for Land and Mine Infrastructure payable to M/s. Electrosteel Castings Ltd. as prior allottee of Parbatpur Central Coal Mine wherein previous valuation of Land and Mine Infrastructure of prior allottee reduced from ₹62.2816 crore to ₹60.3055 crore. Further, vide order dated 11.04.2019 it made clear that order of determination dated 15.02.2019 does not require reconsideration and the determination made is final.

Furthermore, Nominated Authority, MoC, vide letter dated 26.03.2019 has requested SAIL to communicate its decision to continue with the surrender of the Parbatpur Central Coal Mine. Covering the aspects of overlap issues with Petroleum Mining Lease of ONGC and non-grant of mining lease, it was informed to MoC on 09.04.2019 to take over the Parbatpur mine from SAIL, to refund the amount paid by SAIL at the time of allocation of the coal block and also allot a potential coking coal block in lieu of the returned Parbatpur coal block. Further action on the matter is awaited from MoC.

Sales & Marketing

During the Financial Year 2018-19, your Company achieved its best ever sales volume of over 14.1 million tons (MT), registering a growth of about 0.4% over CPLY. Continuing to maintain its presence in international markets, SAIL has exported 0.76 MT of steel, a growth of about 9% over the previous financial year.

To tap the vast potential of Rural India, your Company organized 152 'Gaon Ki Ore' workshops in 29 States/Union territories for increasing awareness on usage of steel. Small consumers continued to be a focus area and 0.7 MT of steel were sold through the retail marketing channels.

Your Company has enhanced its efforts towards selling value added steel to various segments. Supplies from the Cold Rolling Mill #3 at Bokaro have been steadily increasing to consumers in the highly demanding, high value auto segment, besides new customers in Power sector. Supplies of special grades WRC has commenced from the new mill at IISCO Steel Plant.

With the ramping up of production at the Universal Rail Mill at Bhilai, record 4.42 lakh tonnes of long rail panels (260 meters) were supplied to Indian Railways, registering a growth of around 40% in the 2018-19. This Mill produces the longest single rail in the World (130 meters). During 2018-19, record 9.85 lakh tonnes of Rails in prime quality were produced at Bhilai Steel Plant, a growth of around 9% over 2017-18. A record 9.44 lakh tons were supplied to Railways (including supply to RVNL and IRCON).

As a step towards enhancing brand visibility of Parallel Flange, Structural Sections under the brand name "NEX" were promoted through product awareness seminars and workshops conducted across the Country. Focused Customer engagement efforts including interactions with Structural Designers and Planners, have helped your Company to establish the product range. This resulted in growth of 27% in sales of structurals from the new state of the art mills over CPLY.

Your Company continues to have a significant presence in the Infrastructure sector. Certain prestigious projects like Statue of Unity, Bogibeel Bridge, etc., where SAIL was one of the largest supplier of steel, were dedicated to the Nation in the Financial Year 2018-19. In addition to this, large quantities of Plates and Structural steel were supplied to prestigious power and irrigation projects as well as Rail and Road infrastructure projects in 2018-19.

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 2018-19 and 2017-18 is given below:

(₹ crore)

Particulars	2018-19	2017-18
Total Amount of Procurement	6141.98	4143.67
Total Procurement from MSE	1241.47	858.17
%age Procurement from MSE	20.21	20.71

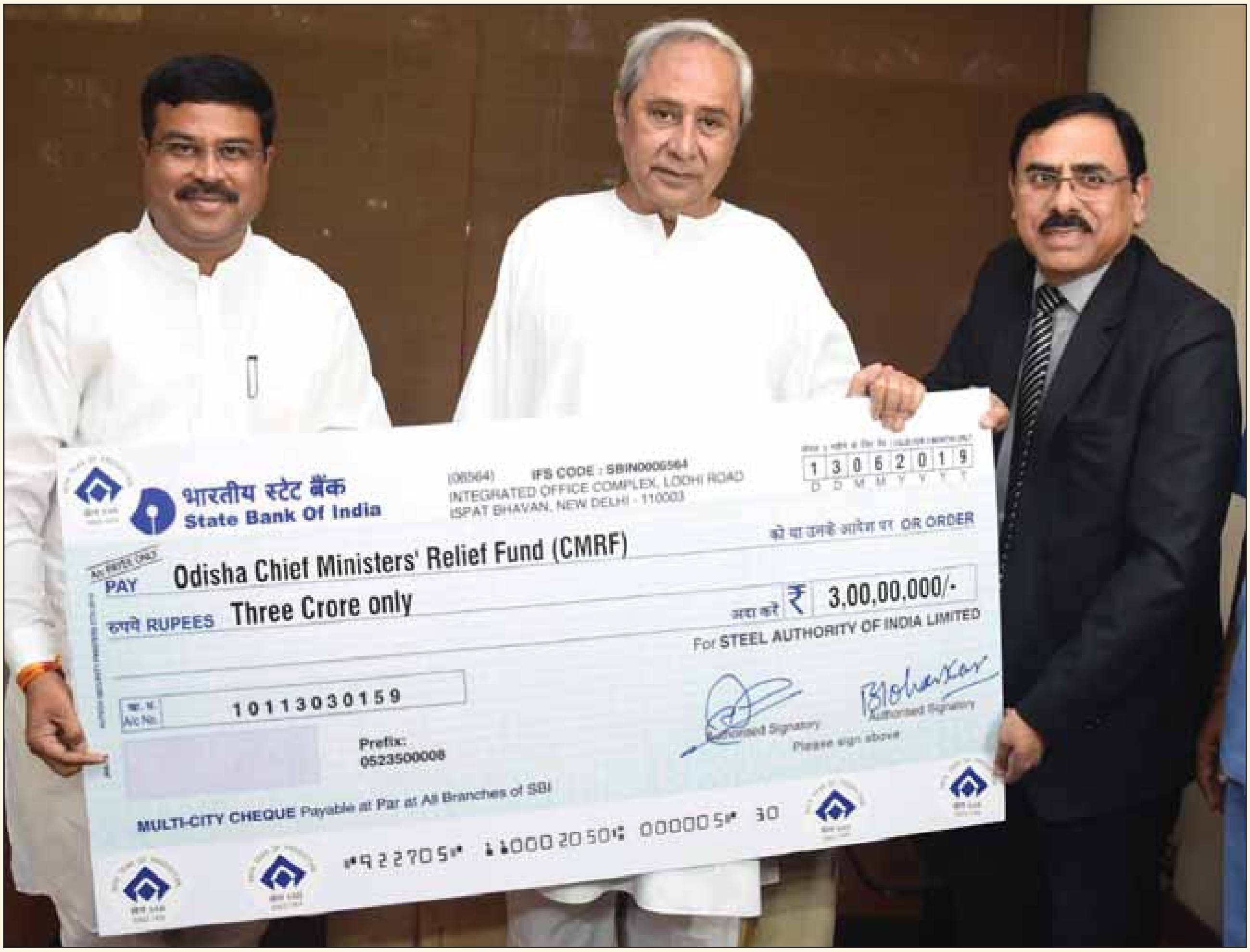
Modernisation & Expansion Plan

The Modernisation and Expansion Plan at Rourkela, Burnpur, Durgapur, Bokaro and Salem Steel Plants have been completed and various facilities are under operation, stabilization & ramp up.

During the year 2018-19, your Company has achieved many milestones. At Bhilai Steel Plant, hot trial of Steel Melting Shop-III (SMS-III) facilities viz. Converter-2, Billet Casters 1 & 2, Billet cum Bloom Caster and RH Degasser has been undertaken. Further, processing of Rail Heat at SMS-III through RH Degasser and Billet-cum-Bloom Caster route has also been achieved during the year. The integrated process route under Modernisation & Expansion Plan is in operation, stabilization & ramp-up. Hon'ble Prime Minister of India has dedicated the Modernized and Expanded Bhilai Steel Plant to the Nation on 14th June, 2018. A capital expenditure of ₹4,303 crore has been incurred during Financial Year 2018-19 and capex planned for the Financial Year 2019-20 is ₹4,000 crore.

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

Steel Authority of India Ltd. became the first domestic steel maker to successfully roll NPB-750 (NPP-750) Narrow Parallel Flange Beams. The Beams are being rolled at new and state-of-the-art Universal Structural Mill of SAIL's IISCO Steel Plant.



Shri Anil Kumar Chaudhary, Chairman SAIL, handing over SAIL employees contribution of ₹ 3 Crore for relief work of cyclone Fani to Odisha Chief Minister, Shri Naveen Patnaik in presence of Minister of Steel, Shri Dharmendra Pradhan.

C. HUMAN RESOURCE MANAGEMENT REVIEW

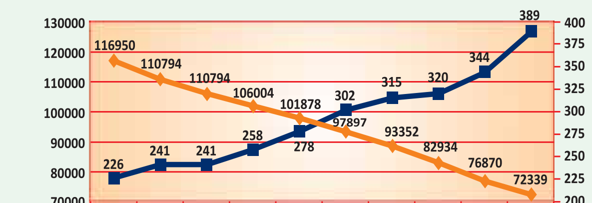
Your Company recognizes contribution of its Human Resources in providing it the competitive advantage. The Company has achieved its present level of excellence through investment in its human resource, where skill and knowledge constitute the basis of every initiative - be it technology or innovation. 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 389 TCS/Man/Year in 2018-19. The manpower strength of the Company was 72,339 nos. as on 31st March, 2019 with manpower rationalization of 4,531 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 2009-10, onwards is depicted below:

Manpower & Labour Productivity (during Last Ten Years)



	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Manpower	116950	110794	106004	101878	97897	93352	88655	82934	76870	72339
LP	226	241	241	258	278	302	315	320	344	389

Significant Enhancement in Labour Productivity:
From 226 TCS/Man/Year (2009-10) to 389 TCS/Man/Year (2018-19)

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, for effectively taking up challenges and discharging new roles and responsibilities is being given a major thrust. Overall 44,369 employees were trained against target of 33,605 employees during the year on various contemporary technical and managerial modules.

Harmonious Employee Relations

SAIL has maintained its glorious tradition of building and maintaining a conducive and fulfilling employer-employee relations environment. The healthy practice of resolving 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, arising from time to time, thus, helping in establishing a conducive work environment.

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

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

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

Grievance Redressal Mechanism

Effective internal grievances redressal 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 existing in the Steel Plants. The system is comprehensive, simple and flexible and has proved effective in promoting harmonious relationship between employees and management.

Against 257 staff grievances received during the Financial Year 2018-19 with 10 grievances pending from previous year, 254 staff grievances have been disposed of during the year, achieving 95.13% fulfilment.

Further, during Financial Year 2018-19, 681 grievances have been 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 17 grievances had been carried forward from the previous Financial Year. Total 688 grievances have been disposed of during Financial Year 2018-19, within average time of 11 days, thereby achieving fulfilment rate of 98% and 10 pending for disposal as on 31st March, 2019.

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

Your Company follows Presidential Directives on Reservation for Scheduled Castes and Scheduled Tribes in the matter of recruitments and promotions. As on 31.03.2019, out of total manpower of 72339, 11974 belong to SCs (16.55%) and 10815 belong to STs (14.95%).

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

- Recruitment of non-executive employees, which comprise close to 84% of the total employees, is carried out mainly on regional level and hence, a large number of SCs/STs and other weaker section of the society get the benefit of employment in SAIL.
- Over the years, a large group of ancillary industries 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 deploy workmen from the local areas, which again provide an opportunity for employment of local resources of economically weaker section.
- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities, thus, benefiting the support population providing different types of services.
- Steel Townships developed by SAIL have the best of medical, education and civic facilities and are like an oasis for the local Scheduled Castes, Scheduled Tribes and other population who share the 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, stationary items, school bags, water bottles and transportation in some cases.
- No tuition fee is charged from SC/ST students studying in the Company run schools, whether they are SAIL employees' wards or non-employees' wards.
- Free medical health centres for poor have been set up at Bhilai, Durgapur, Rourkela, Bokaro and Burnpur providing free medical consultation, medicines, etc. to the peripheral population mainly comprising of SC/ST and weaker sections of society.
- SAIL Plants have adopted tribal children. They are being provided free education, uniforms, text books, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, Saranda Suvan Chhatravas, Gyanodaya Hostel and an exclusive Gyan Jyoti Yojana for nearly extinct Birhor Tribe.
- For Skill Development and better employability, tribal school passouts have been sponsored for coaching in premier institutes for IIT/JEE entrance examinations and for trainings along with monthly stipend,

Felicitation of proud recipients of Vishwakarma Rashtriya Puraskar awards in 2018.

accommodation, transportation and fooding facility at various ITIs, Nursing and other vocational training institutes.

Implementation of Presidential Directives on Reservation for SC/ST

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

Implementation of Right to Information Act, 2005

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

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

Awareness Programs/Workshops on 'Obligation of Public Authorities under RTI' are being organised across Plants/Units on regular basis and Information Commissioner has been present in most of these programs.

SAIL received a total of 3,814 applications and 653 appeals under the Act during the Financial Year 2018-19 and all of them have been disposed-off within the stipulated time frame under the Act. CIC has also taken up 62 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 42,524 applications and 6,413 appeals upto 31st March, 2019, which were disposed-off within the stipulated time. Out of these, 818 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 delight of citizens, by fail-safe processes and in case of exigencies leveraging its service recovery processes, like Grievance Redressal, Handling Complaints, etc.

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

The Company has set up Internal Complaints Committees in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed of during the year 2018-19 are as under:

Number of complaints received	:	7
Number of complaints disposed off	:	5
Number of complaints pending as on 31.03.2019	:	2

D. AWARDS & ACCOLADES WON DURING THE YEAR

Company Level

Your Company has won the following awards during the Financial Year 2018-19:

- 1 Prime Minister's Shram Award (involving 6 employees) for the Year 2017.
- 9 Vishwakarma Rashtriya Puraskar Awards (involving 48 employees) for the Performance Year 2016.
- Governance Now PSU Award for 'Resilient Growth' in the 'Maharatna' Category.
- Shri Anil Kumar Chaudhary, Chairman, SAIL has been awarded Top Rankers Excellence Award-2019 for 'Outstanding Leadership' by Shri Sanjeev Sanyal, Principal Economic Advisor, Government of India.
- Recognition towards "Strong Commitment to HR Excellence" in the 9th CII HR Excellence Award for the year 2018-19.
- India's Top Challengers Award at the 16th Construction World Global Awards, 2018.
- National Award for Excellence in Cost Management for first place in 'Public-Manufacturing-Mega' Category by The Institute of Cost Accountants of India.
- 'Runners up' Trophy (in Category-A) under "NIPM National Award for HR Best Practices 2018".
- SAIL's "Ispat Bhasha Bharti" received second prize for the best in-house journal at town level for the Year 2017-18 by Town Official Language Implementation Committee, Delhi.
- Paper submitted for National Conference on Employable Skill Development in New India was selected as one of the Best Practices in India.
- Golden Peacock Environment Management Award (GPEMA) - 2019.

Bhilai Steel Plant

- Smt. Rajani Rajak, Development Assistant(CSR) has been conferred with Nari Shakti Samman, 2018 for outstanding contribution to women's empowerment.

Durgpaur Steel Plant

- DSP bagged ENCON Award, 2018 for Excellence in Energy Conservation organised by CII, Eastern Region.
- DSP was bestowed with 10 numbers Par-Excellence Award at National Convention on Quality Concepts organized by Quality Circle Forum of India.

Rourkela Steel Plant

- RSP bagged the Certificate of Appreciation-theme based award in Prime Minister's Trophy Awards 2016-17 for "Initiative to reduce turnaround time of BOBS wagons leading to substantial reduction in Demurrage and Optimum Utilization of National Resources".
- RSP received the 'Golden Peacock Award for Corporate Social Responsibility' for the year 2018.
- RSP was awarded with 'Srishti G-Cube Good Green Governance Award' for the year 2018 for excellence in Environment Management.
- The Quality Circle team from RSP was bestowed with Par Excellence Award at National Convention on Quality Concepts organized by Quality Circle Forum of India.

Bokaro Steel Plant

- BSL received the 18th Annual Greentech Environment Excellence Award-Platinum Category in Metal & Mining Sector for the year 2018 in recognition of excellent environmental performance from Greentech Foundation, Delhi

Shri Anil Kumar Chaudhary, Chairman SAIL, receiving the National Award for Excellence in Cost Management, conferred to SAIL by The Institute of Cost Accountants of India, from Hon'ble Union Minister of Railways, Shri Piyush Goyal.

Oxidation pond at Rourkela for treatment of township effluent water.

- BSL bagged the National Water Awards, 2018 in recognition of best large scale industry for industrial water conservation category in eastern zone of India.

IISCO Steel Plant

- ISP bagged the West Bengal Best Employer Brand Award for the year 2018 by World HRD Congress in recognition of HR initiatives.
- ISP has won the 'Golden Peacock National Training Award' for the year 2017-18.

Alloy Steels Plant

- ASP bagged the Ispat Suraksha Puraskar, 2018 for 'No fatal accident' during the Calendar Year 2016 & 2017 under Scheme-II.
- ASP received the Ispat Suraksha Puraskar 2018 for 'No fatal accident' involving Contract Labour during the Calendar Year 2016 & 2017 under Scheme-IV.
- 2 Quality Circle Teams from ASP were bestowed with Excellence Award in National Convention on Quality Concepts -2018 organised by Quality Circle Forum of India.

Salem Steel Plant

- SSP bagged the "Innovation and Sustainability Award for Industry" for the year 2017-18 by The Institution of Engineers, Salem, in recognition of Excellent Performance in various fields.

Chandrapur Ferro Alloy Plant

- CFP received the Ispat Suraksha Puraskar, 2018 for 'No fatal accident' involving Employees under Scheme-IV Group 'B'.
- CFP won the Ispat Suraksha Puraskar 2018 for 'No fatal accident' involving contract labour for the year 2018 under Scheme-IV Group 'B'.

RDCIS

- RDCIS bagged several prestigious awards during 2018-19 like Metallurgist of the year, O.P. Jindal Gold Medal, Indranil 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 stake holders.

Improvement in Emissions and Discharges

SAIL Plants and Mines are efficiently operating the pollution control devices/ facilities and maintaining regularly through revamping/refurbishing/revitalization and also up-grading them as and when required, for the purpose of complying with the applicable environmental standards, which are becoming more and more stringent day by day. Concerted efforts have resulted in achieving major improvements during the Financial Year 2018-19 over the last five years in the following areas:

- The Particulate Matter (PM) Emission Load has reduced by around 16% to 0.70 kg/tcs.
- Specific Water consumption has reduced by more than 6 % to 3.44 m^3/tcs.
- Specific Effluent Discharge has reduced by around 17 % to 1.80 m^3/tss.
- Specific Effluent Load has reduced by around 11 % to 0.085 kg/tcs.
- Utilisation of BF slag has increased by around 9.5% to 95.89 %.
- Specific CO_2 emission has been reduced by more than 3% to 2.57 T/tcs.

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 feasible and available pollution control facilities in the course of its Modernization and Expansion Plan. 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, BSL 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.
- Switching over to Cast House Slag Granulation Plant from offsite slag granulation facility, progressively.
- 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.

New Initiatives

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

Bhilai Steel Plant, in partnership with the MoEF&CC and UNIDO, has initiated a project for setting up a disposal facility for Polychlorinated Biphenyls (PCBs), categorized as Persistent Organic Pollutants (POPs) at its site. The project is likely to be completed by December, 2019.

b. Bio-sequestration of CO_2

For the purpose of reduction of CO_2 emission and sequestration of the generated carbon back into the system, SAIL is assessing its carbon footprint in one hand and potential of sequestration of CO_2, through its existing biotic resources, on the other. A project on carbon sequestration through afforestation has been taken up at the site of Rourkela Steel Plant. M/s. Tropical Forest Research Institute, Jabalpur, has been engaged as the sequestration partner to carry out the project in February, 2014. The project will continue till March, 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, use of BF and BOF slag as substitutes to natural aggregates, use of BF/BOF slag in road making, use of BOF slag 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 taken towards implementation of renewable energy projects include setting up of (i)10 MW Hydel Power Plant at Mandira Dam, RSP, for which a Joint Venture Agreement has been signed between RSP and Green Energy Development Corporation of Odisha Limited (GEDCOL) and (ii) 6.195 MW roof top Solar Units on different buildings 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 and Units.

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 canteen waste.

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

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

During the Financial Year 2018-19, implementation of EMS (ISO-14001:2015) has been completed at IISCO Steel Plant and Gua Ores Mine. Re-certification of EMS (ISO 14001:2015) was done at Meghahatuburu Iron Ore Mine, Kiriburu Iron Ore Mine, Bolani Ores Mine, Barsua Iron Mine and Dalli Mechanised Mine. Six warehouses (Dankuni, Faridabad, Kalamboli, Chennai, Delhi and Vishakhapatnam) of CMO have also been re-certified with EMS (ISO 14001:2015) during 2018-19.

Sustainable Development Projects

Restoration and rehabilitation of degraded ecosystem is essential for maintaining and enhancing bio-diversity as well as replenishing the eco-system services. About 250 acres of old barren overburden dumps and water void in 200 acres of limestone mined out area in Purnapani have been successfully

SAIL's Rourkela Steel Plant initiated a new project for utilising waste plastic in construction of road.

restored to fully functional ecosystems that generate ecosystem services and goods as well as sequester CO_2.

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 20.5 million saplings have been planted across SAIL Plants and Mines till date. Giving special thrust for plantation, more than 4.42 lakhs of saplings have been planted during 2018-19.

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:

- **Memorandum of Understanding with KIOCL for exploring the Techno-economic Feasibility of Setting up of a Pellet Plant of Suitable Capacity under a Joint Venture:** A Memorandum of Understanding(MOU) with M/s. KIOCL Limited (KIOCL) was signed on January 30, 2019 to undertake a Joint Techno-Economic Feasibility Study for setting up of a Pellet Plant of suitable capacity at any appropriate location across SAIL's Integrated Steel Plants.
- **Memorandum of Understanding with Capital Goods Manufacturers Under 'Make In India' Initiative:** The National Steel Policy-2017 envisages creation of 300 million tonnes (MT) of steel capacity in the Country by 2030-31 as against existing capacity of about 137 MT. The estimated import of plant and equipment, for reaching 300 MT capacity, will be around USD 25 billion. Further, it is estimated that at 300 MT capacity level, India will have to spend about USD 500 million annually for import of proprietary and other spares. To accomplish the Vision of the Government of India, your Company has signed MOUs with Capital Goods Manufacturers' (BHEL and HEC) in order to give a boost to indigenization of manufacturing of capital goods related to steel sector. The MOUs were signed at a Conclave on "Capital Goods for Steel Sector: Manufacturing in India" held on October 23, 2018 at Bhubaneswar, Odisha.
- **GEDCOL SAIL Power Corporation Limited,** a new Joint Venture Company between SAIL and M/s. Green Energy Development Corporation of Odisha Limited (a wholly owned subsidiary of Odisha Hydro Power Corporation Ltd.) has been formed on September 6, 2018 for setting up 10 MW small hydro-electric power plant at Mandira Dam, Rourkela, Odisha.
- **Closure/Exit from non-operational and non-performing Joint Venture Companies and Subsidiary Companies of SAIL:** Your Company has initiated actions for closure / exit from certain Joint Venture Companies as well as Subsidiary Companies which are either non-operational or non-performing. Closure action for two subsidiary companies viz. SAIL Jagdishpur Power Plant Limited and SAIL Sindri Projects Limited under Fast Track Exit Mode is in progress.
- 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, your Company engaged M/s. Boston Consulting Group (BCG), a leading Global Management Consultant, to study the health of the Company, suggest suitable measures for its turnaround and provide hand holding support and assistance to SAIL for implementation of approved road map for turn around. The study phase of 'SAIL Uday' culminated in October, 2017 with the submission of the 'Comprehensive Turnaround Roadmap' Report by BCG. 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.

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

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

Upon receipt of approval of the Government for issue of Preliminary Information Memorandum (PIM)/Expression of Interest request (EoI) for disinvestment of ASP on 1st February, 2018 from the Ministry of Steel, Public Notice for inviting EoI for ASP, Durgapur was issued on 14th February, 2018. Since, the EoIs received in response to the above were not meeting the specified eligibility criteria, the process has been annulled. Fresh process in this regard has been initiated and revised PIM/EoI Requests of ASP, VISP and SSP have been issued.

Business Excellence Initiatives

Implementation of Management Systems

Most of SAIL Plants/Units are certified to ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems. BSP, BSL and DSP have implemented ISO 50000 (Energy Management System) and ISO 27000 (Information Security System) also in addition to the above mentioned four systems.

Certifications achieved during 2018-19:

- Plants and Units upgraded their systems to the new version i.e. ISO 9001 : 2015 & ISO 14001 : 2015
- ISP- BOF, CCP, Blast Furnace and Coke Ovens certified to ISO 9001 : 2015.
- ISP - CE Certification achieved for exporting structurals.
- DSP- Medium Structural Mill received CE certificate required for export of its products.

IT Related Initiative

Your Company has put in consistent efforts to develop and implement Information Technology (IT) systems in all spheres of business, in line with the objective of achieving speed and accuracy of data availability and automating business processes.

Due to sustained efforts over the years to keep pace with latest technology your Company has been able to cover the major spectrum of business operations under the sphere of Enterprise Resource Planning (ERP). Four Integrated Steel Plants at Bhilai, Durgapur, Bokaro and Rourkela and Central Marketing Organization (CMO) have already implemented ERP. ERP implementation at 5th Integrated Steel Plant i.e. IISCO Steel Plant is in progress with Go-live planned in Financial Year 2019-20. At Corporate Office, ERP has Gone Live in July, 2019.

SAIL embarked on the journey of availing IT services through Cloud model which is increasingly becoming de facto industry standard due to its inherent advantages of quick deployment, cost effectiveness, ease of manageability while providing access to the latest technology. Corporate Office pioneered in this initiative for deployment of ERP solution with ISP following the same for its ERP deployment.

Manufacturing Execution Systems (MES) in Bhilai Steel Plant has been extended in URM and SMS-III to cater to shop execution, material tracking and balancing, sampling and result recording, etc. inside each shop for enabling rolling as per stringent quality requirement of Railways and facilitate timely dispatch.

Implementation of e-Way Bill with respect to inter-State movements for statutory compliance has been done in major Plants/Units of the Company.

As part of GOI initiative, steps have been taken to maximize procurement through GeM Portal and as a step towards automation, interfacing of Purchase Orders with ERP systems has been initiated.

Your Company implemented in-house Online Human Resource Management System (HRMS) for creating a centralized repository of employee information mainly pertaining to Employee Master Data, Last Pay Certificate, Pension Data, Grievance System, Training Module and MIS Reports.

Your Company in its endeavor of keeping pace with digitization and changing times has taken initiatives in mobility and has developed android apps in areas pertaining to Human Resources as well as capturing of shop floor parameters related to production.

To promote transparency across the Organization, system has been implemented for Complaint Registration and Vigilance Clearance for executives of the Company.

Corporate Communication

Strategic Objective

Communication is assuming an increasingly important role today for every Corporate. The role of corporate communication in SAIL, the largest public sector steel maker of the Nation and a Company having multi-unit, pan-India presence, becomes vital in reaching out to its stakeholders. Recognizing the evolving paradigm of communication and the ways of sharing information with both external and internal stakeholders, your Company keeps undertaking several initiatives to maintain a healthy flow of information and reach out to the stakeholders.

Internal Communication efforts: Continuous information dissemination in your Company and employee engagement is a primary focus area of Corporate Communications team. This was achieved through various means:

Large Group Interactions - The senior management of your Company lead by Chairman and Board of Directors interacted with employees through a two-way communication process at every Plant & Unit of the Company in a phase-wise and structured manner.

Communicating Company's strategies and aspirations - In Financial Year 2018-19, employees were apprised of company related information and other important issues during every important occasion through various channels of communication including short videos developed in-house, intranet, corporate house journal: SAIL-News, posters, messages and other management collaterals among others.

Focus areas - The focus areas of communication were on : targets and challenges of the Company, roadmap to achieve Company's goals, achievements, technological developments in Company, overall financial situation, domestic steel scenario etc. All communications efforts were aimed at highlighting and disseminating these to encourage SAIL collective greater efforts.

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.

Efficacious Brand Outreach - Newer option of reaching target audience was experimented through FM radio. Your Company judiciously utilized various FM Channels for publicity. Several interactive sessions were organized to engage with and reach out to maximum possible target audiences, which included architects, customers, educational institutes, Railways, Defence etc. Several branding activities were also undertaken at various platforms to create further recall of Brand SAIL.

Exhibitions & Visibility - During this period, SAIL also participated in various exhibitions including Metal & Metallurgy, Vibrant Gujarat, ISA Steel Conclave, FICCI India Steel and etc. creating far reaching visibility of Brand SAIL as well as raising more awareness about SAIL's variety of new age steel products. The year also saw SAIL associating with various sponsorship events to create more connect with the Company's brand.

Social Media Efforts:

SAIL also effectively utilized its social media handles like Facebook, Twitter, Instagram, Youtube, etc. for instantly reaching out and connecting with the external as well as internal stakeholders in a sustained manner. Celebration of every special occasion and event was shared with stakeholders on the social media. Short films, developed in-house, on relevant subjects related to steel were also shared on the Company's social media handles.

Special Initiative:

Your company has stood the test of time and has its rich legacy since the year 1959. This year was the diamond jubilee year of production of SAIL. To highlight your Company's rich legacy and future plans, it was decided to celebrate this 60^{th} year in a befitting manner. A special logo commemorating the milestone year was designed. A commemorative event along with a special SAIL Day Walk and a unique cricket match between SAIL (SAIL GIANTS) and Rest of Steel Industry (STEEL WARRIORS) was organized at corporate level as a part of the celebration. The efforts were lauded by the entire steel industry. Your company's continuous efforts and initiatives to engage with stakeholders and reach out to them through communication made a lasting impact in the minds of the people.

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 2018-19:

- 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 178 workshops involving 2994 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Purchase/Contract Procedures, Conduct & Discipline Rules, Common Irregularities, System and Procedures followed in SAIL, etc.
- Periodic surprise checks including Joint Checks were conducted regularly in vulnerable areas of the Company. A total of 2444 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 between 29^{th} October to 3^{rd} November, 2018. The week started with administering the Integrity pledge and reading out the messages of dignitaries on 29^{th} October 2018 at SAIL Corporate Office as well as all Plants/Units of SAIL. During the week, Workshops/ Sensitization programmes, Customers meet, Anti-corruption March / Walkathon, events like quiz, essay, slogan & drawing/ poster, debate competition were organized for the employees and their families. As outreach measures, various events like Speech/Oratory competition, Poster/Drawing competition, Essay/Slogan competition, Inter school debate competition, Quiz competition were organized across

various townships of SAIL and metro cities of Delhi and Kolkata, in which around 900 students from 27 Colleges / Universities and more than 4000 students from various schools participated.

- The following three thrust areas were identified by SAIL Vigilance:
  - i) Surveillance in the areas of receipt, sampling & testing of high value raw materials.
  - ii) Audit of SIPs implemented in 2015 and 2016.
  - iii) Scrutiny of emergency procurement and contract cases.
- 'Inspiration-Prerna', an in-house publication of SAIL Vigilance is being published regularly. The above publication contains case studies, informative articles, quiz on policy matters, etc. to enhance awareness of the readers.
- As on 01.04.2018, a total of 106 complaints were pending and the closing balance as on 31.03.2019 was 102. The summary of processing of complaints during 2018-19 is as under:

Source	Complaints	
	Received	Disposed
CVC	2	3
MoS	19	18
Direct	821	825
Total	**842**	**846**

Type of Complaints disposed:	
Closed as found anonymous / pseudonymous (filed in line with CVC guidelines)	307
Closed as no vigilance angle / allegations not substantiated	272
Referred to other departments	145
Closed with preventive/administrative Recommendations	98
Regular Departmental Actions initiated	24 (11 cases of major penalty against 20 employees and 13 cases of minor penalty against 26 employees)
Total Disposed	**846**

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 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2019 along with Management's replies thereon is placed at **Annexure-I** to this Report. The Comptroller & Auditor General of India (C&AG) vide its letter dated 27th July, 2019 has given "Nil" comments on the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 under Section 143(6)(b) of the Companies Act, 2013. A copy of the above letter of C&AG is 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. Sanjay Gupta & Associates, New Delhi, M/s. Shome & Banerjee, Kolkata and M/s. R J Goel & Co., New Delhi as Cost Auditor(s) for the Financial Year 2018-19.

SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended on 31st March, 2019. 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 Financial Year 2018-19, 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 posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

BUSINESS RESPONSIBILITY REPORT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

Your Company has four other subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL is operating the Salem Refractory Unit which was acquired by SAIL from Burn Standard Company Limited on 16th December, 2011. SAIL Jagdishpur Power Plant Limited, incorporated for setting up of Gas based power Plant at Jagdishpur and SAIL Sindri Projects Limited, incorporated for revival of Sindri Unit of Fertilizer Corporation of India Limited have not taken off and are under closure. Closure of SAIL Jagdishpur Power Plant Limited and SAIL Sindri Projects Limited through Fast Track Exit Mode has been filed with the Ministry of Corporate Affairs. 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 in the Registered Office of the Company and the Subsidiary Companies concerned between 11 AM to 1 PM on working days. A hard copy of the details of accounts of subsidiaries shall be furnished to the shareholders on receipt of written request.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements are placed at **Annexure-V** to this Report. 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 Comptroller & Auditor General of India (C&AG) vide its letter dated 27th July, 2019 has given "Nil" comments on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 under Section 143(6)(b) read with Section 129(4) of the Companies Act, 2013. A copy of the above letter of C&AG is 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, 8 meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE

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

INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

The Company has well established and documented policies and procedures, 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(7) of the Companies Act, 2013, necessary declaration has been given by each Independent Director stating that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

In terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees and Investments given during the Financial Year ended on 31st March, 2019 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 2018-19, 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 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 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.

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

The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act-2013 and Companies (Corporate Social Responsibility Policy) Rules, 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, health care, access to drinking water, sanitation, village development, environment sustainability, women empowerment, assistance to divyangs, sustainable income generation through self-help groups, sports coachings, 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.

Swachha Bharat Abhiyaan-SwachhaVidhyalayaAbhiyaan

SAIL actively participated in the "Swachch Bharat Abhiyan" initiated by the Hon'ble Prime Minister of India. Under the campaign, 672 toilets in schools falling within the periphery of its Plants & Mines in the States of Chhattisgarh, West Bengal, Odisha, Jharkhand, Madhya Pradesh and Tamil Nadu had been constructed. 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 1.72 crore people living in the vicinity of its Plants and Units during the period 2011-18. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps in various villages on fixed days are being organized for the people living in the periphery of Plants/Units, Mines and far-flung areas. During the Financial Year 2018-19, about 3050 Health Camps have been organized benefitting approx. 60,000 villagers. 5 Mobile Medical Units (MMUs) running in the Plant peripheries have benefitted about 44,000 villagers at their doorsteps. 24 Primary Health centres at Plants exclusively provided free medical care and medicines to above 69,000 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, 19 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting over 3741 BPL category students at integrated steel plant locations with facilities of free education, mid-day meals, uniform including shoes, text books, stationary items, school bag, water bottles and transportation under CSR. SAIL in association with the Akshya 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 710 youths & 1168 women of peripheral villages in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Agriculture techniques, Achar/Pappad/ Agarbati/Candle making, Screen printing, Handicrafts, Sericulture, Yarn Weaving, Tailoring, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Soap, Smokeless chullah making, etc. 816 youths have been sponsored for ITI training at Bolani, Bargaon, Baliapur, Bokaro Pvt. 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 of 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 Sustainability: Maintenance of parks, water bodies and botanical gardens in its townships and plantation & maintenance of over 5 lakh trees at various locations have been 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 various schemes and centres at SAIL Plants under CSR like "Sneh Sampada", "Prayas"and 'Muskaan" at Bhilai; "Schools for blind, deaf & mentally challenged children" and Home and Hope" at Rourkela; "Ashalata Kendra" at Bokaro; various programs like "Handicapped Oriented Education Program" and "Durgpaur Handicapped Happy Home" at Durgapur; and "Cheshire Home" at Burnpur. Old age homes are being supported at different Plant townships like "Siyan Sadan" at Bhilai, Acharya Dham and Badshah at Durgapur, etc.

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

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

In an effort to align the marginalized masses, a project to promote comprehensive Water Supply and Sanitation has been initiated by Rourkela Steel Plant by developing sustainable tap water source and constructing useable toilets for each family in 19 villages of Rourkela, i.e. over 10,000 natives have benefitted. The villagers have been mobilized and empowered for their active participation in the project. Village level committees have been formed for long-term sustenance of the project.

SAIL/Bolani Ore Mines has initiated a project to provide continuous drinking water supply and sanitation facility in the remote village of Barik Sahi (Kuni Sahi) under Bolani Panchayat connecting it with the water source 'Jhinkaria Spring', on south of Bolani through a network of G.I. pipelines. All the 300 natives of Barik Sahi (Kuni Sahi), who had to travel upto 2 kms daily to fetch water from the springs, have been benefitted with this facility.

SAIL Bio-Diversity Environment Theme Park 'VASUNDHARA' near JC Bose Avenue of DSP Township, Durgapur: The development of a 409 acres Bio-Diversity Environment Theme Park with water body and plantation of 400 varieties of trees to attract migratory birds facilitating avian diversity, propagation of medicinal plants, rainwater harvesting and soil conservation for maintaining ecological balance and environmental sustainability has been carried out. The park site is enriching the environs for 75,000 natives year on year.

GENERAL DISCLOSURES

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Shri Puneet Kansal, Joint Secretary to the Government of India, Ministry of Steel has been appointed as Director w.e.f. 7th May, 2018.
- Shri P.K. Singh has ceased to be Chairman and Managing Director of the Company w.e.f. 30th June, 2018(A/N).
- Shri Saraswati Prasad, Special Secretary & Financial Adviser to the Government of India, Ministry of Steel was holding Additional Charge of Chairman and Managing Director of the Company for the period 1st July, 2018 to 21st September, 2018.
- Shri Raman has ceased to be Director w.e.f. 31st July, 2018(A/N).
- Shri Harinand Rai has been appointed as Director w.e.f. 1st August, 2018 (F/N).
- Shri Anil Kumar Chaudhary, Director (Finance) has been appointed as Chairman of the Company w.e.f. 22nd September, 2018.
- Prof. Ashok Gupta, Mrs. Anshu Vaish and CA Parmod Bindal have been re-appointed as Independent Directors for a period of one year w.e.f. 18th November, 2018.
- Shri Krishan Kumar Gupta has been appointed as Independent Director w.e.f. 21st December, 2018.
- Shri Vivek Gupta has been appointed as Director w.e.f. 27th March, 2019 (F/N).
- Consequent to superannuation of Shri M.C. Jain, ED(F&A) and Company Secretary on 30th June, 2019, Shri M.B. Balakrishnan, DGM (Board & Company Affairs), SAIL has been appointed as Company Secretary of the Company w.e.f. 1st July, 2019.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

(Anil Kumar Chaudhary)
Chairman

Place: New Delhi
Dated: 31st July, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

Global economic output grew by 3.6% in 2018, as estimated by IMF in its April 2019 World Economic Outlook update. The Global Economy continued to expand, with growth in Advanced Economies (estimated 2.2% growth in 2018) as well as in Emerging Market and Developing Economies (estimated 4.5% growth in 2018).

Weakness experienced in the second half of 2018- against the backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook, is likely to carry over to coming quarters, with global growth projected to decline to 3.3% in 2019 before picking up slightly to 3.6% in 2020. Overview of World Economic Outlook Projections is as under:

World Economic Outlook Projections
(Percentage Change)

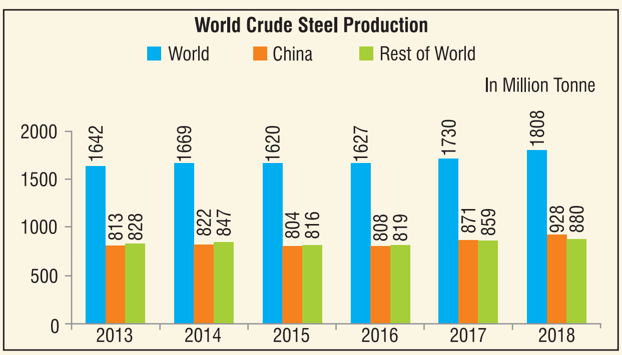
	Year Over Year		
	Estimate	Projections	
	2018	2019	2020
World Output	**3.6**	**3.3**	**3.6**
Advanced Economies	2.2	1.8	1.7
United States	2.9	2.3	1.9
Euro Area	1.8	1.3	1.5
Japan	0.8	1.0	0.5
Emerging Market and Developing Economies	**4.5**	**4.4**	**4.8**
China	6.6	6.3	6.1
India	7.1	7.3	7.5
Brazil	1.1	2.1	2.5
Russia	2.3	1.6	1.7

Source: IMF World Economic Outlook Update, April 2019

World Steel Scenario

In 2018, Global Crude Steel production as reported by World Steel Association, increased by 4.6% to reach 1808.6 million tonnes(MT) compared to 2017. Crude Steel production increased in all regions in 2018 except in the Europe, where output was flat.

Asia accounted for 1271.1 MT of Crude Steel production in 2018, an increase of 5.6% compared to 2017. China continued to dominate World Crude Steel production with an output of 928.3 MT, at a growth of 6.6% over 2017. In 2018, China's share of Global Crude Steel production increased to 51.3% compared to 50.3% in 2017. India's Crude Steel production in 2018 increased by 4.9% to reach 106.5 MT, thereby replacing Japan as the World's second largest steel producing Country.



Japan produced 104.3 MT in 2018, a decline of 0.3% compared to 2017. South Korea's Output of Crude Steel stood at 72.5 MT in 2018, a growth of 2% over 2017. The US also saw growth in Crude Steel output by 6.2% to reach 86.7 MT in 2018.

Top 10 Steel Producing Countries

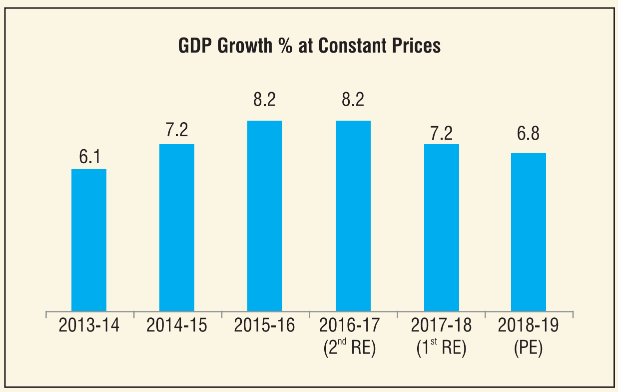
Rank	Country	2018 (MT)	2017 (MT)	% Change
1	China	928.3	870.9	6.6
2	India	106.5	101.5	4.9
3	Japan	104.3	104.7	-0.3
4	United States	86.7	81.6	6.2
5	South Korea	72.5	71.0	2.0
6	Russia	71.7	71.5	0.3
7	Germany	42.4	43.3	-2.0
8	Turkey	37.3	37.5	-0.6
9	Brazil	34.7	34.4	1.1
10	Iran	25.0	21.2	17.7

Source: World Steel Association

World Steel Association has forecast that Global steel demand will increase by 1.3% in 2019 and reach 1735 MT. Steel demand in China is expected to moderate to 1% in 2019. In the Emerging and Developing Economies excluding China, steel demand is forecast to grow by 2.9% in 2019.

Indian Economic Environment

GDP growth for the Financial Year 2018-19 has been estimated at 6.8% at constant prices as per the provisional estimates of National Income by the Central Statistics Office (CSO), compared to 7.2 % in Financial Year 2017-18. The sectors that recorded high growth (~ 7%) were Construction, Manufacturing, Electricity & Utilities, etc.



(RE: Revised Estimates, PE: Provisional Estimates)

The cumulative IIP growth for the period April to March 2018-19 over the corresponding period of the previous year stood at 3.6%. IIP growth rates for mining, manufacturing and electricity sectors for the April-March 2018-19 period were 2.9%, 3.6% and 5.2% respectively. In the same period, while consumer durables registered a good growth 5.5%, consumer non-durables registered a growth of 3.9%. Capital goods registered a growth of 2.8%, while Infrastructure/Construction goods registered a growth of 7.5%. Cumulative growth of the overall index for eight core sectors during April-March 2018-19 was 4.3%. Steel index increased by 4.7% during April to March, 2018-19.

Indian Steel Scenario

As per Joint Plant Committee (JPC), production of Crude Steel during fiscal 2018-19 stood at 106.6 million tonne, at a growth of 3.3 % over same period last year. Finished Steel production also registered a growth of 3.7% to reach 131.7 MT during 2018-19, compared to same period last year. Exports of total Finished Steel decreased substantially by 33.9% to 6.36 MT during 2018-19 over last year, while imports increased by 4.7 % to 7.83 MT.

India's consumption of total finished steel saw a growth of 7.5% in 2018-19 over same period last year. Demand for Finished Steel in India is expected to grow at 7.1% in 2019, as projected by World Steel Association.

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.
- 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.

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.
- Chiria mines in Saranda forest in Jharkhand, for which lease was granted about seven decades ago, but the mining activities in the different leases of mine could not resume due to delay in grant of Forest Clearance. Later in 2016, MoEFCC has linked the grant of Forest Clearance for iron ore mining leases operating in Saranda forest with approval of Management Plan for Sustainable Mining (MPSM) which was approved by MoEFCC in June, 2018.

  Major apprehension about Chiria leases emerging from the approved MPSM is that the final decision on grant of Forest Clearance for Chiria leases may not happen in near future and may be decided only after near exhaustion of the mineral deposits in eastern boundary in identified mining zones and availability of suitable technology for extraction of mineral from bio-diverse forest area without damaging the forest and wildlife.

  Out of the available iron ore resources of about 3700 MT with SAIL, about 54% i.e. 2000 MT is available at a single location viz. the Chiria mines which is not only critical for future expansion but will also take care of existing expansion in view of other depleting resources. Keeping in view of already completed modernisation and expansion programme and future expansion programme in view of National Steel Policy, 2017, development of a large mechanised iron ore mine at Chiria is need of the hour and can be done only when Chiria leases are excluded from no mining zone as per the approved MPSM.

  Consequent upon the intervention of Ministry of Steel and Govt. of Jharkhand, it was decided that a committee will be formed to suggest appropriate modifications /amendments in MPSM. Since then, two meetings were held during Dec, 2018 and Feb, 2019 but no conclusive decisions in this regard have been taken so far.
- Stage-I 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 Chria 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 Govt. of Jharkhand for approval of MoEFCC during July, 2015- April, 2016. But later on MoEFCC has linked the grant of Forest Clearance for mines in Saranda forest with finalisation of MPSM for Saranda Forest.

  Post approval of MPSM, as Gua and Kiriburu-Meghahatuburu leases were part of mining zone of MPSM, MoEFCC vide letters dated 26.08.2018 and 03.07.2018 requested Govt. of Jharkhand to provide information regarding Forest Clearance(FC) proposals of South-Central Blocks of Kiriburu-Meghahatuburu and Duargaiburu lease of Gua mine respectively.

  Though, requisite information was provided by Govt. of Jharkhand in November, 2018 itself but after examining the proposals for about three months once again in Feb/March, 2019, MoEFCC had asked for further clarifications on the proposal from Govt. of Jharkhand showing inability in acceptance of land earmarked for compensatory afforestation as more than 20% of land identified is part of moderately dense forest(MDF). Fresh land patches are being identified and may further delay in grant of Stage-II FC.
- In view of revised Guidelines dated 1st April, 2015, issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, there is a requirement of payment of NPV (about ₹1,100 Crore) for entire forest land within mining lease area.

  Being a Government Company, SAIL has taken up the matter with MoEFCC, GoI for exemption of payment of NPV for entire forest land in a mining lease in lieu of the general approval being provided through referred Guideline, though being a Government Company, SAIL is not required to take such approval under FC Act. Though, vide OM dated 01.01.2019, MoEFCC provided the opinion of AGI to SAIL which is in line with the interpretation of FC Act made by SAIL but still MoEFCC is insisting upon payment of NPV for entire forest land covered under mining lease and further linked the grant of EC for Kalwar-Nagur mining lease of BSP with payment of NPV for entire forest land in mining lease.

  SAIL has challenged the various notices received from different State Govts. about payment of NPV for entire forest land in mining lease in respective High Courts and on the merit of the case, notices have been stayed.

  In one such matter, Chhattisgarh High Court vide order dated 11.09.2018, directed MoEFCC to convene a meeting of the stakeholders to present their arguments and submission on the issue related to MoEFCC's Guideline dated 01.04.2015, so that an opinion emerges at the level of MoEFCC. Consequently, two meetings were held under the Chairmanship of Secretary, MoEFCC on 27.11.2018 and 22.01.2019. SAIL has submitted its representation during the second meeting. In the final hearing held on 17th and 19th June, 2019, Hon'ble Court heard all the parties at length, including pleadings made by the UOI, Chhattisgarh State Government and SAIL. The case has been posted for next date of hearing.
- 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 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 iron ore and flux mines, SAIL has challenged these notices in respective High Courts whereas in case of coal, the matter has been challenged before Revisionary Authority, Ministry of Coal.
- Tasra coal block was allocated to SAIL in October, 1995 by Ministry of Coal(MoC), Government of India. The mining lease of 4.5 Sq. Km area was transferred from BCCL to ISP-SAIL (erstwhile IISCO) on 10th June, 2002. Later, on application for renewal of Tasra mining lease, Government of Jharkhand stated that the lease had already expired at the time of transfer in the year 2002. Government of Jharkhand vide letter dated 21.04.2017 has asked MoC to clarify on the position of Tasra lease. In response, MoC vide letter dated 06.06.2018 has requested Government of Jharkhand to take necessary actions under the provisions of MMDR Act, 1957 & Rules made thereof and Coal Mining Nationalisation, Act 1972 & 1973.

Further, Govt. of Jharkhand vide letter dated 08.10.2018 has again referred the matter to MoC with a request to exercise powers u/s 31 of MMDR to give relaxation by condoning the delay in filing of application of renewal and approval of transfer of Tasra lease made between BCCL and SAIL so that renewal application may be processed in favour of SAIL as per the earlier directions of MoC received vide letter dated 06.06.2018. In response, MoC on 23.04.2019 has forwarded the case to Ministry of Law & Justice for its opinion. On account of delay in renewal of Tasra mining lease, development work at Tasra is getting affected.

- 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 31.08.2015 and 23.03.2016 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 01.03.2018 and vide letter dated 08.03.2018 and 12.03.2018, 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.

- Based on the temporary permission granted by Government of Jharkhand, captive coal mines lifted the sand for ongoing stowing activities. However, after discontinuation of the same in 2013, the coal 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, on 13.12.2015, SAIL requested District Mining Officer, Dhanbad for reservation of sand mining areas at Dungri 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 25.05.2017, Government of Jharkhand forwarded the proposal for approval of Ministry of Coal (MoC), Government of India. In response to the query dated 13.11.2017 of MoC, information was forwarded by Jharkhand State Government to MoC on 27.08.2018. Since then the matter is being followed with MoC for early reservation of areas of sand for stowing in favour of SAIL.

D. OUTLOOK

India's economy slowed down to less than 7% in 2018-19 due to declining growth of private consumption, tepid growth in fixed investment and exports. The new Government is expected to take up requisite measures to reverse the slowdown of the economy - specifically to bring back growth of agriculture and in industrial sectors. With continued thrust on infrastructure and related projects from Government of India, steel sector stands poised to benefit.

E. STRENGTHS & 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 ₹66,267 crore during the Financial Year (FY) 2018-19, higher by 16% as compared to corresponding period of last year (CPLY) turnover of ₹58,297 crore mainly due to increase in Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants (16%). During the FY 2018-19, the Profit before Tax and after Tax at ₹3,338 crore and ₹2,179 crore as compared to loss in CPLY reflect turnaround performance of the Company by 540% and 552% respectively over last year. Although no provision for income tax has been made, the Company has created deferred tax liability of ₹1,154.23 crore. The comparative performance of major financial parameters during the FYs 2018-19 and 2017-18 is given below:

(₹ crore)

Particulars	**2018-19**	2017-18
Sales Turnover	**66267.30**	58297.26
Less: Excise Duty	**-**	1403.90
Net Sales Turnover	**66267.30**	56893.36
Profit before interest, depreciation, exceptional/abnormal items and tax (EBIDTA)	**10282.87**	5184.37
Less: Interest and Finance Charges	**3154.92**	2822.75
Less: Depreciation	**3384.72**	3064.92
Profit after interest, depreciation, but before exceptional/abnormal items and tax	**3743.23**	-703.30
Exceptional items	**-405.34**	-55.64
Profit(+)/ Loss(-) before tax	**3337.89**	-758.94
Less: Provision for taxation	**1159.07**	-277.23
Profit(+)/Loss(-) after Tax	**2178.82**	-481.71
Other Comprehensive Income	**259.08**	186.32
Total Comprehensive Income (+)/Loss(-)	**2437.90**	-295.39
Net Worth	**38152**	35714
EBIDTA to Net sales (Operating Profit Margin) (%)	**15.52**	9.11
Net Profit Margin (%)	**3.28**	-0.84
Return (PAT) on Net worth (%)	**5.71**	-1.35
EBIDTA to average capital employed (%)	**15.33**	8.75
Earning per share of Rupee 10/- each	**5.27**	-1.17
Debtors' Turnover Ratio (Days)	**25**	24
Inventory Turnover Ratio (Days)	**6.40**	7.63
Interest Coverage Ratio (No. of Times)	**1.79**	0.61
Current Ratio	**1.36:1**	1.23:1
Debt Equity Ratio	**1.18:1**	1.27:1

As compared to last year, the performance in the FY 2018-19 has improved mainly on account of higher Saleable Steel production (7%), and increase in Net Sales Realisation of Saleable Steel of 5 Integrated Steel Plants (16%), sales of secondary products, lower voluntary retirement compensation, lower Coke Rate, etc. However, the same has been partially offset by increased imported coking coal rate, purchased power rate, increase in repairs & maintenance expenditure, stores & spares expenditure, security expenses, royalty rates on Iron Ore, foreign exchange loss, higher imported coal in blend, higher usage of Iron Ore, limestone and dolomite, provision for differential royalty on Bolani and Barsua Iron Ore Mines as well as Entry Tax in UP State consequent to the Order of Hon'ble Allahabad High Court, amortization of stamp duty and registration charges and higher interest expenses and depreciation charges due to capitalisation of new facilities.

During the current quarter compared to CPLY, the turnover at ₹18,323 crore was higher by 9% as compared to CPLY. The Profit before Tax and after Tax at ₹ 712 crore and ₹469 crore is lower by 40% and 42% respectively over CPLY. The profit has occurred mainly on account of higher production of Saleable Steel (14%), increase in sales volume of Saleable Steel (11%), increase in sales of secondary products, decrease in salary and wages, lower VR compensation, decrease in repairs & maintenance expenditure, stores & spares expenditure, power & fuel expenses, etc. However, the same has been partially offset by lower net sales realisation (2%) of Saleable Steel, increased imported coking coal rate, increase in security expenses, royalty rates on Iron Ore, higher imported coal in blend, higher usage of coking coal, limestone and dolomite, provision for amortization of stamp duty and registration charges and higher interest and depreciation cost.

As compared to CPLY Interest Coverage Ratio and Return on Net Worth has improved significantly during FY 2018-19. Interest Coverage Ratio has improved from 0.61 as on 31.03.2018 to 1.79 as on 31.03.2019 on account of significant improvement in EBITDA during FY 2018-19. Return on Net Worth has improved from (-) 1.35 as on 31.03.2018 to 5.71 as on 31.03.2019 as a result of improved profitability of the Company.

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 turn around. 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

- Emphasis on cost reduction with improvement in productivity continued during the year through process improvement and efforts by R&D. Awareness was created at all levels to control cost in all areas of operation.
- Strategic actions such as optimizing coal blend, improvement in yields, reduction in coke rate, enhanced concast production, sale of idle assets and maximizing use of in-house engineering shops resulted in enhanced cost reduction during the year.
- During the Financial Year 2018-19, a total of 448 employees separated from the services of the Company through the Voluntary Retirement Scheme (VRS), 2018.

1.2.3 Marketing

Your Company has taken a number of initiatives during the Financial Year 2018-19 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 2018-19, including the following:

- Quenched and tempered Plates SAIL WR400 12 mm developed by RSP for EME segment and supplied to non defence customers for the first time.
- ASTMA 517 Grade F has been developed at RSP and supplied to a Hydroelectric project in Himachal Pradesh.
- EN10025-6 S690QL grade PMP developed at RSP were supplied for use in a DRDO project.
- Railways have stopped production of ICF design coaches and shifted to production of LHB Coaches. Wheels for LHB Coaches are at present being imported by Indian Railways. Your Company received developmental order for 1000 LHB Wheels in the month of February, 2018 and has successfully developed the wheel. First lot of 30 wheels was despatched for field trials in March, 2019.
- Your Company received a developmental order for 400 wheels for Kolkata Metro in December, 2017, which has been successfully developed and supplied. Further, the Company has requested for regular orders from the Railway Board.
- In order to meet the requirement of Defence, the Company has developed DMR 301 grade plates of ultra high strength for under water applications.
- Material has been supplied for re-construction of the Mahatma Gandhi Setu, connecting South and North Bihar and for long,considered to be the lifeline for the people of Bihar travelling across the Ganges. As per the original design, the plates were required in ASTMA-709 HPS-485 70W Grade, which was changed to IS2062 E 410C Grade so that material could be sourced from indigenous sources. Your Company has supplied IS2062 E 410C grade plates as per stringent ITP (Inspection and Test Plan).

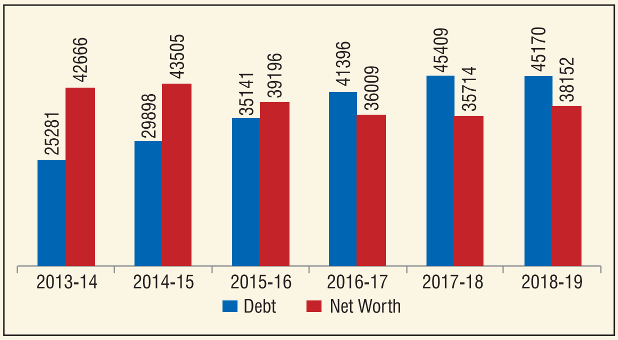
In order to introduce customers to the advantages offered by SAIL's new product range, your Company formed dedicated Cross Functional Teams for marketing products from the new mills at IISCO, Durgapur, Rourkela and Bokaro Steel Plants and engaged with new market segments. Seminars, workshops and meetings were organized with end users, architects, structural designers, consultants, etc. Further, interactions were held with Plant personnel in order to achieve a mutual understanding of the requirements on one hand and production parameters on the other. New mill Parallel Flanged structurals from the New Mill of ISP have been brought under a new brand name "NEX".

Your company has the largest marketing network among all steel producers in the Country. As on 1st April, 2019, 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 effort is further supplemented through SAIL's Retail Channel that reaches the products of mass consumption to remote corners of the Country.

SAIL had been meeting retail demands of TMT bars and Galvanised products through Dealer channel. In order to deepen the reach to the end customer in the Retail Segment through an efficient distribution channel and provide value addition in product, delivery and services to customers, 2-tier Dealer-Distributorship channel was introduced. As on 1st April, 2019, dealer network consisted of 1789 dealers, out of which 858 dealers have been added by the 14 Distributors, appointed under 2-tier distributorship. This huge network spreading across the Country helps in meeting the requirements of a wide range of customers across throughout India.

1.3 Funds Management

There is decrease in the borrowings of the Company from ₹45,409 crore as on 31st March 2018 to ₹45,170 crore as on 31st March, 2019. The debt equity ratio of the Company as on 31st March, 2019 is 1.18:1 as compared to 1.27:1 as on 31st March 2018. The interest and finance charges on operation account during the current year at ₹3,155 crore are higher by ₹332 crore over CPLY. The Net-worth of the Company has increased from ₹ 35,714 crore as on 31st March 2018 to ₹38,152 crore as on 31st March 2019. M/s CARE Ratings, M/s India Ratings and M/s Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA- Outlook: Stable', 'India Ratings AA- Outlook: Stable' 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

The total contribution made by the Company to SAIL Gratuity Trust upto 31.03.2019 was ₹3,349.09 crore. The fund size has grown to ₹6,277.44 crore as on 31.03.2019, net of settlement done towards payment of Gratuity.

2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

2.1 Revenue from Operations

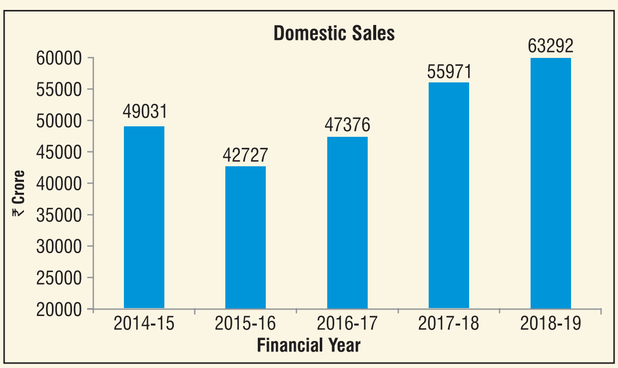
a) Sale of Products

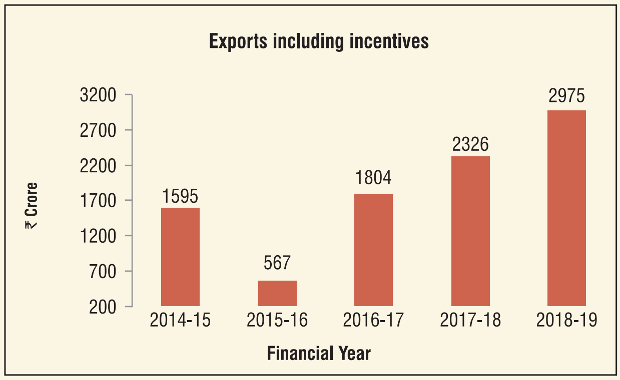
(₹ crore)

Particulars	FY 2018-19	FY 2017-18	Change %
Sales of Saleable Steel Products	62541.86	55481.04	12.73
Sales of Other Products	3725.44	2816.22	32.28
Total Sales Turnover	66267.30	58297.26	13.67
Less: Excise Duty		1403.90*	
Net Sales Turnover	66267.30	56893.36	16.47

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

b) Trend of Domestic Sales and Exports





The Company catered to almost the entire gamut of the mild steel business namely, Flat Products in the form of Plates, HR Coils/Sheets, CR coils/sheets, Galvanised Plain/Corrugated Sheets and Long products comprising Rails, 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 2018-19 is given as under:

Products Category	% of Sales value
Saleable Steel	
Flat Products (including Pipes & Electrical Sheets) (a)	50
Long Products (b)	40
Integrated Steel Plants - Mild Steel (c = a + b)	90
Alloy & Special Steel Plants - Alloy & Special Steel (d)	4
Total Saleable Steel (e = c + d)	94
Secondary Products (Pig Iron, Scrap, Coal Chemicals, etc.) (f)	6
Total (g = e + f)	**100**

c) Sale of Services - Service Charges

(₹ crore)

FY 2018-19	FY 2017-18	Change %
28.53	23.56	21.09

Revenue from sale of services increased by about ₹4.97crore during the current year.

d) Other Operating Revenues

(₹ crore)

FY 2018-19	FY 2017-18	Change %
671.48	641.54	4.67

Other operating revenues increased by about ₹29.94 crore over previous year primarily on account of higher realisation from sundries.

2.2 Other Income

(₹ crore)

FY 2018-19	FY 2017-18	Change %
532.82	484.45	9.98

Other income increased by about ₹48.37 crore over previous year mainly due to increase in interest income from customers and bank deposits and recovery of liquidated damages.

2.3 Expenditure

(₹ crore)

Particulars	FY 2018-19	FY 2017-18	% Change
Raw Materials Consumed	32291	26678	21.03
Employee Remuneration & Benefits	8830	8850	-0.22
Finance Cost	3155	2823	11.76
Depreciation	3385	3065	10.44
Other Expenses	18829	16276	15.69

During the FY 2018-19, there was unprecedented increase in average imported coal prices and increase in royalty rates on iron ore which has affected the raw material cost substantially. Further, indigenous coal prices also increased in line with imported coal prices due to invoking of imported coal price parity by domestic coal companies. During the year, the Employees' Remuneration & Benefits have decreased mainly due to reduction in manpower numbers on account of natural separation and voluntary retirement scheme. Higher finance cost was due to increase in interest rate of borrowings and increase in depreciation was due to capitalization of new facilities. The increase in other expenses was on account of increase in the cost of stores & spares, repairs & maintenance, power & fuel, royalty and cess, etc.

2.4 Contribution to Exchequer

During the year, SAIL contributed ₹13,520 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	FY 2018-19	FY 2017-18	Change %
Non-Current Assets			
(a) Property, Plant and Equipment	59907	57156	4.81
(b) Capital Work-in-Progress	16014	18395	-12.95
(c) Investment Property	1	1	31.33
(d) Intangible Assets	1451	1455	-0.26
(e) Financial Assets			
(i) Investments	1585	1491	6.27
(ii) Trade Receivables			
(iii) Loans	564	448	25.81
(iv) Other Financial Assets	258	166	55.50
(f) Deferred Tax Assets (Net)	2898	4185	-30.74
(g) Non current tax assets (Net)	154	190	-19.27
(h) Other non-current assets	1357	1079	25.78
TOTAL NON-CURRENT ASSETS	**84189**	**84567**	**-0.45**

(₹ crore)

Particulars	FY 2018-19	FY 2017-18	Change %
Current Assets			
(a) Inventories	19442	16997	14.39
(b) Financial Assets			
(i) Trade Receivables	4495	3870	16.15
(ii) Cash & cash equivalents	35	79	-56.46
(iii) Bank balances other than (ii) above	185	175	5.85
(iv) Loans	53	63	-16.04
(v) Other Financial Assets	2161	2772	-22.04
(c) Current Tax Assets (Net)			
(d) Other Current Assets	5867	5634	4.14
(e) Assets classified as held for sale	11	33	-64.71
TOTAL CURRENT ASSETS	**32249**	**29623**	**8.87**
TOTAL ASSETS	**116438**	**114190**	**1.97**

- Property, Plant & Equipment increased by ₹2,751 crore mainly due to capitalization of new facilities.
- The capital work-in-progress decreased by ₹2,381 crore on account of capitalization of various capital schemes in steel Plants.
- Other Non-Current Assets increased by ₹278 crore.
- The inventories increased by ₹2,445 crore mainly on account of increase in raw materials inventory due to high quantity and price increase of imported coking coal.
- Increase in trade receivables was by ₹625 crore.
- Other Current Assets increased by ₹233 crore, mainly on account of Input Tax Credit receivable under GST law.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	FY 2018-19	FY 2017-18	Change %
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	30803	29777	3.4
(ii) Trade Payables	7	6	6.9
(iii) Other Financial Liabilities	1331	1179	12.8
(b) Long Term Provisions	4295	3973	8.1
(c) Deferred Tax Liabilities (Net)			
(d) Other Non-Current Liabilities	253	138	83.0
Total Non-Current Liabilities	**36689**	**35075**	**4.6**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10631	12244	-13.2
(ii) Trade Payables	7258	7540	-3.7
(iii) Other Financial Liabilities	14693	14170	3.7
(b) Other Current Liabilities	6706	7142	-6.1
(c) Provisions	2309	2304	0.2
(d) Current Tax Liabilities (Net)	-	-	-
Total Current Liabilities	**41597**	**43402**	**-4.2**
Total (Current+Non-Current Liabilities)	**78286**	**78476**	**-0.2**

- Increase in long term borrowings by 3% was due to replacement of short term borrowings with long term borrowings.
- The short term borrowings decreased by ₹1,613 crore due to repayment of Commercial Paper and foreign currency Buyers' Credit.

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

(₹ crore)

Plant/Unit	2018-19	2017-18
Bhilai Steel Plant (BSP)	509.37	645.88
Durgapur Steel Plant (DSP)	278.62	-270.85
Rourkela Steel Plant (RSP)	1472.21	-180.24
Bokaro Steel Plant (BSL)	1916.49	526.16
IISCO Steel Plant (ISP)	-402.05	-988.55
Alloy Steels Plant (ASP)	-40.64	-47.46
Salem Steel Plant (SSP)	-259.00	-211.07
Visvesvaraya Iron & Steel Plant (VISP)	-75.72	-108.90
SAIL Refractory Unit (SRU)	50.71	32.62
Chandrapur Ferro Alloys Plant (CFP)	11.20	19.30
Raw Materials Division/Central Units	-123.30	-175.83
SAIL: Profit Before Tax (+)/Loss(-)	**3337.89**	**-758.94**

G. MATERIALS MANAGEMENT

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

- **Inventory Reduction:** Despite higher volume of purchase of Stores & Spares (increase of about 26% on Y-o-Y basis), inventory holding as on 31st March, 2019 was reduced to 6.51 months as compared to 7.20 months as on 31st March, 2018.
- **Purchase Cost Reduction:** By adopting multi-pronged strategy in purchase of Bulk Items / Centralized Procurement Agency (CPA) Items, cost-savings of about ₹7.5 crore were achieved in areas like Ferro-alloys, etc.
- **E-Procurement:** E-tendering using Supplier Relationship Management/ Enterprise Procurement System platforms increased to 81.61% from 59.63% on Y-o-Y basis.
- **Systems Improvement:** Certain new/revised Policies and Procedures including CPA Guidelines, Implementation of BCG recommendations on procurement of Limestone, SAIL Procedure for Procurement on GeM, Training on GeM and TReDS, Redesigning of SAIL Tender website, e-Publishing of SAIL Tenders on CPP Portal and Review & Revision of PCP-2014 were issued during the Financial Year 2018-19. Besides these, Sambandh Portal of Govt. of India, an online module was developed for posting of data/information on MSME received from Plants/Units.

H. FOREIGN EXCHANGE CONSERVATION

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

I. PROJECT MANAGEMENT

AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement(AMR) Schemes have also been taken up which are required for management of existing operations and primarily focuses on improving the current level of efficiency and output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facilities for sustaining the existing operations, balancing / debottlenecking of production processes, improvement in energy & other resource consumption / services / safety and environment. Replacement includes mostly replacing the existing Plant & Equipment / facility with better performance Plant & Equipment / facility; Re-building of certain facilities like Coke Oven Batteries after its useful life is one of the types of Replacement Scheme. Accordingly, a number of AMR schemes costing around ₹7,244 crore are under implementation in different Plants of the Company as under:

- Construction of permanent Barracks at 21 locations for Rowghat Deposit, Upgradation of Stoves for Blast Furnace-4, Installation of Cast House Defuming System in Blast Furnace No.7, Setting up of Static facility for Environmentally Sound Management of Polychlorinated Biphenyls and Installation of Electro Static Precipitators as replacement of Multi Cyclones for all 4 nos. of Sinter Machine at Sinter Plant -II at Bhilai Steel Plant.
- Installation of 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 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.
- 4 MW Power Plant at Chandrapur Ferro Alloy Plant.

J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the in-house design, engineering & consultancy Unit of SAIL provides the complete range of services from concept to successful commissioning of projects in the complete value chain of integrated steel plant and its mines. With a strength of about 250 qualified, trained and experienced engineers, CET has taken significant strides in mineral beneficiation, pellet plant, material handling, power plant, slag granulation plant, blast furnace stoves, water management, automation and many other related areas. The current major projects in its basket include Re-building of Coke Oven Battery No.8 at BSL, new 3.0 MT Hot Strip Mill and Installation of 4th Slab Caster in SMS-II at RSP, Installation of New Sinter Plant and Modernization of SMS-1 at BSL, Replacement of BOF Converter Shells with New Secondary Emission Control System and Installation of New Bar Mill at DSP, 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 & 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 2018-19, SAILCON laid enhanced focus on taking up environment management related assignments as well as training assignments and imparted Simulator based Power Plant operation training to customers.

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 2018-19, 90 projects were pursued and 44 projects completed with substantial benefits to the organization.

Two projects are being pursued with assistance from 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.

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 2018-19, twenty products have been developed and some of the noteworthy products include resistant steels for Indian construction segment, Boilers and Pressure Vessels, Spring steel for auto segments, Crane, Defence 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 2018-19, MOU/ Collaboration agreements have been entered into with institutions and PSUs such as Indian Oil R&D; R&D Centre at Rashtriya Ispat Nigam Ltd. and NMDC Ltd.; C-DAC, Thiruvananthapuram; Central Building Research Institute, Roorkee.

The efforts of RDCIS engineers and scientists have culminated in filing of 20 patents and 18 copyrights (in association with SAIL Plants) during 2018-19. As many as 95 technical papers (45 international) were presented in seminars/ symposia/ conferences and 79 papers (24 international) were published in prestigious journals. In addition, RDCIS undertook contract research work and provided consultancy services and know-how to organisations outside SAIL.

M. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has an 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 overall efficiency improvement including cost reduction in operations of the Company. 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 Audit Committee's observations are acted upon by the Management. The Audit Committee, inter-alia, has also monitored /reviewed the following areas:

- Internal Audit Plan vis-à-vis performance.
- Periodic review of Enterprise Risk Management (ERM).
- Capital Work-in-Progress/Capital Advances.
- Status of Biometric attendance for preparation of salary.
- Energy Audit.
- Functioning of Vigil Mechanism in SAIL.
- Cost Audit Report.
- Age-wise status of inventory and its liquidation plan.
- Estate related issues.

The Internal Audit system is supplemented by well-documented Policies, Guidelines and Procedures and regular reviews are being carried out by the Internal Audit Department. The reports containing Significant Audit Findings 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, 2019

(₹ crore)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	**59907.26**	57156.09
(b) Capital work-in-progress	5	**16013.50**	18395.43
(c) Investment Property	6	**1.09**	0.83
(d) Intangible assets	7	**1450.86**	1454.63
(e) Financial assets			
(i) Investments	8	**1584.75**	1491.30
(ii) Trade receivables	9	**-**	-
(iii) Loans	10	**563.98**	448.28
(iv) Other financial assets	11	**258.41**	166.18
(f) Deferred tax assets (net)	12	**2898.38**	4185.27
(g) Current tax assests (net)	13	**153.63**	190.31
(h) Other non-current assets	14	**1356.60**	1078.54
		84188.46	84566.86
Current Assets			
(a) Inventories	15	**19441.80**	16996.67
(b) Financial assets			
(i) Trade receivables	16	**4495.05**	3869.94
(ii) Cash and cash equivalents	17 (i)	**34.59**	79.45
(iii) Other bank balances	17 (ii)	**184.83**	174.61
(iv) Loans	18	**53.24**	63.41
(v) Other financial assets	19	**2160.88**	2771.94
(c) Other current assets	20	**5867.41**	5634.42
		32237.80	29590.44
Assets classified as held for sale	21	**11.47**	32.50
TOTAL ASSETS		**116437.73**	114189.80
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	**4130.53**	4130.53
(b) Other equity	23	**34021.04**	31583.14
		38151.57	35713.67
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**30802.66**	29777.16
(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		**6.82**	6.38
(iii) Other financial liabilities	26	**1330.62**	1179.36
(b) Provisions	27	**4295.41**	3973.28
(c) Other non-current liabilities	28	**253.19**	138.33
		36688.70	35074.51
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	**10631.22**	12244.32
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		**67.45**	48.22
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**7190.54**	7492.28
(iii) Other financial liabilities	31	**14693.31**	14170.20
(b) Other current liabilities	32	**6706.17**	7142.42
(c) Provisions	33	**2308.77**	2304.18
(d) Current tax liabilities (net)	33a	**-**	-
		41,597.46	43,401.62
TOTAL EQUITY AND LIABILITIES		**116437.73**	114189.80
Significant Accounting Policies	3		

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Shrenik Mehta]
Partner
M. No. 063769

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[Bedanta Bhattacharya]
Partner
M. No. 060855

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/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Standalone Statement of Profit and Loss
For the year ended 31st March, 2019

(₹ crore)

	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Revenue from operations	34	**66967.31**	58962.36
Other income	35	**532.82**	484.45
Total Income		**67500.13**	59446.81
Expenses			
Cost of materials consumed	36	**32290.91**	26678.81
Changes in inventories of finished goods and work in progress	37	**(2716.62)**	1135.49
Excise duty		**-**	1403.90
Employee benefits expense	38	**8830.34**	8850.07
Finance costs	39	**3154.92**	2822.75
Depreciation and amortisation expense		**3384.72**	3064.92
Other expenses	40	**18828.57**	16276.24
Total expenses		**63772.84**	60232.18
Profit/(Loss) before Exceptional items and tax		**3727.29**	(785.37)
Less: Exceptional items	41	**389.40**	(26.43)
Profit/(Loss) before tax		**3337.89**	(758.94)
Tax expense			
Current tax		**-**	-
Deferred tax		**1,154.23**	(312.96)
Earlier years		**4.84**	35.73
Total tax expense		**1,159.07**	(277.23)
Profit/(Loss) for the year		**2178.82**	(481.71)
Other Comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**329.91**	275.33
Gain and losses from investments in equity instruments designated at fair value through OCI		**57.96**	8.79
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(128.79)**	(97.80)
Other Comprehensive Income/(Loss) for the year		**259.08**	186.32
Total Comprehensive Income/(Loss) for the year		**2437.90**	(295.39)
Earnings per equity share			
Number of equity shares (face value ₹ 10/- each)		**4130525289**	4130525289
Basic and diluted earnings per share (₹)	41A	**5.27**	(1.17)
Significant Accounting Policies	3		

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

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Chartered Accountants
Firm Registration No.302049E
Sd/-
[Shrenik Mehta]
Partner
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For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[Bedanta Bhattacharya]
Partner
M. No. 060855

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/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Statement of Changes in Equity

For the year ended 31st March, 2019

A. Equity Share Capital (₹ crore)

Particulars	**Balance as at 1st April, 2017**	**Changes in equity share capital**	**Balance as at 31st March, 2018**
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12
	Balance as at 1st April, 2018	**Changes in equity share capital**	**Balance as at 31st March, 2019**
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12

B. Other Equity (₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve	
	Capital Reserve	**Securities Premium Reserve**	**General Reserve**	**Bonds Redemption Reserve**	**Retained Earnings**	**Equity Instruments through Other Comprehensive Income**	**Total**
Balance as at 1st April, 2017	1.75	235.10	5,095.13	1,973.64	24,570.11	2.80	31,878.53
(Loss) for the year					(481.71)		(481.71)
Other comprehensive income (loss) for the year					177.53	8.79	186.32
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(304.18)**	**8.79**	**(295.39)**
Transfer from bond redemption reserve				(239.75)	239.75		-
Transfer to bond redemption reserve				606.80	(606.80)		-
Balance as at 31st March, 2018	**1.75**	**235.10**	**5,095.13**	**2,340.69**	**23,898.88**	**11.59**	**31,583.14**
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**

Significant Accounting Policies 3

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Shrenik Mehta]
Partner
M. No. 063769

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[Bedanta Bhattacharya]
Partner
M. No. 060855

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/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Cash Flow Statement

For the year ended 31st March, 2019

(₹ crore)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**3337.89**	(758.94)
Adjustments for:		
Depreciation and amortisation expenses	**3384.72**	3064.92
Loss/(Gain) on disposal of fixed assets (net)	**45.27**	72.80
Interest income	**(123.95)**	(166.09)
Dividend income	**(44.44)**	(76.16)
Finance costs	**3154.92**	2822.75
Unrealised Loss/(Gain) on foreign exchange fluctuations	**41.69**	-
Loss/(Gain) on sale of non-current investments	**-**	-
Bad debts and provision for doubtful advances/receivables	**65.12**	85.42
Other provisions	**177.32**	130.32
Unclaimed balances and excess provisions written back	**(146.86)**	(172.26)
Operating Profit/(Loss) before working capital changes	**9891.68**	5002.76
Changes in assets and liabilities:		
Trade receivables	**(676.19)**	(861.41)
Loans, other financial assets and other assets	**(39.76)**	(1755.36)
Trade payable	**(282.07)**	2320.32
Other financial liabilities, other liabilities and provisions	**979.03**	2813.08
Inventories	**(2606.83)**	(1402.56)
Cash flow from operating activities post working capital changes	**7265.86**	6116.83
Income tax paid (net)	**35.71**	40.98
Net cash flow from operating activities (A)	**7301.57**	6157.81
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(3979.05)**	(6757.49)
Proceeds from sale/disposal of property, plant & equipment	**100.71**	153.09
Purchase of current and non-current investments	**(35.49)**	(100.11)
Movement in fixed deposits (net)	**(10.22)**	(6.45)
Interest received	**123.95**	166.09
Dividend received	**44.44**	76.16
Net cash flows/(used) in investing activities (B)	**(3755.66)**	(6468.71)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	**1374.42**	10689.68
Proceeds from short-term borrowings (net)	**(1613.10)**	(7568.72)
Finance cost paid	**(3352.09)**	(2851.54)
Net cash flows/(used) in financing activities (C)	**(3590.77)**	269.42
Increase in cash and cash equivalents (A+B+C)	**(44.86)**	(41.48)
Cash and cash equivalents at the beginning of the year	**79.45**	120.93
Cash and cash equivalents at the end of the year (Note No. 17(i))	**34.59**	79.45

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. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(₹ crore)

			Non cash changes		
	As at 31.03.2018	**Cash Flows**	**Fair Value Changes**	**Current/Non Current Classification**	**As at 31.03.2019**
Borrowings - Non Current	29777.16	1,303.22	3,329.99	(3,607.71)	30802.66
Current Maturities of Long Term Debt	3271.71	(3,271.71)	-	3607.71	3607.71
Borrowings - Current	12244.32	(1,223.77)	(389.33)	-	10631.22

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

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

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Sd/-
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For V K Dhingra & Co.
Chartered Accountants
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Sd/-
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Partner
M. No. 084312

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

Place : New Delhi
Dated : May 30, 2019

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

1. Corporate and General Information

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

These financial statements have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2019.

2. Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Management Judgement

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

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

Tangible Assets

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

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Depreciation

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

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

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

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

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

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

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

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

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

Other Intangible Assets

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

Research and development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

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

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

3.5 Borrowing costs

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

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

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

3.6 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

Short Term Employee Benefits

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

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

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

3.10 Revenue Recognition

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

Sale of goods

Sales 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.

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

Interest and dividend income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

Company as a Lessee

Finance leases

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

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

Operating leases

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

Company as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

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

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

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

3.16 Mine Closure

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

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Equity and Reserves

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

Components of other equity include the following:

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

3.21 Financial Instruments

Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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

Financial assets at FVTPL

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

Financial assets at FVOCI

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

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

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. 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.

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

	Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2018	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A.	**Plant, Mines & Others**										
	Land										
	-Freehold land	291.64	13.33	-	304.97	0.87	(0.02)	-	0.85	304.12	290.77
	-Leasehold land	1275.96	26.19	4.27	1297.88	284.54	143.61	3.97	424.18	873.70	991.42
	Buildings and related equipments	5297.52	55.43	151.02	5201.93	1793.18	168.11	(1.45)	1962.74	3239.19	3504.34
	Plant and machinery										
	-Steel plant	76201.26	5840.00	156.16	81885.10	28346.52	2593.05	170.42	30769.15	51115.95	47854.74
	-Others - owned	3060.27	97.78	51.74	3106.31	2003.22	121.51	53.48	2071.25	1035.06	1057.05
	-Others - Leasehold (Refer note (ii))	1616.86	41.36	-	1658.22	763.40	105.79	-	869.19	789.03	853.46
	Furniture and fixtures	130.63	5.19	(0.56)	136.38	97.54	6.35	(1.34)	105.23	31.15	33.09
	Vehicles	1355.05	30.27	9.13	1376.19	822.08	67.67	8.78	880.97	495.22	532.97
	Office equipments	61.19	0.85	0.74	61.30	49.93	2.35	0.67	51.61	9.69	11.26
	Miscellaneous articles	347.78	21.62	4.21	365.19	222.92	15.10	3.57	234.45	130.74	124.86
	Roads, Bridges & Culverts	401.22	35.65	0.52	436.35	255.92	38.00	0.18	293.74	142.61	145.30
	Water Supply & Sewerage	629.66	37.35	0.93	666.08	343.98	38.01	0.93	381.06	285.02	285.68
	EDP Equipments	420.09	15.10	2.70	432.49	364.78	11.46	2.47	373.77	58.72	55.31
	Railway Lines and Sidings	809.72	31.55	(2.79)	844.06	251.99	20.57	0.09	272.47	571.59	557.73
	Sub-total 'A'	**91898.85**	**6251.67**	**378.07**	**97772.45**	**35600.87**	**3331.56**	**241.77**	**38690.66**	**59081.79**	**56297.98**
	Figures for the previous year	81090.65	11435.39	627.19	91898.85	33068.36	2968.86	436.35	35600.87	56297.98	
B.	**SOCIAL FACILITIES**										
	Land										
	-Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
	-Leasehold land	10.00	-	-	10.00	6.08	0.12	-	6.20	3.80	3.92
	Buildings and related equipments	745.08	15.34	0.02	760.40	334.61	27.03	0.04	361.60	398.80	410.47
	Plant and machinery - others	176.11	4.64	0.19	180.56	104.89	6.99	0.18	111.70	68.86	71.22
	Furniture and fixtures	26.75	0.67	0.75	26.67	20.47	1.30	0.47	21.30	5.37	6.28
	Vehicles	11.27	0.10	0.14	11.23	10.03	0.22	0.18	10.07	1.16	1.24
	Office equipments	4.51	0.09	0.06	4.54	3.89	0.17	0.04	4.02	0.52	0.62
	Miscellaneous articles	231.23	8.45	2.60	237.08	145.18	12.00	2.32	154.86	82.22	86.05
	Roads, Bridges & Culverts	135.96	5.28	-	141.24	98.60	11.83	-	110.43	30.81	37.36
	Water Supply & Sewerage	300.85	3.09	0.05	303.89	131.27	7.93	(0.43)	139.63	164.26	169.58
	EDP equipments	11.38	0.74	1.12	11.00	9.81	0.38	1.03	9.16	1.84	1.57
	Sub-total 'B'	**1664.03**	**38.40**	**4.93**	**1697.50**	**864.83**	**67.97**	**3.83**	**928.97**	**768.53**	**799.20**
	Figures for the previous year	1492.40	177.50	5.87	1664.03	809.79	59.39	4.35	864.83	799.20	
C.	**Property, plant and equipment retired from active use**										
	Assets retired from active use	58.91	6.61	8.58	56.94	-	-	-	-	56.94	58.91
	Figures for the previous year	57.17	35.27	33.53	58.91	-	-	-	-	58.91	
	Total ('A'+'B'+C')	**93621.79**	**6296.68**	**391.58**	**99526.89**	**36465.70**	**3399.53**	**245.60**	**39619.63**	**59907.26**	**57156.09**
	Figures for the previous year	82640.22	11648.16	666.59	93621.79	33878.15	3028.25	440.70	36465.70	57156.09	

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

(₹ crore)

		As at 31st March, 2019	At at 31st March, 2018
(a)	Charged to Profit & Loss Account	**3384.72**	3064.92
(b)	Amortisation on stamp duty and registration charges-refer note 41	**52.91**	-
(c)	Charged to expenditure during construction	**4.04**	4.15
		3441.67	3069.07

(i) Contractual obligations

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

(ii) Land:

(a) Includes 67305.79 acres (68019.40 acres as on 31st March, 2018) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.

(b) Includes 34,484.73 acres (34,576.05 acres as on 31st March, 2018) in respect of which title is under dispute.

(c) 9,737.83 acres (9367.80 acres as on 31st March, 2018) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 5,832.01 acres (6187.95 acres as on 31st March, 2018) given on lease to various agencies/employees/ex-employees.

(e) Includes 4486.75 acres (4,070.09 acres as on 31st March, 2018) under unauthorised occupation.

(f) 1,770.89 acres (1,762.92 acres as on 31st March, 2018) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹ 53.70 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹13.91 crore only for 15.62 acres. Remaining 5.51 acres are under dispute. Pending approval from Ministry of Steel, Government of India, no effect of above has been given in the accounts.

(i) 1000.00 acres (836.00 acres as on 31st March, 2018) given to M/s Bokaro Power Supply Corporation Ltd. (BPSCL) under right to use.

(j) Included in the land,1.8955 acres acquired by dedicated Freight Corridor Corporation of India Limited vide notification number SO 1125(E) dated 27.04.2015.

Necessary accounting will be done on approval of acquisition by Board of Directors and determination of sale consideration.

(k) ₹ 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.

(iii) Other Assets:

(a) Buildings include net block of ₹ 20.15 crore as on 31st March, 2019 (₹ 21.23 crore as on 31st March, 2018) for which conveyance deed is yet to be registered in the name of the Company.

(b) Includes 6,095 (7107 as on 31st March, 2018), residential quarters/houses under unauthorised occupation.

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

			As at 31st March, 2019		As at 31st March, 2018
5: CAPITAL WORK IN PROGRESS					
Steel Plants & Units		**15785.16**		18168.23	
Township		**100.84**		91.56	
Ore Mines and Quarries		**340.08**		314.32	
		16226.08		18574.11	
Less: Provisions		**236.13**	**15989.95**	215.26	18358.85
Construction stores and spares		**19.95**		24.65	
Less: Provision for non-moving items		**3.24**	**16.71**	3.18	21.47
Expenditure during construction pending allocation (Note 5.1)			**6.84**		15.11
			16013.50		18395.43

5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION

Opening balance	**(a)**		**15.11**		11.09
Expenditure incurred during the year					
Employees' Remuneration & Benefits					
Salaries & Wages		**79.29**		90.30	
Company's contribution to provident fund		**3.46**		3.86	
Travel concession		**2.42**		2.96	
Welfare expenses		**0.07**		0.07	
Gratuity		**1.14**	**86.38**	3.53	100.72
Other expenses					
Technical consultants' fees & know-how		**3.11**		4.47	
Power & Fuel		**76.25**		76.29	
Other expenses		**2.92**		6.19	
Interest & Finance charges		**703.74**		668.52	
Depreciation		**4.04**	**790.06**	4.15	759.62
			876.44		860.34
Less: Recoveries					
Interest Earned		**0.01**		0.27	
Liquidated damages		**-**		0.22	
Hire charges		**0.29**		0.45	
Sundries		**2.68**	**2.98**	8.86	9.80
Net expenditure during the year	**(b)**		**873.46**		850.54
	Total (a)+(b)		**888.57**		861.63
Less : Amount allocated to Property, plant and equitpment / Capital Work-in-progress			**881.73**		846.52
Balance carried forward			**6.84**		15.11

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

6: INVESTMENT PROPERTIES

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2018	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A. BUILDINGS										
Buildings	1.45	0.49	-	1.94	0.62	0.03	(0.20)	0.85	1.09	0.83
Sub-total 'A'	**1.45**	**0.49**	**-**	**1.94**	**0.62**	**0.03**	**(0.20)**	**0.85**	**1.09**	**0.83**
Figures for the previous year	1.45	-	-	1.45	0.59	0.03	-	0.62	0.83	

(i) Contractual obligations

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

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

(₹ crore)

	As at 31st March, 2019	At at 31st March, 2018
Rental income	**1.70**	1.52
Direct operating expenses that generated rental income*		
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment properties before depreciation	**1.70**	1.52
Depreciation	**0.03**	0.03
Profit from leasing of investment properties	**1.67**	1.49

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

(iii) Leasing arrangements

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

(₹ crore)

	As at 31st March, 2019	At at 31st March, 2018
Within one year	**1.55**	1.37
Later than one year but not later than 5 years	**6.22**	5.42
Later than 5 years	**3.45**	4.11
	11.22	10.90

(iv) Fair value

Fair value of Investment properties as on 31st March, 2019 is ₹30.71 crore (₹20.53 crore as on 31st March, 2018)

(v) Estimation of fair value

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

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

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

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

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION**				NET BLOCK	
	As at 31st March, 2018	Additions Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A. PLANTS, MINES & OTHERS										
Computer Software*	103.28	0.48	-	103.76	98.81	1.16	0.01	99.96	3.80	4.47
Mining Rights	1792.30	31.12	-	1823.42	342.17	40.94	6.73	376.38	1447.04	1450.13
Sub-total 'A'	**1895.58**	**31.60**	**-**	**1927.18**	**440.98**	**42.10**	**6.74**	**476.34**	**1450.84**	**1454.60**
Figures for the previous year	1923.50	9.62	37.54	1895.58	401.02	40.76	0.80	440.98	1454.60	
B. SOCIAL FACILITIES										
Computer Software*	0.62	-	-	0.62	0.59	0.01	-	0.60	0.02	0.03
Sub-total 'B'	**0.62**	**-**	**-**	**0.62**	**0.59**	**0.01**	**-**	**0.60**	**0.02**	**0.03**
Figures for the previous year	0.62	-	-	0.62	0.56	0.03	-	0.59	0.03	
Total ('A'+'B')	**1896.20**	**31.60**	**-**	**1927.80**	**441.57**	**42.11**	**6.74**	**476.94**	**1450.86**	**1454.63**
Figures for the previous year	1924.12	9.62	37.54	1896.20	401.58	40.79	0.80	441.57	1454.63	

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

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

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

8. INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
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	**1,29,41,400**	1,29,41,400	**12.94**	12.94
SAIL MOIL Ferro Alloy Pvt. Ltd.	**1,00,000**	1,00,000	**0.10**	0.10
International Coal Ventures Pvt. Ltd.	**69,37,59,279**	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**	10,500	**35.23**	0.01
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	**2,60,000**	-	**0.26**	-
			1,466.43	1,430.95
Total (A)			**1,467.02**	1,431.54
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	**60,000**	60,000	**11.81**	10.95
HDFC Bank Limited (Face value - ₹ 2/share)	**2,500**	2,500	**0.58**	0.47
ICICI Bank Limited (Face value - ₹ 2/share)	**1,57,300**	1,57,300	**6.30**	4.38
MSTC Limited	**3,20,000**	3,20,000	**3.65**	4.70
			22.34	20.50
Unquoted equity				
TRL Krozaki Refractories Limited	**22,03,150**	22,03,150	**37.21**	34.05
Indian Potash Limited	**3,60,000**	3,60,000	**70.54**	17.57
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 & Foundary Company Limited (under liquidation)#	**30,00,000**	30,00,000	**3.00**	3.00
UEC SAIL Information Technology Limited*	**1,80,000**	1,80,000	**0.18**	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	**0.01**	0.01
			115.94	59.81

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

8. INVESTMENTS - NON CURRENT (Contd.)

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
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	**-**	-
NMDC Meghahatuburu Employees' Co-operative society (Face value ₹ 100/share)	**25**	25	**-**	-
DSP Employees'Co-operative society limited (Face value ₹ 100/share)	**1,377**	1,377	**0.01**	0.01
Bolani Ores Employees' Consumer co-operative society limited (Face value ₹ 25/share)	**200**	200	**-**	-
IISCO Employees Primary Co-operative society (Face value ₹ 20/share)	**23,000**	23,000	**0.05**	0.05
			0.18	0.18
Total (B)			**138.46**	80.49
Grand total (A+B)			**1,605.48**	1,512.03
Provision for impairment in the value of investments			**20.73**	20.73
Net investment			**1,584.75**	1,491.30
Aggregate amount of quoted investments (market value thereof)			**22.34**	20.50
Aggregate amount of unquoted investments			**1,583.14**	1,491.53
Aggregate amount of impairment in value of investments			**20.73**	20.73
			1,584.75	1,491.30

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

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

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

9: TRADE RECEIVABLES - NON CURRENT

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
Considered good - Secured	**-**	-
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 (including provision of of ₹3.20 crore)	**103.47**		101.81	
Loan to employees	**95.45**		124.53	
Loans to related parties	**4.90**		-	
Loan to others	**363.36**	**567.18**	225.14	451.48
Loans - credit impaired		**-**		-
		567.18		451.48
Less : Provision for doubtful loans		**3.20**		3.20
		563.98		448.28

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

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		**172.29**		76.73
Advance for purchase of shares		**3.54**		3.54
Claims recoverable		**7.89**		7.89
Receivable - others		**81.91**		76.95
Receivables from employees		**0.08**		0.09
Loans and advances to related parties	**10.53**		10.53	
Less: Provision for doubtful related party advances	**10.53**	**-**	2.53	8.00
Fixed deposits with maturity period more than 12 months		**0.19**		0.19
		265.90		173.39
Less: Provision for doubtful assets		**7.49**		7.21
		258.41		166.18

12: DEFERRED TAX ASSETS (NET)

		As at 31st March, 2019		As at 31st March, 2018
Tax effect of items constituting deferred tax liabilities				
Diff between book and tax depreciation	**10,115.99**		8,996.20	
Amortisation of financial assets/liabilities	**17.40**		28.39	
Fair value adjustment through OCI	**23.96**	**10157.35**	10.46	9035.04
Tax effect of items constituting deferred tax assets				
Retirement benefits	**-**		8.73	
Finance lease obligations	**94.69**		85.64	
Derivative adjustments	**45.13**		54.81	
Unpaid taxes and duties to be allowed on payment	**1121.70**		1156.38	
Losses available for offsetting against future taxable income	**10323.46**		9985.34	
Others	**418.92**	**12003.90**	877.58	12168.48
Tax credit (minimum alternative tax)		**1051.83**		1051.83
Deferred tax (assets) /liabilities (net)		**2898.38**		4185.27

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

12: DEFERRED TAX ASSETS (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2019 are summarized as follows:

(₹ crore)

Deferred tax assets/(liabilities)	As at April 1, 2018	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	8996.19	1,119.80	-	10115.99
Amortisation of financial assets/liabilities	28.39	(10.99)	-	17.40
Fair value adjustment through OCI	10.46	-	13.50	23.96
	9035.04	**1,108.81**	**13.50**	**10157.35**
Tax effect of items constituting deferred tax assets				
Retirement benefits	8.73	106.55	(115.29)	-
Finance lease obligations	85.64	9.05		94.69
Derivative adjustments	54.81	(9.68)		45.13
Unpaid taxes and duties to be allowed on payment	1156.38	(34.68)		1121.70
Losses available for offsetting against future taxable income	9985.34	338.13		10323.46
Tax credit (minimum alternative tax)	1051.83	-		1051.83
Others	877.58	(458.66)		418.92
	13220.31	**(49.29)**	**(115.29)**	**13055.73**
Deferred tax (assets) /liabilities (net)	**(4,185.27)**	**1,158.10**	**128.79**	**(2,898.38)**

The Company is having accumulated business losses (Including investment allowance) of ₹29,542.88 crore (previous year - ₹28,525.26 crore) [including accumulated unabsorbed depreciation of ₹21,537.70 crore (previous year - ₹18,823.78 crore)] and MAT credit of ₹1,051.83 crore as on 31st March, 2019 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹8,005.17 crore (previous year - ₹9,751.48 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 ₹2,797.33 crores on acccumulated business losses (inlcuding nil during the year ended 31st March, 2019) and MAT credit of ₹1,051.83 crores, has been recognised as on 31st March, 2019 in line with IND AS 12.

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
13: CURRENT TAX ASSETS (NET)				
Current tax assets				
Advance income tax (net of provision)		**153.63**		190.31
		153.63		190.31
14: OTHER ASSETS - NON CURRENT				
Advances to contractors & suppliers		**456.24**		341.37
Advances others		**4.18**		4.18
Deposit with Government authorities		**736.71**		646.94
Prepaid expenses		**25.35**		25.43
Capital advances	**201.87**		133.76	
Less: Provision for doubtful capital advances	**4.21**	**197.66**	11.19	122.57
		1420.14		1140.49
Less: Provision for doubtful other assets		**63.54**		61.95
		1356.60		1078.54

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
15: INVENTORIES*				
Stores & spares				
Production	2796.93		2154.53	
Fuel Stores	137.50		84.32	
Others	25.48		24.54	
	2959.91		2263.39	
Add: In-transit	248.34		155.02	
	3208.25		2418.41	
Less: Provision for non moving/obsolete items	232.26	2975.99	233.97	2184.44
Raw Material				
Raw material	3690.45		4599.69	
Add: In-transit	2430.24		2586.51	
	6120.69		7186.20	
Less: Provision for unusable materials	15.17	6105.52	17.64	7168.56
Finished / Semi-finished products				
Finished goods	6964.53		4430.95	
Work in progress	3395.76	10360.29	3212.72	7643.67
		19441.80		16996.67

*Valued as per accounting policy No. 3.6

16: TRADE RECEIVABLES - CURRENT

	As at 31st March, 2019	As at 31st March, 2018
Considered good - Secured	-	-
Considered good-Unsecured	4495.05	3869.94
Receivables - credit impaired	198.26	190.02
	4693.31	4059.96
Provision for doubtful receivables	198.26	190.02
	4495.05	3869.94

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

17 (i): CASH AND CASH EQUEVALENTS

		As at 31st March, 2019		As at 31st March, 2018
Cash and stamps on hand		0.10		0.04
Cheques in hand		31.88		77.60
Balance with Banks				
Current accounts	2.58		1.81	
Term deposits with original maturity upto 3 months	0.01		-	
Term deposits as per court orders with maturity upto 3 months	0.02	2.61	-	1.81
		34.59		79.45

17 (ii): OTHER BANK BALANCES

	As at 31st March, 2019	As at 31st March, 2018
Earmarked bank balances	179.24	168.30
Unpaid dividend accounts	5.59	6.21
Fixed deposits with maturity for more than 3 months but less than 12 months	-	0.10
	184.83	174.61

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
18: LOANS - CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits	**10.09**		8.48	
Loan to employees	**39.61**		60.92	
Loan to related parties	**2.10**		7.00	
Loan to others	**2.67**	**54.47**	1.97	78.37
		54.47		78.37
Less: Provision for doubtful loans		**1.23**		14.96
		53.24		63.41

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

19: OTHER FINANCIAL ASSETS - CURRENT				
Derivative assets		-		47.66
Claims recoverable		**769.62**		715.85
Receivable - others		**385.17**		311.17
Receivables from employees		**6.36**		6.76
Amount recoverable from Gratuity Trust		**259.15**		-
Bills receivable		**1036.75**		1787.27
Advances to related parties	**21.68**		23.66	
Less: Provision for doubtful related parties advances	**13.42**	**8.26**	13.42	10.24
		2465.31		2878.95
Less Provision for doubtful assets		**304.43**		107.01
		2160.88		2771.94

20: OTHER ASSETS - CURRENT				
Gold coins in hand		**0.23**		0.23
Advances to contractors & suppliers	**324.84**		254.67	
Advance others	**868.14**	**1192.98**	851.03	1105.70
Deposit with Government authorities		**2832.62**		2511.82
Deposits - GST		**5.11**		33.80
GST receivable-input service		**4.53**		-
GST receivable		**1633.13**		1813.70
TDS deducted by customers on GST		**0.66**		-
Prepaid expenses		**31.05**		24.26
Claims receivable		**147.87**		184.46
Export incentive receivables		**74.57**		45.68
		5922.75		5719.65
Less: Provision for doubtful other assets		**55.34**		85.23
		5867.41		5634.42

21: ASSETS CLASSIFIED AS HELD FOR SALE				
Assets classified as held for sale		**11.47**		32.50
		11.47		32.50

(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 Standalone Financial Statements for the Year ended 31st March, 2019

22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹10 each)	**5000.00**	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹ 10 each fully paid up)	**4130.53**	4130.53

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	Amount (₹ in crore)	Numbers	Amount (₹ in crore)
Equity shares with voting rights				
Balance at the beginning of the year	4130407654	4130.41	4130407654	4130.41
Shares converted into shares with/without(-) voting Rights during the year	1200	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year#	**4130408854**	**4130.41**	**4130407654**	**4130.41**
Equity shares without voting rights *				
Balance at the beginning of the year	117635	0.12	117635	0.12
Shares Issued during the year				
Shares converted into shares with/without(-) voting Rights during the year	-1200	-	-	-
Balance at the end of the year	**116435**	**0.12**	**117635**	**0.12**
Total Equity shares outstanding	**4130525289**	**4130.53**	**4130525289**	**4130.53**

i) *Represented by current holding of 117635 shares in Global Depository Receipt (GDR) issued in 1996 @ US $ 29.55 each for an aggregate amount of US $ 125 million.

ii) #Includes 1961727 shares (previous year 1731709 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 31st March, 2019		As at 31st March, 2018	
	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	395451358	9.57

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

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

23: OTHER EQUITY

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
Reserves & Surplus				
Capital Reserve				
Opening balance	**1.75**		1.75	
Additions during the year	**-**		-	
Less: Utilisation during the year	**-**	**1.75**	-	1.75
Securities Premium				
Opening balance	**235.10**		235.10	
Changes during the year	**-**	**235.10**	-	235.10
Bond Redemption Reserve				
Opening balance	**2340.69**		1973.64	
Transfer from retained earnings	**383.55**		606.80	
Transfer to retained earnings	**730.10**	**1994.14**	239.75	2340.69
General Reserve				
Opening balance	**5095.13**		5095.13	
Additions during the year	**-**		-	
Less: Utilisation during the year	**-**	**5095.13**	-	5095.13
Retained Earnings				
Opening balance	**23898.88**		24570.11	
Add: Net Profit/(Loss) for the year	**2,178.82**		(481.71)	
Add: Other comprehensive Income/(Loss)	**214.62**		177.53	
Add: Transfer from Bond Redemption Reserve	**730.10**		239.75	
Less: Transfer to Bond Redemption Reserve	**383.55**		606.80	
Less: Transfer to General Reserve	**-**	**26638.87**	-	23898.88
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income				
Opening balance	**11.59**		2.80	
Change in fair value of FVOCI equity instruments	**44.46**	**56.05**	8.79	11.59
Total other equity		**34021.04**		31583.14

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 Standalone Financial Statements for the Year ended 31st March, 2019

24. BORROWINGS - NON CURRENT

(₹ crore)

				As at 31st March, 2019	As at 31st March, 2018
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**	100.00
8.70%	25-Aug-2024		(a)	**300.00**	300.00
8.30%	3-Aug-2023		(a)	**800.00**	800.00
8.30%	1-Aug-2023		(a)	**1200.00**	1200.00
8.35%	19-Nov-2022		(a)	**1185.00**	1185.00
9.30%	23-Aug-2021		(a)	**400.00**	400.00
8.55%	11-Aug-2021		(a)	**700.00**	700.00
8.80%	26-Oct-2020		(b,c)	**84.00**	98.00
8.27%	25-Aug-2020		(a)	**265.00**	265.00
9.30%	25-May-2020		(a,i)	**216.00**	288.00
8.72%	30-Apr-2020		(a)	**660.00**	660.00
8.75%	23-Apr-2020		(a)	**545.00**	545.00
8.65%	1-Feb-2020	5/nil	(a)	-	242.00
8.30%	21-Jan-2020		(a)	-	500.00
8.65%	30-Dec-2019		(a)	-	450.00
8.50%	7-Dec-2019		(a)	-	120.00
8.60%	19-Nov-2019		(a)	-	335.00
8.80%	22-Jun-2019		(a)	-	825.00
7.70%	11-May-2019	5/5	(a)	-	25.00
8.90%	1-May-2019	5/nil	(b)	-	950.00
Total Bonds				**7860.00**	11443.00
Term Loans from banks					
Rupee loans			(h)	**18681.00**	14156.00
Foreign currency loans			(h)	**2391.57**	2247.26
				28932.57	27846.26
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	**322.56**	358.48
2	Natexis Banque		(f)	**12.32**	15.01
Steel development fund			(g)	**204.16**	204.16
				539.04	577.65
Long term maturities of finance lease obligations				**1331.05**	1353.25
Total Non Current Loans				**30802.66**	29777.16

No loans have been guaranteed by the directors and others.

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

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

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

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

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

c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2019 has been shown in Other Current Liabilities.

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

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

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

g) Terms of Repayment is to be decided by SDF management Committee.

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

i) Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2019 has been shown in current liabilities.

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
25: TRADE PAYABLES - NON CURRENT		
Due to micro, small and medium enterprise	-	-
Amount payable to contractors/suppliers/others	6.82	6.38
	6.82	6.38
26: OTHER FINANCIAL LIABILITIES - NON CURRENT		
Employees related dues	535.71	430.68
Interest Accrued but not due on borrowings	559.63	551.46
Other payables	235.28	197.22
	1330.62	1179.36
27: PROVISIONS - NON CURRENT		
Provision for gratuity	-	-
Provision for accrued leave liability	2683.07	2476.95
Provision for post retirement medical & settlement benefits	962.64	974.69
Provision for long term service award	18.39	20.90
Provision for mines closure	74.98	61.61
Other provisions	556.33	439.13
	4295.41	3973.28
28: OTHER LIABILITIES - NON CURRENT		
Deferred Income*	253.19	138.33
	253.19	138.33

***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 ₹105.75 crore was received during 2018-19 against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital.

	As at 31st March, 2019	As at 31st March, 2018
29. BORROWINGS - CURRENT		
Secured		
Repayable on demand		
From banks	3490.26	2334.39
Other loans and advances		
From Banks	-	-
Unsecured		
Other loans	2900.00	2950.00
Commercial paper	4240.96	3961.88
Foreign currency loans	-	2998.05
	10631.22	12244.32

1. Security disclosure for the outstanding short term borrowings as on 31st March, 2019:

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

(i) Hypothecation of all current assets

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
30: TRADE PAYABLES - CURRENT				
Due to micro, small and medium enterprises (refer note 48.2)		**67.45**		48.22
Amount payable to related parties		**174.47**		9.30
Amount payable to contractors/suppliers/others		**7016.07**		7482.98
		7257.99		7540.50
31: OTHER FINANCIAL LIABILITIES - CURRENT				
Employee related dues		**156.82**		159.95
Interest accrued but not due on borrowings		**756.89**		920.54
Interest accrued and due on Steel Development Fund loans		**152.00**		152.00
Other liabilities-debtors banking arrangement		**191.09**		325.45
Derivative liability		**4.54**		65.24
Current maturities of long term debts		**3607.71**		3271.71
Current maturities of finance lease obligations		**128.45**		115.53
Unclaimed matured deposits and interest accrued thereon		**1.01**		1.01
Security deposits	**1483.84**		1323.33	
Less: Investments received as security deposit	**-**	**1483.84**	-	1323.33
Unpaid dividends		**5.59**		6.21
Payable for capital works		**3598.18**		3701.83
Other payables		**4607.19**		4127.40
		14693.31		14170.20
32: OTHER LIABILITIES - CURRENT				
Income received in advance from customers		**1456.63**		1880.13
Income received in advance - others		**94.72**		112.80
Deferred Income*		**13.46**		11.90
GST payable		**2158.00**		2135.74
Liab for interest on GST		**0.76**		-
TDS deducted from suppliers on GST		**21.32**		-
Other payables		**2961.28**		3001.85
		6706.17		7142.42

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

33: PROVISIONS - CURRENT				
Provision for gratuity		**-**		31.11
Provision for accrued leave liability		**285.51**		308.77
Provision for post retirement medical & settlement benefits		**107.93**		105.60
Provision for long term service award		**2.88**		2.03
Provision for pollution control		**39.48**		40.30
Provision for foreign exchange fluctuation		**12.78**		-
Provision for wage revision		**1247.52**		1216.24
Provision for mine afforestation/ restoration etc.		**344.33**		319.25
Other provisions		**268.34**		280.88
		2308.77		2304.18
33A: CURRENT TAX LIABILITIES (NET)				
Opening Balance	**-**		4.52	
Add: Provision during the year	**-**		-	
Less: Amount paid/transferred during the year	**-**		4.52	
Less: Provision written back during the year	**-**	**-**	-	-
		-		-

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
34. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	**63292.24**	55971.08
Exports	**2872.64**	2243.70
Export incentives	**102.42**	82.48
Sub Total (a)	**66267.30**	58297.26
Sale of Services		
Service charges	**28.53**	23.56
Sub Total (b)	**28.53**	23.56
Other Operating Revenues		
Social amenities-recoveries	**335.90**	337.76
Sale of empties etc.	**54.41**	80.00
Sundries	**281.17**	223.78
Sub Total (c)	**671.48**	641.54
Total (a+b+c)	**66967.31**	58962.36

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	**63292.24**	55971.08
Outside India	**2975.06**	2326.18
Total	**66267.30**	58297.26
(2) Major Products		
Iron and steel	**62541.86**	55481.04
Other Secondary and By-products	**3725.44**	2816.22
Total	**66267.30**	58297.26

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	**4495.05**	3869.94
Contract assets	**-**	-
Contract liabilities	**1456.63**	1880.13

35. OTHER INCOME

Interest income		
Loans & advances to other companies	**0.79**	0.78
Customers	**133.92**	101.78
Employees	**13.36**	16.75
Bank deposits	**5.33**	4.84
Others	**39.58**	41.94
Sub Total (a)	**192.98**	166.09
Dividend income		
Dividend from subsidiaries	**4.26**	6.31
Dividend from investments (includes dividend from investments carried at fair value through OCI)	**40.18**	69.85
Sub Total (b)	**44.44**	76.16
Other non-operating Income		
Subsidy, relief and concession	**1.10**	6.12
Grant-in-aid	**0.62**	0.54
Provisions no longer required written back	**87.65**	90.64
Write back of other liabilities	**59.21**	81.62
Liquidated damages	**101.37**	20.02
Others	**45.45**	43.26
Sub Total (c)	**295.40**	242.20
Total (a+b+c)	**532.82**	484.45

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
36 : COST OF MATERIALS CONSUMED		
Iron ore	**5095.08**	3818.79
Coal	**26041.91**	21445.07
Coke	**31.32**	31.63
Limestone	**1355.12**	1232.17
Dolomite	**591.92**	474.80
Ferro manganese	**425.17**	337.61
Ferro silicon	**236.85**	201.73
Silico manganese	**1323.69**	1193.85
Zinc	**172.30**	176.84
Aluminium	**315.65**	242.58
Others	**1816.72**	1299.85
	37405.73	30454.92
Less :Inter account adjustments	**5114.82**	3776.11
	32290.91	26678.81

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

	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening stock		
Finished goods	**4430.95**	5822.05
Work in progress	**3212.72**	3985.00
	7643.67	9807.05
Less: Closing stock		
Finished goods	**6964.53**	4430.95
Work in progress	**3395.76**	3212.72
	10360.29	7643.67
	(2,716.62)	2163.38
Less : Excise duty on accretion (-) /depletion to stock	**-**	1027.89
	(2,716.62)	1135.49

38: EMPLOYEE BENEFITS EXPENSE*

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries & wages	**6675.15**	6461.98
Leave encashment	**447.61**	357.55
Company's contribution to provident & other funds	**901.62**	753.71
Travel concession	**33.35**	61.55
Welfare expenses	**524.99**	354.63
Gratuity	**247.62**	860.65
	8830.34	8850.07
***Expenditure on employees's remuneration and benefits not included above and charged to:**		
Expenditure during construction	**86.38**	100.72

For descriptive notes on disclosure of defined benefit obligation, refer note 50.1

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
39: FINANCE COSTS		
Interest Cost		
Foreign currency loans*	**169.24**	526.99
Non convertible bonds	**834.39**	915.78
Bank borrowings - working capital	**52.08**	42.97
Steel development fund loans	**4.94**	4.08
Others	**2075.14**	1319.53
Other borrowing costs	**19.13**	13.40
	3154.92	2822.75
*Including foreign exchange fluctuations loss of ₹41.69 crore (previous year: ₹120.04 crore gain)		
Expenditure on Interest & Finance charges not included above and charged to Expenditure during Construction:		
Foreign currency loans	**125.97**	94.89
Non convertible bonds	**210.97**	365.43
Steel development fund loans - Interest	**3.24**	4.09
Others	**363.56**	204.11
	703.74	668.52

(₹ crore)

		Year ended 31st March, 2019		Year ended 31st March, 2018
40: OTHER EXPENSES				
Consumption of stores & spares				
Consumption	**4429.88**		3614.23	
Less: Departmentally manufactured stores	**925.98**		735.15	
Less: Finished products internally consumed as stores and spares	**526.62**	**2977.28**	473.26	2405.82
Repairs & maintenance				
Buildings	**204.40**		193.77	
Plant & machinery	**1003.92**		821.56	
Others	**265.76**	**1474.08**	228.48	1243.81
Handling expenses				
Raw material	**478.13**		425.91	
Scrap recovery	**335.21**	**813.34**	282.30	708.21
Remuneration to auditors				
Audit fees	**2.12**		1.79	
Tax audit fees	**0.64**		0.51	
In other services	**1.30**		1.16	
Out of pocket expenses	**0.84**	**4.90**	0.67	4.13
Provisions				
Doubtful debts, loans and advances	**65.12**		85.42	
Investments	**-**		13.08	
Stores, spares and sundries	**177.32**	**242.44**	117.24	215.74

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
40: OTHER EXPENSES (CONTD.)		
Power and fuel	**6052.52**	5809.81
Freight outward	**2610.60**	2241.95
Royalty and cess	**2046.24**	1271.58
Conversion charges	**306.43**	306.08
Excise duty on inter-plant transfer/internal consumption	**0.09**	63.76
Demurrage & wharfage	**49.79**	38.82
Water charges & cess on water pollution	**129.29**	115.82
Insurance	**27.52**	24.87
Postage, telegram & telephone	**19.62**	16.76
Printing & stationery	**8.94**	8.22
Rates & taxes	**46.24**	58.30
Rent	**82.50**	80.52
Security expenses	**591.71**	512.39
Travelling expenses	**159.98**	157.51
Expenditure on temporary suspended mines (refer note - 49.13)	**15.94**	82.07
Training expenses	**44.02**	41.81
Expenditure on corporate social responsibility (refer note - 49.6)	**31.18**	25.70
Foreign exchange fluctuations (net)	**163.56**	3.73
Loss on sale/scrapping of fixed assets (net)	**45.27**	72.80
Cost audit fee and reimbursement of expenses	**0.09**	0.04
Write-offs - Miscellaneous	**0.10**	2.61
Handling expenses - finished goods	**174.25**	186.43
Commission to selling agents	**14.34**	6.53
Export sales expenses	**37.36**	47.01
Miscellaneous	**658.95**	523.41
	18828.57	16276.24
41: EXCEPTIONAL ITEMS		
Volantary retirement compensation	**100.72**	254.20
Write back of pension liabilities	**-**	(458.16)
Provision for illegal mining	**-**	340.72
Reversal of Distrct Mineral Fund	**-**	(261.76)
Reversal of wages and salary	**-**	(110.82)
Provision for surrender of coal blocks	**-**	209.39
Entry Tax	**92.23**	-
Royalty Difference	**143.54**	-
Amortisation on stamp duty and registration charges	**52.91**	-
	389.40	(26.43)
41A: EARNING PER SHARE		
Profit for the year (₹ crore)	**2178.82**	(481.71)
Number of equity shares	**4130525289**	4130525289
Earning per share - basic and diluted (₹)	**5.27**	(1.17)
Face value per equity share (₹)	**10.00**	10.00

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

42. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

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

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

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

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

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

As at 31st March, 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**

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ crore)

As at 31st March, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		124.39		124.39
Investments at FVOCI				
Equity instruments				
Quoted	20.50			20.50
Unquoted			59.99	59.99
Total financial assets	**20.50**	**124.39**	**59.99**	**204.88**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		65.24		65.24
Total financial liabilities	**-**	**65.24**	**-**	**65.24**

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

	Level	As at 31st March, 2019		As at 31st March, 2018	
		Carrying value	Fair Value	Carrying value	Fair Value
Financial assets					
Loans	Level-3	617.22	630.80	514.87	544.76
Derivative financial assets	Level-2	172.29	172.29	124.39	124.39
Equity instruments					
Quoted	Level-1	22.34	22.34	20.50	20.50
Unquoted	Level-3	116.12	116.12	59.99	59.99
Total financial assets		**927.97**	**941.55**	**719.75**	**749.64**
Financial liabilities					
Borrowings	Level-3	46829.65	47150.97	47358.17	47714.31
Other payables	Level-3	10775.62	10817.79	9947.63	9988.81
Derivative liability	Level-2	4.54	4.54	65.24	65.24
Total financial liabilities		**57609.81**	**57973.30**	**57371.04**	**57768.36**

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

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

(v) Unquoted investments:

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

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

Unlisted equity securities	
As at 31st March, 2017	**58.39**
Gains/losses recognised in other comprehensive income	1.60
As at 31st March, 2018	**59.99**
Gains/losses recognised in other comprehensive income	56.13
As at 31st March, 2019	**116.12**

43. FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

	As at 31st March, 2019			As at 31st March, 2018		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
Equity instruments*		138.46			80.49	
Trade receivables			4495.05			3869.94
Cash and cash equivalents			34.59			79.45
Other Bank Balances			184.83			174.61
Loans			617.22			514.87
Derivative financial assets	172.29			124.39		
Other receivables			2247.00			2828.99
Total	**172.29**	**138.46**	**7578.69**	**124.39**	**80.49**	**7467.86**
Financial liabilities						
Borrowings			46829.65			47358.17
Trade payable			7264.81			7546.88
Derivative Liability	4.54			65.24		
Other payables			10775.62			9947.63
Total	**4.54**	**-**	**64870.08**	**65.24**	**-**	**64852.68**

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

ii) Risk Management

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

A) Credit risk

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

-Cash and cash equivalents

-Derivative financial instruments

-Trade receivables

-Other financial assets measured at amortized cost

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

a) **Credit risk management**

Cash and cash equivalent

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

Derivative financial instruments

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

Trade receivables

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

Other financial assets measured at amortized cost

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

b) **Expected credit losses**

Company provides expected credit losses based on the following

Trade receivables

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

(₹ crore)

Ageing (As at 31st March, 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**

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

Reconciliation of Expected credit loss provision

Particulars	**(₹ crore)**
As at 31st March, 2017	**176.48**
Changes in provision	13.54
As at 31st March, 2018	**190.02**
Changes in provision	8.24
As at 31st March, 2019	**198.26**

Other financial assets measured at amortized cost

Company provides for expected credit losses on "loans advances and other than trade receivables" by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can 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 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 accompanying 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 Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

Contractual maturities of financial liabilities as at 31st 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	-	-	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 (Net Settled)	4.54	-	-	-	4.54
Total	**4.54**	**-**	**-**	**-**	**4.54**

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

* borrowings excludes finance lease obligations, refer note 49.9(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

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

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

Foreign currency risk exposure:

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	USD	**Euro**	USD	Euro
Financial assets				
Trade receivables	42.62	-	1.89	-
Cash and cash equivalents	-	-	-	-
Other Bank Balances	-	-	-	-
Loans	-	-	-	-
Derivative financial assets (Gross amounts, to hedge borrowings)	-	-	3343.41	-
Other receivables	-	-	-	-
Net exposure to foreign currency risk (assets)	**42.62**	**-**	3345.30	-
Financial liabilities				
Borrowings	2406.58	344.58	3619.36	327.06
Trade payable	3460.07	366.69	90.63	330.72
Derivative Liability	4.54		29.35	
Other payables	20.34	191.77	68.30	137.27
Net exposure to foreign currency risk (liabilities)	**5891.53**	**903.04**	3807.64	795.05

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 +/- 6.82% change of the INR/USD exchange rate for the year ended at 31 March, 2019 (2018:4.24%). A +/- 7.26% change is considered for the INR/EUR exchange rate (2018: 6.90%). 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 Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
USD sensitivity		
INR/USD- increase by 6.82% (31 March 2019)	(398.90)	
INR/USD- decrease by 6.82% (31 March 2019)	398.90	
INR/USD- increase by 4.24% (31 March 2018)		(19.60)
INR/USD- decrease by 4.24% (31 March 2018)		19.60
Euro sensitivity		
INR/EUR- increase by 7.26% (31 March 2019)	(65.56)	
INR/EUR- decrease by 7.26% (31 March 2019)	65.56	
INR/EUR- increase by 6.90% (31 March 2018)		(54.86)
INR/EUR- decrease by 6.90% (31 March 2018)		54.86

b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March, 2019, 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% (2018: +/- 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, 2019, the company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable rate borrowing (excluding exposures offset by derivatives)	-	2998.05
Fixed rate borrowing	46829.65	44360.12
Total borrowings	**46829.65**	47358.17

Sensitivity

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest sensitivity		
Interest rates-increase by 100 basis points	468.30	473.58
Interest rates-decrease by 100 basis points	-468.30	-473.58

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 31st March, 2019	As at 31st March, 2018
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	802.05	689.48
Total deposits	**802.05**	689.48

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 Standalone Financial Statements for the Year ended 31st March, 2019

44. CAPITAL MANAGEMENT

The company' s capital management objectives are

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

- to provide an adequate return to shareholders

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

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

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net debts	46610.23	47104.11
Total equity	38151.57	35713.67
Net debt to equity ratio	**1.22**	**1.32**
Dividends		
(i) Equity shares		
Final dividend for the year ended 31st March, 2019 @ 5% on the paid up Share Capital	206.53	Nil
(ii) Dividends not recognised at the end of the reporting period	206.53	Nil

45. DETAILS OF ASSETS PLEDGED

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Inventories and trade receivables (to the extent pledged)	**3490.26**	2334.39
Non Current		
Plant & Machinery (movable assets) - Durgapur steel plant (to the extent pledged)	**134.00**	198.00
Plant & Machinery (movable assets)-Bokaro & Bhilai Steel Plant (to the extent pledged)	**21072.57**	16403.26
Land and plant & Machinery(at Mouje-Wadej of city taluka, District Ahemadabad,Gujrat) - ISP	**7726.00**	11245.00

46. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit/(loss) before tax	**3,337.89**	(758.94)
Domestic tax rate for PFS	**34.944%**	34.944%
Expected tax expense [A]	**1,166.39**	(265.20)
Adjustment for tax-exempt income/ non-deductible expenses	**0.74**	(12.59)
Adjustment for difference tax rate items	**(0.44)**	(1.48)
Tax incentive on specific expenditure	**(12.46)**	(16.09)
Tax related to earlier years	**4.84**	35.73
Increase in Corporate tax rate	**-**	(28.39)
Others	**-**	10.79
Total adjustments [B]	**(7.32)**	(12.03)
Actual tax expense [C=A+B]	**1,159.07**	(277.23)
Tax expense comprises:		
Current tax expense	**-**	-
Deferred tax credit	**1,159.07**	(277.23)
Tax expense recognized in Statement of profit and loss [D]	**1,159.07**	(277.23)

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

47.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2019	As at 31st March, 2018
(i)	Claims against the Company pending appellate/judicial decisions :		
	a) Excise Duty	**5080.94**	4527.42
	b) Sales Tax on inter-state stock transfers from plants to stockyards*.	**740.68**	739.90
	c) Other sales tax matters	**591.38**	629.13
	d) Income Tax	**972.39**	1416.94
	e) Other duties, cess and levies	**7226.47**	6794.71
	f) Civil matters **	**3949.52**	3495.56
	g) Entry Tax	**2038.21**	2125.99
	h) Miscellaneous **	**3653.27**	2942.42
	* No liability is expected to arise, as sales tax has been paid on eventual sales. ** includes claims of ₹26.72 crore (as at 31st March, 2018 ₹60.97 crore), against which there are counter-claims of ₹23.26 crore (as at 31st March, 2018 ₹35.37 crore).		
(ii)	Other claims against the Company not acknowledged as debt:		
	a) Sales Tax	**106.53**	64.29
	b) Duties, cess and levies	**288.51**	629.27
	c) Civil Matters	**116.64**	98.99
	d) Miscellaneous *	**2886.45**	2757.72
	* includes claims of ₹53.79 crore (as at 31st March, 2018 ₹100.94 crore) against which there are counter-claims of ₹28.78 crore (as at 31st March, 2018 ₹103.95 crore).		
(iii)	Disputed income tax/service tax/other demand on joint venture company for which company may be contingently liable under the joint venture agreement	**36.35**	34.76
(iv)	Bills drawn on customers and discounted with banks.	**189.01**	68.83
(v)	Price escalation claims by contractors/suppliers and claims by employees.	**401.96**	441.70

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. During the year, Hon'ble Allahabad High Court vide its Order dated 4th May, 2018, dismissed the petition filed by the Company for levy of Entry Tax on goods entering into local areas of Uttar Pradesh. Accordingly, an amount of ₹92.23 crore has been charged in the Statement of Profit and Loss under 'Exceptional Items'. The respective regular Benches of other Courts would hear the matters as per laid down principles. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore, ₹ Nil crore and ₹5.15 crore respectively upto 31st March, 2019 aggregating to ₹1338.43 crore (previous year ₹1092.28 crore, ₹241.00 crore, ₹92.23 crore and ₹5.15 aggregating to ₹1430.66 crore upto 31st March, 2018) 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 and ISP on Entry Tax to the West Bengal Taxation Tribunal.

Pending decision by West Bengal Taxation Tribunal the disputed Entry Tax demands amounting to ₹209.52 crore (upto 31st March, 2018 ₹Nil crore) have been treated as contingent liabilities.

Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹89.40 crore upto 31st March, 2019 (upto 31st March, 2018 ₹295.50 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, Hon'ble Supreme Court dismissed the civil appeal filed by DVC pertaining to tariff of FY 2004-05 to 2008-09 against the Order of APTEL vide its Order dated 3rd December, 2018 which may also have effect on future tariff orders. The financial implication can only be ascertained after the finalisation of retail tariff by State Electricity Regulatory Commission (SERC) as directed by APTEL. Pending fixation of Electricity Tariffs, disputed claims of DVC of ₹ 587.72 crore upto 31st March, 2019 (upto 31st March, 2018, ₹ 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 disclosed under Other Current Assets. Further from 1st April, 2017 onwards full invoice value has been considered in the Statement of Profit and Loss.

47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3701.48 crore upto 31st March, 2019 (upto 31st March, 2018 ₹3374.46 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 Standalone Financial Statements for the Year ended 31st March, 2019

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 last year from the Office of Principal Chief Conservator of Forest, 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. As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:

(a) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹245.89 crore and ₹1768.42 crore (₹ 212.85 crore and ₹ 1478.86 crore as on 31st March 2018) respectively (including interest). Based on internal assessment, the Company has provided an amount of ₹348.52 crore (₹15.07 crore during the year) on estimated basis. Balance amount of ₹1665.79 crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.

(b) In respect of Limestone, by the Government of Jharkhand amounting to ₹24.88 crore (including interest) (₹ 20.28 crore as on 31st March 2018). Based on internal assessment, the Company has provided an amount of ₹8.91crore (₹ 1.64 crore during the year) on estimated basis. Balance amount of ₹15.97crore (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).

47.8 In respect of Coal, by the Government of Jharkhand amounting to ₹434.81 crore (including interest) (₹ 354.54 crore as on 31st March 2018). 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 ₹434.81 crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h).

47.9 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 against SAIL/ Rourkela Steel Plant for resolution of dispute arising out of contract. 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 Honb'le High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹300 crores. The sum of ₹707.43 crores (including interest) has been disclosed under contingent liability in Note No. 47.1(ii)(d) 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 ₹106.92 crore (including interest) has been disclosed under contingent liability in Note no 47.1(ii) (d) above.

47.10 Pending settlement of the claims of Bharat Coking Coal Limited (BCCL)an amount of ₹27.00 crore related to selective loading charges by BCCL and ₹14.49 crore related to extra royalty on output quantity, has been shown under Contingent Liabilities in Note No. 47.1(ii)(d) above.

47.11 Land measuring 5.545 acres was allotted to DVC for 30 years i.e. 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.

47.12 Consequent to the order of Hon'ble Odisha 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.

47.13 Wage revision for non-executives is due since 01.01.2017. Keeping in view the affordability and financial sustainability clause in Office Memorandum dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises (DPE) in respect of pay revision of employees and in view of negative figures of average profit before tax of previous three years, pending negotiation with National Joint Committee for the Steel Industry (NJCS) for such wage revision:

(i) An all-inclusive provision towards salary and wage revision of Non-executive Employees charged to 'Employee Benefit Expenses' for the period from 01.01.2017 to 31.12.2017 amounting to ₹308.24 crore (including ₹77.47 crore shown as exceptional Item) had been written back during the financial year 2017-18.

(ii) No provision has been made for the period 01-01-2017 to 31-03-2019

Based on the above facts, opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) received during the year, and in terms of paragraph 14 of Ind AS 37, since one of the conditions being 'reliable estimate of the amount of the obligation' is not met at present, the Company has considered not to make any provision in the accounts.

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

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital commitments	7031.26	10747.11
Other commitments	2026.68	1824.86

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, 2019 are as under:

(₹ crore)

No.	Description	As at 31st March, 2019	As at 31st March, 2018
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	**67.45**	48.22
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, 2019	31st March, 2018
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 As per past practice the Company has stock of iron ore fines of 41.52 million tonnes at various mines of the Company. Since the usage/sale of such iron ore fines, involves elements of uncertainties, as a matter of prudence, no valuation of such fines has been made in the accounts. However, the revenue earned from actual disposal thereof during the year has been recognised in the books of accounts.

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

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

48.6 (i) 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').

(ii) In view of the book losses during the immediately preceding three years and based on the expert opinions/ judicial pronouncements (including jurisdictional courts), no provision has been considered necessary during the year for Minimum Alternate Tax(MAT) on book profit as per Section 115 JB of the Act.

49.1 Revenue from operations for the period up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST). In accordance with 'Ind AS 18- Revenue'/ 'Ind AS 115- Revenue from Contracts with Customers', GST amount of ₹10678.01 crore (Previous Year : ₹7864.70 crore) is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the year ended 31st March, 2019 is not comparable with corresponding figures for the year ended 31st March, 2018.

49.2 Sales include sale to Government Agencies recognized on provisional contract prices during the year ended 31st March, 2019: ₹ 5012.76 crore (Previous Year : ₹4802.50 crore) and cumulatively up to 31st March, 2019 : ₹17252.66 crore (upto Previous Year : ₹12271.05 crore).

49.3 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, 2019 is more than 8% of average Net-worth, provision for Other Benefits (including pension) has been made @ 9% and 6% of salary w.e.f. 1st April 2018 for Executive and Non-executive employees respectively.

As such, on 30th April, 2019, SAIL Pension Scheme/ Trust Deed/ rules containing above terms have been executed by nominees of National Joint Committee for Steels (NJCS) and Steel Executives Federation of India (SEFI).

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹2395.76 crore (₹359.40 crore during the year) and ₹46.25 crore (₹4.77 crore during the year) has been charged to `Employee Benefits Expense' and `Expenditure during Construction' respectively.

49.4 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 ₹305.09 crore (₹314.71 crore) and ₹14.77 crore (₹20.79 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:

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(₹ crore)

Head of Account	For the year ended	
	31st March 2019	31st March 2018
Raw Materials	144.76	115.05
Employees Benefits Expense	64.81	97.95
Stores & Spares Consumed	12.46	11.40
Power & Fuel	23.37	21.61
Repairs & Maintenance	3.98	6.53
Depreciation and Amortisation Expense	7.69	8.54
Other Expenses	42.96	49.53
Finance Cost	5.06	4.10
Total	**305.09**	**314.71**

49.5 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.

49.6 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 2018-19.

However, against the budgeted amount of ₹30.00 crore (previous year ₹26.00 crore), the Company has spent an amount of ₹31.18 crore (previous year ₹25.70 crore) on CSR activities during the Financial Year 2018-19 under the following heads:

(₹ crore)

Particulars	2018-19	2017-18
Education	12.03	7.65
Healthcare	4.84	5.11
Livelihood Generation	2.71	3.54
Women Empowerment	0.47	0.75
Drinking Water	0.03	1.44
Sanitation	0.73	0.47
Sports	0.79	0.79
Art & Culture	5.39	1.13
Rural Development	1.84	2.07
Social Security	0.35	0.33
Environment Sustainability	1.62	2.20
Project Identification and Monitoring	0.03	0.00
Capacity Building of Personnel	0.36	0.23
Total	**31.18**	**25.70**

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

49.7 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)
2018-19	1.47	1.02
2017-18	1.33	2.61
2016-17	2.32	2.15

49.8 Central Government grant of ₹105.75 crore (Rupees One Hundred Five Crore Seventy Five Lakh only) has been received during 2018-19 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".

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

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

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

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

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	**1-5 years**	**After 5 years**	**Total**
31st March, 2019				
Lease payment	282.32	1062.56	1727.79	3072.67
Finance charge	-163.38	-501.00	-948.79	-1613.17
Net present value	118.94	561.56	779.00	1459.50
31st March, 2018				
Lease payment	261.85	915.89	2068.04	3245.78
Finance charge	-156.70	-527.49	-1092.81	-1777.00
Net present value	105.15	388.40	975.23	1468.78

c) Description of major leasing arrangements

Power plant

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

Oxygen Plant

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

Mining land

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

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

(i) The Company has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the year is ₹10.16 crore (₹18.87 crore).

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

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	43.53	43.23
Later than I year and not later than 5 years	173.45	172.23
Later than 5 years	215.29	258.35

49.10 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 ₹22.51 crore (till date ₹56.76 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.

49.11 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. Further, in line with "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. Preliminary Information Memorandum (PIM) /Expression of Interest (EoI) for ASP has been published in News papers on 14th February, 2018. The EoI received in response to the above have been annulled due to non-fulfilment of technical eligibility criteria. Fresh process in this regard has been initiated and revised PIM/ EoI requests of ASP, VISP and SSP will be issued after getting clearances from Government of India.

49.12 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. Ind AS 116: Leases -Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same in not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

c. Amendment to Ind AS 12 - Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The Company is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

d. Amendment to Ind AS 19 - plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

e. Ind AS 23 - Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards.

f. Ind AS 28 - Long-term Interests in Associates and Joint Ventures - The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

g. Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

49.13 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 2018-19, excluding depreciation, of ₹15.94 crore (Previous Year ₹82.07 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, 2019**	For the year ended 31st March, 2018
Salary and Wages	6.94	41.05
Stores and Spares	0.04	3.80
Power purchased	0.85	10.70
Repairs and Maintenance	0.35	8.36
Miscellaneous Expenses and Provisions	8.70	21.21
Total Expenditure	**16.88**	**85.12**
Less: Income	0.94	3.05
Net Expenditure	**15.94**	**82.07**

49.14 The Board of Directors of SAIL have recommended dividend @ ₹ 0.50 per equity share of ₹ 10 each i.e. 5% on the paid up share capital of the Company for the financial year 2018-19, subject to approval of the shareholders in the forthcoming AGM of the Company.

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.

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.	6339.98 (6153.06)	2785.70 (2740.01)	963.66 (936.21)	116.66 (103.73)	22.95 (23.14)
ii)	Service Cost	274.04 (288.50)	71.21 (124.27)	- (-)	- (-)	1.16 (1.52)
iii)	Interest Cost	447.86 (443.02)	198.85 (198.91)	67.92 (67.61)	8.51 (7.65)	1.62 (1.70)
iv)	Actuarial Gains(-) / Losses(+)	-306.28 (-328.47)	181.63 (35.10)	21.62 (76.25)	14.78 (14.01)	-1.67 (-1.03)
v)	Past Service Cost	- (582.04)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	737.19 (798.19)	268.81 (312.56)	116.14 (116.44)	6.43 (8.73)	2.78 (2.40)
vii)	**Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)**	**6018.40** (6339.96)	**2968.58** (2785.73)	**937.06** (963.63)	**133.52** (116.66)	**21.27** (22.93)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

Sl. No.	Particulars	2018-19	2017-18
i)	Fair Value of plan assets as at the beginning of the year	6308.85	5836.33
ii)	Expected return on plan assets	45.27	23.11
iii)	Actual Company's contribution	187.28	798.07
iv)	Interest Income/Actuarial Gain/Loss(-)	473.17	449.45
v)	Benefits payments	737.19	798.19
vi)	Fair value of plan assets as at the end of the year	6277.42	6308.85
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6018.40	6339.96
viii)	**Net liability recognised in the Balance sheet (vii)-(vi) ***	**-259.15**	**31.11**

*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2019-20, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are non-funded.

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	274.04 (288.50)	71.21 (124.27)	- (-)	- (-)	1.16 (1.52)
ii)	Interest Cost	-25.31 (-6.34)	198.85 (198.91)	67.92 (67.61)	8.51 (7.65)	1.62 (1.70)
iii)	Actuarial Gains (-)/Losses	-306.28 (-328.47)	181.63 (34.85)	21.62 (76.25)	14.78 (14.01)	-1.67 (-1.03)
iv)	Past Service Cost	- (582.04)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	45.27 (23.11)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	**-102.81** (512.60)	**451.69** (358.02)	**89.54** (143.86)	**23.29** (21.66)	**1.10** (2.19)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 39)	247.62 (860.65)	447.61 (357.55)	67.92 (67.61)	23.29 (21.66)	1.10 (2.19)
	b) Charged to Expenditure During Construction (Note 5.1)	1.14 (3.52)	4.08 (0.47)	- (-)	- (-)	- (-)
	c) Charged to OCI	-351.54 (-351.58)	- (-)	21.63 (76.25)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (-)	- (-)	- (-)	- (-)	- (-)
viii)	Actual Return on Plan Assets	518.64 (472.50)				

(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	-205.62	193.94
ii)	Leave	-122.26	114.24
iii)	Post Retirement benefit	-57.04	52.50
iv)	Long Term Service Award	-1.37	1.24
v)	Retirement Travelling Allowance	-5.88	6.10

(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	119.37	-111.95
ii)	Leave	115.08	-122.08

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

(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	-49.59	45.50

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2019	As at 31.03.2018
Insurance Investments	88.68	86.25
Central Government Securities	1.38	1.36
State Government Securities	3.00	4.24
PSU Bonds	6.93	8.12
Cash at Bank	0.01	0.03
Total	**100.00**	100.00

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2019	As at 31st March, 2018
i)	Discount Rate (per annum)	7.50 %	7.70%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.50%	7.70%
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2019
Upto 1 year	806.41
Between 1 to 2 years	817.96
Between 2 to 3 years	791.82
Between 3 to 4 years	751.69
Between 4 to 5 years	717.59
Between 5 to 10 years	2923.79
More than 10 years	4045.94
Total Undiscounted Payments related to Past Service	10855.20
Less: Discount for Interest	4836.80
Projected Benefit Obligation	**6018.40**

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

51. GENERAL

51.1 Segment Reporting

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

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

51.2 Related Party

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

Joint Venture Companies
NTPC-SAIL Power Company Limited
Bokaro Power Supply Company Private Limited
SAIL Bansal Service Centre Limited
Mjunction Services Limited
Bhilai Jaypee Cement Limited
S&T Mining Company Private Limited
SAIL&MOIL Ferro Alloys Private Limited
International Coal Ventures Private Limited
SAIL-SCI Shipping Private Limited
SAIL SCL Kerala Limited
SAIL-RITES Bengal Wagon Industry Private Limited
SAIL Kobe Iron India Private Limited
TMTSAL SAIL JV Limited
SALSAIL JVC Limited
SAIL-Bengal Alloy Castings Private Limited
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
SAIL Provident Fund, New Delhi
Hindustan Steel Provident Fund, Ranchi
Hindustan Steel Limited, Central Purchase Organisation, Sales & Transport, Calcutta Provident Fund
Bharat Refractories Provident Fund, Bokaro
IFICO Provident Fund, Ramgarh
CCSO Provident Fund, Dhanbad
SAIL RMD Establishment and Administrative Offices Employees Provident Fund, Kolkata
Bolani Ores Mines Provident Fund , Bolani
SAIL Employees' Superannuation Benefit Fund
SAIL Gratuity Fund

B. Key Management Personnel

Shri Anil Kumar Chaudhary
Shri P.K. Singh (upto 30th June, 2018)
Shri Raman (upto 31st July, 2018)
Dr. G. Vishwakarma
Smt Soma Mondal
Shri Harinand Rai (w.e.f. 1st August, 2018)
Shri Atul Srivastava
Shri Vivek Gupta (w.e.f. 1st May, 2018)
Shri K K Gupta (w.e.f. 21st December, 2018)
Shri N K Taneja
CA K S Chauhan
Dr. Samar Singh
Shri Niranjan Sanyal
CA Parmod Bindal
Smt. Anshu Vaish
Prof. Ashok Gupta
Shri M. Ravi (upto 9th October, 2018)
Shri A.K. Rath
Shri Ashwini Kumar (upto 28th February, 2019)
Shri P K Singh
Shri A Dasgupta
Shri D Chattaraj
Shri Kalyan Maity (w.e.f. 8th December, 2018)
Shri S.K. Saha (upto 31st October, 2018)
Shri P Saidev (upto 31st January, 2019)
Shri Kajal Das
Smt. K Raman
Shri N Ramachandran (upto 30th June, 2018)
Shri P.K.Mishra (upto 31st July, 2018)
Shri A.V. Kamlakar (w.e.f. 21st November, 2018)
Shri T S Prakash (upto 30th April, 2018)
Shri S.K. Mishra
Shri Mukul Akhori (upto 30th April, 2018)
Shri S. K. Singh (5th November, 2018 to 31st December, 2018)
Shri Subir Mondal (w.e.f. 22nd November, 2018)
Shri Ajay Arora (w.e.f. 1st January, 2019)
Shri Ram Gopal (w.e.f. 1st January, 2019)
Shri Mukesh Chand Jain
Shri R.K. Ahuja (upto 21st November, 2018)
Shri Atul Saxena (upto 30th June, 2018)
Shri S K Das (1st July, 2018 to 4th November, 2018)
Shri A. Chidambaram (1st August, 2018 to 20th November, 2018)
Shri M.V. Zode (From 1st November, 2018 to 31st December, 2018)
Shri C N Bhattacharya

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

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	35.48 (100.07)		35.48 (100.07)	8 : Investments
ii)	Advance for purchase of shares	- (-0.66)		- (-0.66)	11/19 : Other Financial Assets
iii)	Services rendered	11.05 (8.58)		11.05 (8.58)	35: Other income
iv)	Rental Income	0.26 (0.12)		0.26 (0.12)	
v)	Dividend Received	42.71 (74.31)		42.71 (74.31)	
vi)	Sale of Goods	6.44 (3.74)		6.44 (3.74)	34 : Revenue from Operations
vii)	Other Operating Revenues	5.47 (-)		5.47 (-)	34 : Revenue from Operations
viii)	Purchase of Goods	232.41 (153.51)		232.41 (153.51)	25/30 : Trade Payables
ix)	Purchase of Power	2134.94 (2134.18)		2134.94 (2134.18)	40 : Other Expenses
x)	Services received	58.06 (44.95)		58.06 (44.95)	40 : Other Expenses
		1.31 (1.48)		1.31 (1.48)	5 : Capital WIP
xi)	Interest Income	0.78 (0.74)		0.78 (0.74)	
xii)	Managerial remuneration		8.11 (8.63)	8.11 (8.63)	38 : Employees' Benefits Expenses

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

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Note No. and Account Head
i)	Investments	1467.02 (1431.54)	8 : Investments
ii)	Provision for investments	17.50 (17.68)	
iii)	Other Loans and Advances	43.36 (39.44)	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	6.69 (4.93)	9/16 : Trade Receivables
vii)	Trade Payable	189.01 (153.80)	25/30 : Trade Payables
viii)	Security Deposit	0.39 (0.33)	26/31 : Other financial liabilities

Notes to Standalone Financial Statements for the Year ended 31st March, 2019

E. Disclosure of Material Transactions with Related Parties

(₹ crore)

	For the year ended 31st March 2019	For the year ended 31st March 2018	Note No. and Account Head
Purchase of Investment			
International Coal Ventures Pvt. Ltd.	-	100.00	8 : Investments
Bastar Railway Ltd	35.22	-	
NMDC SAIL Limited	-	0.01	
Chattisgarh mega Steel limited	-	0.02	
GEDCOL SAIL Power Corporation Limited	0.26	0.04	
Advance for Purchase of Shares			
SAIL SCL Kerela Limited	-	-0.66	11/19 :Other Financial Assets
Sale of Goods			
Bhilai Jaypee Cement Limited	1.42	3.74	34: Revenue from Operations
SAIL Refractory Co. Ltd	3.92	-	
NTPC-SAIL Power Supply Co. Ltd.	1.10	-	
Other Operating Revenues			
NTPC-SAIL Power Supply Co. Ltd.	5.47	-	34: Revenue from Operations
Purchase of Goods			
SAIL Refractory Co. Ltd.	220.67	141.81	25/30 : Trade Payables
Almora Magnesite Ltd	11.74	11.70	
Purchase of Power			
Bokaro Power Supply Co. Pvt. Ltd.	839.93	815.72	40 : Other Expenses
NTPC-SAIL Power Supply Co. Ltd.	1295.01	1318.46	
Dividend Income			
Mjunction Services Limited	6.00	5.60	35: Other income
SAIL Refractory Co. Ltd.	4.26	6.31	
Bokaro Power Supply Co. Pvt. Ltd.	12.40	12.40	
NTPC-SAIL Power Supply Co Ltd.	20.00	50.00	
SAIL-Bansal Services Centre Ltd.	0.05		
Services Rendered			
BhilaiJaypee Cement Limited	0.67	1.46	
Mjunction Services Limited	7.08	5.65	
SAIL-Bansal Services Centre Ltd.	0.04	1.12	
Bokaro Power Supply Co. Pvt. Ltd	1.91	0.35	
SAIL Refractory Co. Ltd.	1.35		
Auction services			
Mjunction Services Limited	58.06	44.95	40 : Other Expenses
	1.31	1.48	5 : Capital WIP
Conversion Charges			
SAIL-Bansal Services Centre Limited	1.72	1.77	40 : Other Expenses

F. During the year, Sales and Trade Receivables include ₹10665.71 crore (₹11770.05 crore) and ₹2222.39 crore (₹2063.36 crore) for transactions with the Central Government (including Indian Railways) which constitute 16.09% (20.19 %) and 49.44% (53.31%) of the Sales and Trade Receivables respectively.

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

Brief Description of Provisions :

Mines afforestation costs - Payable on renewal (including deemed renewal)/forest clearance of mining leases to Government authorities, towards afforestation cost at mines for use of forest land for mining purposes.

Mines closure costs - Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.

Overburden backlog removal costs - To be incurred towards removal of overburden backlog at mines over the future years.

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2018	202.09	67.30	117.16	386.55
Additions during the Year	0.24	12.74	41.66	54.64
Amounts utilised during the Year	0.25	(0.63)	0.00	(0.38)
Unused amount reversed during the Year	0.00	0.00	7.45	7.45
Balance as at 31st March, 2019	**202.08**	**80.67**	**151.37**	**434.12**

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.

i) 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 Standalone Financial Statements for the Year ended 31st March, 2019

52. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- **External Sales**											
Current Year ended 31st March 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
Previous Year ended 31st March 2018	15,994.93	7,168.64	12,210.22	14,039.97	6,811.00	442.88	1,344.11	142.18	143.33		58,297.26
- **Inter segment sales**											
Current Year ended 31st March 2019	302.60	263.52	998.51	91.42	168.62	184.05	7.63	52.80	4,862.59	(6,931.74)	-
Previous Year ended 31st March 2018	299.80	184.88	217.67	211.33	73.02	206.18	12.70	18.36	3,881.30	(5,105.24)	-
- **Total Revenue from sale of products**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	16,294.73	7,353.52	12,427.89	14,251.30	6,884.02	649.06	1,356.81	160.54	4,024.63	(5,105.24)	58,297.26
RESULT											
- **Operating Profit / (-) Loss before Interest and Exceptional items**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	1,240.52	(58.57)	398.70	804.13	(329.50)	(25.84)	(118.24)	(108.34)	234.52		2,037.38
- **Finance cost**											
Current Year ended 31st March 2019											3,154.92
Previous Year ended 31st March 2018											2,822.75
- **Exceptional items**											
Current Year ended 31st March 2019											389.40
Previous Year ended 31st March 2018											(26.43)
- **Tax expenses**											
Current Year ended 31st March 2019											1,159.07
Previous Year ended 31st March 2018											(277.23)
- **Profit / Loss (-) for the year**											
Current Year ended 31st March 2019											2,178.82
Previous Year ended 31st March 2018											(481.71)
OTHER INFORMATION											
- **Segment assets**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	28,756.68	6,400.05	19,484.61	14,524.30	18,770.09	518.32	2,459.07	533.47	22,743.21		1,14,189.80
- **Segment Liabilities (including Long Term Borrowing)**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	7,409.47	2,364.33	4,017.17	3,746.95	1,922.70	207.46	383.28	79.88	58,344.89		78,476.13
- **Capital expenditure**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	2,481.46	296.50	1,638.38	1,362.65	599.44	2.89	7.82	2.15	386.53		6,777.82
- **Depreciation**											
Current Year ended 31st March 2019	692.29	200.20	754.72	611.36	746.73	9.08	99.23	7.22	263.89		3,384.72
Previous Year ended 31st March 2018	512.86	195.57	721.75	561.87	724.35	11.44	95.74	7.30	234.04		3,064.92
- **Non Cash expenses other than Depreciation**											
Current Year ended 31st March 2019	26.75	15.34	10.54	6.66	21.86	1.48	0.44	0.10	159.27		242.44
Previous Year ended 31st March 2018	19.00	11.34	15.26	56.00	36.79	2.00	14.17	2.81	58.37		215.74

Independent Auditors' Report on Standalone Financial Statements

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, 2019, 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 accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), of the state of affairs of the Company as at 31st March, 2019 and its profit (including 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 :

(i) Demand for Entry tax in various states amounting to ₹1,637.35 crore as on 31st March, 2019 [Refer Note No. 47.2(a)] and

(ii) Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore as on 31st March, 2019 [Refer Note No.47.2(b)];

Had the impact of all the above qualifications been considered, Total Comprehensive Income (net of tax) for the year ended 31st March, 2019 would have been ₹990.36 crore against reported Total Comprehensive Income (net of tax) of ₹2,437.90 crore, overstatement of other equity as on 31st March 2019 by ₹1,447.54 crore, understatement of current liability by ₹2,225.07 crore and understatement of asset by ₹777.53 crore.

Management's Replies:

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 pertaining to 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) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2019. 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 Auditor's 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 Companies Act, 2013 and the Rules issued there under 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.

Emphasis of Matter

We draw attention to the following

I Pending negotiations with National Joint Committee for the Steel Industry (NJCS) for wage revision and in terms of DPE office memorandums, in view of negative figures of average profit before tax of previous three years and also based on the opinion of Expert Advisory Committee of ICAI, Company has not made any provision towards wages revision (pending since 01.01.2017) for non-executive employees (Refer to Note No.47.13);

II Gross sales include sales to Government agencies for ₹5,012.76 crore for the year ended 31st March 2019 (cumulative upto 31st March, 2019 ₹17,252.66 crore) which is recognized on provisional contract prices (Refer Note No. 49.2).

Our opinion is not qualified in respect of these matters.

Comments	Management's Replies

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.

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 of the current period. 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.No.	Key Audit Matter	Auditors' Response to Key Audit Matters
1.	**Provisions and Contingent Liabilities** 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. Management's disclosures with regards to contingent liabilities are presented in Note Nos. 47 and 48.5 read with Note No. 3.17 to the Standalone Ind AS Financial Statements. 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.	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. We read the summary of litigation matters provided by the Company's/ Unit's Legal and Finance Team. We read, where applicable, external legal or regulatory advice sought by the Company. 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. 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.
2.	**Tax Expenses** 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. Deferred Tax Assets on unabsorbed depreciation and carry forward losses are to be recognized 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 utilized. Refer Note No. 12 and 48.6 to the standalone Ind AS Financial Statements.	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. Tested period over which deferred tax assets on such unabsorbed losses would be recovered against future taxable income including Management's underlying assumptions. 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.
3.	**Property, Plant & Equipment and Intangible Assets** There are areas where Management judgements impact the carrying value of property, plant and equipment, intangible assets and their respective	We assessed the controls in place, evaluated the appropriateness of capitalization process, performed tests of details on costs

Comments	Management's Replies

S.No.	Key Audit Matter	Auditors' Response to Key Audit Matters
	depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization 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.	capitalized, the timeliness of the capitalization of assets and the de-recognition criteria for assets retired from active use. In performing these procedures, we reviewed the judgments made by management including the nature of underlying costs capitalized; determination of realizable 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.
4.	**Capital Work-in- Progress** 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.	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. 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.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Comments	Management's Replies

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 auditor's 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 auditor's 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 ₹46,594.92 crore as at 31st March, 2019 and total revenue from operations of ₹24,376.35 crore for the year ended on that date. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section 11 of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) Except for the effects of the matter described in the Basis for Qualified Opinion 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.

   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   (d) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (e) Except for the effects of the matters described in the Basis for Qualified Opinion 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.

   (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 Company.

   (g) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company.

   (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - 2.

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements (Refer Note No. 47 and 48.5);

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

Comments	Management's Replies
iii. The Company has not transferred to the Investor Education and Protection Fund, an amount of ₹120,75,460/-being Unclaimed Matured Deposits which the Company was required to transfer to the said Fund since the financial year 2017-18.	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.

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.
4. 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.

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

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place : New Delhi
Date : 28th June, 2019

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.

Management's Reply: Necessary action is being taken to update location and extent of area in respective plants in fixed assets registers. This is a continuous process.

(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the assets once in three years. However, it is observed certain land and buildings are under encroachments/ unauthorised occupation. As informed, no material discrepancies have been noticed on such verification. In our opinion these periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

Management's Reply: Necessary action is being taken to evict the occupants from land and buildings under encroachment/unauthorised occupation.

(c) According to the information and explanations given to us and on the basis of our examination of 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	46587.26 acres	17244.15 acres	571.24 sq mts
Gross Block thereof ₹crore	175.00	149.10	0.48
Net Block thereof ₹crore	175.00	126.89	0.31

(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 under section 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, 2019.

b. According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2019 as given herein below:

Statute	Nature of Dues	Amount (₹ crore)	Forum where disputes are pending
Sales Tax & VAT	Sales Tax and VAT Demands	10.45 494.15 597.33 186.32	Supreme Court High Courts Sales Tax Tribunal Sales Tax Department
Goods and Services Tax	GST demands	16.63	High Court
Entry Tax	Entry Tax Demands	1257.26 484.06 758.68 48.22	Supreme Court High Courts Tribunal Department

Comments	Management's Replies

Central Excise Act, 1944	Excise Duty	295.95 333.37 4109.99 518.03 0.32	Supreme Court High Courts CESTAT Department BIFR
Service Tax	Service Tax	34.32 64.07 202.58	High Courts CESTAT Department
Customs Duty	Customs Duty	4.20 1.71	CESTAT Department
Income Tax Act, 1961	TDS on Perks	2.32 134.60	Supreme Court High Court
	Other TDS matters	0.22 21.93	ITAT Department
	Income Tax Disputes	194.52 552.99 47.61	High Courts ITAT Department
	TOTAL	**10,371.83**	

(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 Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place : New Delhi
Date : 28th June, 2019

Annexure-2 to the Independent Auditors' 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")

We have audited the internal financial controls over financial reporting of the Steel Authority of India Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial reporting considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company 's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Comments	Management's Replies

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

Annexure-3 to the Independent Auditors' 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 in respect of four integrated steel plants and central marketing organisation. In respect of other plants/ units 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/ utilized 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/ utilized as per its terms and conditions.

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

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

Comments of C&AG

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of Financial Statements of STEEL AUTHORITY OF INDIA LIMITED for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2019.

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. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(Indu Agrawal)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board, Ranchi

Place : Ranchi
Dated : 27th July, 2019

Secretarial Audit Report

Form No. MR-3

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

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, 2019 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, 2019 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; 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(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the Directors.

Observation No. 2 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 has not formulated 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 07th May, 2018 to 30th June, 2018. 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.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For **Agarwal S. & Associates,**

Company Secretaries,

Sd/-
CS Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: 19.07.2019

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure 'A' to Secretarial Audit Report

To,
The Members,
Steel Authority of India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are 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.

For **Agarwal S. & Associates,**

Company Secretaries,

Sd/-
CS Sachin Agarwal
Partner
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: 19.07.2019

CORPORATE GOVERNANCE REPORT 2018-19

(a) Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines including DPE guidelines, and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. The Company is committed to conforming to the highest standards of Corporate Governance in the Country. It recognizes that the Board is accountable to all shareholders and that each member of the Board owes his/her first duty for protecting and furthering the interest of the Company.

(b) Board of Directors

As on 31st March, 2019, the Board of Directors comprised of a full time Chairman, 5 Whole Time Directors (i.e. Executive Directors) and 10 Non-Executive Directors (consisting of 2 Government Nominee Directors and 8 Independent Directors). During the year, 8 Board meetings were held on 27.04.2018, 30.05.2018, 03.08.2018, 20.09.2018, 02.11.2018, 21.12.2018, 07.02.2019 and 27.03.2019.

The names of Director(s), their attendance at the Board meeting(s) held during 2018-19 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 2018-19	Attend-ance at last AGM	No. of other Directorships held as on 31.03.2019*	No. of Board Committee(s) as Chairman/Member as on 31.03.2019**
1. Shri P.K. Singh (upto 30.06.2018)	Executive Chairman	2	-	-	-
2. Shri Anil Kumar Chaudhary$ (from 22.09.2018)	Executive Chairman	8	Yes	-	-
3. Prof. Ashok Gupta	Independent Director	8	Yes	-	M-1
4. CA Parmod Bindal	Independent Director	8	Yes	-	C-1
5. Mrs. Anshu Vaish	Independent Director	7	Yes	-	M-1
6. Dr. G. Vishwakarma	Executive Director	8	Yes	3	-
7. Shri Raman (upto 31.07.2018)	Executive Director	2	-	-	-
8. Shri Saraswati Prasad$	Non-Executive Director (Govt. Nominee)	8	Yes	4	-
9. Dr. Samar Singh	Independent Director	7	Yes	-	C-1 M-1
10. Shri Nilanjan Sanyal	Independent Director	8	Yes	-	M-1
11. Ms. Soma Mondal	Executive Director	8	Yes	-	-
12. CA K.S. Chauhan	Independent Director	8	Yes	-	M-1
13. Prof. N.K. Taneja	Independent Director	8	Yes	-	-
14. Shri Atul Srivastava	Executive Director	8	Yes	-	M-1
15. Shri Puneet Kansal (from 07.05.2018)	Non-Executive Director (Govt. Nominee)	6	-	-	-
16. Shri Harinand Rai (from 01.08.2018)	Executive Director	6	Yes	2	M-1
17. Shri K. K. Gupta (from 21.12.2018)	Independent Director	2	-	1	C-1
18. Shri Vivek Gupta (from 27.03.2019)	Executive Director	1	-	1	M-1

* Includes Directorship in Private companies.

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

M = Member, C = Chairman

$ Shri Anil Kumar Chaudhary prior to being appointed as Chairman, was Director (Finance) of the Company. Shri Saraswati Prasad was holding Additional Charge of Chairman from 01.07.2018 to 21.09.2018.

None of the above Directors, other than Shri Saraswati Prasad, was on the Board of listed entity during 2018-19 except SAIL. Shri Saraswati Prasad is on the Board of NMDC Limited and KIOCL Limited also.

(c) Audit Committee:

(i) Terms of reference:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Financial Reports; the Company's systems of internal financial controls, accounting and legal compliance that Management and the Board have established; and the Company's auditing, accounting and financial reporting process generally.

The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors, discusses their findings, suggestions and other related matters and reviews Accounting Policies followed by the Company. The Audit Committee reviews with the Management, the Quarterly and Annual Financial Statements before their submission to the Board.

The minutes of the Audit Committee meetings are circulated to the Board, discussed, and taken note of.

(ii) Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31st March, 2019, the Audit Committee comprised of CA. Parmod Bindal (Chairman), Prof. Ashok Gupta, Mrs. Anshu Vaish, Dr. Samar Singh, Shri Nilanjan Sanyal and Director (Technical). During the last year, the Committee met 9 times and attendance of the Members at the meetings is given below:

Name of the Director	Status	No. of meetings attended
CA Parmod Bindal, Independent Director	Chairman	9
Prof. Ashok Gupta, Independent Director	Member	9
Mrs. Anshu Vaish, Independent Director	Member	8
Shri Nilanjan Sanyal, Independent Director	Member	9
Dr. Samar Singh, Independent Director	Member	9
Shri Raman, Director (Technical) (upto 31.07.2018)	Member	1
Shri Harinand Rai, Director (Technical) (from 01.08.2018)	Member	7

(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 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, 2019, the Nomination & Remuneration Committee comprised of Mrs. Anshu Vaish (Chairperson), Shri Anil Kumar Chaudhary, Chairman, SAIL, Prof. Ashok Gupta, Independent Director, Shri Nilanjan Sanyal, Independent Director, Prof. N.K. Taneja, Independent Director, and Joint Secretary, Ministry of Steel (Government Nominee Director) as Members.

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). Further, terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry.

(ii) The details of remuneration to Whole Time Directors are given below:

(₹)

Name of the Director	Salary*	Perquisites, etc.	Total
Shri P.K. Singh (upto 30.06.2018)	12,70,312	1,41,662	14,11,974
Shri Anil Kumar Chaudhary	39,38,243	4,24,454	43,62,697
Dr. G. Vishwakarma	35,73,914	3,70,176	39,44,090
Shri Raman (upto 31.07.2018)	21,02,241	1,62,775	22,65,016
Ms. Soma Mondal	35,75,492	4,36,064	40,11,556
Shri Atul Srivastava	44,29,043	-	44,29,043
Shri Harinand Rai (from 01.08.2018)	24,03,202	2,10,498	26,13,700
Shri Vivek Gupta (from 27.03.2019)	3,21,410	-	3,21,410
Total	**2,16,13,857**	**17,45,629**	**2,33,59,486**

*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 2018-19.

(v) Terms & Conditions

The Whole Time Directors are nominated by Government of India for appointment as Director for a period of five years or till the age of superannuation or until further orders, whichever is the earliest. They are initially appointed by the Board of Directors as Additional Directors and, thereafter, by the Shareholders in the Annual General Meeting in terms of the provisions of the Companies Act, 1956/2013.

The appointment may, however, be terminated by either side on three months' notice or on payment of three months' salary in lieu thereof.

(e) Stakeholders' Relationship Committee

(i) A Stakeholders' Relationship Committee under the Chairmanship of Dr. Samar Singh with CA K.S. Chauhan, Independent Director and two Whole Time Directors, i.e. Director (Finance) and Director (Personnel), as Members, is functioning to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of dividend, etc.

(ii) Name of Compliance Officer: Shri M.C. Jain, ED(F&A) and Company Secretary.

(iii) There was no complaint pending for redressal as on 31st March, 2018. Number of shareholders' complaints received during the year from 1st April, 2018 to 31st March, 2019 was 18. All the 18 complaints were resolved and no complaint was pending for redressal as on 31st March, 2019.

(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.

(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, 2019, CA K.S. Chauhan, 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.

(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	**9**	**3**	**2**	**7**	**2**	**2**	**1**	**4**
Directors Attendance								
Shri P.K. Singh (upto 30th June, 2018)	-	-	-	-	-	-	-	-
Shri Saraswati Prasad (Chairman from 01.07.18 to 21.09.18)	-	-	-	1	-	-	-	-
Shri Anil Kumar Chaudhary, Chairman (from 22.09.2018)	-	-	-	3	-	-	-	-
Shri Anil Kumar Chaudhary, Director (Finance) (upto 21.09.2018)	-	1	-	-	1	-	1	3
Prof. Ashok Gupta	9	-	-	7	2	2	-	4
CA Parmod Bindal	9	3	2	-	-	-	-	4
Mrs. Anshu Vaish	8	-	2	7	2	2	-	-
Dr. G. Vishwakarma	-	3	2	-	-	-	-	-
Shri Raman* (upto 31st July, 2018)	1	1	-	-	-	-	-	2
Dr. Samar Singh	9	-	2	-	2	-	1	-
Shri Nilanjan Sanyal	9	3	2	7	-	2	-	4
Ms. Soma Mondal	-	-	-	-	-	-	-	4
CA K.S. Chauhan	-	3	-	-	2	-	1	4
Prof. N.K. Taneja	-	3	2	7	-	-	-	4
Shri Atul Srivastava	-	-	-	-	2	2	1	-
Shri Puneet Kansal (from 7th May, 2018)	-	2	2	7	-	-	-	3
Shri Harinand Rai* (from 01.08. 2018)	7	2	-	-	1	2	-	2
Shri K.K. Gupta (from 21.12. 2018)	-	1	-	-	1	1	-	-
Shri Vivek Gupta (from 27.03.2019)	-	-	-	-	-	-	-	-

* For part of the year, Shri Raman and Shri Harinand Rai were holding additional charge of Director (Raw Materials & Logistics).

(j) In addition to above, 1 meeting of Independent Directors was held during the Financial Year 2018-19.

(k) General Body Meetings:

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
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.
2015-16	21.09.2016	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(i) In the last 3 years, four Special Resolutions were passed in the Annual General Meetings and none through Postal Ballot, as detailed below:

Financial Year	No. of Special Resolutions Passed
2015-16	1
2016-17	2
2017-18	1

(ii) No Special Resolution is proposed to be conducted through Postal Ballot upto the ensuing Annual General Meeting.

(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 2018-19, 1 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 of the Plants/ Units. 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 familarisation 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 issued by the Department of Public Enterprises, Government of India, during the Financial Year 2018-19. However, there was shortfall of one Independent Director for a brief period of less than two months during the Financial Year 2018-19. SAIL being a Government Company, the Directors on its Board are appointed, based on nomination by the Government of India. The matter of nominating the requisite number of Independent Directors on the Board of SAIL 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.

(vii) There were two woman Directors on the Board of the Company as on 31st March, 2019.

(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 Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

(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 2018-19.

(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), Chairman of the Company was assigned the Additional Charge of the post of Director(Finance) w.e.f. 22.09.2018, for a period of 3 months i.e. upto 22.12.2018 which was extended for a period of another 3 months i.e. till 22.03.2019. Further, 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 2018-19, 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 ₹4.91 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 of during the year 2018-19 are as under:

Number of complaints filed during the financial year	:	7
Number of complaints disposed of during the financial year	:	5
Number of complaints pending as on 31.03.2019	:	2

(xx) During the financial year 2018-19, no independent director has resigned before their respective tenure.

(xxi) No non-executive director has held shares/convertible instruments except CA Parmod Bindal who holds 5000 equity shares of M/s. Vayu Agro Farm Private Limited.

(xxii) Credit Ratings obtained along with any revision thereto during the Financial Year 2018-19 are as under:

A. India Ratings	**₹ in crore**	**Current Rating**		**Previous Rating**
Particulars	**Rated amount**	**09.11.2018**	**Status**	**02.08.2017**
Long Term Bonds	17000	IND AA - Stable Outlook	Revised	IND AA - Negative Outlook
Short Term (CPs)	8000	IND A1+	Reaffirmed	IND A1+
Fund-Based Working Capital based limits*	4500	IND AA- Stable Outlook / IND A1+	Revised	IND AA- Negative Outlook / IND A1+
Non-Fund-Based Working Capital limits	2000	IND A1+ (Reaffirmed)	Reaffirmed	IND A1+
Non-Fund-Based limits	7000	IND AA- Stable Outlook	Revised	IND AA- Negative Outlook
Bank Loan	2000	IND AA- Stable Outlook	Revised	IND AA- Negative Outlook
Public Deposits	1000	IND tAA Stable Outook	Revised	IND tAA Negative Outook
* Bank sanctioned limits INR 7000 crore as on date.				
B. CARE Ratings	**₹ in crore**	**Current Rating**		**Previous Rating**
Particulars	**Rated amount**	**27.09.2018**	**Status**	**27.09.2017**
Long Term Bonds Programme	19000	CARE AA - Outlook Stable	Revised	CARE AA - Outlook Negative
Long Term Public Deposits	1000	CARE AA - Outlook Stable	Revised	CARE AA - Outlook Negative
Short Term CP / ICD Programme	8000	CARE A1+	Reaffirmed	CARE A1+ *
		06.03.2019		
Long Term Fund Based bank facilities (Term Loans)	30000	CARE AA - Outlook Stable	Assigned	N.A.
* Letter dated 24.11.2017				
C. Brickworks Ratings	**₹ in crore**	**Current Rating**		**Previous Rating**
Particulars	**Rated amount**	**12.09.2018**	**Status**	**31.08.2017**
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	30.06.2018	30.09.2018	31.12.2018	31.03.2019
Date of Publication	04.08.2018	03.11.2018	08.02.2019	31.05.2019
Name of the Newspapers E-English H-Hindi	Mint (E) Hindustan(H)	Financial Express(E) Jansatta(H)	Mint (E) Hindustan(H)	Business Line(E) Amar Ujala (H)

The Quarterly/Annual results are also made available at the website of the Company- www.sail.co.in. The Company displays official news releases also on its website.

(n) General Shareholders Information:

(i) Annual General Meeting is scheduled to be held on 30th August, 2019 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(ii) Financial Year: 1st April, 2018 - 31st March, 2019.

(iii) Date of Book Closure: 24th August, 2019 to 30th August, 2019, both days inclusive.

(iv) The Shares of the Company are listed at the following stock exchanges:

Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai-400001
(Stock Code No.500113)

The National Stock Exchange of India Limited,
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 2018-19 has been paid to each of the Stock Exchange(s).

(v) The monthly high and low quotes of the Company's shares during each month in the Financial Year 2018-19 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are indicated below:

MONTH & YEAR	SENSEX		SAIL at BSE (₹)		NIFTY		SAIL at NIFTY (₹)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL' 18	35,213.30	32,972.56	81.30	70.70	10759.00	10,111.30	81.30	70.55
MAY'18	35,993.53	34,302.89	80.00	68.15	10929.20	10,417.80	80.00	68.15
JUNE' 18	35,877.41	34,784.68	91.10	71.15	10893.25	10,550.90	91.10	71.05
JULY' 18	37,644.59	35,106.57	83.55	69.85	11366.00	10,604.65	83.55	69.85
AUGUST' 18	38,989.65	37,128.99	82.00	73.70	11760.20	11,234.95	82.00	73.65
SEPT.MBER '18	38,934.35	35,985.63	81.20	67.70	11751.80	10850.30	81.25	67.80
OCTOBER' 18	36,616.64	33,291.58	71.30	61.75	11035.65	10004.55	71.35	61.80
NOVEMBER '18	36,389.22	34,303.38	70.95	54.40	10922.45	10341.90	71.10	54.45
DECEMBER' 18	36,554.99	34,426.29	57.35	49.05	10985.15	10333.85	57.30	49.00
JANUARY' 19	36,701.03	35,375.51	56.90	45.60	10987.45	10583.65	56.80	45.55
FEBRUARY'19	37,172.18	35,287.16	50.40	44.10	11118.10	10585.65	50.40	44.00
MARCH' 19	38,748.54	35,926.94	56.60	49.00	11630.35	10817.00	56.60	48.90

(vi) Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi-110020
Phone No.011-41406149

(vii) Share Transfer System:

The equity shares of the Company are mandatorily traded in the dematerialized form. The Share Transfer Committee of the Board meets at regular intervals, to expedite the process of transfer of shares well within the time limit prescribed in this respect under the Listing Agreement.

(viii) Distribution of Shareholdings as on 31st March, 2019:

Shareholding	Shareholders		Amount	
	Number	% of Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	311310	86.51	400925390	0.97
501 - 1000	24308	6.75	198183030	0.48
1001 - 2000	12337	3.43	189451050	0.47
2001 - 3000	4008	1.11	103456860	0.25
3001 - 4000	1854	0.51	66993030	0.16
4001 - 5000	1615	0.45	77140450	0.19
5001 - 10000	2394	0.67	178992930	0.43
10001 - 50000	1603	0.45	332149760	0.80
50001 100000	165	0.05	119745010	0.29
Above 100000	259	0.07	39638215380	95.96
Total	**359853**	**100.00**	**41305252890**	**100.00**

(ix) **Shareholding pattern as on 31st March, 2019:**

	Category	No. of Shares held	%age of Shareholding
A.	**Promoters' holding**		
1	Promoters		
	- Indian Promoters v.i.z., the Govt of India	3097767449	75.00
	- Foreign Promoters	-	-
	Persons acting in Concert	-	-
	Sub-Total	**3097767449**	**75.00**
B	**Non-Promoters Holding**		
3	Institutional Investors		
a	Mutual Funds and UTI	125978984	3.05
b	Banks & Financial Institutions	75751320	1.83
c	Insurance Companies	413794834	10.02
d	Foreign Institutional Investors (FIIs)	169385488	4.10
	Sub-Total	**784910626**	**19.00**
4	Others		
a	Private Corporate Bodies	60672027	1.47
b	Indian Public	165196124	4.00
c	NRIs/OCBs	19900901	0.48
d	GDR	116435	0.00
e	Any other -IEPF	1961727	0.05
	Sub-Total	**247847214**	**6.00**
	GRAND TOTAL	**4,13,05,25,289**	**100.00**

(x) **Status of dematerialization as on 31.03.2019:**

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4048765152	98.02	213833
CDSL	77404740	1.87	122812
Total Dematerialised	**4126169892**	**99.89**	**336645**
Physical	4355397	0.11	23208
Total	**4130525289**	**100.00**	**359853**

Government of India's shares are held in Demat form.

(xi) **The Company's Plants/Units/Subsidiaries are located at:**

STEEL PLANTS

- Bhilai Steel Plant, Bhilai-490001, Chhattisgarh
- Durgapur Steel Plant, Durgapur-713203, West Bengal
- Rourkela Steel Plant, Rourkela-769011, Odisha
- Bokaro Steel Plant, Bokaro Steel City-827001, Jharkhand
- IISCO Steel Plant, Burnpur-713325, West Bengal
- Alloy Steels Plant, Durgapur-713208, West Bengal
- Salem Steel Plant, Salem-636013, Tamil Nadu
- Visvesvaraya Iron & Steel Plant, Bhadravati-577031, Karnataka
- Chandrapur Ferro Alloy Plant, Chandrapur, Maharashtra

UNITS

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawahar Lal Nehru Road, Kolkata-700 071, West Bengal
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand
- Environment Management Division, SAIL House, 3rd Floor, 50, Jawaharlal Nehru Road, Kolkata-700071, West Bengal.
- Growth Division, SAIL House, 3rd Floor, 50, Jawaharlal Nehru Road, Kolkata-700071, West Bengal.
- Management Training Institute, Ranchi-834002, Jharkhand
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata-700017, West Bengal
- Research & Development Centre for Iron & Steel, Ranchi-834002, Jharkhand
- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar District Centre, Delhi-110092
- SAIL Safety Organisation, Ranchi-834002, Jharkhand
- SAIL Refractory Unit, Bokaro-827001, Jharkhand

SUBSIDIARIES

- IISCO-Ujjain Pipe & Foundry Company Limited, Kolkata (under liquidation)
- SAIL 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: 31st July, 2019

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members of
Steel Authority of India Limited

We have examined the compliance of the conditions of Corporate Governance by Steel Authority of India Limited (CIN:L27109DL1973GOI006454) ("the Company") for the year ended 31st March, 2019, as stipulated in regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") and in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India, to the extent applicable during the year.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

The Company does not have any CFO from 23rd March, 2019 till the date of signing of this Report.

The Company has not complied with the requirements of minimum number of independent directors in the composition of Board of Directors during the period from 7th May, 2018 to 30th June, 2018 for the year ended 31st March, 2019

We certify that the Company has complied with other conditions of Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Singhi & Co.	**For Chatterjee & Co**	**For V.K. Dhingra & Co.**	**For A.K. Sabat & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 302049E	FRN: 302114E	FRN:000250N	FRN:321012E
Sd/-	Sd/-	Sd/-	Sd/-
(Shrenik Mehta)	**(Bedanta Bhattacharya)**	**(Vipul Girotra)**	**(A.K. Sabat)**
Partner	Partner	Partner	Partner
(M. No.063769)	(M. No.060855)	(M.No.084312)	(M.No.030310)

Place : New Delhi
Date : 30th May, 2019

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN): L27109 DL 1973 GOI 006454
2. Name of the Company: Steel Authority of India Limited
3. Registered Address: Ispat Bhawan, Lodhi Road, New Delhi - 110003
4. Website: www.sail.co.in
5. Email id: investor.relations@sailex.com
6. Financial Year reported: 2018-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Steel and Steel products

   National Industrial Classification (NIC) Code: 330
8. List three key products / services that the Company manufactures / provides (as in balance sheet):
   - (i) Manufacture of Hot Rolled and Cold Rolled steel products
   - (ii) Manufacture of Rails
   - (iii) Manufacture of Reinforcement Bar, Wire Rods, Structurals, etc.
9. Total number of locations where business activity is undertaken by the Company:
   - (i) International locations: Nil
   - (ii) SAIL operates and owns five Integrated Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela and Burnpur & three Special Steel Plants at Salem, Durgapur and Bhadravati. Another Unit, Chandrapur Ferro-Alloy Plant (CFP) produces Ferro-alloys. It also has SAIL Refractory Unit (SRU) at Bokaro, with four refractory manufacturing Units in Jharkhand and Chhattishgarh.

     Apart from these, the other Units of SAIL are as follows:
     - SAIL Growth Works at Kulti, West Bengal;
     - Raw Materials Division (RMD)- Iron Ore Mines at Kiriburu, Meghahatuburu, Gua, Manoharpur (Chiria) in Jharkhand, Bolani, Kalta, Barsua(including Taldih), in Odisha;
     - BSP Mines(Iron Ore) at Rajhara Group, Dalli Group, Rowghat in Chhattisgarh;
     - RMD flux mines at Kuteshwar in MP; Bhawanathpur, Tulsidamar in Jharkhand;
     - BSP Flux Mines at Nandini, Hirri, Baraduar in Chhattisgarh;
     - VISP Flux Mines at Bhadigund, Kenchapuda in Karnataka;
     - Collieries Division(Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
     - Central Marketing Organisation, HQ at Kolkata;
     - Central Coal Supply Organisation, Dhanbad;
     - SAIL Consultancy Division at Delhi;
     - R & D Center for Iron & Steel, SAIL Safety Organisation, Centre for Engineering & Technology and Management Training Institute at Ranchi;
     - Environment Management Division and Growth Division at Kolkata.
     - Central Power Training Institute at Rourkela;
     - Transport & Shipping at Kolkata;

     SAIL has a pan India distribution network of 37 Branch Sales Offices (BSOs), 10 active Customer Contact Offices, 25 Departmental Warehouses and 20 functional Consignment Agency yards.
10. Markets served by the Company - Local / State / National / International: National & International

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 4,130.53 crore
2. Total turnover (INR) : ₹ 66,267.30 crore
3. Total Profit after taxes (INR) : ₹ 2,178.82 crore
4. **Total spending on CSR as% of Profit after Tax(%):**

   The Company incurred losses during the Financial Years 2015-16 to 2017-18. As such, it was not required to incur expenditure on CSR activities during Financial Year 2018-19. However, as a responsible Corporate Citizen, the Company fulfilling its obligations towards CSR initiatives, spent ₹ 31.18 crore during 2018-19 on CSR activities.
5. **List of activities in which expenditure in 4 above has been incurred:**
   - A) Promotion of Healthcare including Drinking Water facilities and Sanitation
   - B) Promotion of Education, Income Generation & Skill/Vocational Training
   - C) Empowerment of Women, Care for Sr. Citizens and Differently-abled persons
   - D) Environmental Sustainability
   - E) Promotion of Art & Culture
   - F) Promotion of Sports
   - G) Rural Development: Infrastructure Development

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**
   - A. SAIL Refractory Company Limited.
   - B. SAIL Jagdishpur Power Plant Limited. (Under Process of Striking Off)
   - C. SAIL Sindri Projects Limited. (Under Process of Striking Off)
   - D. Chhattisgarh Mega Steel Limited.
   - E. 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:**
   - a) Details of the Director / Directors responsible for BR policy/policies:
     - DIN Number 07957068
     - Name: Shri Atul Srivastava
     - Designation: Director (Personnel)
     - Details of the BR head

Sl.No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	M.B. Balakrishnan
3	Designation	Company Secretary
4	Telephone number	011-24368105
5	e-mail id	Secy.sail@sailex.com

2. **Principal-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for......	Y	Y The Company has Quality and Environment policies which ensure production of safe and sustainable products.	Y	Y This is included in Company's Code of Conduct , HR policies and various other HR practices	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	–	Y	Y	–	Y	–	Y	–
3	Does the policy conform to any national / international standards?	Y	–	Y	N	–	Y	–	Y	–
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Directors?	Y	–	Y	Y	–	Y	–	Y	–
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	–	Y	Y	–	Y	–	Y	–
6	Indicate the link for the policy to be viewed online?	–	–	–	@	–	*	–	@	–
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	–	Y	Y	–	Y	–	Y	–
8	Does the Company have in-house structure to implement the policy/policies?	Y	–	Y	Y	–	Y	–	Y	–
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	–	Y	N	–	N	–	N	–
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	–	N	N	–	Y	–	Y	–

2a. if answer to Sl. No. 1 against any principle , is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	–	–	–	–	–	–	–	–	–
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	–	–	–	–	–	–	–	–	–
3	The Company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–
4	It is planned to be done within next six months	–	–	–	–	–	–	–	–	–
5	It is planned to be done within next one year	–	–	–	–	–	–	–	–	–
6	Any other reason (Please specify)	–	–	–	–	–	–	The Company has leadership position in the steel sector and has a record of pioneering achievements which has benefitted Steel Industry of the country at large by having dialogue with MoS, GoI. Therefore need for formal policy has not been felt.		The Company has systems and procedures to assess customer needs and addressing them. The Customer Satisfaction Index is calculated based on the feedback from customers on a regular basis and system for customer complaint redressal is also in vogue.

* - http://sail.co.in/pdf/corporateenvironmentalpolicy.pdf
@ - http:// sail.co.in/pdf/csrpolicy.pdf

- **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?**

   No, 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, Burnpur, 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 842 complaints from various sources including those referred by Central Vigilance Commission and Ministry of Steel were received in SAIL Vigilance during 2018-19. 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.**

   i) High Strength IPE600 Structural without Micro-alloying were developed for conservation of micro-alloying elements like Nb, V and Ti and also the use of high strength steels will entail lower sections in the design of structures that will lead to the use of less amount of steel leading to the use of fewer amounts of raw materials/resources and lower energy consumption required for the production of the steel. This will have direct impact on environment in terms of mining, lower pollution levels, etc.

   ii) IS 2062E250 BR NPB200 & MB300 Structural sections were developed for increasing efficiency and safety of the structure by providing optimum sectional profile for a given strength and intended application. The aim is to reduce overall weight of the structure by providing lighter and efficient section. This helps to conserve natural resources and energy sources without sacrificing desired safety of structure.

   iii) IS 2062 E250 BR MB250 & NPB250 Structural sections were developed for increasing efficiency and safety of the structure by providing optimum sectional profile for a given strength and intended application. The aim is to reduce overall weight of the structure by providing lighter and efficient section. This helps to conserve natural resources and energy sources without sacrificing desired safety of structure.

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)	3.44	3.62
Particulate Matter Emission Load (Kg/TCS)	0.70	0.74
Coke Rate (kg/THM)	453	456

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

   The information is not available.

3. **Does the Company have procedures in place of sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   In addition to regular supplies from captive mines of SAIL, certain key input materials like coking coal, fluxes (limestone, dolomite), etc. are sourced either through competitive buying or long term agreements with established 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 MSEs.

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 slag, flue dust, waste refractory bricks, etc. based on 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 its further use as input material to cement industry. On the other hand, BOF slag is utilised through sinter making to a limited extent and as a partial substitute of limestone in blast furnace for iron making. Further, BOF slag is utilized internally for road making and also as rail track ballasts inside Plant premises. During 2018-19, 95.89% of BF slag and 55.94% of BOF slag were utilised.

   Other 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 Environmental Policy of SAIL and several initiatives have accordingly been adopted to maximise utilisation of solid wastes arising from various operations.

   During 2018-19, around 23% of solid wastes were re-cycled/reused out of 85.17% of solid wastes utilisation. 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 01.04.2019 total number of employees in SAIL: 72339 (Executives:11851; Non-Executives: 60488)

2. **Please indicate the total no. of employees hired on temporary/contractual/ casual basis.**

   As on 01.04.2019, number of contract labour engaged at SAIL Plants/Units: 69121

3. **Please indicate the Number of permanent women employees.**

   As on 01.04.2019, permanent women employees in SAIL: 4157 (Executives: 913; Non-Executives: 3244)

4. **Please indicate the Number of permanent employees with disabilities.**

   As on 01.04.2019, total no. of permanent employees with disabilities in SAIL Plants/ Units: 782 (Executives :132; Non-Executives: 650)

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 Year 2018-19	No. of complaints pending at end of the Financial Year
Child/Forced/Involuntary Labour	Nil	Nil
Sexual Harassment	7	2
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 each individual in the organisation is assessed. Under the Performance Management System, each executive is asked to inform the Management as to what training needs are to be given to him/her to help him/her perform his/her duties in a better way.

   Also occupational training, safety and skill up-gradation training (technical/ managerial / functional) are imparted to all permanent employees including female employees and differently-abled employees. During the year 2018-19, total 44,369 (61 % of total employees) regular employees were trained on various safety & skill up-gradation related programme. SAIL is in the process of implementation of current Modernization & Expansion Programme wherein contractual workers are engaged in various activities. 100 % of contractual workers are given safety awareness training which is mandatory for issuing gate pass for entry to Plant premise. Skill up-gradation of contractual worker 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 the treatment and rights available to stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Some of the special initiatives undertaken by the Company are :

   i) In an attempt to bring the future generations of tribals to the mainstream, about 524 tribal children are being provided free Education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere at Gyanodya Chatrawas, Bhilai & BSP School Rajhara, Birhors (a tribe near extinction) under Gyanjyoti Yojna at Bokaro, Saranda Suvan Chhatravas, Kiriburu, RTC Residential Public School, Manoharpur Ore Mines.

   ii) Eklavya Archery Academy set up at Kiriburu mines is providing sports platform to 21 youths (09 girls & 12 boys) from neighbouring tribal belt, who are undergoing rigorous 'Modern Recurve Archery' coaching free of cost. RMD is providing them free schooling, hostel, food, and other facilities along with the sports coaching. The Cadets have brought laurels proving their might in national and international championships.

   iii) With the objective to facilitate homely environment with honour and respect, 34 senior citizens have been accommodated at Siyan Sadan in 20 fully-furnished rooms with recreational facilities. Bhilai Steel Plant is arranging daily meals, regular health check-ups, cultural programs like Kavi Sammelan, Musical Evening, Bhajan Sandhya and festival celebrations for welfare and recreation of these elderly inmates.

Principle 5: Business should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well as 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?**

   18 number of complaints were received from the stakeholders during 2018-19 and all the complaints were resolved during 2018-19.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy of the related Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs and others?**

   Policy and Strategy formulation at SAIL is a well-structured process guided by Company's Vision and Credo. Elements of Sustainability are ingrained in SAIL's vision, strategies, and policies. The basket of policies includes Quality, Environmental, and Safety, etc. all of which encompass concepts of Sustainability. The policies on Human Resource, Occupational Health and Safety, Communication, Maintenance, Township, Energy Management and Social Accountability, etc. at the Plant level also promote concept of Sustainable Development.

   The Corporate Environmental Policy of SAIL affirms to maintain a clean and sustainable environment in and around its Plants and Mines through sound environmental practices in all its activities, through adoption of cleaner and energy-efficient technologies, restore the mined out landscapes and abandoned sites ecologically. 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 and revamping of existing pollution control systems, etc. All these efforts, with a special thrust on adoption of cleaner and energy -efficient technologies, have achieved a reduction in specific carbon dioxide emission by around 3% during the last five years.

   SAIL intends to assess its carbon footprint and potential of sequestration of CO_2 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 CO_2 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 eight 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 cum expansion program for availing the Clean Development Mechanism (CDM) benefits. Out of that, six projects as given below were validated as Verified Emission Reduction (VER) projects under the guidance of the VCS and ISO Standards:

1. Introduction of Blast furnace gas firing system in Boiler No.6 of PBS (PP-1) at Bhilai Steel Plant.
2. Introduction of Blast furnace gas firing system in Boiler Unit B of Power Plant at IISCO Steel Plant.
3. Installation of Multi-slit Burners in both the strands of Sinter Plant-I at Rourkela Steel Plant.
4. Heat recovery system from sinter cooler of Sinter Plant 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 CO_2 equivalent carbon credits have accrued.

It's a voluntary approach. So, there is as such no mandatory requirement to file its compliance.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyper link for web page etc.

Yes. The Company has already implemented latest state-of-the-art clean technologies vis-à-vis energy-efficient technologies during the modernization cum 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.

Solar panels of the Power Plant at RSP.

As a corporate entity, SAIL is promoting use of renewable energy at its Plants and Units. Following projects have already been implemented in recent years:

- 1 MW ground mounted Solar Power Plant connected with electrical grid system of the State Electricity Board at RSP.
- 3 MW roof top solar power units on various buildings at Plants and Units.

In addition, the following projects/schemes for harnessing renewable energy are under progress:

- 10 MW Hydel power plant at Mandira Dam, RSP, for which a Joint Venture Agreement was signed between RSP and 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.

SAIL has also set a target of generating approximately 240 MW of renewable energy at 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.

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.

Two directions from the Central Pollution Control Board (CPCB) were received by two different Plants during the Financial Year 2018-19. Time bound action plans have been made in consultation with the respective authorities and the conditions of both 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 a Member of:

A. Federation of Indian Chambers for Commerce and Industry (FICCI)
B. Associated Chambers of Commerce and Industry of India (ASSOCHAM)
C. Centre for Organisation Development(COD)
D. All India Management Association (AIMA)
E. Consultancy Development Centre (CDC)
F. Forum of Women in Public Sector (WIPS)
G. Indian Institute of Metals (IIM)
H. Indian Institute of Plant Engineers (IIPE)
I. Indo USSR Chamber of Commerce and Industries (IUCCI)
J. Institute of Public Enterprises (IPE)
K. Institute of Rail Transport (IRT)
L. Project Management Associate (PMA)
M. The Energy and Research Institute (TERI)
N. World Confederation of Productivity Science (WCPS)
O. Standing Conference of Public Enterprises (SCOPE)
P. Indian Steel Association (ISA)
Q. Indian Society for Training and Development (ISTD)
R. All India Organisation of Employers (AIOE)

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 produce social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins with being aware of the impact of its business on society.

With the underlying philosophy and a credo to make a meaningful difference in people's lives, SAIL has been structuring and implementing CSR initiatives right from the inception. These efforts have seen the erstwhile obscure villages, where SAIL Plants are located, turn into industrial hubs today.

SAIL's CSR initiatives are undertaken in conformity to 'The Companies Act, 2013' and CSR Rules, 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, 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 level CSR Committee, 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, CSR Rules and CSR Policy of the Company.

Since CSR projects are long term/continuous in nature like providing education, healthcare, mid-day meals, sustainable livelihood generation through Self-Help Groups (SHGs), etc., some of the projects are implemented through specialised agencies, depending on 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 RamaKrishna Mission, etc.

Except in cases where financial assistance is provided for a specific CSR project proposed by a specific agency, the external implementation partner having strong credentials & 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 done through external professional agencies in the years 2015 and 2016.

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 net profit 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 2016-17 are as follows:

(₹ crore)

Year	CSR Allocation	CSR Expenditure
2016-17	29.34 (includes unspent amount of ₹24 crs. of FY 2015-16)	29.05
2017-18	26.00 (includes unspent amount of ₹0.29 crs. of FY 2016-17)	25.70
2018-19	30.00 (includes unspent amount of ₹0.30 crs. of FY 2017-18)	31.18

Apart from the exclusive CSR budget, SAIL also spends to the tune of ₹350 crores annually for providing social facilities to Non-SAIL populace residing in the peripheral areas of SAIL Plants/Units, either free or at a very nominal cost, such as Healthcare, Education, Sanitation, Drinking water availability, 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.

The details of CSR activities undertaken are as follows:

SAIL had achieved 100% compliance by construction of 672 toilets in schools without toilets/having dysfunctional toilets falling within the peripherals of SAIL Plants & Units acknowledging the Prime Minister's ambitious drive for promotion of sanitation and hygiene in remote areas, under "Swachch Vidyalay Campaign".

SAIL is providing healthy & nutritious Mid-Day Meals to around 64,000 students daily in more than 600 Govt. schools in Bhilai and Rourkela, in association with the Akshya Patra Foundation.

Education: In order to develop the society through education, SAIL is supporting over 77 schools within and outside its steel townships to provide modern education to more than 40,000 children. Special Schools (Kalyan Vidyalaya) for BPL category students are run at integrated steel plant locations with facilities of free education, mid-day meals, uniforms, shoes, text books, stationary items, school bag, water bottles and transportation under CSR.

Healthcare: SAIL's extensive & specialised Healthcare Infrastructure provided basic and specialized healthcare to about 1.72 crore people living in the vicinity of its Plants/Units during the period 2011-18.

About 3050 health camps have been organised for providing medical facilities like free health check-up, lab investigations, medicine, immunization, at the doorsteps of over 60,000 natives and through Ambulances/MMUs among 44,000 villagers during Financial Year 2018-19.

Vocational and specialised skill development trainings have been imparted to 710 village youths & 1168 women folk in 2018-19 in industrial & agriculture techniques, soft skills, handlooms, empowering them to bond with the mainstream. About 816 rural youths have been sponsored for ITI trainings at various ITIs.

Rural Development: Over 79.03 Lakh people across 450 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 8176 water sources have been installed during last five years thereby enabling easy access to drinking water to about 50 lakh people living in far-flung areas.

Environment Sustenance: SAIL is maintaining parks, water bodies & botanical gardens in its townships and plantation & maintenance of over 5 Lakh trees at various locations has also been carried out for environment conservation.

Sports, Art & Culture: SAIL is regularly organizing inter-village sports tournaments, extending support to major national sports events & tournaments. Also, supporting and coaching aspiring sportsmen and women through its residential sports academies at Bokaro (Football), Rourkela (Hockey), Bhilai (Athletics for boys), Durgapur (Athletics for girls) and Kiriburu, Jharkhand (Archery).

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

SAIL Plants/Units have always conducted informal stakeholder engagements in their respective areas. This exercise supports in identifying their needs, local issues requiring attention and intervention. For peripheral villages, dialogues are normally held with the local representatives 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?

No customer complaints were pending with the Company in the beginning of the financial year 2018-19. During the year, a total of 2,497 complaints were received from various customers, out of which 2466 complaints were satisfactorily settled within the year and 31 complaints (about 1.24%) were pending at the end of the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

SAIL provides detailed Test Certificates to customers with each supply. Packet/ Coil/Heat number, size, quality of the Item is displayed on the label for source authentication. In case of branded products, product brand is also displayed.

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

As at 31st March, 2019

(₹ crore)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	**59922.27**	57169.57
(b) Capital work-in-progress	5	**16013.61**	18395.43
(c) Investment Property	6	**1.09**	0.83
(d) Intangible assets	7	**1451.14**	1455.03
(e) Investments accounted for using the equity method		**2839.60**	2555.01
(f) Financial assets			
(i) Investments	8	**135.23**	73.85
(ii) Trade receivables	9	**-**	-
(iii) Loans	10	**563.98**	448.28
(iv) Other financial assets	11	**254.87**	162.64
(g) Deferred tax assets (net)	12	**2866.77**	4161.98
(h) Current tax assests (net)	13	**154.09**	190.39
(i) Other non-current assets	14	**1356.60**	1078.54
		85559.25	85691.55
Current Assets			
(a) Inventories	15	**19510.33**	17024.30
(b) Financial assets			
(i) Trade receivables	16	**4497.48**	3870.99
(ii) Cash and cash equivalents	17 (i)	**65.58**	94.00
(iii) Other bank balances	17 (ii)	**222.11**	251.55
(iv) Loans	18	**54.04**	63.92
(v) Other financial assets	19	**2161.21**	2772.38
(c) Other current assets	20	**5870.83**	5639.78
		32381.58	29716.92
Assets classified as held for sale	21	**11.47**	32.50
TOTAL ASSETS		**117952.30**	115440.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	**4130.53**	4130.53
(b) Other equity	23	**35515.62**	32816.12
(c) Non-controlling interest		**0.01**	0.01
		39646.16	36946.66
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**30802.66**	29777.16
(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		**6.82**	6.38
(iii) Other financial liabilities	26	**1330.62**	1179.36
(b) Provisions	27	**4295.64**	3974.42
(c) Other non-current liabilities	28	**253.19**	138.33
		36688.93	35075.65
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	**10631.22**	12244.32
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		**67.45**	48.22
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**7157.79**	7478.42
(iii) Other financial liabilities	31	**14738.09**	14190.32
(b) Other current liabilities	32	**6707.26**	7144.75
(c) Provisions	33	**2315.40**	2312.63
(d) Current tax liabilities (net)	33a	**-**	-
		41,617.21	43,418.66
TOTAL EQUITY AND LIABILITIES		**117952.30**	115440.97
Significant Accounting Policies	3		

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Shrenik Mehta]
Partner
M. No. 063769

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[Bedanta Bhattacharya]
Partner
M. No. 060855

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/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2019

(₹ crore)

	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Revenue from operations	34	**66973.58**	58966.16
Other income	35	**494.52**	415.19
Total Income		**67468.10**	59381.35
Expenses			
Cost of materials consumed	36	**32402.97**	26737.90
Changes in inventories of finished goods and work in progress	37	**(2716.16)**	1138.82
Excise duty		**-**	1406.14
Employee benefits expense	38	**8849.10**	8865.87
Finance costs	39	**3154.92**	2822.75
Depreciation and amortisation expense		**3385.34**	3065.97
Other expenses	40	**18676.16**	16181.82
Total expenses		**63752.33**	60219.27
Profit/(Loss) before Exceptional items, share of net profits of investment accounted for using equity method and tax		**3715.77**	(837.92)
Share of Profit/(Loss) in investments accounted for using equity method		**222.87**	284.86
Profit/(Loss) before Exceptional items and tax		**3938.64**	(553.06)
Less: Exceptional items	41	**389.40**	(26.43)
Profit/(Loss) before tax		**3549.24**	(526.63)
Tax expense			
Current tax		**8.67**	7.06
Deferred tax		**1,186.99**	(287.90)
Earlier years		**4.87**	35.61
Total tax expense		**1,200.53**	(245.23)
Profit/(Loss) for the year		**2348.71**	(281.40)
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**330.01**	275.32
Gain and losses from investments in equity instruments designated at fair value through OCI		**57.96**	8.79
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(128.82)**	(97.80)
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		**95.75**	0.49
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
Other Comprehensive Income/(Loss) for the year		**354.90**	186.80
Total Comprehensive Income/(Loss) for the year		**2703.61**	(94.60)
Profit attributable to owners			
Owners of the parent		**2348.71**	(281.40)
Non-controlling interest		**-**	-
		2348.71	(281.40)
Total Comprehensive Income/(Loss) for the year			
Owners of the parent		**2703.61**	(94.60)
Non-controlling interest		**-**	-
		2703.61	(94.60)
Earnings per equity share			
Number of equity shares (face value ₹ 10/- each)		**4130525289**	4130525289
Basic and diluted earnings per share (₹)	41A	**5.69**	(0.68)

Significant Accounting Policies 3

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

For and on behalf of Board of Directors

Sd/- **(M.C. Jain)** *ED (F&A) and Company Secretary*	Sd/- **(Anil Kumar Chaudhary)** *Chairman* DIN: 03256818

In terms of our report of even date

For Singhi & Co. *Chartered Accountants* Firm Registration No.302049E	**For Chatterjee & Co.** *Chartered Accountants* Firm Registration No.302114E	**For V K Dhingra & Co.** *Chartered Accountants* Firm Registration No.000250N	**For A K Sabat & Co.** *Chartered Accountants* Firm Registration No.321012E
Sd/- **[Shrenik Mehta]** Partner M. No. 063769	Sd/- **[Bedanta Bhattacharya]** Partner M. No. 060855	Sd/- **[Vipul Girotra]** Partner M. No. 084312	Sd/- **[A K Sabat]** Partner M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2019

A. Equity Share Capital (₹ crore)

Particulars	Balance as at 1st April, 2017	Changes in equity share capital	Balance as at 31st March, 2018
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12
	Balance as at 1st April, 2018	**Changes in equity share capital**	**Balance as at 31st March, 2019**
Equity shares with voting rights	4,130.41	-	4,130.41
Equity shares without voting rights	0.12	-	0.12

B. Other Equity (₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve				
	Capital Reserve	Securities Premium	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Investment accounted for as equity method	Total other equity	Non-controlling interest	Total
Balance as at 1st April, 2017	504.33	235.10	5,102.76	1,973.64	25,041.72	2.80	51.38	32,911.73	0.01	32,911.74
(Loss) for the year	-	-	-	-	(281.40)	-	-	(281.40)	-	(281.40)
Other comprehensive income/(loss) for the year	-	-	-	-	177.52	8.79	0.49	186.80	-	186.80
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(103.88)**	**8.79**	**0.49**	**(94.60)**	**-**	**(94.60)**
Transfer from bond redemption reserve	-	-	-	(239.75)	239.75	-	-	-	-	-
Transfer to bond redemption reserve	-	-	-	606.80	(606.80)	-	-	-	-	-
Transfer to general reserve	-	-	1.38	-	(1.38)	-	-	-	-	-
Changes due to additional investment in joint ventures	6.59	-	-	-	-	-	-	6.59	-	6.59
Transaction with owners in their capacity as owners										-
Dividends	-	-	-	-	(6.31)	-	-	(6.31)	-	(6.31)
Tax on dividends	-	-	-	-	(1.28)	-	-	(1.28)	-	(1.28)
Transaction with non-controlling interest	-	-	-	-	(0.01)	-	-	(0.01)	-	(0.01)
Balance as at 31st March, 2018	**510.92**	**235.10**	**5,104.14**	**2,340.69**	**24,561.81**	**11.59**	**51.87**	**32,816.12**	**0.01**	**32,816.13**
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**
(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**

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E
Sd/-
[Shrenik Mehta]
Partner
M. No. 063769

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[Bedanta Bhattacharya]
Partner
M. No. 060855

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/-
[A K Sabat]
Partner
M. No. 030310

Place : New Delhi
Dated : May 30, 2019

Cash Flow Statement

For the year ended 31st March, 2019

(₹ crore)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**3549.24**	(526.63)
Adjustments for:		
Depreciation and amortisation expenses	**3385.34**	3065.97
Loss/(Gain) on disposal of fixed assets (net)	**45.27**	72.80
Interest income	**(128.32)**	(9.79)
Dividend income	**(1.73)**	(1.85)
Finance costs	**3113.23**	2822.75
Unrealised Loss/(Gain) on foreign exchange fluctuations	**41.69**	-
Bad debts and provision for doubtful advances/receivables	**65.12**	85.42
Other provisions	**177.52**	130.78
Share of profit from joint ventures	**(222.87)**	(284.86)
Unclaimed balances and excess provisions written back	**(146.86)**	(172.26)
Operating Profit/(Loss) before working capital changes	**9877.63**	5182.33
Changes in assets and liabilities:		
Trade receivables	**(677.57)**	(849.46)
Loans, other financial assets and other assets	**(38.00)**	(1747.53)
Trade payable	**(300.96)**	2307.25
Other financial liabilities, other liabilities and provisions	**999.82**	2813.91
Inventories	**(2647.93)**	(1405.91)
Cash flow from operating activities post working capital changes	**7212.99**	6300.59
Income tax paid (net)	**2.16**	(137.05)
Net cash flow from operating activities (A)	**7215.15**	6163.54
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(3981.19)**	(6757.62)
Proceeds from sale/disposal of property, plant & equipment	**100.71**	153.09
Purchase of current and non-current investments	**26.50**	126.65
Movement in fixed deposits (net)	**29.44**	(13.36)
Interest received	**128.32**	9.79
Dividend received	**1.73**	1.85
Net cash flows/(used) in investing activities (B)	**(3694.49)**	(6479.60)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	**1374.42**	10689.68
Proceeds from short-term borrowings (net)	**(1613.10)**	(7568.72)
Finance cost paid	**(3310.40)**	(2851.54)
Net cash flows/(used) in financing activities (C)	**(3549.08)**	269.42
Increase in cash and cash equivalents (A+B+C)	**(28.42)**	(46.64)
Cash and cash equivalents at the beginning of the year	**94.00**	140.64
Cash and cash equivalents at the end of the year (Note No. 17(i))	**65.58**	94.00

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. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(₹ crore)

			Non cash changes		
	As at 31.03.2018	**Cash Flows**	**Fair Value Changes**	**Current/Non Current Classification**	**As at 31.03.2019**
Borrowings - Non Current	29777.16	1,303.22	3,329.99	(3,607.71)	30802.66
Current Maturities of Long Term Debt	3271.71	(3,271.71)	-	3607.71	3607.71
Borrowings - Current	12244.32	(1,223.77)	(389.33)	-	10631.22

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

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

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

In terms of our report of even date

For Singhi & Co.
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Firm Registration No.302049E
Sd/-
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M. No. 084312

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

Place : New Delhi
Dated : May 30, 2019

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

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 it's subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), it's joint ventures and it's associate is engaged primarily in steel manucturing business in the country.

General information and statement of compliance with Ind AS

The consolidated financial statements of the Group and joint ventures & associates have been prepared in accordance with the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')). The Group and joint ventures & associates have uniformly applied the accounting policies during the periods presented.

The consolidated financial statements for the year ended 31st March, 2019 were authorized and approved by the Board of Directors on 30th May, 2019.

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 Compresensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March, 2019.

The Group consolidate the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates and joint ventures

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- Joint ventures - Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.
- Joint operations - The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognise the gain directly in equity as capital reserve, without routing the same through OCI.

Where settlement of any part of cash consideration is deferred, the amount payable in future is discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which the similar borrowing could be obtained from an independent financier under comparable terms and condition.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

c) Current versus Non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

2.1 Functional and Presentation Currency

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

2.2 Use of Estimates and Management Judgement

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

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

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Depreciation

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

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

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

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

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

Depreciation on Bhilai Expansion Power Project (pp-II) located at Bhilai is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the 'Companies Act, 2013.

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

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

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

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

Other Intangible Assets

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

Research and development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,

- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

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

3.5 Borrowing costs

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

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

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

3.6 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

i) the issue of bill of lading, or

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

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

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

Interest and dividend income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

Group as a Lessee

Finance leases

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

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

Operating leases

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

Group as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

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

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

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

3.16 Mine Closure

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

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Segment reporting

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

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

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements.

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

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

3.21 Equity and Reserves

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

Other components of equity include the following:

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

3.22 Financial Instruments

Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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

Financial assets at FVTPL

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

Financial assets at FVOCI

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

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

Classification and subsequent measurement of financial liabilities

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

Embedded Derivatives

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

Impairment of Financial Assets

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

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

Trade Receivables

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

Other Financial Assets

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

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

3.23.1 Classification of Leases

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

3.23.2 Close-down and Restoration Obligations

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

3.23.3 Recognition of Deferred Tax Assets

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

3.23.4 Inventories

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

3.23.5 Defined Benefit Obligation (DBO)

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

3.23.6 Fair Value Measurements

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

3.23.7 Provisions and Contingencies

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

3.23.8 Mines Closure and Restoration Obligations

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

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

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

	Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2018	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A.	**Plant, Mines & Others**										
	Land										
	-Freehold land	296.75	13.33	-	310.08	0.87	(0.02)	-	0.85	309.23	295.88
	-Leasehold land	1275.96	26.19	4.27	1297.88	284.54	143.61	3.97	424.18	873.70	991.42
	Buildings and related equipments	5299.93	55.43	151.02	5204.34	1793.57	168.15	(1.45)	1963.17	3241.17	3506.36
	Plant and machinery										
	-Steel plant	76201.26	5840.00	156.16	81885.10	28346.52	2593.05	170.42	30769.15	51115.95	47854.74
	-Others - owned	3072.63	99.35	51.74	3120.24	2011.72	121.80	53.48	2080.04	1040.20	1060.92
	-Others - Leasehold (Refer note (ii))	1616.86	41.36	-	1658.22	763.40	105.79	-	869.19	789.03	853.46
	Furniture and fixtures	130.74	5.27	(0.56)	136.57	97.57	6.37	(1.34)	105.28	31.29	33.17
	Vehicles	1355.52	30.64	9.13	1377.03	822.12	67.73	8.78	881.07	495.96	533.40
	Office equipments	62.00	0.90	0.74	62.16	50.28	2.44	0.67	52.05	10.11	11.71
	Miscellaneous articles	347.94	21.62	4.21	365.35	222.98	15.11	3.57	234.52	130.83	124.96
	Roads, Bridges & Culverts	401.30	35.65	0.52	436.43	255.99	38.00	0.18	293.81	142.62	145.31
	Water Supply & Sewerage	629.75	37.35	0.93	666.17	344.06	38.01	0.93	381.14	285.03	285.69
	EDP Equipments	420.25	15.10	2.70	432.65	364.89	11.47	2.47	373.89	58.76	55.37
	Railway Lines and Sidings	809.72	31.55	(2.79)	844.06	251.99	20.57	0.09	272.47	571.59	557.73
	Sub-total 'A'	**91920.61**	**6253.74**	**378.07**	**97796.28**	**35610.50**	**3332.08**	**241.77**	**38700.81**	**59095.47**	**56310.12**
	Figures for the previous year	81112.30	11435.50	627.19	91920.61	33077.03	2969.82	436.35	35610.50	56310.12	
B.	**SOCIAL FACILITIES**										
	Land										
	-Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
	-Leasehold land	10.00	-	-	10.00	6.08	0.12	-	6.20	3.80	3.92
	Buildings and related equipments	745.35	15.34	0.02	760.67	334.66	27.04	0.04	361.66	399.01	410.69
	Plant and machinery - others	176.11	4.64	0.19	180.56	104.89	6.99	0.18	111.70	68.86	71.22
	Furniture and fixtures	26.75	0.67	0.75	26.67	20.47	1.30	0.47	21.30	5.37	6.28
	Vehicles	11.27	0.10	0.14	11.23	10.03	0.22	0.18	10.07	1.16	1.24
	Office equipments	4.51	0.09	0.06	4.54	3.89	0.17	0.04	4.02	0.52	0.62
	Miscellaneous articles	231.23	8.45	2.60	237.08	145.18	12.00	2.32	154.86	82.22	86.05
	Roads, Bridges & Culverts	135.96	5.28	-	141.24	98.60	11.83	-	110.43	30.81	37.36
	Water Supply & Sewerage	300.85	3.09	0.05	303.89	131.27	7.93	(0.43)	139.63	164.26	169.58
	EDP equipments	11.38	0.74	1.12	11.00	9.81	0.38	1.03	9.16	1.84	1.57
	Sub-total 'B'	**1664.30**	**38.40**	**4.93**	**1697.77**	**864.88**	**67.98**	**3.83**	**929.03**	**768.74**	**799.42**
	Figures for the previous year	1492.67	177.50	5.87	1664.30	809.83	59.40	4.35	864.88	799.42	
C.	**Property, plant and equipment retired from active use**										
	Assets retired from active use	60.03	6.61	8.58	58.06	-	-	-	-	58.06	60.03
	Figures for the previous year	58.29	35.27	33.53	60.03	-	-	-	-	60.03	
	Total ('A'+'B'+'C')	**93644.94**	**6298.75**	**391.58**	**99552.11**	**36475.38**	**3400.06**	**245.60**	**39629.84**	**59922.27**	**57169.57**
	Figures for the previous year	82663.26	11648.27	666.59	93644.94	33886.86	3029.22	440.70	36475.38	57169.57	

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

		As at 31st March, 2019	At at 31st March, 2018
Note : Allocation of Depreciation of PPE, Intangible assets and Investment property			
(a)	Charged to Profit & Loss Account	**3385.34**	3065.97
(b)	Amortisation on stamp duty and registration charges-refer note 41	**52.91**	-
(c)	Charged to expenditure during construction	**4.04**	4.15
		3442.29	3070.12

(i) Contractual obligations

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

(ii) Land:

(a) Includes 67,305.79 acres (68,019.40 acres as on 31st March, 2018) owned / possessed / taken on lease by the parent Company, in respect of which title/lease deeds are pending for registration.

(b) Includes 34,484.73 acres (34,576.05 acres as on 31st March, 2018) in respect of which title is under dispute.

(c) 9,737.83 acres (9367.80 acres as on 31st March, 2018) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 5,832.01 acres (6187.95 acres as on 31st March, 2018) given on lease to various agencies/employees/ex-employees.

(e) Includes 4474.75 acres (4,070.09 acres as on 31st March, 2018) under unauthorised occupation.

(f) 1,770.89 acres (1,762.92 acres as on 31st March, 2018) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹ 53.70 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹ 13.91 crore only for 15.62 acres. Remaining 5.51 acres are under dispute. Pending approval from Ministry of Steel, Government of India, no effect of above has been given in the accounts.

(i) 1000.00 acres (836.00 acres as on 31st March, 2018) given to M/s. Bokaro Power Supply Co. Pvt. Ltd. (BPSCL) under right to use.

(j) Included in the land,1.8955 acres acquired by dedicated Freight Corridor Corporation of India Limited vide notification number SO 1125(E) dated 27.04.2015.

Necessary accounting will be done on approval of acquisition by Board of Directors and determination of sale consideration.

(k) ₹ 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.

(iii) Other Assets:

(a) Buildings include net block of ₹ 20.15 crore as on 31st March, 2019 (₹ 21.23 crore as on 31st March, 2018) for which conveyance deed is yet to be registered in the name of the parent Company.

(b) Includes 6,095 (7107 as on 31st March, 2018), residential quarters/houses under unauthorised occupation.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018	
5: CAPITAL WORK IN PROGRESS					
Steel Plants & Units		**15785.16**		18168.23	
Township		**100.95**		91.56	
Ore Mines and Quarries		**340.08**		314.32	
		16226.19		18574.11	
Less: Provisions		**236.13**	**15990.06**	215.26	18358.85
Construction stores and spares		**19.95**		24.65	
Less: Provision for non-moving items		**3.24**	**16.71**	3.18	21.47
Expenditure during construction pending allocation (Note 5.1)			**6.84**		15.11
			16013.61		18395.43

5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION

Opening balance	**(a)**		**15.11**		11.09
Expenditure incurred during the year					
Employees' Remuneration & Benefits					
Salaries & Wages		**79.29**		90.30	
Company's contribution to provident fund		**3.46**		3.86	
Travel concession		**2.42**		2.96	
Welfare expenses		**0.07**		0.07	
Gratuity		**1.14**	**86.38**	3.53	100.72
Other expenses					
Technical consultants' fees & know-how		**3.11**		4.47	
Power & Fuel		**76.25**		76.29	
Other expenses		**2.92**		6.19	
Interest & Finance charges		**703.74**		668.52	
Depreciation		**4.04**	**790.06**	4.15	759.62
			876.44		860.34
Less: Recoveries					
Interest Earned		**0.01**		0.27	
Liquidated damages		**-**		0.22	
Hire charges		**0.29**		0.45	
Sundries		**2.68**	**2.98**	8.86	9.80
Net expenditure during the year	**(b)**		**873.46**		850.54
	Total (a)+(b)		**888.57**		861.63
Less : Amount allocated to Property, plant and equipment / Capital Work-in-progress			**881.73**		846.52
Balance carried forward			**6.84**		15.11

6: INVESTMENT PROPERTIES

(₹ crore)

	Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2018	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A.	**BUILDINGS**										
	Buildings	1.45	0.49	-	1.94	0.62	0.03	(0.20)	0.85	1.09	0.83
	Sub-total 'A'	**1.45**	**0.49**	**-**	**1.94**	**0.62**	**0.03**	**(0.20)**	**0.85**	**1.09**	**0.83**
	Figures for the previous year	1.45	-	-	1.45	0.59	0.03	-	0.62	0.83	

(i) Contractual obligations

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

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

(₹ crore)

	As at 31st March, 2019	At at 31st March, 2018
Rental income	**1.70**	1.52
Direct operating expenses that generated rental income*		
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment properties before depreciation	**1.70**	1.52
Depreciation	**0.03**	0.03
Profit from leasing of investment properties	**1.67**	1.49

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

(iii) Leasing arrangements

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

(₹ crore)

	As at 31st March, 2019	At at 31st March, 2018
Within one year	**1.55**	1.37
Later than one year but not later than 5 years	**6.22**	5.42
Later than 5 years	**3.45**	4.11
	11.22	10.90

(iv) Fair value

Fair value of Investment properties as on 31st March, 2019 is ₹30.71 crore (₹20.53 crore as on 31st March, 2018)

(v) Estimation of fair value

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

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

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

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

7: INTANGIBLE ASSETS

(₹ crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION**				NET BLOCK	
	As at 31st March, 2018	Additions/ Adjustments	Disposals/ Adjustments	As at 31st March, 2019	Up to 31st March, 2018	For the Year	Disposals/ Adjustments	Up to 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A. PLANTS, MINES & OTHERS										
Computer Software*	103.28	0.48	-	103.76	98.81	1.16	0.01	99.96	3.80	4.47
Mining Rights	1792.32	31.12	-	1823.44	342.17	40.94	6.73	376.38	1447.06	1450.15
Sub-total 'A'	**1895.60**	**31.60**	**-**	**1927.20**	**440.98**	**42.10**	**6.74**	**476.34**	**1450.86**	**1454.62**
Figures for the previous year	1923.52	9.62	37.54	1895.60	401.02	40.76	0.80	440.98	1454.62	
B. SOCIAL FACILITIES										
Computer Software*	1.08	-	-	1.07	0.69	0.10	-	0.79	0.28	0.41
Sub-total 'B'	**1.08**	**-**	**-**	**1.07**	**0.69**	**0.10**	**-**	**0.79**	**0.28**	**0.41**
Figures for the previous year	1.10	-	0.02	1.08	0.57	0.12	-	0.69	0.41	
Total ('A'+'B')	**1896.68**	**31.60**	**-**	**1928.27**	**441.67**	**42.20**	**6.74**	**477.13**	**1451.14**	**1455.03**
Figures for the previous year	1924.62	9.62	37.56	1896.68	401.59	40.88	0.80	441.67	1455.03	

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

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

8: INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ in crore)	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Investments carried at cost				
In Joint ventures (unquoted)-Defunct entities				
North Bengal Dolomite Ltd (Face value-₹100/share)	**97,900**	97,900	**-**	0.98
Romelt SAIL (India) Limited	**63,000**	63,000	**-**	0.06
Total (A)			**-**	1.04
Investments carried at fair value through other comprehensive income				
Quoted equity				
HDFC Limited (Face value - ₹ 2/share)	**60,000**	60,000	**11.81**	10.95
HDFC Bank Limited (Face value - ₹ 2/share)	**2,500**	2,500	**0.58**	0.47
ICICI Bank Limited (Face value - ₹ 2/share)	**1,57,300**	1,57,300	**6.30**	4.38
MSTC Limited	**3,20,000**	3,20,000	**3.65**	4.70
			22.34	20.50
Unquoted equity				
TRL Krozaki Refractories Limited	**22,03,150**	22,03,150	**37.21**	34.05
Indian Potash Limited	**3,60,000**	3,60,000	**70.54**	17.57
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 & Foundary Company Limited (under liquidation)#	**30,00,000**	30,00,000	**3.00**	3.00
UEC SAIL Information Technology Limited*	**1,80,000**	1,80,000	**0.18**	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	**0.01**	0.01
			115.94	59.81
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)			**138.46**	80.49
Grand total (A+B)			**138.46**	81.53
Provision for impairment in the value of investments			**3.23**	7.68
Net investment			**135.23**	73.85
Aggregate amount of quoted investments (market value thereof)			**22.34**	20.50
Aggregate amount of unquoted investments			**116.12**	61.03
Aggregate amount of impairment in value of investments			**3.23**	7.68
			135.23	73.85

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, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
9: TRADE RECEIVABLES - NON CURRENT				
Considered good - Secured		-		-
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 parent Company is nil (previous year nil)

10: LOANS - NON CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits (including provision of of ₹3.20 crore)	103.47		101.81	
Loan to employees	95.45		124.53	
Loans to related parties	4.90		-	
Loan to others	363.36	567.18	225.14	451.48
Loans - credit impaired		-		-
		567.18		451.48
Less : Provision for doubtful loans		3.20		3.20
		563.98		448.28

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

11: OTHER FINANCIAL ASSETS - NON CURRENT				
Derivative assets		172.29		76.73
Claims recoverable		7.89		7.89
Receivable - others		81.91		76.95
Receivables from employees		0.08		0.09
Loans and advances to related parties	10.53		10.53	
Less: Provision for doubtful related party advances	10.53	-	2.53	8.00
Fixed deposits with maturity period more than 12 months		0.19		0.19
		262.36		169.85
Less: Provision for doubtful assets		7.49		7.21
		254.87		162.64

12 : DEFERRED TAX ASSETS (NET)				
Tax effect of items constituting deferred tax liabilities				
Diff between book and tax depreciation	10,117.50		8,996.19	
Amortisation of financial assets/liabilities	17.40		28.39	
Fair value adjustment through OCI	23.96	10158.86	10.46	9035.04
Tax effect of items constituting deferred tax assets				
Retirement benefits	0.02		8.73	
Finance lease obligations	94.69		85.64	
Derivative adjustments	45.13		54.81	
Unpaid taxes and duties to be allowed on payment	1121.70		1156.38	
Losses available for offsetting against future taxable income	10323.46		9985.34	
Others	388.80	11973.80	854.29	12145.19
Tax credit (minimum alternative tax)		1051.83		1051.83
Deferred tax (assets) /liabilities (net)		2866.77		4161.98

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st March, 2019 are summarized as follows:

(₹ crore)

	As at April 1, 2018	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	8996.19	1,119.73	-	10117.50
Amortisation of financial assets/liabilities	28.39	(10.99)	-	17.40
Fair value adjustment through OCI	10.46	-	13.50	23.96
	9035.04	**1,108.74**	**13.50**	**10158.86**
Tax effect of items constituting deferred tax assets				
Retirement benefits	8.73	106.09	(115.32)	0.02
Finance lease obligations	85.64	9.05		94.69
Derivative adjustments	54.81	(9.68)		45.13
Unpaid taxes and duties to be allowed on payment	1156.38	(34.68)		1121.70
Losses available for offsetting against future taxable income	9985.34	338.13		10323.46
Tax credit (minimum alternative tax)	1051.83	-		1051.83
Others	854.29	(491.07)		388.80
	13197.02	**(82.16)**	**(115.32)**	**13025.63**
Deferred tax (assets) /liabilities (net)	**(4,161.98)**	**1,190.90**	**128.82**	**(2,866.77)**

The Company is having accumulated business losses (Including investment allowance) of ₹29,542.88 crore (previous year - ₹28,525.26 crore) [including accumulated unabsorbed depreciation of ₹21,537.70 crore (previous year - ₹18,823.78 crore)] and MAT credit of ₹1,051.83 crore as on 31st March, 2019 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹8,005.17 crore (previous year - ₹9,751.48 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 ₹2,797.33 crores on acccumulated business losses (inlcuding nil during the year ended 31st March, 2019) and MAT credit of ₹1,051.83 crores, has been recognised as on 31st March, 2019 in line with IND AS 12.

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
13: CURRENT TAX ASSETS / LIABILITIES (NET)				
Current tax assets				
Advance income tax (net of provision)		**154.09**		190.39
		154.09		190.39
14: OTHER ASSETS - NON CURRENT				
Advances to contractors & suppliers		**456.24**		341.37
Advances others		**4.18**		4.18
Deposit with Government authorities		**736.71**		646.94
Prepaid expenses		**25.35**		25.43
Capital advances	**201.87**		133.76	
Less: Provision for doubtful capital advances	**4.21**	**197.66**	11.19	122.57
		1420.14		1140.49
Less: Provision for doubtful other assets		**63.54**		61.95
		1356.60		1078.54

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
15: INVENTORIES*				
Stores & spares				
Production	2804.12		2160.06	
Fuel Stores	137.59		85.25	
Others	25.48		24.54	
	2967.19		2269.85	
Add: In-transit	248.67		155.02	
	3215.86		2424.87	
Less: Provision for non moving/obsolete items	233.94	2981.92	235.45	2189.42
Raw Material				
Raw material	3732.92		4612.12	
Add: In-transit	2440.61		2586.51	
	6173.53		7198.63	
Less: Provision for unusable materials	15.17	6158.36	17.64	7180.99
Finished / Semi-finished products				
Finished goods	6973.49		4440.25	
Work in progress	3396.56	10370.05	3213.64	7653.89
		19510.33		17024.30

*Valued as per accounting policy No. 3.6

		As at 31st March, 2019		As at 31st March, 2018
16: TRADE RECEIVABLES - CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured		4497.48		3870.99
Receivables - credit impaired		204.94		196.70
		4702.42		4067.69
Provision for doubtful receivables		204.94		196.70
		4497.48		3870.99

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

		As at 31st March, 2019		As at 31st March, 2018
17 (i): CASH AND CASH EQUEVALENTS				
Cash and stamps on hand		0.10		0.05
Cheques in hand		31.88		77.60
Balance with Banks				
Current accounts	24.78		9.43	
Term deposits with original maturity upto 3 months	8.80		6.92	
Term deposits as per court orders with maturity upto 3 months	0.02	33.60	-	16.35
		65.58		94.00

	As at 31st March, 2019	As at 31st March, 2018
17 (ii): OTHER BANK BALANCES		
Earmarked bank balances	179.24	168.30
Unpaid dividend accounts	5.59	6.21
Fixed deposits with maturity for more than 3 months but less than 12 months	37.28	77.04
	222.11	251.55

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
18: LOANS - CURRENT				
Considered good - Secured		-		-
Considered good - Unsecured				
Security deposits	10.72		9.23	
Loan to employees	39.61		60.92	
Loan to related parties	2.10		7.00	
Loan to others	2.84	55.27	1.73	78.88
Loans-credit impaired		-		-
		55.27		78.88
Less: Provision for doubtful loans		1.23		14.96
		54.04		63.92

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

19: OTHER FINANCIAL ASSETS - CURRENT				
Derivative assets		-		47.66
Claims recoverable		769.87		716.09
Receivable - others		385.17		311.32
Receivables from employees		6.68		7.20
Amount recoverable from Gratuity Trust		259.15		-
Bills receivable		1036.75		1787.27
Advances to related parties	21.68		23.66	
Less: Provision for doubtful related parties advances	13.42	8.26	13.42	10.24
		2465.88		2879.78
Less Provision for doubtful assets		304.67		107.40
		2161.21		2772.38

20: OTHER ASSETS - CURRENT				
Gold coins in hand		0.23		0.23
Advances to contractors & suppliers	328.30		259.84	
Advance others	868.14	1196.44	851.03	1110.87
Deposit with Government authorities		2832.62		2512.07
Deposits - GST		5.11		33.80
GST receivable-input service		4.53		-
GST receivable		1633.13		1813.70
TDS deducted by customers on GST		0.66		-
Prepaid expenses		31.23		24.42
Claims receivable		147.87		184.46
Export incentive receivables		74.57		45.68
		5926.39		5725.23
Less: Provision for doubtful other assets		55.56		85.45
		5870.83		5639.78

21: ASSETS CLASSIFIED AS HELD FOR SALE				
Assets classified as held for sale		11.47		32.50
		11.47		32.50

(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, 2019

22: EQUITY SHARE CAPITAL

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
Authorised capital		
Equity shares of ₹ 10 each		
(5,00,00,00,000 equity shares of ₹10 each)	**5000.00**	5000.00
Issued and subscribed capital & fully paid-up		
(4,13,05,25,289 equity shares of ₹ 10 each fully paid up)	**4130.53**	4130.53

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	Amount (₹ in crore)	Numbers	Amount (₹ in crore)
Equity shares with voting rights				
Balance at the beginning of the year	4130407654	4130.41	4130407654	4130.41
Shares converted into shares with/without(-) voting Rights during the year	1200	-	-	-
Shares bought back during the year				
Balance at the end of the year#	**4130408854**	**4130.41**	**4130407654**	**4130.41**
Equity shares without voting rights *				
Balance at the beginning of the year	117635	0.12	117635	0.12
Shares Issued during the year				
Shares converted into shares with/without(-) voting Rights during the year	-1200	-	-	-
Balance at the end of the year	**116435**	**0.12**	**117635**	**0.12**
Total Equity shares outstanding	**4130525289**	**4130.53**	**4130525289**	**4130.53**

i) *Represented by current holding of 117635 shares in Global Depository Receipt (GDR) issued in 1996 @ US $ 29.55 each for an aggregate amount of US $ 125 million.

ii) #Includes 1961727 shares (previous year 1731709 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 31st March, 2019		As at 31st March, 2018	
	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**	395451358	9.57

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

23: OTHER EQUITY

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
Reserves & Surplus				
Capital Reserve				
Opening balance	**510.92**		504.33	
Additions during the year	**1.02**		6.59	
Less: Utilisation during the year	**-**	**511.94**	-	510.92
Securities Premium				
Opening balance	**235.10**		235.10	
Changes during the year	**-**	**235.10**	-	235.10
Bond Redemption Reserve				
Opening balance	**2340.69**		1973.64	
Transfer from retained earnings	**383.55**		606.80	
Transfer to retained earnings	**730.10**	**1994.14**	239.75	2340.69
General Reserve				
Opening balance	**5104.14**		5102.76	
Additions during the year	**2.18**		1.38	
Less: Utilisation during the year	**-**	**5106.32**	-	5104.14
Retained Earnings				
Opening balance	**24561.81**		25041.72	
Add: Net Profit/(Loss) for the year	**2,348.71**		(281.40)	
Add: Other comprehensive Income/(Loss)	**214.69**		177.52	
Add: Transfer from Bond Redemption Reserve	**730.10**		239.75	
Less: Transfer to Bond Redemption Reserve	**383.55**		606.80	
Less: Equity dividend	**4.26**		6.31	
Less: Tax on Equity dividend	**0.88**		1.28	
Transaction with non-controlling interest	**0.01**		(0.01)	
Less: Transfer to General Reserve	**2.18**	**27464.45**	1.38	24561.81
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income				
Opening balance	**11.59**		2.80	
Change in fair value of FVOCI equity instruments	**44.46**	**56.05**	8.79	11.59
Share in Other Comprehensive Income of equity accounted investees				
Opening balance	**51.87**		51.38	
Change in fair value of FVOCI equity instruments	**95.75**	**147.62**	0.49	51.87
Total other equity		**35515.62**		32816.12

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 Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

				As at 31st March, 2019	As at 31st March, 2018
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**	100.00
8.70%	25-Aug-2024		(a)	**300.00**	300.00
8.30%	3-Aug-2023		(a)	**800.00**	800.00
8.30%	1-Aug-2023		(a)	**1200.00**	1200.00
8.35%	19-Nov-2022		(a)	**1185.00**	1185.00
9.30%	23-Aug-2021		(a)	**400.00**	400.00
8.55%	11-Aug-2021		(a)	**700.00**	700.00
8.80%	26-Oct-2020		(b,c)	**84.00**	98.00
8.27%	25-Aug-2020		(a)	**265.00**	265.00
9.30%	25-May-2020		(a,i)	**216.00**	288.00
8.72%	30-Apr-2020		(a)	**660.00**	660.00
8.75%	23-Apr-2020		(a)	**545.00**	545.00
8.65%	1-Feb-2020	5/nil	(a)	-	242.00
8.30%	21-Jan-2020		(a)	-	500.00
8.65%	30-Dec-2019		(a)	-	450.00
8.50%	7-Dec-2019		(a)	-	120.00
8.60%	19-Nov-2019		(a)	-	335.00
8.80%	22-Jun-2019		(a)	-	825.00
7.70%	11-May-2019	5/5	(a)	-	25.00
8.90%	1-May-2019	5/nil	(b)	-	950.00
Total Bonds				**7860.00**	11443.00
Term Loans from banks					
Rupee loans			(h)	**18681.00**	14156.00
Foreign currency loans			(h)	**2391.57**	2247.26
				28932.57	27846.26
UNSECURED					
Foreign currency loan					
1	KFW, Germany		(e)	**322.56**	358.48
2	Natexis Banque		(f)	**12.32**	15.01
Steel development fund			(g)	**204.16**	204.16
				539.04	577.65
Long term maturities of finance lease obligations				**1331.05**	1353.25
Total Non Current Loans				**30802.66**	29777.16

No loans have been guaranteed by the directors and others.

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

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

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

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

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

c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October, 2014. Instalment payable on 26th Oct, 2019 has been shown in Other Current Liabilities.

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

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

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

g) Terms of Repayment is to be decided by SDF management Committee.

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

i) Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018. Installment payable on 25th May, 2019 has been shown in current liabilities.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
25: TRADE PAYABLES - NON CURRENT		
Due to micro, small and medium enterprise	**-**	-
Amount payable to contractors/suppliers/others	**6.82**	6.38
	6.82	6.38
26: OTHER FINANCIAL LIABILITIES - NON CURRENT		
Employees related dues	**535.71**	430.68
Interest Accrued but not due on borrowings	**559.63**	551.46
Other payables	**235.28**	197.22
	1330.62	1179.36
27: PROVISIONS - NON CURRENT		
Provision for gratuity	**0.07**	-
Provision for accrued leave liability	**2683.08**	2477.94
Provision for post retirement medical & settlement benefits	**962.76**	974.81
Provision for long term service award	**18.39**	20.90
Provision for mines closure	**75.01**	61.64
Other provisions	**556.33**	439.13
	4295.64	3974.42
28: OTHER LIABILITIES - NON CURRENT		
Deferred Income*	**253.19**	138.33
	253.19	138.33

*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 ₹105.75 crore was received during 2018-19 against sanctioned budgetary provision of ₹295.79 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital.

	As at 31st March, 2019	As at 31st March, 2018
29. BORROWINGS - CURRENT		
Secured		
Repayable on demand		
From banks	**3490.26**	2334.39
Other loans and advances		
From Banks	**-**	-
Unsecured		
Other loans	**2900.00**	2950.00
Commercial paper	**4240.96**	3961.88
Foreign currency loans	**-**	2998.05
	10631.22	12244.32

1. Security disclosure for the outstanding short term borrowings as on 31st March, 2019:

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

(i) Hypothecation of all current assets

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

		As at 31st March, 2019		As at 31st March, 2018
30: TRADE PAYABLES - CURRENT				
Due to micro, small and medium enterprises (refer note 48.2)		**67.45**		48.22
Amount payable to related parties		**174.47**		9.30
Amount payable to contractors/suppliers/others		**6983.32**		7469.12
		7225.24		7526.64
31: OTHER FINANCIAL LIABILITIES - CURRENT				
Employee related dues		**156.82**		159.95
Interest accrued but not due on borrowings		**756.89**		920.54
Interest accrued and due on steel development fund loans		**152.00**		152.00
Other liabilities-debtors banking arrangement		**191.09**		325.45
Derivative liability		**4.54**		65.24
Current maturities of long term debts		**3607.71**		3271.71
Current maturities of finance lease obligations		**128.45**		115.53
Unclaimed matured deposits and interest accrued thereon		**1.01**		1.01
Security deposits	**1488.38**		1325.77	
Less: Investments received as security deposit	**-**	**1488.38**	-	1325.77
Unpaid dividends		**5.59**		6.21
Payable for capital works		**3605.29**		3708.94
Other payables		**4640.32**		4137.97
		14738.09		14190.32
32: OTHER LIABILITIES - CURRENT				
Income received in advance from customers		**1456.63**		1882.56
Income received in advance - others		**94.72**		112.80
Deferred Income*		**13.46**		11.90
GST payable		**2158.00**		2135.74
Liab for interest on GST		**0.76**		-
TDS deducted from suppliers on GST		**21.32**		-
Other payables		**2962.37**		3001.75
		6707.26		7144.75

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

		As at 31st March, 2019		As at 31st March, 2018
33: PROVISIONS - CURRENT				
Provision for gratuity		**-**		31.12
Provision for accrued leave liability		**285.51**		309.04
Provision for post retirement medical & settlement benefits		**107.93**		105.60
Provision for long term service award		**2.88**		2.03
Provision for pollution control		**39.48**		40.30
Provision for foreign exchange fluctuation		**12.78**		-
Provision for wage revision		**1247.52**		1216.24
Provision for mine afforestation/ restoration etc.		**344.33**		319.25
Other provisions		**274.97**		289.05
		2315.40		2312.63
33A: CURRENT TAX LIABILITIES (NET)				
Opening Balance	**-**		6.66	
Add: Provision during the year	**-**		7.06	
Less: Amount paid/transferred during the year	**-**		13.72	
Less: Provision written back during the year	**-**	**-**	-	-
		-		-

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
34. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	**63298.26**	55974.82
Exports	**2872.64**	2243.70
Export incentives	**102.42**	82.48
Sub Total (a)	**66273.32**	58301.00
Sale of Services		
Service charges	**28.61**	23.56
Sub Total (b)	**28.61**	23.56
Other Operating Revenues		
Social amenities-recoveries	**335.97**	337.82
Sale of empties etc.	**54.51**	80.00
Sundries	**281.17**	223.78
Sub Total (c)	**671.65**	641.60
Total (a+b+c)	**66973.58**	58966.16

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	**63298.26**	55974.82
Outside India	**2975.06**	2326.18
Total	**66273.32**	58301.00
(2) Major Products		
Iron and steel	**62541.86**	55481.04
Other Secondary and By-products	**3731.46**	2819.96
Total	**66273.32**	58301.00

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	**4497.48**	3870.99
Contract assets	**-**	-
Contract liabilities	**1456.63**	1882.56

35. OTHER INCOME

Interest income		
Loans & advances to other companies	**0.79**	0.78
Customers	**133.92**	101.78
Employees	**13.36**	16.75
Bank deposits	**9.70**	9.79
Others	**39.58**	41.94
Sub Total (a)	**197.35**	171.04
Dividend income		
Dividend from subsidiaries	**-**	-
Dividend from investments (includes dividend from investments carried at fair value through OCI)	**1.73**	1.85
Sub Total (b)	**1.73**	1.85
Other non-operating Income		
Subsidy, relief and concession	**1.10**	6.12
Grant-in-aid	**0.62**	0.54
Provisions no longer required written back	**87.65**	90.64
Write back of other liabilities	**59.21**	81.62
Liquidated damages	**101.37**	20.02
Others	**45.49**	43.36
Sub Total (c)	**295.44**	242.30
Total (a+b+c)	**494.52**	415.19

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
36: COST OF MATERIALS CONSUMED		
Iron ore	**5095.08**	3818.79
Coal	**26041.91**	21445.07
Coke	**31.32**	31.63
Limestone	**1355.12**	1232.17
Dolomite	**591.92**	474.80
Ferro manganese	**425.17**	337.61
Ferro silicon	**236.85**	201.73
Silico manganese	**1323.69**	1193.85
Zinc	**172.30**	176.84
Aluminium	**315.65**	242.58
Others	**1928.78**	1358.94
	37517.79	30514.01
Less : Inter account adjustments	**5114.82**	3776.11
	32402.97	26737.90

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

Opening stock		
Finished goods	**4440.25**	5829.61
Work in progress	**3213.64**	3990.99
	7653.89	9820.60
Less: Closing stock		
Finished goods	**6973.49**	4440.25
Work in progress	**3396.56**	3213.64
	10370.05	7653.89
	(2,716.16)	2166.71
Less : Excise duty on accretion (-) /depletion to stock	**-**	1027.89
	(2,716.16)	1138.82

38: EMPLOYEE BENEFITS EXPENSE*

Salaries & wages	**6690.32**	6474.19
Leave encashment	**448.20**	357.93
Company's contribution to provident & other funds	**902.52**	754.60
Travel concession	**33.54**	61.56
Welfare expenses	**526.66**	356.32
Gratuity	**247.86**	861.27
	8849.10	8865.87
***Expenditure on employees's remuneration and benefits not included above and charged to:**		
Expenditure during construction	**86.38**	100.72

For descriptive notes on disclosure of defined benefit obligation, refer note 50.1

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
39: FINANCE COSTS		
Interest Cost		
Foreign currency loans*	**169.24**	526.99
Non convertible bonds	**834.39**	915.78
Bank borrowings - working capital	**52.08**	42.97
Steel development fund loans	**4.94**	4.08
Others	**2075.14**	1319.53
Other borrowing costs	**19.13**	13.40
	3154.92	2822.75

*Including foreign exchange fluctuations loss of ₹41.69 crore (previous year: ₹120.04 crore gain)

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

	Year ended 31st March, 2019	Year ended 31st March, 2018
Foreign currency loans	**125.97**	94.89
Non convertible bonds	**210.97**	365.43
Steel development fund loans - Interest	**3.24**	4.09
Others	**363.56**	204.11
	703.74	668.52

		Year ended 31st March, 2019		Year ended 31st March, 2018
40: OTHER EXPENSES				
Consumption of stores & spares				
Consumption	**4244.20**		3490.03	
Less: Departmentally manufactured stores	**925.98**		735.15	
Less: Finished products internally consumed as stores and spares	**526.62**	**2791.60**	473.26	2281.62
Repairs & maintenance				
Buildings	**204.81**		194.71	
Plant & machinery	**1004.25**		821.88	
Others	**265.82**	**1474.88**	228.77	1245.36
Handling expenses				
Raw material	**480.21**		428.15	
Scrap recovery	**335.21**	**815.42**	282.30	710.45
Remuneration to auditors				
Audit fees	**2.13**		1.80	
Tax audit fees	**0.64**		0.51	
In other services	**1.30**		1.16	
Out of pocket expenses	**0.84**	**4.91**	0.68	4.15
Provisions				
Doubtful debts, loans and advances	**65.12**		85.42	
Investments	**-**		13.08	
Stores, spares and sundries	**177.52**	**242.64**	117.70	216.20
Power and fuel		**6060.16**		5815.89
Freight outward		**2618.25**		2247.29
Royalty and cess		**2047.04**		1271.58

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
40: OTHER EXPENSES (CONTD.)		
Conversion charges	**306.43**	306.08
Excise duty on inter-plant transfer/internal consumption	**0.09**	63.76
Demurrage & wharfage	**49.79**	38.82
Water charges & cess on water pollution	**129.29**	115.82
Insurance	**27.60**	24.99
Postage, telegram & telephone	**19.71**	16.84
Printing & stationery	**9.08**	8.28
Rates & taxes	**46.45**	58.64
Rent	**82.50**	80.61
Security expenses	**593.79**	514.24
Travelling expenses	**160.23**	157.72
Expenditure on temporary suspended mines (refer note - 49.13)	**15.94**	82.07
Training expenses	**44.28**	42.08
Expenditure on corporate social responsibility (refer note - 49.6)	**31.74**	26.34
Foreign exchange fluctuations (net)	**163.59**	3.74
Loss on sale/scrapping of fixed assets (net)	**45.27**	72.80
Cost audit fee and reimbursement of expenses	**0.10**	0.05
Write-offs - Miscellaneous	**0.10**	2.61
Handling expenses - finished goods	**175.62**	188.31
Commission to selling agents	**14.34**	6.53
Export sales expenses	**37.36**	47.01
Miscellaneous	**667.96**	531.94
	18676.16	16181.82

41: EXCEPTIONAL ITEMS

Volantary retirement compensation	**100.72**	254.20
Write back of pension liabilities	-	(458.16)
Provision for illegal mining	-	340.72
Reversal of Distrct Mineral Fund	-	(261.76)
Reversal of wages and salary	-	(110.82)
Provision for surrender of coal blocks	-	209.39
Entry Tax	**92.23**	-
Royalty Difference	**143.54**	-
Amortisation on stamp duty and registration charges	**52.91**	-
	389.40	(26.43)

41A: EARNING PER SHARE

Profit for the year (₹ crore)	**2348.71**	(281.40)
Number of equity shares	**4130525289**	4,13,05,25,289
Earning per share - basic and diluted (₹)	**5.69**	(0.68)
Face value per equity share (₹)	**10.00**	10.00

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

42. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

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

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

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

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

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

As at 31st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		172.29		172.29
Investments at FVOCI				
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**

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ crore)

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

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

	Level	As at 31st March, 2019		As at 31st March, 2018	
		Carrying value	Fair Value	Carrying value	Fair Value
Financial assets					
Loans	Level-3	618.02	631.60	515.38	545.27
Derivative financial assets	Level-2	172.29	172.29	124.39	124.39
Equity instruments					
Quoted	Level-1	22.34	22.34	15.80	15.80
Unquoted	Level-3	116.12	116.12	64.69	64.69
Total financial assets		**928.77**	**942.35**	720.26	750.15
Financial liabilities					
Borrowings	Level-3	46677.65	46998.97	47358.17	47714.31
Other payables	Level-3	10820.40	10862.57	9967.75	10008.93
Derivative liability	Level-2	4.54	4.54	65.24	65.24
Total financial liabilities		**57502.59**	**57866.08**	57391.16	57788.48

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

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

(v) Unquoted investments:

Fair value estimates of unquoted equity investments are included in level-3 and are based on information relating to value of investee 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, 2017	59.43
Gains/losses recognised in other comprehensive income	5.26
As at 31st March, 2018	**64.69**
Gains/losses recognised in other comprehensive income	51.43
As at 31st March, 2019	**116.12**

43. FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

	As at 31st March, 2019			As at 31st March, 2018		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments		138.46			80.49	
Trade receivables			4497.48			3870.99
Cash and cash equivalents			65.58			94.00
Other Bank Balances			222.11			251.55
Loans			618.02			515.38
Derivative financial assets	172.29			124.39		
Other receivables			2243.79			2825.89
Total	**172.29**	**138.46**	**7646.98**	124.39	80.49	7557.81
Financial liabilities						
Borrowings			46677.65			47358.17
Trade payable			7232.06			7533.02
Derivative Liability	4.54			65.24		
Other payables			10820.40			9967.75
Total	**4.54**	**-**	**64730.11**	65.24	-	64858.94

ii) Risk Management

The Group, its Joint Ventures & Associate is exposed to various risk in relation to financial instruments. The Group's, its Joint Ventures' & Associate's financial asset and liabilities are by category are summarised in note 43(i). The main types of risks are market risk, credit risk and liquidity risk. The Group's, its Joint Ventures' & 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 Ventures' & 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 Comapny. 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, its Joint Ventures & Associate 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 Ventures' & Associate's policy is to deal only with creditworthy counterparties.

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 Ventures' & 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 & Associate provides expected credit losses based on the following

Trade receivables

The Group, its Joint Ventures & 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 31st 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**

Ageing (As at 31st March, 2018)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	3005.30	697.14	92.93	74.74	197.58	4067.69
Expected loss rate	0.25%	0.38%	9.49%	2.81%	88.88%	4.84%
Expected credit loss provision	7.52	2.66	8.82	2.10	175.60	196.70
Carrying amount of trade receivables (Net of impairment)	**2997.78**	**694.48**	**84.11**	**72.64**	**21.98**	**3870.99**

Reconciliation of Expected credit loss provision (₹ crore)

Particulars	
As at 31st March, 2017	**181.89**
Changes in provision	14.81
As at 31st March, 2018	**196.70**
Changes in provision	8.24
As at 31st March, 2019	**204.94**

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 draws to apply consistently to entire population For such financial assets, the Group's, its Joint Ventures' & 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 Ventures' & 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 Ventures' & 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 Ventures' & 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 Consolidated Financial Statements for the Year ended 31st March, 2019

(₹ crore)

Contractual maturities of financial liabilities as at 31st 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	7225.24	0.00	0.00	6.82	7232.06
Other payables	10757.22	121.00	112.53	1427.51	12418.26
Total	**35608.51**	**5022.99**	**6068.33**	**28955.55**	**75655.38**
Derivatives					
Derivative liability (Net Settled)	4.54				4.54
Total	**4.54**	**-**	**-**	**-**	**4.54**

Contractual maturities of financial liabilities as at 31st March, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	18348.05	5719.16	4611.01	27190.55	55868.77
Trade payable	7526.64	0.64	0.85	4.89	7533.02
Other payables	10392.85	112.45	96.56	1270.94	11872.80
Total	**36267.54**	**5832.25**	**4708.42**	**28466.38**	**75274.59**
Derivatives					
Derivative liability	65.24				65.24
Total	**65.24**	**-**	**-**	**-**	**65.24**

* borrowings excludes finance lease obligations, refer note 49.9(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

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

To mitigate the Group's, its Joint Ventures' & 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 Ventures' & Associate's risk management policies. Generally, the Group's, its Joint Ventures' & 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 Ventures' & Associate's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ crore are as follows:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	42.62		1.89	
Cash and cash equivalents				
Other Bank Balances				
Loans				
Derivative financial assets (Gross amounts, to hedge borrowings)			3343.41	
Other receivables				
Net exposure to foreign currency risk (assets)	**42.62**	**-**	3345.30	-
Financial liabilities				
Borrowings	2406.58	344.58	3619.36	327.06
Trade payable	3460.07	366.69	90.63	330.72
Derivative Liability	4.54	-	29.35	
Other payables	20.34	191.77	68.30	137.27
Net exposure to foreign currency risk (liabilities)	**5891.53**	**903.04**	3807.64	795.05

Sensitivity

The following table illustrates the sensitivity of profit and equity in regard to the Group's, its Joint Ventures' & 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 +/- 6.82% change of the INR/USD exchange rate for the year ended at 31 March, 2019 (2018:4.24%). A +/- 7.26% change is considered for the INR/EUR exchange rate (2018: 6.90%). 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 Ventures' & 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.

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
USD sensitivity		
INR/USD- increase by 6.82% (31 March 2019)	(398.90)	
INR/USD- decrease by 6.82% (31 March 2019)	398.90	
INR/USD- increase by 4.24% (31 March 2018)		(19.60)
INR/USD- decrease by 4.24% (31 March 2018)		19.60
Euro sensitivity		
INR/EUR- increase by 7.26% (31 March 2019)	(65.56)	
INR/EUR- decrease by 7.26% (31 March 2019)	65.56	
INR/EUR- increase by 6.90% (31 March 2018)		(54.86)
INR/EUR- decrease by 6.90% (31 March 2018)		54.86

b) Interest rate risk

The Group's, its Joint Ventures' & 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 31 March, 2019, 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 investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's, its Joint Ventures' & 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% (2018: +/- 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 Ventures' & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2019, 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 31st March, 2019	As at 31st March, 2018
Variable rate borrowing (excluding exposures offset by derivatives)	-	2998.05
Fixed rate borrowing	46677.65	44360.12
Total borrowings	**46677.65**	**47358.17**

Sensitivity

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest sensitivity		
Interest rates-increase by 100 basis points	466.78	473.58
Interest rates-decrease by 100 basis points	-466.78	-473.58

ii) Assets

The Group's, its Joint Ventures' & 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 31st March, 2019	As at 31st March, 2018
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	840.13	766.93
Total deposits	**840.13**	766.93

c) Price risk

Exposure

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

44. CAPITAL MANAGEMENT

The Group's, its Joint Ventures' & Associate's capital management objectives are

- to ensure the Group's, its Joint Ventures' & Associate's ability to continue as a going concern

- to provide an adequate return to shareholders

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

Management assesses the Group's, its Joint Ventures' & 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 Ventures' & 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 31st March, 2019	As at 31st March, 2018
Net debts	46389.96	47012.62
Total equity	39646.15	36946.65
Net debt to equity ratio	**1.17**	1.27
Dividends (SAIL)		
(i) Equity shares		
Final dividend for the year ended 31st March, 2019 @ 5% on the paid up Share Capital	206.53	Nil
(ii) Dividends not recognised at the end of the reporting period	206.53	Nil

44A. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

S. No.	Name	Relationship	Nature of activity	Principal Place of Incorporation	Principal Place of Business	Proportionate Ownership in % As at 31st March, 2019	Proportionate Ownership in % As at 31st March, 2018
1	SAIL Jagdishpur Power Plant Limited	Subsidiary	Power Production	India	India	**100%**	100%
2	SAIL Refractory Company Limited	Subsidiary	Refactory Material production	India	India	**100%**	100%
3	SAIL Sindri Projects Limited	Subsidiary	Cement production	India	India	**100%**	100%
4	Chhattisgarh Mega Steel Limited	Subsidiary	Steel production	India	India	**74%**	74%
5	NTPC SAIL Power Company Ltd	Joint-ventures	Power Production	India	India	**50%**	50%
6	Bokaro Power Supply Co. Pvt. Ltd.	Joint-ventures	Power Production	India	India	**50%**	50%
7	Mjunction Services Limited	Joint-ventures	Consultancy services	India	India	**50%**	50%
8	SAIL Bansal Service Centre Ltd	Joint-ventures	Consultancy services	India	India	**40%**	40%
9	Bhilai Jaypee Cement Limited	Joint-ventures	Cement production	India	India	**26%**	26%
10	S&T Mining Co. Pvt. Limited	Joint-ventures	Coal Mining	India	India	**50%**	50%
11	International Coal Ventures Private Ltd.	Joint-ventures	Coal Mining	India	Mozambique	**48%**	48%
12	SAIL-MOIL Ferro Alloys Private Ltd.	Joint-ventures	Ferro Manganese production	India	India	**50%**	50%
13	SAIL SCI Shipping Pvt. Limited	Joint-ventures	Logistics	India	India	**50%**	50%
14	SAIL SCL Kerala Limited	Joint-ventures	Steel production	India	India	**49%**	49%
15	SAIL RITES Bengal Industry Pvt. Ltd.	Joint-ventures	Railway Wagon Production	India	India	**50%**	50%
16	SAIL Kobe Iron India Pvt. Limited	Joint-ventures	Steel production	India	India	**50%**	50%
17	SAIL-BENGAL Alloy Castings Private Ltd.	Joint-ventures	Alloy Casting	India	India	**50%**	50%
18	Prime Gold-SAIL JVC Limited	Joint-ventures	Steel production	India	India	**26%**	26%
19	VSL SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	**21%**	21%
20	Abhinav SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	**26%**	26%
21	NMDC SAIL Limited	Joint-ventures	Railway Project	India	India	**49%**	49%
22	TMT SAL SAIL JV Limited	Joint-ventures	Metal Products	India	India	**26%**	26%
23	SAL SAIL JVC Limited	Joint-ventures	Metal Products	India	India	**26%**	26%
24	Bastar Railway Private Limited	Joint-ventures	Railway Project	India	India	**12%**	21%
25	GEDCOL SAIL Power Corporation Ltd.	Joint-ventures	Power Production	India	India	**26%**	NA
26	Almora Magnesite Limited	Associate	Megnesite Mining	India	India	**20%**	20%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

44B. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEES

Joint ventures individually significant

NTPC SAIL Power Company Limited

(₹ crore)

Summarised balance sheet	31st March, 2019	31st March, 2018
Current assets		
Cash and cash equivalents	**52.03**	43.44
Other assets	**470.50**	764.17
	522.53	807.61
Non-current assets	**3,475.83**	2,789.19
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**427.75**	468.97
Other Liabilities	**76.59**	122.63
	504.34	591.60
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**956.75**	711.29
Other liabilities	**39.02**	109.70
	995.77	820.99
Net Assets	**2,498.25**	2,184.21
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**1,249.13**	1,092.11

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Revenue	**2,656.59**	2,602.17
Depreciation and ammortisation	**149.06**	150.38
Interest income	**18.40**	29.37
Interest Expense	**22.50**	41.19
Income tax expense or income	**38.80**	12.94
Profit or loss from continuing operations.	**362.33**	331.71
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income.	**(1.88)**	(0.68)
Total comprehensive income.	**360.45**	331.03
Ownership interest	**50.00%**	50.00%

Mjunction Services Limited

(₹ crore)

Summarised balance sheet	31st March, 2019	31st March, 2018
Current assets		
Cash and cash equivalents	**7.95**	4.08
Other assets	**380.77**	307.48
	388.72	311.56
Non-current assets	**89.02**	99.87
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**177.64**	133.51
Other Liabilities	**9.41**	10.14
	187.05	143.65
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**-**	-
Other liabilities	**11.56**	13.01
	11.56	13.01
Net Assets	**279.13**	254.77
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**139.57**	127.39

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Revenue	**256.42**	176.15
Depreciation and ammortisation	**10.83**	8.07
Interest income	**-**	0.16
Interest Expense	**-**	-
Income tax expense or income	**18.82**	16.06
Profit or loss from continuing operations	**41.56**	37.75
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	**0.08**	0.25
Total comprehensive income	**41.64**	38.00
Ownership interest	**50.00%**	50.00%

International Coal Ventures Private Limited

(₹ crore)

Summarised balance sheet	31st March, 2019	31st March, 2018
Current assets		
Cash and cash equivalents	**18.25**	50.92
Other assets	**65.29**	37.21
	83.54	88.13
Non-current assets	**2,370.98**	2,217.58
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**272.30**	248.04
Other Liabilities	**9.12**	0.51
	281.42	248.55
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**-**	-
Other liabilities	**17.00**	14.58
	17.00	14.58
Net Assets	**2,156.10**	2,042.58
Less: Share Application Money Pending Alottment		180.01
	2,156.10	1,862.57
Ownership Interest	**47.82%**	47.82%
Carrying Amount of Interest	**1,031.05**	890.68

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Revenue	**33.46**	13.91
Depreciation and ammortisation	**0.11**	0.13
Interest income	**0.71**	0.65
Interest Expense	**107.46**	89.91
Income tax expense or income	**-**	0.40
Profit or loss from continuing operations	**(114.21)**	(67.33)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**202.63**	3.26
Total comprehensive income.	**88.42**	(64.07)
Ownership interest	**47.82%**	47.82%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

Bokaro Power Supply Company Pvt. Ltd.

(₹ crore)

Summarised balance sheet	31st March, 2019	31st March, 2018
Current assets		
Cash and cash equivalents	**7.12**	134.91
Other assets	**795.07**	295.04
	802.19	429.95
Non-current assets	**548.41**	834.01
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**160.63**	150.74
Other Liabilities	**31.25**	70.72
	191.88	221.46
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**9.36**	15.79
Other liabilities	**293.99**	258.20
	303.35	273.99
Net Assets	**855.37**	768.51
Ownership Interest	**50.00%**	50.00%
Carrying Amount of Interest	**427.69**	384.26

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Revenue	**880.93**	900.72
Depreciation and ammortisation	**-**	-
Interest income	**23.87**	25.61
Interest Expense	**16.24**	15.66
Income tax expense or income	**20.70**	2.09
Profit or loss from continuing operations	**65.17**	78.54
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**(0.51)**	(0.49)
Total comprehensive income	**64.66**	78.53
Ownership interest	**50.00%**	50.00%

Bhilai Jaypee Cement Limited

(₹ crore)

Summarised balance sheet	31st March, 2019	31st March, 2018
Current assets		
Cash and cash equivalents	**5.60**	4.20
Other assets	**40.17**	31.43
	45.77	35.63
Non-current assets	**710.87**	775.68
Curent Liabilities		
Financial liabilities (excluding trade payables and provisions)	**155.57**	258.54
Other Liabilities	**574.59**	435.83
	730.16	694.37
Non-Current liabilities		
Financial liabilities (excluding trade payables and provisions)	**5.45**	13.94
Other liabilities	**7.23**	5.62
	12.68	19.56
Net Assets	**13.80**	97.38
Ownership Interest	**26.00%**	26.00%
Calculated Share of Net Assets	**3.59**	25.32
Goodwill		5.73
Carrying amount of Interest	**3.59**	31.05

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Revenue	**276.44**	84.13
Depreciation and ammortisation	**38.69**	38.43
Interest income	**0.23**	-
Interest Expense	**12.09**	18.92
Income tax expense or income	**2.66**	(30.80)
Profit or loss from continuing operations	**(41.65)**	(69.03)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**0.02**	(0.31)
Total comprehensive income	**(41.63)**	(69.34)
Ownership interest	**26.00%**	26.00%

Summarised financial information for Joint Ventures not individually significant

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Profit or loss from continuing operations	**(3.00)**	(24.89)
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**0.03**	0.01
Total comprehensive income.	**(2.97)**	(24.88)

Associates, not individually significant

(₹ crore)

Summarised statement of Profit and Loss	31st March, 2019	31st March, 2018
Profit or loss from continuing operations	**1.07**	0.52
Post-tax profit or loss from discontinued operations	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**1.07**	0.52

The unrecognised share of losses of joint ventures, both for the reporting period and cumulatively, where SAIL has stopped recognising its share of losses of the joint venture when applying the equity method

(₹ crore)

	31st March, 2019	31st March, 2018
SAL SAIL JVC Limited - Reporting	**-**	-
SAL SAIL JVC Limited - Cumulative	**0.01**	0.01
SAIL MOIL Ferro Alloys Private Limited - Reporting	**0.81**	4.57
SAIL MOIL Ferro Alloys Private Limited - Cumulative	**7.05**	6.24
SAIL SCL Kerala Limited - Reporting	**8.12**	8.64
SAIL SCL Kerala Limited - Cumulative	**29.01**	20.89
Abhinav SAIL JVC Limited - Reporting	**-**	-
Abhinav SAIL JVC Limited - Cumulative	**0.01**	0.01
S&T Mining Pvt Limited - Reporting	**1.35**	2.76
S&T Mining Pvt Limited - Cumulative	**4.61**	3.26
GEDCOL SAIL Power Corporation Limited - Reporting	**0.06**	-
GEDCOL SAIL Power Corporation Limited - Cumulative	**0.06**	-
SAIL Bengal Alloy Casting Private Limited - Reporting	**-**	-
SAIL Bengal Alloy Casting Private Limited - Cumulative	**0.01**	0.01

Dividend Recieved from the Joint Ventures

(₹ crore)

	31st March, 2019	31st March, 2018
NTPC SAIL Power Company Limited	**20.00**	50.00
Mjunction Services Limited	**6.00**	5.60
SAIL Bansal Service Center Limited	**0.05**	-
Bokaro Power Supply Co. Pvt. Limited	**12.40**	12.40

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. The financial statements/ information in respect of these two subsidiary companies as of year ended 31st March, 2019 are not available. Considering the above, the assets and liabilities as at 31st March, 2019 and revenues and expenditures for the year ended 31st March, 2019 have not been considered in the Consolidated Ind AS Financial Statements.

44.C.2 Jointly controlled enttities as detailed below are under liquidation. The investment in these companies has been fully provided for as at 31st March, 2019. The share of profit/ lossin respect of these joint ventures has been considered at Nil:

	Name of the Jointly Controlled Entities
1	NMDC-SAIL Limited
	Subsidiary/ Jointly controlled entities of ICVL (Joint Venture Entity):
2	Benga Power Plant (Mauritius) Limited
3	Promark Services Limited
4	ICVL Venture (Mauritius) Limited
5	Benga Energia SA

44.C.3 In respect of one subsidiary and six jointly controlled entities as detailed below, certain accounting policies are not consistent with that of the Group 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 SAIL. No monetary limit on capitalization of Capital Repairs
2	mjunction services limited - Jointly controlled entity	**Note No. 2.5:** 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 refrence to the month of addition/ deletion
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 SAIL. **Note No. 3.4:** Amortization of software is done for 3 years or legal right to use, whichever is less
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 SAIL.
7	S & T Mining Company Private Limited- Jointly controlled entity	**Note No. 2.5:** Depreciation on certain assets are provided on the basis of estimated useful life, which is different from SAIL.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

44D. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ crore)

For the year ended 31 March, 2019		Net Worth		Profit or (Loss)		Other Comprehensive		Total Comprehensive Income	
Name of the entity in the Group, Joint Ventures & Associate	Ownership in % As at 31 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 Ltd.	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 SAL SAIL JV Limited	26	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
SAL SAIL JVC Limited	26	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
GEDCOL SAIL Power corp. Ltd.	26	0.20	0.00%	(0.06)	0.00%	-	0.00%		0.00%
Bastar Railway Private Limited	12	35.14	0.09%	0.21	0.01%	-	0.00%	0.21	0.01%
Associate							0.00%		
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%**

44E. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ crore)

For the year ended 31 March, 2018	Net Worth		Profit or (Loss)		Other Comprehensive		Total Comprehensive Income		
Name of the entity in the Group, Joint Ventures & Associate	**Ownership in % As at 31 March, 2018**	**Proportionate Share**	**As % of Consolidated Net Worth**	**Share in Profit/ (Loss)**	**As % of Consolidated Profit/ (Loss)**	**Share in Other Comprehensive Income**	**As % of Consolidated Other Comprehensive Income**	**Share in Total Comprehensive Income**	**As % of Consolidated Total Comprehensive Income**
Steel Authority of India	100	35,713.67	96.66%	(481.71)	171.18%	186.32	99.75%	(295.39)	312.25%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
SAIL Refractory Company Limited	100	123.36	0.33%	14.20	-5.05%	(0.01)	-0.01%	14.19	-15.00%
SAIL Sindri Projects Limited	100	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh Mega Steel Limited	74	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
Joint-ventures									
NTPC SAIL Power Company Ltd.	50	1,092.14	2.96%	165.86	-58.94%	(0.34)	-0.18%	165.52	-174.97%
Bokaro Power Supply Co. Pvt. Ltd.	50	408.56	1.11%	39.64	-14.09%	(0.41)	-0.22%	39.23	-41.47%
Mjunction Services Limited	50	127.39	0.34%	21.22	-7.54%	(0.63)	-0.34%	20.59	-21.77%
SAIL Bansal Service Centre Ltd	40	0.30	0.00%	(0.24)	0.09%	-	0.00%	(0.24)	0.25%
Bhilai Jaypee Cement Limited	26	20.14	0.05%	(10.93)	3.88%	0.02	0.01%	(10.91)	11.53%
S& T Mining Co. Pvt. Limited	50	(3.26)	-0.01%	(2.77)	0.98%	0.01	0.01%	(2.76)	2.92%
International Coal Ventures Private Ltd.	47.82	988.76	2.68%	10.18	-3.62%	1.83	0.98%	12.01	-12.70%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	(4.57)	1.62%	-	0.00%	(4.57)	4.83%
SAIL SCI Shipping Pvt. Limited	50	0.06	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
SAIL SCL Kerala Limited	49.26	-	0.00%	(7.98)	2.84%	-	0.00%	(7.98)	8.44%
SAIL RITES Bengal Industry Pvt. Ltd.	50	12.76	0.03%	(2.07)	0.74%	-	0.00%	(2.07)	2.19%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
Prime Gold-SAIL JVC Limited	26	5.63	0.02%	(0.75)	0.27%	-	0.00%	(0.75)	0.79%
VSL SAIL JVC Limited	20.58	1.21	0.00%	(0.09)	0.03%	-	0.00%	(0.09)	0.10%
Abhinav SAIL JVC Limited	26	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.01%
NMDC SAIL Limited	49	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%
TMT SAL SAIL JV Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%
Bastar Railway Private Limited	21	0.23	0.00%	(0.51)	0.18%	-	0.00%	(0.51)	0.54%
Associates							0.00%		
Almora Magnesite Limited	20	1.35	0.00%	0.35	-0.12%	-	0.00%	0.35	-0.37%
Non-controlling interest				-				-	
Consolidation adjustments		(1,546.00)	-4.17%	(21.18)	7.53%	-	0.00%	(21.17)	22.38%
Grand total		**36,946.66**	**100.00%**	**(281.40)**	**100.00%**	**186.80**	**100.00%**	**(94.60)**	**100.00%**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

45. DETAILS OF ASSETS PLEDGED

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Inventories and trade receivables (to the extent pledged)	**3490.26**	2334.39
Non Current		
Plant & Machinery (movable assets) - Durgapur steel plant (to the extent pledged)	**134.00**	198.00
Plant & Machinery (movable assets)-Bokaro & Bhilai Steel Plant (to the extent pledged)	**21072.57**	16403.26
Land and plant & Machinery(at Mouje-Wadej of city taluka, District Ahemadabad,Gujrat) - ISP	**7726.00**	11245.00

46. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit/(loss) before tax	**3,549.24**	(526.63)
Domestic tax rate for PFS	**34.944%**	34.944%
Expected tax expense [A]	**1,240.25**	(184.03)
Adjustment for tax-exempt income/ non-deductible expenses	**0.68**	(12.59)
Adjustment for difference tax rate items	**-**	(1.48)
Tax incentive on specific expenditure	**(14.05)**	(16.09)
Tax related to earlier years	**4.87**	35.73
Increase in Corporate tax rate	**-**	(28.39)
Others	**(31.22)**	10.79
Total adjustments [B]	**(39.72)**	(12.03)
Actual tax expense [C=A+B]	**1,200.53**	(196.06)
Tax expense comprises:		
Current tax expense	**-**	-
Deferred tax credit	**1,200.53**	(252.29)
Tax expense recognized in Statement of profit and loss [D]	**1,200.53**	(252.29)

47.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2019	As at 31st March, 2018
	In Respect of SAIL:		
(i)	Claims against SAIL pending appellate/judicial decisions	24252.86	22672.07
(ii)	Other claims against SAIL not acknowledged as debt	3398.13	3550.27
(iii)	Disputed income tax/service tax/other demand on joint venture for which SAIL may be contingently liable under the joint venture agreement	36.35	34.76
(iv)	Bills drawn on customers and discounted with banks.	189.01	68.83
(v)	Price escalation claims by contractors/suppliers and claims by employees.	401.96	441.70
	In Respect of CFS entities:		
(i)	Claims against Subsidiaries/Jointly controlled entities entities pending appellate/judicial decisions	35.09	-
(ii)	Other claims against Subsidiaries/Jointly controlled entities not acknowledged as debt	1187.80	44.88

In respect of SAIL:

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. During the year, Hon'ble Allahabad High Court vide its Order dated 4th May, 2018, dismissed the petition filed by SAIL for levy of Entry Tax on goods entering into local areas of Uttar Pradesh. Accordingly, an amount of ₹92.23 crore has been charged in the Statement of Profit and Loss under 'Exceptional Items'. The respective regular Benches of other Courts would hear the matters as per laid down principles. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore, ₹ Nil crore and ₹5.15 crore respectively upto 31st March, 2019 aggregating to ₹1338.43 crore (previous year ₹1092.28 crore, ₹241.00 crore, ₹92.23 crore and ₹5.15 aggregating to ₹1430.66 crore upto 31st March, 2018) 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 and ISP on Entry Tax to the West Bengal Taxation Tribunal.

Pending decision by West Bengal Taxation Tribunal the disputed Entry Tax demands amounting to ₹209.52 crore (upto 31st March, 2018 ₹Nil crore) have been treated as contingent liabilities.

Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹89.40 crore upto 31st March, 2019 (upto 31st March, 2018 ₹295.50 crore) have been treated as contingent liabilities

(b) Hon'ble Supreme Court dismissed the SLP by SAIL 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 SAIL has also intervened and the order of APTEL is pending. Further, Hon'ble Supreme Court dismissed the civil appeal filed by DVC pertaining to tariff of FY 2004-05 to 2008-09 against the Order of APTEL vide its Order dated 3rd December, 2018 which may also have effect on future tariff orders. The financial implication can only be ascertained after the finalisation of retail tariff by State Electricity Regulatory Commission (SERC) as directed by APTEL. Pending fixation of Electricity Tariffs, disputed claims of DVC of ₹ 587.72 crore upto 31st March, 2019 (upto 31st March, 2018, ₹ 587.72 crore) has been treated as Contingent Liability and included in Note No. 47.1(i) above. Against the said claims, the entire amount has been paid to DVC and disclosed under Other Current Assets. Further from 1st April, 2017 onwards full invoice value has been considered in the Statement of Profit and Loss.

47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3701.48 crore upto 31st March, 2019 (upto 31st March, 2018 ₹3374.46 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) 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)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 last year from the Office of Principal Chief Conservator of Forest, 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. As the matter is pending for final determination and considering the implication of existing litigation, SAIL has provided as detailed below:

(a) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹245.89 crore and ₹1768.42 crore (₹ 212.85 crore and ₹ 1478.86 crore as on 31st March 2018) respectively (including interest). Based on internal assessment, SAIL has provided an amount of ₹348.52 crore (₹15.07 crore during the year) on estimated basis. Balance amount of ₹1665.79 crore (including interest) has been treated as contingent liability in Note No. 47.1(i) above.

(b) In respect of Limestone, by the Government of Jharkhand amounting to ₹24.88 crore (including interest) (₹ 20.28 crore as on 31st March 2018). Based on internal assessment, SAIL has provided an amount of ₹8.91crore (₹ 1.64 crore during the year) on estimated basis. Balance amount of ₹15.97crore (including interest) has been treated as contingent liability in Note No. 47.1(i).

47.8 In respect of Coal, by the Government of Jharkhand amounting to ₹434.81 crore (including interest) (₹ 354.54 crore as on 31st March 2018). 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 ₹434.81 crore (including interest) has been treated as Contingent Liability in Note No. 47.1(i).

47.9 **(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 against SAIL/ Rourkela Steel Plant for resolution of dispute arising out of contract. 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 Honb'le High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹300 crores. The sum of ₹707.43 crores (including interest) has been disclosed under contingent liability in Note No. 47.1(ii) 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 ₹106.92 crore (including interest) has been disclosed under contingent liability in Note no 47.1(ii) above.

47.10 Pending settlement of the claims of Bharat Coking Coal Limited (BCCL)an amount of ₹27.00 crore related to selective loading charges by BCCL and ₹14.49 crore related to extra royalty on output quantity, has been shown under Contingent Liabilities in Note No. 47.1(ii) above.

47.11 Land measuring 5.545 acres was allotted to DVC for 30 years i.e. 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.

47.12 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.

47.13 Wage revision for non-executives is due since 01.01.2017. Keeping in view the affordability and financial sustainability clause in Office Memorandum dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises (DPE) in respect of pay revision of employees and in view of negative figures of average profit before tax of previous three years, pending negotiation with National Joint Committee for the Steel Industry (NJCS) for such wage revision:

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(i) An all-inclusive provision towards salary and wage revision of Non-executive Employees charged to 'Employee Benefit Expenses' for the period from 01.01.2017 to 31.12.2017 amounting to ₹308.24 crore (including ₹77.47 crore shown as exceptional Item) had been written back during the financial year 2017-18.

(ii) No provision has been made for the period 01-01-2017 to 31-03-2019.

Based on the above facts, opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) received during the year, and in terms of paragraph 14 of Ind AS 37, since one of the conditions of reliable estimation of the amount of the obligation can not be made at present, the company has considered not to make any provision in the accounts.

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

In respect of SAIL: (₹ crore)

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Capital commitments	**7031.26**	10747.11
Other commitments	**2026.68**	1824.86

In respect of Subsidiaries/Jointly controlled entities:

(₹ crore)

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Capital commitments	**470.30**	0.35
Other commitments	**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, 2019 are as under:

No.	**Description**	**As at 31st March, 2019**	As at 31st March, 2018
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	**67.45**	48.22
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, 2019	31st March, 2018
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 As per past practice SAIL has stock of iron ore fines of 41.52 million tonnes at various mines of SAIL. Since the usage/sale of such iron ore fines, involves elements of uncertainties, as a matter of prudence, no valuation of such fines has been made in the accounts. However, the revenue earned from actual disposal thereof during the year has been recognised in the books of accounts.

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

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

48.6 (i) 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').

(ii) In view of the book losses during the immediately preceding three years and based on the expert opinions/ judicial pronouncements ((including jurisdictional courts), no provision has been considered necessary during the year for Minimum Alternate Tax(MAT) on book profit as per Section 115 JB of the Act.

49.1 Revenue from operations for the period up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST). In accordance with 'Ind AS 18- Revenue'/ 'Ind AS 115- Revenue from Contracts with Customers', In respect of SAIL: GST amount of ₹10678.01 crore (Previous Year : ₹7864.70 crore) In respect of SUBSIDIARY: GST amount of ₹34.90 crore (Previous Year : ₹16.52 crore) is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the year ended 31st March, 2019 is not comparable with corresponding figures for the year ended 31st March, 2018.

In respect of SAIL:

49.2 Sales include sale to Government Agencies recognized on provisional contract prices during the year ended 31st March, 2019: ₹ 5012.76 crore (Previous Year : ₹4802.50 crore) and cumulatively up to 31st March, 2019 : ₹17252.66 crore (upto Previous Year : ₹12271.05 crore).

49.3 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 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 salary w.e.f. 1st April 2018 for Executive and Non-executive employees respectively.

As such, on 30th April, 2019, SAIL Pension Scheme/ Trust Deed/ rules containing above terms have been executed by nominees of National Joint Committee for Steels (NJCS) and Steel Executives Federation of India (SEFI).

In respect of SAIL:

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹2395.76 crore (₹359.40 crore during the year) and ₹46.25 crore (₹4.77 crore during the year) has been charged to `Employee Benefits Expense' and `Expenditure during Construction' respectively.

In respect of SUBSIDIARY:

The cumulative provision/liability towards pension benefit for executive & non-executive employees, amounting to ₹3.28 crore has been charged to `Employee Benefits Expense' and `Expenditure during Construction' respectively.

49.4 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 ₹305.09 crore (₹314.71 crore) and ₹14.77 crore (₹20.79 crore) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

Head of Account	**For the year ended**	
	31st March, 2019	31st March, 2018
Raw Materials	**144.76**	115.05
Employees Benefits Expense	**64.81**	97.95
Stores & Spares Consumed	**12.46**	11.40
Power & Fuel	**23.37**	21.61
Repairs & Maintenance	**3.98**	6.53
Depreciation and Amortisation Expense	**7.69**	8.54
Other Expenses	**42.96**	49.53
Finance Cost	**5.01**	4.10
Total	**305.09**	314.71

49.5 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.

49.6 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 2018-19.

In respect of SAIL:

However, against the budgeted amount of ₹30.00 crore (previous year ₹26.00 crore), the SAIL has spent an amount of ₹31.18 crore (previous year ₹25.70 crore) on CSR activities during the Financial Year 2018-19 under the following heads:

(₹ crore)

Particulars	**2018-2019**	2017-2018
Education	**12.03**	7.65
Healthcare	**4.84**	5.11
Livelihood Generation	**2.71**	3.54
Women Empowerment	**0.47**	0.75
Drinking Water	**0.03**	1.44
Sanitation	**0.73**	0.47
Sports	**0.79**	0.79
Art & Culture	**5.39**	1.13
Rural Development	**1.84**	2.07
Social Security	**0.35**	0.33
Environment Sustainability	**1.62**	2.20
Project Identification and Monitoring	**0.03**	0.00
Capacity Building of Personnel	**0.36**	0.23
Total	**31.18**	25.70

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

In respect of SUBSIDIARY:

Subsidiary has spent an amount of ₹0.56 crore (previous year ₹0.64 crore) on CSR activities during the Financial Year 2018-19 under the following heads:

Particulars	2018-2019	2017-2018
Education	**0.13**	0.06
Healthcare	**0.09**	0.09
Women Empowerment	**0.11**	0.08
Sanitation	**0.17**	0.19
Art & Culture	**0.04**	0.20
Others	**0.02**	0.02
Total	**0.56**	0.64

In respect of SAIL:

49.7 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)
2018-19	**1.47**	**1.02**
2017-18	1.33	2.61
2016-17	2.32	2.15

49.8 Central Government grant of ₹105.75 crore (Rupees One Hundred Five Crore Seventy Five Lakh only) has been received during 2018-19 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".

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

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

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

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	1-5 years	After 5 years	Total
31st March, 2019				
Lease payment	**282.32**	**1062.56**	**1727.79**	**3072.67**
Finance charge	**-163.38**	**-501.00**	**-948.79**	**-1613.17**
Net present value	**118.94**	**561.56**	**779.00**	**1459.50**
31st March, 2018				
Lease payment	261.85	915.89	2068.04	3245.78
Finance charge	-156.70	-527.49	-1092.81	-1777.00
Net present value	105.15	388.40	975.23	1468.78

(c) Description of major leasing arrangements

Power plant

SAIL 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, SAIL shall continue to purchase power until the parties decide to terminate the agreement, which has been determined to be an uneconomic proposition considering the specialised nature and location of the asset.

Oxygen Plant

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

Mining land

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

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

(i) SAIL has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the year In respect of SAIL: is ₹10.16 crore (₹18.87 crore), In respect of SUBSIDIARY: is ₹0.03 crore (₹0.03 crore).

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

(₹ crore)

	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	**43.53**	43.23
Later than I year and not later than 5 years	**173.45**	172.23
Later than 5 years	**215.29**	258.35

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

In respect of SAIL:

49.10 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 beencomputed and recognised as income during the year amounting to ₹22.51 crore (till date ₹56.76 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.

49.11 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. Further, in line with "in-principle" approval of Government of India, SAIL Board in its meeting held on 9th February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. SAIL appointed various Advisors to carry out the process. Preliminary Information Memorandum (PIM) /Expression of Interest (EoI) for ASP has been published in News papers on 14th February, 2018. The EoI received in response to the above have been annulled due to non-fulfilment of technical eligibility criteria. Fresh process in this regard has been initiated and revised PIM/EoI requests of ASP, VISP and SSP will be issued after getting clearances from Government of India.

49.12 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of SAIL's Financial Statement are disclosed below:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which SAIL has not applied as they are effective from 01 April, 2019: SAIL will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. Ind AS 116: Leases -Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same in not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application SAIL will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

SAIL is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, SAIL need to determine the probability of the relevant tax authority accepting each tax treatment, or SAIL of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. SAIL is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

c. Amendment to Ind AS 12 - Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. SAIL is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

d. Amendment to Ind AS 19 - plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. SAIL is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards

e. Ind AS 23 - Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. SAIL is in the process of evaluating the impact of changes, if any, on the financial statements for FY 2019-2020 onwards.

f. Ind AS 28 - Long-term Interests in Associates and Joint Ventures - The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. SAIL does not currently have any long-term interests in associates and joint ventures.

g. Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. SAIL will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation .

49.13 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 2018-19, excluding depreciation, of ₹15.94 crore (Previous Year ₹ 82.07 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, 2019**	For the year ended 31st March, 2018
Salary and Wages	**6.94**	41.05
Stores and Spares	**0.04**	3.80
Power purchased	**0.85**	10.70
Repairs and Maintenance	**0.35**	8.36
Miscellaneous Expenses and Provisions	**8.70**	21.21
Total Expenditure	**16.88**	85.12
Less: Income	**0.94**	3.05
Net Expenditure	**15.94**	82.07

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

49.14 The Board of Directors of SAIL have recommended dividend @ ₹ 0.50 per equity share of ₹ 10 each i.e. 5% on the paid up share capital of the Company for the financial year 2018-19, subject to approval of the shareholders in the forthcoming AGM of the Company.

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.

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.	6339.98 (6153.06)	2785.70 (2740.01)	963.66 (936.21)	116.66 (103.73)	22.95 (23.14)
ii)	Service Cost	274.04 (288.50)	71.21 (124.27)	- (-)	- (-)	1.16 (1.52)
iii)	Interest Cost	447.86 (443.02)	198.85 (198.91)	67.92 (67.61)	8.51 (7.65)	1.62 (1.70)
iv)	Actuarial Gains(-) / Losses(+)	-306.28 (-328.47)	181.63 (35.10)	21.62 (76.25)	14.78 (14.01)	-1.67 (-1.03)
v)	Past Service Cost	- (582.04)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	737.19 (798.19)	268.81 (312.56)	116.14 (116.44)	6.43 (8.73)	2.78 (2.40)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)	**6018.40** **(6339.96)**	**2968.57** **(2785.73)**	**937.07** **(963.63)**	**133.52** **(116.66)**	**21.27** **(22.93)**

(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	2018-19	2017-18
i)	Fair Value of plan assets as at the beginning of the year	6308.85	5836.33
ii)	Expected return on plan assets	45.27	23.11
iii)	Actual SAIL's contribution	187.28	798.07
iv)	Interest Income/Actuarial Gain/Loss(-)	473.17	449.45
v)	Benefits payments	737.19	798.19
vi)	Fair value of plan assets as at the end of the year	6277.42	6308.85
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	6018.40	6339.96
viii)	**Net liability recognised in the Balance sheet (vii)-(vi) ***	**-259.12**	31.11

*SAIL does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2019-20, after considering the return on the investments.

The defined benefit obligations, other than gratuity, are non-funded.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	274.04 (288.50)	71.21 (124.27)	- (-)	- (-)	1.16 (1.52)
ii)	Interest Cost	-25.31 (-6.34)	198.85 (198.91)	67.92 (67.61)	8.51 (7.65)	1.62 (1.70)
iii)	Actuarial Gains (-)/Losses	-306.28 (-328.47)	181.63 (34.85)	21.62 (76.25)	14.78 (14.01)	-1.67 (-1.03)
iv)	Past Service Cost	- (582.04)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	45.27 (23.11)	- (-)	- (-)	- (-)	- (-)
vi)	**Total (i+ii+iii+iv-v)**	**-102.81 (512.60)**	**451.69 (358.02)**	**89.54 (143.86)**	**23.29 (21.66)**	**1.10 (2.19)**
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 39)	247.60 (860.65)	447.61 (357.55)	67.92 (67.61)	23.29 (21.66)	1.10 (2.19)
	b) Charged to Expenditure During Construction (Note 5.1)	1.14 (3.52)	4.07 (0.47)	- (-)	- (-)	- (-)
	c) Charged to OCI	-351.54 (-351.58)	- (-)	21.62 (76.25)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (-)	- (-)	- (-)	- (-)	- (-)
viii)	Actual Return on Plan Assets	518.64 (472.50)				

(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	-205.62	193.94
ii)	Leave	-122.26	114.24
iii)	Post Retirement benefit	-57.04	52.50
iv)	Long Term Service Award	-1.37	1.24
v)	Retirement Travelling Allowance	-5.88	6.10

(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	119.37	-111.95
ii)	Leave	115.08	-122.08

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(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	-49.59	45.50

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2019	As at 31.03.2018
Insurance Investments	**88.68**	86.25
Central Government Securities	**1.38**	1.36
State Government Securities	**3.00**	4.24
PSU Bonds	**6.93**	8.12
Cash at Bank	**0.01**	0.03
Total	**100.00**	100.00

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2019	As at 31st March, 2018
i)	Discount Rate (per annum)	**7.50 %**	7.70%
ii)	Mortality rate	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	**Executives & Non-executives- 0.10% to 0.50% depending upon the age**	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	**5% for hospital cost and Nil for Medi-claim premium.**	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	**7.50%**	7.70%
vi)	Salary Escalation	**Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.**	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity Profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2019
Upto 1 year	806.41
Between 1 to 2 years	817.96
Between 2 to 3 years	791.82
Between 3 to 4 years	751.69
Between 4 to 5 years	717.59
Between 5 to 10 years	2923.79
More than 10 years	4045.94
Total Undiscounted Payments related to Past Service	10855.20
Less: Discount for Interest	4836.80
Projected Benefit Obligation	**6018.40**

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

In Respect of SUBSIDIARY:

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits
i)	Present Value of projected benefit obligations, as at the beginning of the year.	10.81	1.26	0.12
ii)	Service Cost	0.30	0.09	-
iii)	Interest Cost	0.71	0.07	-
iv)	Actuarial Gains(-) / Losses(+)	-0.18	0.44	-
v)	Past Service Cost	-	-	-
vi)	Benefits Paid	2.49	0.61	-
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	9.15	1.25	0.12

(b) Reconciliation of Fair Value of Assets and Obligations

Subsidiary 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	2018-19	2017-18
i)	Fair Value of plan assets as at the beginning of the year	10.81	8.18
ii)	Expected return on plan assets	0.80	0.61
iii)	Actual Subsidiary's contribution	0.04	2.88
iv)	Interest Income/Actuarial Gain/Loss	-0.08	-0.87
v)	Benefits payments	-2.49	-
vi)	Fair value of plan assets as at the end of the year	9.08	10.80
vii)	Present value of defined benefit obligation	9.15	10.81
viii)	Net liability recognised in the Balance sheet (vii)-(vi)	0.07	0.01

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	2018-19	2017-18
i)	Fair Value of plan assets as at the beginning of the year	**-**	-
ii)	Expected return on plan assets	**-**	-
iii)	Actual Subsidiary's contribution	**1.84**	-
iv)	Interest Income/Actuarial Gain/Loss	**0.02**	-
v)	Benefits payments	**-0.62**	-
vi)	Fair value of plan assets as at the end of the year	**1.24**	-
vii)	Present value of defined benefit obligation	**1.25**	-
viii)	Net liability recognised in the Balance sheet (vii)-(vi)	**0.01**	-

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment
i)	Service Cost	0.30	0.09
ii)	Interest Cost	-0.09	0.07
iii)	Actuarial Gains (-)/Losses	-	0.43
iv)	Past Service Cost	-	-
v)	Expected Return on Plan Assets	-	-
vi)	Total (i+ii+iii+iv-v)	0.21	0.59
vii)	Employees' Benefits Expenses :		
	a) Charged to Profit & Loss Account	0.20	0.59
	b) Charged to Expenditure During Construction	-	-
	c) Charged to OCI	-0.10	-
	d) Charged to Profit & Loss Account- Other Expenses	-	-
viii)	Actual Return on Plan Assets excluding interest income	0.08	-

(d) 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	9.36	8.95
ii)	Leave	1.29	1.22

(e) Effect of 0.5 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	9.36	8.95
ii)	Leave	1.22	1.29

(f) Investments of Gratuity Trust / Leave Encashment Fund

(₹ crore)

Particulars	% of Investment	
	As at 31.03.2019	As at 31.03.2018
Insurance Investments - Gratuity Trust	99.23	99.94
Insurance Investments - Leave Encashment Trust	99.23	-

(g) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2019	As at 31st March, 2018
i)	Discount Rate (per annum)	7.50%	7.70%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Retirement Age - Executives - Non Executives	 58 Years 60 Years	 58 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.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

(h) Maturity profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March 2019	
	Gratuity	Leave Encashment
Upto 1 year	0.30	0.23
Between 1 to 2 years	1.92	0.13
Between 2 to 3 years	1.37	0.11
Between 3 to 4 years	1.10	0.12
Between 4 to 5 years	0.81	0.16
Between 5 to 10 years	4.10	0.77
More than 10 years	2.34	0.45
Total Undiscounted Payments related to Past Service	11.96	1.97
Less: Discount for Interest	2.81	0.72
Projected Benefit Obligation	**9.15**	**1.25**

51. GENERAL

51.1 Segment Reporting

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

ii) In the opinion of the management, the captive mines are not a reportable business segment of 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 afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2018	202.09	67.30	117.16	386.55
Additions during the Year	0.24	12.74	41.66	54.64
Amounts utilised during the Year	0.25	(0.63)	0.00	(0.38)
Unused amount reversed during the Year	0.00	0.00	7.45	7.45
Balance as at 31st March, 2019	**202.08**	**80.67**	**151.37**	**434.12**

In respect of SUBSIDIARY:

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2018		0.03		0.03
Additions during the Year		-		-
Amounts utilised during the Year		-		-
Unused amount reversed during the Year		-		-
Balance as at 31st March, 2019		**0.03**		**0.03**

51.3 The figures of previous period have been re-grouped, wherever necessary, so as to conform to the current periods classification

Notes to Consolidated Financial Statements for the Year ended 31st March, 2019

52. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- **External Sales**											
Current Year ended 31st March 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
Previous Year ended 31st March 2018	15,994.93	7,168.64	12,210.22	14,039.97	6,811.00	442.88	1,344.11	142.18	147.07		58,301.00
- **Inter segment sales**											
Current Year ended 31st March 2019	302.60	263.52	998.51	91.42	168.62	184.05	7.63	52.80	4,862.59	(6,931.74)	-
Previous Year ended 31st March 2018	299.80	184.88	217.67	211.33	73.02	206.18	12.70	18.36	3,881.30	(5,105.24)	-
- **Total Revenue from sale of products**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	16,294.73	7,353.52	12,427.89	14,251.30	6,884.02	649.06	1,356.81	160.54	4,028.37	(5,105.24)	58,301.00
RESULT											
- **Operating Profit / (-) Loss before Interest and Exceptional items**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	1,240.52	(58.57)	398.70	804.13	(329.50)	(25.84)	(118.24)	(108.34)	466.83		2,269.69
- **Finance cost**											
Current Year ended 31st March 2019											3,154.92
Previous Year ended 31st March 2018											2,822.75
- **Exceptional items**											
Current Year ended 31st March 2019											389.40
Previous Year ended 31st March 2018											(26.43)
- **Tax expenses**											
Current Year ended 31st March 2019											1,200.53
Previous Year ended 31st March 2018											(245.23)
- **Profit / Loss (-) for the year**											
Current Year ended 31st March 2019											2,348.71
Previous Year ended 31st March 2018											(281.40)
OTHER INFORMATION											
- **Segment assets**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	28,756.68	6,400.05	19,484.61	14,524.30	18,770.09	518.32	2,459.07	533.47	23,994.38		1,15,440.97
- **Segment Liabilities (including Long Term Borrowing)**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	7,409.47	2,364.33	4,017.17	3,746.95	1,922.70	207.46	383.28	79.88	58,363.07		78,494.31
- **Capital expenditure**											
Current Year ended 31st 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
Previous Year ended 31st March 2018	2,481.46	296.50	1,638.38	1,362.65	599.44	2.89	7.82	2.15	388.63		6,779.92
- **Depreciation**											
Current Year ended 31st March 2019	692.29	200.20	754.72	611.36	746.73	9.08	99.23	7.22	264.51		3,385.34
Previous Year ended 31st March 2018	512.86	195.57	721.75	561.87	724.35	11.44	95.74	7.30	235.09		3,065.97
- **Non Cash expenses other than Depreciation**											
Current Year ended 31st March 2019	26.75	15.34	10.54	6.66	21.86	1.48	0.44	0.10	159.47		242.64
Previous Year ended 31st March 2018	19.00	11.34	15.26	56.00	36.79	2.00	14.17	2.81	58.83		216.20

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies

Report on the Audit of 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, 2019, 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 matter 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 as at 31st March, 2019 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 ₹1,637.35 crore as on 31st March, 2019 (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, 2019 (Refer Note No.47.2(b));

Had the impact of all the above qualifications been considered, consolidated Total Comprehensive Income (net of tax) for the year ended 31st March, 2019 would have been ₹1256.07 crore against reported consolidated Total Comprehensive Income (net of tax) of ₹ 2703.61 crore, overstatement of other equity as on 31st March 2019 by ₹1,447.54 crore, understatement of current liability by ₹2,225.07 crore and understatement of asset by ₹777.53 crore.

Management's Replies:

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 pertaining to 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) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2019. 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and 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.

Emphasis of Matter

We draw attention to the following in respect of the Holding Company:

I Pending negotiations with National Joint Committee for the Steel Industry (NJCS) for wage revision and in terms of DPE office memorandum, in view of negative figures of average profit before tax of previous three years and also based on the opinion of Expert Advisory Committee of ICAI, the Holding Company has not made any provision towards wages revision (pending since 01.01.2017) for non-executive employees (Refer to Note No.47.13); and

II Gross sales of the Holding Company include sales to Government agencies for ₹5,012.76 crore for the year ended 31st March 2019 (cumulative upto 31st March, 2019 ₹17,252.66 crore) which is recognized on provisional contract prices (Refer Note No. 49.2).

Our opinion is not modified in respect of this matter.

Comments	Management's Replies

Information other than the Consolidated Financial Statements and Auditor's 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.

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 of the current period. 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.

S.No.	Key Audit Matter	Auditors' Response to Key Audit Matters
In respect of the Holding Company		
1.	**Provisions and Contingent Liabilities** 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. Management's disclosures with regards to contingent liabilities are presented in Note No. 47 read with Note No. 3.17 to the Consolidated Ind AS Financial Statements. The assessment of the risks associated with the litigations is based on complex assumptions. This require 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.	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. We read the summary of litigation matters provided by the Holding Company's Legal and Finance Team. We read, where applicable, external legal or regulatory advice sought by the Holding Company. We discussed with the Company'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. 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.
2.	**Tax Expenses** 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. Deferred Tax Assets on unabsorbed depreciation and carry forward losses are to be recognized 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 utilized. Refer Note No. 12 and 48.6 to the Consolidated Ind AS Financial Statements.	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. Tested period over which deferred tax assets on such unabsorbed losses would be recovered against future taxable income including Management's underlying assumptions. 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.
3.	**Property, Plant & Equipment and Intangible Assets** There are areas where Management judgements impacts the carrying value of property, plant and	We assessed the controls in place, evaluated the appropriateness of capitalization process,

S.No.	Key Audit Matter	Auditors' Response to Key Audit Matters
	equipment, intangible assets and their respective depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization 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.	performed tests of details on costs capitalized, the timeliness of the capitalization of assets and the de-recognition criteria for assets retired from active use. In performing these procedures, we reviewed the judgements made by Management including the nature of underlying costs capitalized; determination of realizable 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.
4.	**Capital Work-in- Progress** 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.	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. 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.

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 Companies Act, 2013 ("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 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 of 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 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, Management of the Holding Company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the companies under the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 auditor's 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 and the subsidiary companies 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's ability to continue as a going concern. If we conclude that a material uncertainty

Comments	Management's Replies

exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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.

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 Consolidated 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

a) We did not audit the financial statements/financial information of Two subsidiaries (detailed in Annexure B), whose financial statements/financial information reflect total assets of ₹ 202.39 crore as at 31st March, 2019, total revenues of ₹201.61 crore and the net cash flows amounting to ₹16.47 crore for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of net profit ₹183.98 crore for the year ended 31st March, 2019 in respect of its Eight jointly controlled entities (detailed in Annexure C), whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

b) We did not audit the financial statements/financial information of Two subsidiaries (detailed in Annexure B), whose financial statements/financial information reflect total assets of ₹Nil as at 31st March, 2019, total revenues of ₹ Nil and net cash flow amounting to ₹Nil for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial statements also include the Group's share of net profit ₹34.42 crore and ₹0.21 crore for the year ended 31st March, 2019, as considered in the Consolidated Ind AS Financial statements, in respect of Twelve jointly controlled entities and One Associate respectively (detailed in Annexure C), whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management 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, jointly controlled entities and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associate is based solely on such unaudited financial statements.

c) We did not audit the financial statements/financial information of One jointly controlled entity (detailed in Annexure C) whose financial statements/financial information is not available. In the absence of their Financial statements the Group's share of net profit / loss for the year ended 31st March, 2019 has not been considered in the Consolidated Ind AS Financial statements.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information 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 paragraph above, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated IndAS 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;

Comments	Management's Replies
(e) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph 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;	
(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 Group;	
(h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure - A, which is based on the auditors' reports of the Holding Company, subsidiary companies, associate and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company/ subsidiary companies / associate company/ jointly controlled companies incorporated in India, internal financial controls over financial reporting; and	
(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 and 48.5);	
ii. The Group, its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and	
iii. 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.	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.
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.	

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

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place : New Delhi
Date : 28th June, 2019

Annexure-A to the Independent Auditors' Report on Consolidated 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")

We have audited the internal financial controls over financial reporting of Steel Authority of India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group"), its associate and its jointly controlled entities as of 31 March, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its subsidiaries, its associate and its jointly controlled entities are responsible for establishing and maintaining internal financial reporting considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company, its subsidiaries, its associate and its jointly controlled entities incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the group companies; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Comments	Management's Replies

Opinion

In our opinion, the Holding Company, its subsidiaries incorporated in India, wherever reported by the auditors of those entities have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Group Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E

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

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

Sd/-
(A.K. Sabat)
Partner
M.No.030310

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

Sd/-
(Vipul Girotra)
Partner
M.No. 084312

Place : New Delhi
Dated : 30th May, 2019

Annexure B to the Independent Auditors' Report on Consolidated Financial Statements

List of subsidiaries

Subsidiaries

Audited Financial Statements

Chhattisgarh 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 Auditors' Report on Consolidated Financial Statements

List of Jointly Controlled Entities and Associates

1. Jointly Controlled Entities

i. Audited Financial Statements:

SAIL Rites Bengal Wagon Industry Pvt Ltd
SAIL SCI Shipping Private Limited
NTPC-SAIL Power Company Ltd
International Coal Ventures Pvt Limited
mjunction Services Ltd
S&T Mining Company Private Limited
SAIL & MOIL Ferro Alloys Pvt Ltd
GEDCOL SAIL Power Corporation limited

ii. Unaudited Financial Statements / information

Abhinav SAIL JVC Limited
SAIL Bengal Alloy Casting Private Limited
Bastar Railway Private Limited
Bokaro Power Supply Company (P) Limited
NMDC SAIL Limited
Bhilai Jaypee Cement Limited
SAIL-Bansal Service Centre Ltd
SAIL Kobe Iron India Private Limited
SAIL SCL Kerala Limited
SAL SAIL JVC Limited
TMT SAL SAIL JV Limited
VSL-SAIL JVC Limited

iii. Financial Statements not available

Prime Gold- SAIL JVC

2. Associates- Un-audited

Almora Magnesite Limited

Comments of C&AG

Annexure-VII to the Board's Report

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of Consolidated Financial Statements of **Steel Authority of India Limited** for the year ended 31 March 2019 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 30 May, 2019.

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, 2019 which include the Standalone Financial Statements of Steel Authority of India Limited; its two[1] subsidiaries, and seven[2] joint venture companies all controlled by the government and/or government companies. Supplementary audit under Section 143(6)(a) of the Act of two subsidiary company[3], four[4] such joint venture companies and one associate company[5] was not completed pending finalisation 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 ten[6] companies not controlled by the government but included in the consolidated financial statement. Financial Statements of one[7] subsidiary and one[8] joint venture company controlled by the government and two[9] companies not controlled by the government were not consolidated. (Details are enclosed as Annexure-I). Supplementary audit of Consolidated Financial Statements has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on the behalf of the Comptroller & Auditor General of India

Sd/-
(Indu Agrawal)
Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi

Place : Ranchi
Dated : 27th July, 2019

[1] SAIL Refractory Company Ltd. and Chhattisgarh Mega Steel Ltd.

[2] NTPC SAIL Power Company 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.

[3] SAIL Jagdishpur Power Plant Ltd. and SAIL Sindri Projects Ltd.

[4] Bokaro Power Supply Co. Pvt. Ltd., SAIL SCL Kerala Ltd., SAIL-Bengal Alloy Casting Pvt. Ltd. and Baster Railway Pvt. Ltd.

[5] Almora Magnesite Limited.

[6] M Junction Services Ltd., Bhilai Jaypee Cement Ltd., S&T Mining Co. Pvt. Ltd., SAIL Kobe Iron India Pvt. Ltd., SAL SAIL JVC Ltd., TMT SAL SAIL JVC Ltd., Prime Gold-SAIL JVC Ltd., SAIL Bansal Services Ltd., Abhinav SAIL JVC Ltd., VSL SAIL JVC Ltd.

[7] IISCO Ujjain Pipe & Foundry Company Ltd.

[8] North Bengal Dolomite Limited.

[9] Romelt SAIL (India) Limited and UEC SAIL Information Technology Limited.

Annexure-1

Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidation of accounts (2018-19)

Sl. No.	Name of the related party and nature of relationship	Whether accounts were consolidated	Whether under the jurisdiction of C&AG
	Parent Company		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Companies		
1	SAIL- Jagdishpur Power Plant Limited	Yes	Yes
2	SAIL Refractory Company Limited	Yes	Yes
3	SAIL Sindri Projects Limited	Yes	Yes
4	Chhattisgarh Mega Steel Limited	Yes	Yes
5	IISCO Ujjain Pipe & Foundry Co. Limited	No	Yes
	Joint Venture Companies		
6	NTPC-SAIL Power Company Ltd.	Yes	Yes
7	Bokaro Power Supply Company Private Limited	Yes	Yes
8	SAIL - Bengal Alloy 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 Ventures Limited	Yes	Yes
12	SAIL SCL Kerala Limited	Yes	Yes
13	SAIL-RITES Bengal Wagon Industry Pvt. Ltd.	Yes	Yes
14	NMDC SAIL Limited	Yes	Yes
15	Bastar Railway Private Limited	Yes	Yes
16	GEDCOL SAIL Power Corporation Limited	Yes	Yes
17	North Bengal Dolomite Limited	No	Yes
18	Mjunction Services Limited	Yes	No
19	Bhilai Jaypee Cement Limited	Yes	No
20	S & T Mining Company Private Limited	Yes	No
21	SAIL Kobe Iron India Private Limited	Yes	No
22	SAL SAIL JVC Limited	Yes	No
23	TMT SAL SAIL JVC Limited	Yes	No
24	Prime Gold-SAIL JVC Limited	Yes	No
25	SAIL Bansal Service Centre Limited	Yes	No
26	Abhinav-SAIL JVC Limited	Yes	No
27	VSL SAIL JVC Limited	Yes	No
28	Romelt-SAIL (India) Limited	No	No
29	UEC-SAIL Information Technology Limited	No	No
	Associate Company		
30	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			
1.	**Name of the subsidiary**	**SAIL Refractory Company Limited**	**SAIL Jagdishpur Power Plant Limited**	**SAIL Sindri Projects Limited**	**Chhattisgarh Mega Steel Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
					₹ in crore
4.	Share capital	0.10	0.05	0.05	0.05
5.	Reserves & surplus	140.00	(-)0.05	(-) 0.05	(-)0.03
6.	Total assets	202.36	0.00	0.00	0.03
7.	Total Liabilities	62.26	*	*	*
8.	Investments	-	-	-	-
9.	Turnover	196.95	-	-	-
10.	Profit before taxation	31.20	-	-	(-)0.01
11.	Provision for taxation	9.39	-	-	-
12.	Profit after taxation	21.81	-	-	(-)0.01
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100	100	100	74

*Amount less than ₹50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10th July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10th July'97 was ₹17.05 crore.

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
ED (F&A) and Company Secretary

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

Place : New Delhi
Date : 30th May, 2019

Part B: Associate Companies and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
For the Year ended 31st March, 2019

Sl.	Name of the Associate /Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end	Amount of Investment in Associates / Joint Venture (₹ crore)	Extent of Holding (%)	Description of how there is significant influence	Revenue from operations	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ crore)	Profit/ (Loss) (1) for the year (₹ crore)	Considered in Consolidation (₹ crore)	Not Considered in Consolidation (₹ crore)
Joint Ventures		1	2	3	4	5	6	7	8	9	10
1	NTPC SAIL Power Company Ltd.	31-03-2019	490250050	490.25	50.00%	Note-1		2498.24	362.33	181.17	181.17
2	Bokaro Power Supply Co. Pvt. Ltd.*	31-03-2018	124025000	124.03	50.00%	Note-1		855.37	65.17	32.59	32.59
3	Mjunction Services Limited	31-03-2019	4000000	4.00	50.00%	Note-1		279.13	41.57	20.79	20.79
4	SAIL Bansal Service Centre Ltd *	31-03-2018	3200000	3.20	40.00%	Note-1		1.81	0.27	0.11	0.16
5	Bhilai Jaypee Cement Limited *	31-03-2018	98718048	52.51	26.00%	Note-1		13.79	-41.65	-10.83	-30.82
6	S& T Mining Co. Pvt. Limited	31-03-2019	12941400	12.94	50.00%	Note-1		-9.21	-2.69	-1.35	-1.35
7	International Coal Ventures Private Limited	31-03-2019	693759279	693.76	47.82%	Note-1		2156.10	-114.21	-54.62	-59.59
8	SAIL-MOIL Ferro Alloys Private Limited	31-03-2019	100000	0.10	50.00%	Note-1		-14.07	-1.60	0.00	-1.60
9	SAIL SCI Shipping Pvt. Limited	31-03-2019	100000	0.10	50.00%	Note-1		0.13	0.00	0.00	0.00
10	SAIL SCL Kerala Limited *	31-03-2018	13017801	18.75	49.26%	Note-1		-72.84	-16.49	0.00	-16.49
11	SAIL RITES Bengal Wagaon Industry Pvt. Limited	31-03-2019	24000000	24.00	50.00%	Note-1		42.00	16.48	8.24	8.24
12	SAIL Kobe Iron India Pvt. Limited*	31-03-2018	250000	0.25	50.00%	Note-1		0.51	0.00	0.00	0.00
13	SAL SAIL JVC Limited *	31-03-2018	-	-	26.00%	Note-1		-0.10	-0.01	0.00	-0.01
14	TMT SAL SAIL JV Limited *	31-03-2018	-	-	26.00%	Note-1		-0.02	-0.01	0.00	-0.01
15	SAIL-BENGAL Alloy Castings Private Limited*	31-03-2018	10000	0.01	50.00%	Note-1		-0.02	0.00	0.00	0.00
16	Prime Gold-SAIL JVC Limited*	31-03-2018	4680000	4.68	26.00%	Note-1		21.71	0.00	0.00	0.00
17	VSL SAIL JVC Limited *	31-03-2018	1297780	1.30	20.58%	Note-1		4.97	-0.43	-0.09	-0.34
18	Abhinav SAIL JVC Ltd*	31-03-2018	-	-	26.00%	Note-1		-0.20	-0.05	0.00	-0.05
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	-0.04	-0.02	-0.02
24	Bastar Railway Pvt Limited*	31-03-2018	35232600	35.23	12.00%	Note-1		292.87	1.77	0.21	1.56
25	GEDCOL SAIL Power Corporation Limited	31-03-2019	260000	0.26	26.00%	Note-1		0.77	-0.23	-0.06	
Associate											
1	Almora magnesite Limited*	31-03-2018	400000	0.40	20.00%	Note-2		8.60	1.07	0.21	0.86

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.C. Jain)
ED (F&A) and Company Secretary

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

Place : New Delhi
Date : 30th May, 2019

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27109DL1973GOI006454
ii)	Registration Date	:	24th January 1973
iii)	Name of the Company	:	Steel Authority of India Limited
iv)	Category / Sub-Category of the Company	:	Public company / Limited by Shares
v)	Address of the Registered office and contact details	:	Ispat Bhawan, Lodi Road, New Delhi-110003. Contact No. +91-11-24367481. Fax No. +91-11-24367015. Email: investor.relation@sailex.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase- I, New Delhi-110020. Phone No. +91-11-41406149. Fax No. +91-11-41709881. Email: admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Flat Products (HR Coils, HR Plates, CR Coils, Pipes and Electric Sheets, etc.)	330	52
2	Long Products (TMT Bars, Wire Rods, etc.)		42

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SAIL-Jagdishpur Power Plant Limited, Ispat Bhawan, Lodhi Road, New Delhi. (Under Process of Striking 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, Uttrakhand, IN	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
7.	NTPC-SAIL Power Company Ltd., 4th 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, Shakeshkpeare Sarani, "Neelamber", Flat No.10A, 10th 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, 3rd 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.	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)
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.	SAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi-110015, IN	U28111DL2012PLC231225	JOINT VENTURE	26	2(6)
23.	TMTSAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi-110015, IN	U28113DL2012PLC231234	JOINT VENTURE	26	2(6)
24.	SAIL- Bengal Alloy Castings Private Limited 22B, Raja Santosh Road, New Alipore, Kolkata-700027,West Bengal, IN.	U35122WB2013PTC190532	JOINT VENTURE	50	2(6)
25.	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)
26.	Prime Gold-SAIL JVC Limited 5/2, Punjabi Bagh Extn., Club Road, New Delhi-110026, IN.	U28113DL2012PLC245537	JOINT VENTURE	26	2(6)
27.	Abinav-SAIL JVC Limited 401, Mahaveer Ji Complex, LSC Rishab Vihar, Delhi-110092, IN.	U27100DL2012PLC245749	JOINT VENTURE	26	2(6)
28.	NMDC SAIL Limited 10-3-311/A, Khanij Bhavan Castle Hills, Masab Tank, Hyderabad, TG 500028 IN.	U27320TG2016GOI109798	JOINT VENTURE	49	2(6)
29.	Bastar Railway Private Limited Global Exploration Centre, NMDC Building Geens Villey City, Housing Board Colony Boriyakala Raipur CT 492015, IN	U74900CT2016PTC007251	JOINT VENTURE	12	2(6)
30.	GEDCOL SAIL Power Corporation Limited GEDCOL Corporate Office, 2nd Floor, OSPH & WC Building, Vani Vihar, Janpath, Bhoinagar, 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):-	-	-	-	-	-	-	-	-	-
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	110886637	124800	111011437	2.69	125854384	124600	125978984	3.05	0.36
b) Banks/FI	138930829	59876	138990705	3.36	75691691	59629	75751320	1.83	(-)1.53
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	417264778	1900	417266678	10.10	413792934	1900	413794834	10.02	(-)0.08
g) FIIs	174998847	41126	175039973	4.24	169344462	41026	169385488	4.10	(-)0.14
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)IEPF	1731709	-	1731709	0.04	1961727	-	1961727	0.05	0.01
Sub-Total(B)(1):	**843812800**	**227702**	**844040502**	**20.43**	**786645198**	**227155**	**786872353**	**19.05**	**(-)1.38**
2. Non-Institutions									
a) Bodies Corp.	29693002	53342	29746344	0.72	53886436	51741	53938177	1.31	0.59
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual Shareholders holding nominal share capital upto ₹1 lakhs	101387379	3972860	105360239	2.55	112434981	3502601	115937582	2.81	0.26

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	27350054	87100	27437154	0.66	49151442	107100	49258542	1.19	0.53
c) Other (specify)NBFC	1033155	-	1033155	0.03	30002	-	30002	0.00	(-)0.02
i) Non Resident Indian	17904363	396500	18300863	0.44	19504401	396500	19900901	0.48	0.04
ii) Trust & Foundation	6519248	2300	6521548	0.16	6501148	2300	6503448	0.16	0.00
iii) Cooperative Societies	200400	-	200400	0.00	200400	-	200400	0.00	0.00
Sub-Total(B)(2)	**184087601**	**4512102**	**188599703**	**4.57**	**241708810**	**4060242**	**245769052**	**5.95**	**1.38**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1027900401**	**4739804**	**1032640205**	**25.00**	**241909210**	**4287397**	**245969452**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	48435	69200	117635	0.00	48435	68000	116435	0.00	0.00
Grand Total (A)+(B)+(C)	**4125716285**	**4809004**	**4130525289**	**100.00**	**4126169892**	**4355397**	**4130525289**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Govt. of India	3097767449	75.00	0	3097767449	75.00	0	-
	Total	3097767449	75.00	0	3097767449	75.00	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Government of India At the beginning of the year	3097767449	75.00	3097767449	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	-	-	-	-
	At the End of the year	3097767449	75.00	3097767449	75.00

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Folio No.	Name	PAN	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)	
				No. of Shares at the Beginning (31-03-18) /End of the Year (31-03-19)	% of total shares of the Company				Shares	% of total Shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	395451358	9.57	31.03.2018				
						29.03.2019	1211806	Purchase	396663164	9.60
				396663164	9.60	30.03.2019				
2	IN30014210753517	KOTAK FUNDS - INDIA MIDCAP FUND	AAGCK4148L	30165789	0.73	31.03.2018				
						25.05.2018	900000	Purchase	31065789	0.75
						01.06.2018	131496	Purchase	31197285	0.76
				31197285	0.76	30.03.2019				
3	IN30081210498007	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	AAACL0582H	51099546	1.24	31.03.2018				
						15.02.2019	-2775000	Sale	48324546	1.17
						22.02.2019	-2044145	Sale	46280401	1.12
						01.03.2019	-4483663	Sale	41796738	1.01
						08.03.2019	-2000000	Sale	39796738	0.96
						15.03.2019	-4825000	Sale	34971738	0.85
						22.03.2019	-3010000	Sale	31961738	0.77
						29.03.2019	-4180000	Sale	27781738	0.67
				27781738	0.67	30.03.2019				
4	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	AAACL0582H	25853245	0.63	31.03.2018				
				25853245	0.63	30.03.2019	NIL	NIL		
5	IN30016710015686	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER	AAATR0090B	0	0	31.03.2018				
						15.06.2018	6300000	Purchase	6300000	0.15
						20.07.2018	900000	Purchase	7200000	0.17
						03.08.2018	1800000	Purchase	9000000	0.22
						10.08.2018	3600000	Purchase	12600000	0.31
						07.09.2018	1800000	Purchase	14400000	0.35
						12.10.2018	14400000	Purchase	14400000	0.35
						15.02.2019	2700000	Purchase	17100000	0.41
						22.02.2019	1800000	Purchase	18900000	0.46
						01.03.2019	2700000	Purchase	21600000	0.52
				21600000	0.52	30.03.2019				

Sl. No	Folio No.	Name	PAN	Shareholding: No. of Shares at the Beginning (31-03-18) /End of the Year (31-03-19)	Shareholding: % of total shares of the Company	Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19): Shares	Cumulative Shareholding during the year (31-03-18 to 31-03-19): % of total Shares of the Company
6	IN30016710000279	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE VISION FUND	AAATR0090B	0	0	31.03.2018				
						08.06.2018	4050000	Purchase	4050000	0.10
						15.06.2018	8820000	Purchase	12870000	0.31
						06.07.2018	1800000	Purchase	14670000	0.36
						20.07.2018	630000	Purchase	15300000	0.37
						10.08.2018	1800000	Purchase	17100000	0.41
				17100000	0.41	30.03.2019				
7	IN30343810003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	AABTV0442N	13232867	0.32	31.03.2018				
						11.05.2018	606075	Purchase	13838942	0.34
						03.08.2018	445362	Purchase	14284304	0.35
						07.09.2018	629703	Purchase	14914007	0.36
						16.11.2018	885443	Purchase	15799450	0.38
						08.02.2019	1108903	Purchase	16908353	0.41
				16908353	0.41	30.03.2019				
8	IN30343810016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	AAATY0918K	16643922	0.40	31.03.2018				
						04.05.2018	-30960	Sale	16612962	0.40
						11.05.2018	-29412	Sale	16583550	0.40
						01.06.2018	-23220	Sale	16560330	0.40
						15.06.2018	-23220	Sale	16537110	0.40
						22.06.2018	-62402	Sale	16474708	0.40
						29.06.2018	-100452	Sale	16374256	0.40
						06.07.2018	-41094	Sale	16333162	0.40
						13.07.2018	-65446	Sale	16267716	0.39
						01.02.2019	107068	Purchase	16374784	0.40
						08.02.2019	341510	Purchase	16716294	0.40
						29.03.2019	42458	Purchase	16758752	0.41
				16758752	0.41	30.03.2019				
9	IN30179910081740	BNP PARIBAS ARBITRAGE	AAGFB5324G	0	0	31.03.2018				
						05.10.2018	323993	Purchase	323993	0.01
						12.10.2018	-7273	Sale	316720	0.01
						09.11.2018	432000	Purchase	748720	0.02
						16.11.2018	170229	Purchase	918949	0.02

Sl. No	Folio No.	Name	PAN	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)	
				No. of Shares at the Beginning (31-03-18) /End of the Year (31-03-19)	% of total shares of the Company				Shares	% of total Shares of the Company
						30.11.2018	-276000	Sale	642949	0.02
						21.12.2018	1068000	Purchase	1710949	0.04
						28.12.2018	5988000	Purchase	7698949	0.19
						31.12.2018	5904000	Purchase	13602949	0.33
						04.01.2019	84000	Purchase	13686949	0.33
						11.01.2019	804000	Purchase	14490949	0.35
						08.03.2019	148344	Purchase	14639293	0.35
						15.03.2019	2327084	Purchase	16966377	0.41
						22.03.2019	-461487	Sale	16504890	0.40
						29.03.2019	-765941	Sale	15738949	0.38
				15738949	0.38	30.03.2019				
10	IN30005410009134	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	AAATH1809A	11272000	0.27	31.03.2018				
						20.04.2018	1400000	Purchase	12672000	0.31
						27.04.2018	3048000	Purchase	15720000	0.38
				15720000	0.38	30.03.2019				
11	IN30005410094202	POLUNIN DEVELOPING COUNTRIES FUND, LLC	AAICP0164F	13502636	0.33	31.03.2018				
						11.08.2018	117411	Purchase	13620047	0.33
						07.12.2018	388570	Purchase	14008617	0.34
						11.01.2019	271131	Purchase	14279748	0.35
				14279748	0.35	30.03.2019				
12	1203280000374484	YUSUFFALI MUSALIAM VEETTIL ABDUL KADER .	ACNPY6727D	11900000	0.29	31.03.2018				
				11900000	0.29	30.03.2019	NIL	NIL		
13	IN30016710000262	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	AAATR0090B	7000000	0.17	31.03.2018				
						27.04.2018	-2496000	Sale	4504000	0.11
						15.02.2019	-254000	Sale	4250000	0.10
						21.09.2018	2207767	Purchase	6457767	0.16
						29.09.2018	2178505	Purchase	8636272	0.21
						04.01.2019	1000000	Purchase	9636272	0.23
						15.02.2019	4000000	Purchase	13636272	0.33
						01.03.2019	2000000	Purchase	15636272	0.38
						15.03.2019	-2000000	Sale	13636272	0.33
						29.03.2019	-2000000	Sale	11636272	0.28
				11636272	0.28	30.03.2019				

Sl. No	Folio No.	Name	PAN	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)	
				No. of Shares at the Beginning (31-03-18) /End of the Year (31-03-19)	% of total shares of the Company				Shares	% of total Shares of the Company
14	IN30005410009118	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	AAATH1809A	10962415	0.27	31.03.2018				
						12.10.2018	670000	Purchase	11632415	0.28
				11632415	0.28	30.03.2019				
15	IN30081210497730	LIC OF INDIA MARKET PLUS GROWTH FUND	AAACL0582H	17677583		31.03.2018				
						04.01.2019	-17677583	Sale	0	0
				0	0	30.03.2019				
16	IN30343810003972	CAPITAL GROUP EMERGING MARKETS TOTAL OPPORTUNITIES (LUX)	AADCC5192M	12448649	0.30	31.03.2018				
						26.10.2018	-900000	Sale	11548649	0.28
						16.11.2018	-2000000	Sale	9548649	0.23
						23.11.2018	-2241258	Sale	7307391	0.18
						14.12.2018	-1500000	Sale	5807391	0.14
						22.03.2019	-5807391	Sale	0	0
				0	0	30.03.2019				
17	IN30081210497789	LIC OF INDIA MONEY PLUS GROWTH FUND	AAACL0582H	11754806	0.28	31.03.2018				
						15.02.2019	-1650000	Sale	10104806	0.24
						22.02.2019	-875000	Sale	9229806	0.22
						01.03.2019	-1950000	Sale	7279806	0.18
						08.03.2019	-1173152	Sale	6106654	0.15
						15.03.2019	-2040000	Sale	4066654	0.10
						22.03.2019	-1605000	Sale	2461654	0.06
						29.03.2019	-2461654	Sale	0	0
				0	0	30.03.2019				
18	IN30012611241922	LIC OF INDIA PROFIT PLUS GROWTH FUND	AAACL0582H	11655668	0.28	31.03.2018				
						15.02.2019	-2600000	Sale	9055668	0.22
						22.02.2019	-700000	Sale	8355668	0.20
						01.03.2019	-1639204	Sale	6716464	0.16
						08.03.2019	-1370000	Sale	5346464	0.13
						15.03.2019	-1735000	Sale	3611464	0.09
						22.03.2019	-1250000	Sale	2361464	0.06
						29.03.2019	-2361464	Sale	0	0
				0	0	30.03.2019				

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Shri Anil Kumar Chaudhary, Chairman**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	**Shri Atul Srivastava, Director (Personnel)**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Shri M.C Jain, Company Secretary**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	68	0.00	68	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	68	0.00	68	0.00

Note: All other Directors do not hold any shares of the Company at the beginning, during and at the end of the Financial Year 2018-19.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	34570.28	10838.29	-	45408.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	869.37	203.17	-	1072.54
Total (i+ii+iii)	**35439.65**	**11041.46**	**-**	**46481.11**
Change in Indebtedness during the Financial Year				
- Addition	8795.05	39167.65	337.65	48300.35
- Reduction	5900.00	42301.23	337.65	48538.88
Net Change	**2895.05**	**-3133.58**	**0.00**	**-238.53**
Indebtedness at the end 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**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager								Total Amount (₹)
		Shri P.K. Singh (upto 30.06.18)	**Shri Anil Kumar Chaudhary**	**Dr. G. Vishwakarma**	**Shri Raman (upto 31.07.18)**	**Ms. Soma Mondal**	**Shri Atul Srivastava**	**Shri Harinand Rai (from 01.08.18)**	**Shri Vivek Gupta (from 27.03.19)**	
		Chairman	Director (Finance) & Chairman (from 22.09.18)	Director (P&BP)	Director (Technical)	Director (Commercial)	Director (Personnel)	Director (Technical)	Director (RM&L)	
1.	**Gross salary**									
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12,70,312	39,38,243	35,73,914	21,02,241	35,75,492	44,29,043	24,03,202	3,21,410	2,16,13,857
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,41,662	4,24,454	3,70,176	1,62,775	4,36,064	-	2,10,498	-	17,45,629
	(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)	**14,11,974**	**43,62,697**	**39,44,090**	**22,65,016**	**40,11,556**	**44,29,043**	**26,13,700**	**3,21,410**	**2,33,59,486**
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		N.A.

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Fee For attending Board/ Committee Meetings	Commission	Others, Please Specify	Total Amount
1.	**Independent Directors***				
	CA Parmod Bindal	5,80,000	-	-	5,80,000
	Mrs. Anshu Vaish	5,80,000	-	-	5,80,000
	Prof. Ashok Gupta	7,00,000	-	-	7,00,000
	Dr. Samar Singh	4,40,000	-	-	4,40,000
	Sh. Nilanjan Sanyal	7,20,000	-	-	7,20,000
	CA K.S. Chauhan	4,00,000	-	-	4,00,000
	Prof. N.K. Taneja	5,00,000	-	-	5,00,000
	Sh. Krishan Kumar Gupta	1,00,000	-	-	1,00,000
	Total(1)	40,20,000	-	-	40,20,000
2.	**Other Non- Executive Directors****				
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**40,20,000**	**-**	**-**	**40,20,000**
	Total Managerial Remuneration				
	Ceiling as per the act ((@1% of profits calculated under section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

*Only sitting fee is paid to Independent Directors

**No sitting fee is paid to other Non-Executive Directors.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Shri. M. C Jain Company Secretary	Total (₹)
1.	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	35,25,516 - -	35,25,516 - -
2.	**Stock Option**	-	-
3.	**Sweat Equity**	-	-
4.	**Commission** - as % of profit others, specify…	- -	- -
5.	Others, please specify	-	-
	Total (A)	**35,25,516**	**35,25,516**

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					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NIL**		
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, 2019

Particulars	Amount (₹ crore)
Loans given *	**39.21**
IISCO Ujjain Pipe & Foundry Co. Ltd.	2.53
NTPC SAIL Power Company 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.	7.00
Total	**39.21**
Investments made#	1467.02

* ₹ 35.95 crore provided for.
# Refer Note No.8 to Standalone Accounts

ii) Investments made during the year ended 31st March, 2019

Name of the Entity	Relation	Amount (₹ crore)	Purpose for which the Investments are proposed to be utilised
Bastar Railway Pvt. Limited	Joint Venture	35.22	Business Purpose
GEDCOL SAIL Power Corporation Limited	Joint Venture	0.26	Business Purpose

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Chairman

Place: New Delhi
Dated: 31st July, 2019

Annexure-XI to the Board's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014)

(A) Conservation of energy

i) Steps taken or impact on conservation of energy

Bhilai Steel Plant (BSP)

a) Best ever CDI and Coke Rate of 76.2 Kg/thm and 442.9 Kg/thm respectively achieved at BF #7.

b) Replacement of old Russian BF gas burners by new in-house efficient burners based on RDCIS design in boiler #5.

c) Replacement of all 8 nos. worn out air preheater blocks in boiler #5 to improve performance of the boiler.

d) 7455 nos. of LED bulbs/lamps installed in various locations across the plant resulting in annual power saving of 656 MWh approx.

e) Two nos. of industrial water pumps replaced with energy efficient pumps in Pump House # 2 of water management department.

f) Commissioning of VVVF drive for relay mechanism at cooling bed of Merchant Mill.

g) Power generation from Back Pressure Turbine Generator (BPTG) of CDCP of coke oven battery #11 started in February 2019.

h) Plant specific energy consumption - 6.75 Gcal/tcs.

i) Plant specific overall power consumption - 561 kWh/tss.

Durgapur Steel Plant (DSP)

a) Lowest ever Blast Furnace Coke Rate of 459.4 kg/thm.

b) Highest ever CDI rate of 56.7 kg/thm.

c) Lowest ever specific boiler coal consumption of 2.2 kg/t of steam.

d) Plant specific energy consumption - 6.28 Gcal/tcs (including new units).

e) Plant specific overall power consumption - 410 kWh/tss.

Rourkela Steel Plant (RSP)

a) BPTG generation increased from 2.20 MW to 2.89 MW.

b) Average solar power generation is 0.06 MW resulting in reduced import power from grid.

c) Plant specific energy consumption - 6.26 Gcal/tcs.

d) Plant specific overall power consumption - 463 kWh/tss.

Bokaro Steel Plant (BSL)

a. Implementation of real time monitoring system for battery heating in coke oven battery # 3 & 4.

b. Revival of 2 nos. of cooling tower in by-product plant to increase the tar yield.

c. Partial commissioning of new alternate coke oven gas main header thereby improving CO gas availability for mills.

d. Full repair of 3 nos. of pits along with recuperators.

e. Commissioning of 2 MW roof top solar lighting system through BPSCL.

f. Changing of recuperator of RHF # 2 & 3 during capital repair.

g. Full skid insulation of RHF# 2, 3 & 4 during capital repair.

h. Liquidation of 90 nos. of steam leakages, insulation of 800 meter steam line & replacement of 24 nos. of steam traps.

i. Plant specific energy consumption - 6.68 Gcal/tcs.

j. Plant specific overall power consumption - 472 kWh/tss.

IISCO Steel Plant (ISP)

a. PCI rate increased from 97 kg/thm to 123 kg/thm thereby reducing coke rate from 442 kg/thm to 418 kg/thm.

b. Power generation in TRTG improved from 7.81 MW to 9.7 MW.

c. BF gas & CO gas mixing facility modified and CBM gas mixing facility introduced in the existing gas mixing station of LDCP for proper intermixing of different fuel gases to obtain desired and consistent calorific value of the mixed gas.

d. Plant specific energy consumption - 6.36Gcal/tcs.

e. Plant specific overall power consumption - 552 kWh/tss.

ii) Capital Investment on energy conservation equipments

A Capital expenditure of ₹29.83 crore, as detailed below, has been incurred during the Financial Year 2018-19:

Particulars	₹ crore
Recovery of sensible heat of Coke by Installation of Coke Dry Quenching System in Coke Oven Battery #11 at ISP and #11 at BSP	10.00
Bell Less Top Charging System in Blast Furnace # 3 of DSP	0.66
Top Pressure Recovery Turbine System at Blast Furnace # 5 of ISP	2.02
Coal Dust Injection System in Blast Furnace #4 at RSP (usage of auxiliary fuel to reduce Coke charging)	0.20
Installation of energy efficient Walking Beam Type Furnace at BSP, RSP, BSL & ISP	5.35
Torpedo Ladle for Hot Metal handling at BSP & ISP	4.49
Cast House Slag Granulation System at BSL	0.85
Rotary Hearth Furnace at DSP	6.26
Total	**29.83**

(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 2018-19 are as under:

a) Process Developments

Raw Materials

- Feasibility study for beneficiation & pelletization of samples from Mahamaya iron ore Mines, BSP.

Coke Making

- Implementation of Computerized Heating Control model system (COHC) in COB#5, DSP.
- Improvement in hot strength of coke, BSL.
- Enhancement of coke strength by optimization of operating parameters of COB # 10, ISP.

Agglomeration

- Performance improvement of SP #2 through innovative techniques, DSP.
- Optimisation of raw materials to achieve better productivity and sinter quality in DSP conditions.

Blast Furnaces

- Reduction in heat loss through hard facing and refractory lining copper tuyeres in BF#5, BSL.
- Improvement in Gas Utilization of BF#5, RSP.
- Assessing Alkali Load of BF #5 using Flame Photometer, ISP.

Steel Making, Casting and Refractory

- Introduction of mould coating in caster for improving mould life, BSL.
- Control of bulging in Strands of Bloom Caster, DSP.
- Investigation and characterization of Longitudinal Midface Cracks (LC) in slabs from caster #3 SMS-II, RSP.
- Improvement in performance of RHF by enhancing life of skid pipe insulation in R&S Mill, BSP.
- Development of suitable quality refractory for improvement of refractory lining performance of VAD ladle cover, ASP.
- Use of high performance bearings for increased availability of slab caster #2 at SMS, RSP.

Rolling Mills

- Introduction of Edger lubrication in Roughing Mills of HSM, BSL
- Qualifying criteria test of rails as per Indian and European specification, BSP
- Investigation of UT failed rails, BSP
- Implementation of GPS based tracking system & Intelligent low idling system for Locomotives, BSL

Energy Conservation and Environment

- Waste heat recovery from sinter cooler for hot water generation at SP #3, BSP
- Infra-red thermal imaging of BF Stoves, BSL
- Feasibility study of BOF slag by steam maturing for its use in cement concrete, BSL

b) Laboratory based work

- Effect on coke quality of Pet Coke in coal blend through pilot oven carbonization
- Development of methodology for estimation of 'free CaO' in steelmaking slag & a method to evaluate flux reactivity`
- Wear characterization of various grades of rail steel developed by SAIL
- Development of TRIP-enhanced lean duplex stainless steel on laboratory scale
- Study on influence of hydrogen content on embrittlement and slow strain rate tensile (SSRT) behaviour of 90 UTS pearlitic rail.
- Chromium in BOF slag: Identification of its source and strategies to recycle it as soil conditioner

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 2018-19, the following 20 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	JIS G3141 SPCC 0.7 &2 mm	BSL	Cold reducing carbon steel for general use. Export to Sri Lanka
2	EN10025 275JR & IS2062 E410C	BSL	Non alloy structural steel
3	IS 2062 E350C steel Plates with higher impact strength & finer grain size	RSP	Construction; Bridges for KRCL
4	UT sound 100mm thick Plate in IS 2062 E250BR	RSP	Construction sector (Darukhana Steel, Mumbai)
5	Thicker Normalized BQ Plates - IS 2002 Gr.2 (63/70/110mm)	RSP	Boiler construction (BHEL)
6	Q&T ASTM A 517 Gr. F Plate 32 & 40 mm thick), ASTM A 537 Cl. 2 40 mm thick plate	RSP	Boilers and Pressure Vessels
7	ERW Pipes in ASTM A53 Gr B	RSP	Ash/water handling at Vietnam Power Plant
8	High Strength Q&T Plates in EN 10025-6 S690 QL	RSP	Crane
9	2 Pi Quenched & Tempered steel Plate	RSP	Defence sector
10	IS 1786 Fe550 D TMT rebars 25 / 32 mm	BSP	Construction Segment
11	Channel 100 IS 2062 E350 BR	BSP	Steel Structures
12	56 mm Plates with enhanced impact properties (54 joules at -20°C), JIS 3106 SM 570 upto 16 mm Normalised Steel Plates	BSP	Structurals for Bridge Construction
13	IS 2062 E 250 B0 (Si-K) Angle (Section : 75 x 75 x 8 mm & 75 x 75 x 10 mm)	BSP	Construction Segment
14	IS 1786 Fe550 D Grade Rebars in 12 / 16 / 20 mm dia & Fe-500D Grade 8 & 10 mm dia TMT Wire Rod using C-20 (lower CE) Billets	ISP	Construction Segment
15	SUP 11A Grade Billets	ISP	Spring steel for Auto Segments
16	High Strength IPE600 Structural without Micro-alloying	ISP	Construction Segment
17	IS 2062E250 BR NPB200 & MB300 Structurals	DSP	Construction Segment
18	20 / 25 mm IS 1786 550 D TMT Bars	DSP	Construction Segment
19	Al killed JIS 3101 SS540 (RC-2) Gr. CC Blooms of 230x160, 300x150 & 350x240 mm size for high strength structurals	DSP	Construction Segment
20	IS 2062 E250 BR MB250 & NPB250 Structurals	DSP	Construction Segment

(ii) Benefits derived from key projects in 2018-19:

- **Process Area**

Project Title	Plant	Benefits Derived
Waste heat recovery from sinter cooler for hot water generation at SP #3	BSP	• The WHRS has been designed to recover heat energy from waste heat of sinter cooler to the tune of 18,92,000 kCal/hr. • Improvement in specific productivity of sinter by ~3% from 1.15 to 1.184 t/m²/hr as well as reduction in solid fuel consumption by 2.18 kg/t of sinter from 68.34 to 66.16 kg/t of sinter.
Qualifying criteria test of rails as per Indian and European specification	BSP	• Rails produced at BSP are one of the prime products of SAIL and in order to maintain its quality, Qualifying Criteria Tests (QCT) like residual stress measurement, fracture toughness and fatigue strength are being carried out at RDCIS as stipulated in IRS-T-12 2009 specification. • The results obtained are found to be well within the stipulations of IRS T-l2-2009 specification. Based on satisfactory results, approval for manufacturing of rails through SMS III - URM route was obtained immediately from RDSO, Lucknow. • This year (2018-19) under QCT on rails, total 35 Nos. of residual stress measurement, 340 Nos. of fracture toughness test and 108 Nos. of fatigue strength test were carried out at RDCIS
Investigation of UT failed rails	BSP	• Total 12 numbers of rail samples were systematically investigated in SEM/EDS. Ultrasonically Tested (UT) failed rails were investigated to find out genesis of these failures. • The probable sources for UT defects in rails were identified as entrapped non metallic inclusions like slag, mould powder and pieces of SEN in steel. • Based on these investigations, recommendations were made on periodic basis for corrective action at BSP.
Implementation of Computerized Heating Control model system (COHC) in COB#5	DSP	• RDCIS has developed a state-of-the-art Computerised Coke Oven Heating Control System (COHC) with total in-house knowhow and expertise. • The system has been commissioned at COB#5, DSP. • The initial trends show an average energy saving of 9.5 GCal per day with 90 pushing / day under mixed gas underfiring.

Project Title	Plant	Benefits Derived
Performance improvement of SP #2 through innovative techniques	DSP	• Due to the technological measures incorporated, the monthly productivity has improved significantly from a level of 1.35 t/m^2/hr (Avg of 2015-16) before 1st intervention under this project to 1.44 t/m^2/hr (Current year productivity)
Optimisation of raw materials to achieve better productivity and sinter quality in DSP conditions	DSP	• Experiments were conducted on all the raw materials such as Iron ore fines, lime stone fines, dolomite fines, coke breeze, mill scale, return sinter fines. • Best productivity i.e. 1.38 t/m^2/hr is achieved at 60% Bolani 40% Gua. Next best i.e. 1.33 t/m^2/hr productivity is recorded at 55% Bolani & 45% Gua.
Control of bulging in Strands of Bloom Caster	DSP	• Analysis of process parameters in steelmaking and casting revealed that the problem of bulging and rhomboidity arising in caster is mainly due to the high dispatch temperature after secondary treatment of steel and improper secondary cooling. • Control of the steel dispatch temperature and improvement in maintenance practice has resulted into increasing the casting speed without facing much issue in terms of bulging or other shape related defects. After process optimization, casting of nearly 88% heats is finished within 80 minutes compared to ~54% in earlier condition.
Improvement in Gas Utilization of BF#5	RSP	• The combined effect of various process optimization measures lead to improvement in average (Apr'18-Feb'19) gas utilization from 42% to 43.5% in BF#5. Additionally Coke quality (M10) in Battery #4 & 5 was marginally on lower side.
Investigation and characterization of Longitudinal Midface Cracks (LC) in slabs from caster #3 SMS-II	RSP	• New mould powder with higher basicity, practice of mould machining after every 500 heats to control mould profile etc was introduced for the crack sensitive grades. • The incidences of longitudinal cracks significantly reduced from more than 4% to less than 2% after the modifications.
Use of high performance bearings for increased availability of slab caster #2 at SMS	RSP	• The existing type of bearing was replaced by sealed spherical roller bearing, modified the rotary joint and its cover, introduced grease distributor with better flow control and heat resistant seal to reduce consumption of grease. • These led to increase in caster availability and reduction of grease consumption by 66% for this segment.
Infrared thermal imaging of BF Stoves	BSL	• The thermal scanning campaigns were conducted 6 times for BF#2, 5 times for BF#3 and 3 times for BF#5. • Regular monitoring of BF stoves by thermal imaging and taking the remedial actions helped in avoiding the major breakdowns due to shell damage and hot gas release from Stove shells after melting the metallic shell.
Feasibility study of BOF slag by steam maturing for its use in cement concrete	BSL	• A pilot system has been designed and established at Bokaro Steel Plant aimed at accelerated stabilization of free lime content of BOF slag using steam as maturing agent. • It has been established that steam matured BOF Slag can be blended with appropriate size aggregates and used as Granular Sub-base material as per guidelines of Ministry of Road Transport and Highways.
Reduction in heat loss through hard facing and refractory lining copper tuyeres in BF#5	BSL	• RDCIS has designed and developed a modified tuyere with refractory coating on inner surface and alloy hard facing on outer surface. • ΔT (Tout-Tin) of cooling water for installed modified tuyeres has been reduced by approximately 20-30%. • Average heat loss through all working tuyeres taken into consideration has been reduced by 15%.
Introduction of mould coating in caster for improving mould life	BSL	• The used mould plates of SMS-II, BSL caster coated with Nickel. The coating profile adopted was full face tapered (linear) coating with 0.5 mm at the top and 2.5 mm at the bottom. The coated mould put in trial from Feb 2018. No abnormality was observed during trial for 10 campaigns. • The trial shows that coating of mould plates with thermocouple and its use under stringent BSL caster conditions, like, top dummy bar insertion, are possible.
Introduction of Edger lubrication in Roughing Mills of HSM	BSL	• Automatic Edger Roll Lubrication (ERL) system was developed and installed at HSM for controlling wear of rolls at all the edger stands. • Reduction in wear rate of rolls even at lower specific oil consumption of around 10 ml/ton compared to its stipulated value of 15 ml/ton.
Improvement in hot strength of coke	BSL	• The heating parameters like free space temperature, free space height, vertical top pressure and cross wall temperature in coke oven batteries were measured and corrective actions were taken to make them in order. • As a result of above mentioned optimizations the CSR improved from 63.8 (Average of Aprl'17-Jan'18) to 64.32 (April 2018 to Feb' 2019).
Assessing Alkali Load of BF #5 using Flame Photometer	ISP	• Flame photometer system has been procured, installed & commissioned at BF RCL Laboratory for reliable alkali analysis of materials used in BF Process. Based on the regular alkali analysis, better BF process control has been suggested for BF # 5 whenever alkali load is high.
Enhancement of coke strength by optimization of operating parameters of COB # 10	ISP	• Through rigorous monitoring and small but significant innovations, the coke quality of COB#10 has improved from M_{10}:8.0, M_{40}:83.8, CSR: 63.9, CRI: 23.5 (Average Feb'18) to M_{10}:7.6, M_{40}:84.3, CSR:64.2, CRI:22.5 (Average Feb'19).

Project Title	Plant	Benefits Derived
Development of suitable quality refractory for improvement of refractory lining performance of VAD ladle cover	ASP	• Improved quality refractory (High Alumina bricks and prefabricated blocks) with high thermal shock resistance, high corrosion resistance, high abrasion resistance, and high volume stability has been developed jointly with SRU, IFICO and RDCIS • Developed refractory was lined in VAD ladle cover and achieved a lining life of 167 heats. As the prefabricated blocks and bricks are manufactured in SRU, IFICO, also an in-house source for VAD ladle cover refractory is now available with us.
Development of methodology for estimation of 'free CaO' in steelmaking slag & a method to evaluate flux reactivity	RDCIS	• A flux reactivity apparatus has been designed and fabricated at RDCIS, Ranchi. Flux Reactivity Apparatus is an experimental setup for quick (~ 5 minutes) and reliable measurement of flux reactivity • The results have been validated through the excellent correlation that exhibits between conventional titration method and the present methodology of determining flux reactivity with an accuracy of ± 5%. • This newly developed equipment saves a lot of time compared to existing practice which normally takes 2-3 hrs for evaluation of flux reactivity .
Wear characterization of various grades of rail steel developed by SAIL	RDCIS	• With a view to compare wear resistance properties of different grades of Rails developed by SAIL with respect to 90 UTS grade, several wear tests were carried out to characterize all such grades. • Wear tests on 57 samples were performed in different load condition. • Metallurgical investigation on the tested samples was also carried out on SEM/ EDS. • Generated data will help in selection of suitable grade of rail for appropriate applications as per requirements of Indian Railways.
Study on influence of hydrogen content on embrittlement and slow strain rate tensile (SSRT) behaviour of 90 UTS pearlitic rail.	RDCIS	• Role of alloying on hydrogen embrittlement behaviour of different rail steels produced by Bhilai Steel Plant was studied, in with and without hydrogen atmosphere. Systematic mapping of hydrogen from head to foot of rail, across the cross section showed that, all rail steel under investigation has hydrogen below 2ppm. • Cu-Mo and HTCR rails showed better hydrogen embrittlement resistance than that of other rails under investigation, by forming passive film and restricting ingress of hydrogen.
Feasibility study for Beneficiation & pelletization of samples from Mahamaya Iron Ore Mines	RDCIS	• Samples of iron ore fines received from Mahamaya Mines to RDCIS for carrying out beneficiation and pelletisation feasibility test were analysed.
Chromium in BOF slag: Identification of its source and strategies to recycle it as soil conditioner	RDCIS	• A detailed study has been carried out to identify the possible source of chromium in BOF slag. Samples were collected from Bokaro Steel Plant and it was found the main source which contributed chromium was iron ore.

- **Product Area**

Product	Plant	Benefits Derived
JIS G3141 SPCC 0.7 &2 mm	BSL	JIS G3141 SPCC grade Cold rolled & annealed coils find application in automobiles and electrical appliances segment. At BSL, 19 numbers of coils of this grade were processed into cold rolled and annealed coils of size 0.7-2.9 mm (t) x 900-1215 mm (w). About 140.78 T material dispatched to M/s.Sonic Steel Industries (Pvt.) Ltd., Srilanka & Balmer Lawrie (UAE) LLC, Dubai .
EN10025 275JR & IS2062 E410C	BSL	This is European standard for hot-rolled non-alloy structural steel. CE Re-Certification taken by BSL to capture European Market. 28 number of EN 10025 275JR Grade slabs were rolled into 2-4 mm x 1250 mm size HR coils & processed at HRCF, BSL and about 490 tons dispatched as HR Sheet.
IS 2062 E350C steel Plates with higher impact strength & finer grain size	RSP	These plates are required with higher Impact Strength and finer grain size (ASTM 8 or finer) for construction of Bridges. Requirement of KRCL for construction of bridges has been met successfully.
UT sound 100 mm thick Plate in IS 2062 E250BR	RSP	Ultrasonically sound plates of 100 mm thickness conforming to IS2062 E250 BR successfully developed at RSP. Heats were made with lower Sulphur level and extensive degassing through RHOB. The plates were tested against the stringent norm of ASTM A578 Level B and were found to be ultrasonically sound. About 660 T of these plates have been dispatched to M/s. Darukhana Steel Pvt. Ltd., Mumbai
Thicker Normalized BQ Plates - IS 2002 Gr.2 (63/70/110mm)	RSP	Boiler quality plates (0.18C-1.12Mn-0.027P-0.018S-0.25Si-0.011Al) were rolled into 63,70 and 110 mm plates. These were normalized in the new heat treatment line of SPP of RSP. A total of 325 T of these plates in the thickness of 63, 70 and 110 mm was dispatched to M/s. BHEL conforming to IS 2002 Grade 2.
Q&T ASTM A 517 Gr. F Plate 32 & 40 mm thick), ASTM A 537 Cl. 2 40 mm thick plate	RSP	Process technology established for ASTM 517 Grade F Q&T plates of 32 and 40 mm thickness for use in pressure vessels and penstocks and 40 mm thick plates of ASTM 537 Class 2 Grade for use in boilers and pressure vessels. The specified properties of ASTM 517 Grade F (YS : 825-850 MPa, UTS : 882-891 MPa, %El : 20-21, CIE (J) : 64-78 at -20°C) & ASTM 537 Class 2 Grade (YS : 444-491 MPa, UTS : 581 -606 MPa, %El : 26, CIE (J) : 30-42 at -20°C) have been achieved in the processed plates.

Product	Plant	Benefits Derived
ERW Pipes in ASTM A53 Gr B	RSP	ASTM A53 Gr B ERW Pipes are used for ash/water handling. This was an export requirement. RSP has fulfilled the order and supplied material to Bhusan tubes for coating and onward export to Vietnam.
High Strength Q&T Plates in EN 10025-6 S690 QL	RSP	Product developed. 159t dispatched to PEDVAK Technologies Pvt. Ltd., Hyderabad for applications in EOT cranes.
2π Quenched & Tempered steel Plate	RSP	50 T heat was made at ASP through VAD-CC route. Slabs were rolled into 5 mm plates using Steckel Mill of SSP. Heat treatment was carried out at SPP, RSP using parameter arrived at on the basis of simulation studies carried out at RDCIS. Processed plates met the specified properties of GOST: B21967-76. 24T of 2π grade plates were sent to Ordinance Factory Medak, where the performance in the ballistic test conducted with distance of 50 meters was found to be satisfactory. Material is certified as acceptable.
IS 1786 Fe550 D TMT Rebars 25 / 32 mm	BSP	Trials for IS 1786 Fe550D grade TMT Rebars were undertaken in 25 mm and 32 mm dia at BSP, Bhilai. Total 7 heats were rolled into 32 mm dia TMT Rebars and 6 heats were rolled into 25 mm dia TMT Rebars. Properties of trial processed TMT Rebars met the specification of IS 1786 Fe550D grade. A total of 1553 T comprising 742 T of 25 mm dia TMT Rebars and 811 T of 32 mm dia TMT Rebars of IS 1786 Fe550D grade have been dispatched to M/s L&T for constructing Convention Centre at Dwarka, Delhi.
Channel 100 IS 2062 E350 BR	BSP	180 Ton of Channel 100 IS 2062 E350 BR grade has been supplied.
56 mm Plates with enhanced impact properties (54 joules at -20°C), JIS 3106 SM 570 upto 16 mm Normalised Steel Plates	BSP	Process technology developed for 56 mm Plates with enhanced impact properties (54 joules at -20°C). After satisfactory performance of 50 T trial order, fresh order for 1400 T has been received. Trial heats were made with variations of Nb, Ti, & V. Tensile and Charpy Impact properties in 12.5 mm plates met the requirement of the specification and same grade has been developed up to 16mm.
IS 2062 E 250 B0 (Si-K) Angle (Section : 75 x 75 x 8 mm & 75 x 75 x 10 mm)	BSP	Two heats of 500 T of IS 2062 E 250B0 (Si-K) grade were made. 345 T billets were processed into Angles of sections 75x75x10 mm and 75x75x8 mm in Merchant Mill. Angles of 75x75x10 & 75x75x8 mm size met specified properties of grade IS 2062 E250B0.
IS 1786 Fe550 D Grade Rebars in 12 / 16 / 20 mm dia & Fe-500D Grade 8 & 10 mm dia TMT Wire Rod using C-20 (lower CE) Billets	ISP	Trials for IS 1786 Fe550D grade TMT rebars were undertaken in 12, 16 & 20 mm dia at ISP, Burnpur. Properties of trial processed TMT rebars in 12, 16 & 20 mm dia met the specification of IS 1786 Fe550D grade. A total of 5125 T comprising 1238 T of 12 mm dia, 2742 T of 16 mm dia and 1145 T of 20 mm dia have been dispatched. Fe-500D Grade 8 & 10 mm dia TMT Wire Rod with leaner chemistry (lower CE) and unique processing conditions have been successfully developed.
SUP 11A Grade Billets	ISP	EMS operating parameters for SUP 11A grade stabilized. Eight number of heats have been made.
High Strength IPE600 Structural without Micro-alloying	ISP	ISP is regularly producing high strength IPE600 structural using 0.040-0.050% Vanadium and 1.40-1.50% Manganese. Feasibility of producing high strength IPE600 structurals without microalloying was explored. Trial was undertaken using Vanadium free IS 2062 E250 grade beam blanks for producing high strength structurals. Besides the modified leaner (1.10% Mn) non-micro-alloyed (i.e. V free) steel chemistry, special thermal regime and draft schedules were tried during the trial processing. Properties achieved are significantly higher than that of usual IS 2062 E250 grade IPE600 Structurals.
IS 2062E250 BR NPB200 & MB300 Structurals	DSP	Process technology developed for IS 2062E250 BR NPB200 & MB300 Structurals at MSM, DSP. 20,070 T of IS 2062E250 BR NPB200 and 12,371 T of MB300 Structurals have been dispatched.
20 / 25 mm IS 1786 550 D TMT Bars	DSP	Development of IS 1786 Fe500D grade TMT rebars in 20 and 25 mm dia was undertaken by DSP. 1197 T of 20 mm dia and 592 T of 25 mm dia TMT were processed. Properties for all the processed TMT rebars met the specifications of IS1786 Fe500D grade. The processed TMT Rebars have been supplied to M/s L&T and BSO Delhi stock yard. Total supplied quantity of this grade is 1634 T which includes 1078 T and 556 T of IS 1786 Fe550D TMT rebars of 20 mm dia and 25 mm dia respectively.
Al killed JIS 3101 SS540 (RC-2) Gr. CC Blooms of 230x160, 300x150 & 350x240 mm size for high strength structurals	DSP	3160 T of Al killed JIS 3101 SS540 (RC-2) Gr. CC Blooms of 230x160, 300x150 & 350x240 mm size supplied to M/s Skipper Ltd.
IS 2062 E250 BR MB250 & NPB250 Structurals	DSP	Process technology developed for IS 2062 E250 BR MB250 & NPB250 Structurals at MSM, DSP. 11,267 T of IS 2062 E250 BR MB250 and 13,867 T of NPB250 Structurals have been dispatched.

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	2019	Likely to be commissioned
SINTER MAKING/AGGLOMERATION			
1.	Installation of Sinter Plant II, BSL	2019	Likely to be commissioned
IRON MAKING			
1.	**Blast Furnace (BF) with modern facilities such as:** • Conveyor charging system • Closed Loop Cooling System with soft water as an efficient cooling system • Modern refractory design • Flat Cast House design with ramp for use of mobile equipment for maintenance etc.		
i)	BF#8 at BSP	2018	Commissioned
ii)	BF#1 RSP	2018	Blowing-in was done on 8th May, 2018 with the old TB (No.5) and it is in production.
2.	**Gas Cleaning Plant (GCP) for improvement in quality of BF gas**		
i)	GCP in BF#8, BSP	2018	Commissioned
3.	**INBA Cast House Slag Granulation Technology at BSL**		
i)	BF#2, Cast House 4	2018	Commissioned
ii)	BF#3, Cast House 5	2019	Likely to be commissioned
iii)	BF #1, Cast House 1 & 2	2019	Likely to be commissioned
4.	**High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200°C**		
i)	Stoves System in BF#8, BSP	2018	Commissioned
ii)	Stoves System in BF#1, RSP	2018	Commissioned
iii)	Stoves System in BF#1, BSL	2019	Likely to be commissioned
iv)	Stoves System in BF#4, BSL	2019	Likely to be commissioned
5.	**Top Recovery Turbine in Blast Furnaces for generation of power**		
	BF#8, BSP	2019	Likely to be commissioned
6.	**Coal dust injection system**		
i)	BF#4, BSP	2019	Likely to be commissioned
ii)	BF#8, BSP	2018	Commissioned
STEEL MAKING			
1.	Installation of 45 MVA SAF at CFP	2019	Likely to be Commissioned
2.	SMS III at BSP	2019	Likely to be Commissioned
ROLLING & FINISHING			
1.	**Universal Rail Mill, BSP**		
i)	Walking-beam (WB) type re-heating furnaces	2019	Under Commissioning
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		

Sl. No.	Description	Year	Status
2.	**Bar & Rod Mill**		
i)	Hot charging of billets to reduce specific fuel consumption	2019	Likely to be commissioned
ii)	Walking-beam (WB) type re-heating furnaces		
iii)	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars		
iv)	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods		
v)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
3.	**Medium Structural Mill, DSP**		
i)	Walking-beam (WB) type re-heating furnaces	2018	Under commissioning
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
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.	2019	Commercial production likely to start
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	:	14.77
(b) Revenue	:	305.09
Total	:	319.86
Total R&D Expenditure as a % of Total Turnover	:	0.48
Foreign Exchange Earnings and Outgo		**(₹ crore)**
i) Foreign Exchange earned from exports and other activities	:	2872.64
ii) Foreign Exchange used:		
a) CIF Value of imports	:	25857.51
b) Other expenditure in foreign currency	:	259.23

For and on behalf of the Board of Directors

Sd/-

(Anil Kumar Chaudhary)
Chairman

Place: New Delhi
Dated: 31st July, 2019

ANNUAL REPORT ON CSR ACTIVITIES 2018-19

1. A brief outline of the CSR Policy, including overview of Projects proposed to be undertaken and a reference to the web link to the CSR Policy and Projects.

1(A) Brief Outline (Objectives) of SAIL CSR Policy:

- Create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill towards the Company from those living along the periphery by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged.
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future to meet its needs.
- Support local populace by building the image of SAIL as patron of diverse pastoral sports, art & cultures.
- To operate in a socially, environmentally and economically responsible manner, so as to succeed by seeking social license.

1(B) Overview of SAIL CSR Projects/Activities:

All the CSR activities/projects fall in line with Schedule VII of the Companies Act, 2013 focussing on issues which are of foremost concern in the national development agenda:

i. Promoting healthcare including preventive health care, sanitation and access to drinking water.
ii. Promotion of education, employment/livelihood enhancing vocation skills.
iii. Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups.
iv. Ensuring environmental sustainability, animal welfare and agro-forestry.
v. Protection of national heritage, art and culture.
vi. Training to promote rural sports.
vii. Rural development.

1(C) Web-link for SAIL CSR Policy and Projects: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 are:

Sl.No	Name	Designation
1	CA K.S. Chauhan	Independent Director & Chairman
2	Mrs. Anshu Vaish	Independent Director
3	Prof. Ashok Gupta	Independent Director
4	Dr. Samar Singh	Independent Director
5	Shri K.K. Gupta	Independent Director
6	Dr. G. Vishwakarma	Director(P&BP) holding Addl. Chg. of Director (Finance)
7	Shri Harinand Rai	Director (Technical)
8	Shri Atul Srivastava	Director(Personnel)

3. Average Net Profit for last three FYs : ₹(-)4,145.20 crore

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 2018-19 :

a) Total amount to be spent : "Nil" **

b) Amount unspent, if any : "Nil" **

**(NIL as per the provisions of Companies Act, 2013. However, for ongoing core CSR activities, the Board decided to spend ₹30 crore)

c) Manner in which the amount spent : Details furnished in prescribed format at **Annexure-A.**

6. In case the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Board's Report to disclose reasons for such non-compliance.

In terms of Section 135(5) of the Companies Act, 2013, 2% of average net profit during the three immediately preceding Financial Years i.e. FY 2015-16 to FY 2017-18 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.

It may be noted that statutorily the CSR budget is 'Nil' as SAIL has been incurring 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 2018-19, 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 specified in Schedule-VII to the Companies Act, 2013.

During 2018-19, around 54% of the total expenditure was incurred on thematic program pronounced by the Government of India, viz. promotion of Education and Health under CSR. In addition, 816 rural youths have been sponsored for ITI trainings. Over 710 youths & 1168 women folks 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 implementing CSR projects in 7 Aspirational Districts, viz. West Singhbhum, Bokaro & Ranchi in Jharkhand; Kanker, Narayanpur & Rajnandgaon in Chhattisgarh and Nuh in Haryana. During Financial Year 2018-19, around 23% of the total expenditure has been incurred on development of these 7 Aspirational Districts.

In its endeavor to develop District Nuh, an 'Aspirational District' in Haryana, under the aegis of Ministry of Steel, SAIL is supporting the District Administration, Nuh towards implementation of the Menstrual Hygiene Management program, i.e. the drive for: distribution of 20 Lakh Sanitary Napkins among girl students and their female family members; installation of one each of Sanitary Napkin Dispenser and Incinerator and Conduct of awareness/training programs on Menstrual Hygiene covering 100 schools of District Nuh.

The major CSR activities undertaken by SAIL during Financial Year 2018-19 have been elaborated in the prescribed format at **Annexure-A to this Report**.

Sd/-	Sd/-	Sd/-
(Atul Srivastava)	**(Dr. G. Vishwakarma)**	**(CA K.S. Chauhan)**
Director (Personnel)	Director (P&BP)	Chairman, CSR Committee
SAIL	with Addl. Chg. of	SAIL
	Director(Finance) SAIL	

SAIL CSR PROJECTS/ACTIVITES UNDERTAKEN DURING 2018-19

(₹ 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 (2014-15 to 2018-19)	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, Paschim Bhardman, Bankura, South 24 parganas, Nadia and Kolkata in W.Bengal, Sudergarh & Keonjhar in Odisha, Bokaro, W.Singhbhum, Garhwa, Dhanbad, Ranchi & Khunti in Jharkhand, Salem & Chennai in Tamil Nadu, Chandrapur in Maharashtra, Nuh in Haryana, etc.	6.46	5.60	54.66	Direct and through Implementing Agencies, viz. Akshay Patra Fdn, Sw. Vivekakanda Vani Prachar Samity, Mahila Samity, Ramakrishna Mission, Bharati Bhaban, Women Voluntary Services, Burnpur Mahila Samaj, Jharcraft, Shamayita Math, Burnpur Ambagan Vol. Sol. Wel. Org.,The Art of Living, Durgapur,Durgapur Mishra Ispat Abasik Mahila Samaj, Peace House Welfare Trust, Gopalmath Sisu Kalyan Samity, Industrial Training Institute, CIPET, Intensive Khadi Rural Dev. Center, State agencies, Bhilai Ispat Kaushal Kutir, Swayamsiddha, DSP Mahila Samaj, SRREOSHI, Sona College of Technology, SCEWASTAMB & Balagoda SHG Aashaye, Gua, Deen-Disha Centre(S.E.C.) Manoharpur, Society for Rural Industrialisation, Missionaries of charity, Cheshire Home, Tamil Nadu PWD, etc.
2	Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	Cl.(ii) Education & Livelihood Generation		15.93	14.74	66.01	
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		2.28	0.82	10.42	
4	Protection of heritage, art, culture & Training to promote rural sports,Nationally recognised sports, paralympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture		1.45	6.18	21.03	
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		1.57	1.62	23.68	
6	Rural development projects	Cl.(x) Infrastructure & Rural Dev		0.99	1.84	17.61	
7	Capacity Building. CSR Rules, 2014	Cl.4(6)		0.05	0.39	3.73	
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)			1.25	0.00	0.00	
	Total			30.00	31.18	197.14	

PRINCIPAL EXECUTIVES AS ON 09.07.2019

CORPORATE OFFICE

NEW DELHI

Chairman
Anil Kumar Chaudhary

Directors
Projects & Business Planning with Additional Charge of Director (Finance)
Dr. G. Vishwakarma
Commercial
Ms. Soma Mondal
Personnel
Atul Srivastava
Technical
Harinand Rai
Raw Materials & Logistics
Vivek Gupta

Executive Directors
Power, Elec. & SAILCON
Tejveer Singh
Vigilance
S. Sitapati
Chairman's Sectt.
D. K. Mohanty
Operations
A. Devadas
Coal Import Group
Deepak Daftuar
Projects
K. V. Ramana
CMMG
Sanjay Sharma
Internal Audit
Rajesh Bhasin

Company Secretary
M. B. Balakrishnan

Chief of Corporate Affairs
Ms. Sumita Dutta

Safety
Executive Director
K. K. Jha

Management Training Institute
Executive Director
Mrs. Kamakshi Raman

Growth Division
Environment Management Division
Executive Director
Kalyan Maity

STEEL PLANTS / UNITS

Bhilai Steel Plant
Chief Executive Officer
Anirban Dasgupta
Executive Directors
Works
P. K. Dash
Finance & Accounts
B. P. Nayak
Materials Management
S. K. Basar Khairul
Mines & Rowghat
M. Biswas
M&HS
Dr. S.K. Issar - Director I/c
Personnel & Administration
K. K. Singh

Durgapur Steel Plant
Chief Executive Officer (DSP & ASP)
A.V. Kamlakar
Executive Directors
Personnel & Administration
P. K. Pradhan
Projects
T. B. Singh
M&HS
Dr. K. N. Thakur - Director I/c
Materials Management
S. Nandi

Rourkela Steel Plant
Chief Executive Officer
D. Chattaraj
Executive Directors
Personnel & Administration
R. V. Singh
Works
G. Banerjee
Materials Management
D. K. Mohapatra

Bokaro Steel Plant
Chief Executive Officer
P. K. Singh
Executive Directors
M&HS
Dr. A. K. Singh - Director I/c
Works
R. C. Srivastava
Personnel & Administration
M. Prasad
Projects
R. Kushwaha
Materials Management
V. K. Pandey

IISCO Steel Plant
Chief Executive Officer
A. V. Kamlakar
Executive Directors
Projects
A. R. Dasgupta
Materials Management
S. P. Singh
Works
A. K. Singh

Alloy Steels Plant
Executive Director
P. K. Pradhan (Addl. Charge)

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
Ajay Arora

Raw Materials Division
Executive Director
Personnel & Administration
Amitabha Bhattacharya
RP&E
P. C. Naik
Projects
V. K. Jha

Centre for Engineering & Technology
Executive Director
K. Das

Central Marketing Organisation
Executive Directors
Marketing - Commercial
Alok Sahay
Marketing - ITD
B. Chongdar
Marketing
M. C. Agarwal
Marketing Services
A. V. Purandare
Marketing - SPU
D. Kumar

Logistics & Infrastructure
Executive Director
L. N. Mallick

SAIL Refractory Unit
Executive Director
S. Mondal

Chandrapur Ferro Alloy Plant.
Executive Director
R. Gopal

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 47th Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Friday, the 30th August, 2019, at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019, 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, 2019 and the Report of the Auditors thereon.

2. To appoint a director in place of Ms. Soma Mondal (DIN:06845389), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

3. To appoint a director in place of Shri Atul Srivastava (DIN:07957068), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

4. To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2019-20.

5. To declare Final Dividend for the Financial Year 2018-19 @ ₹0.50 per Equity Share of face value of ₹10/- each.

SPECIAL BUSINESS

6. To re-appoint CA Parmod Bindal (DIN:06389570) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, CA Parmod Bindal (DIN:06389570), who was re-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 re-appointed as an Independent Director of the Company to hold office for 1 (one) year for a term upto 17th November, 2019."

7. To re-appoint Prof. Ashok Gupta (DIN:07342950) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Prof. Ashok Gupta (DIN:07342950), who was re-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 re-appointed as an Independent Director of the Company to hold office for 1 (one) year for a term upto 17th November, 2019."

8. To re-appoint Mrs. Anshu Vaish (DIN:02924346) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Mrs. Anshu Vaish (DIN:02924346), who was re-appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 1 (one) year for a term upto 17th November, 2019."

9. To appoint Shri Krishan Kumar Gupta (DIN:03476812) 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 Krishan Kumar Gupta (DIN: 03476812), 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 20th December, 2021."

10. To appoint Shri Vivek Gupta (DIN:08370793) 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 Vivek Gupta (DIN:08370793), who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

11. To obtain consent for Borrowings and creation of charge on the assets of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

    "**RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to make Offer(s) or Invitation(s) to raise funds through Private Placement of Secured Non-convertible Debentures/Bonds of up to ₹5,000 crore, during a period of one year from the date of this Annual General Meeting, in one or more tranches to such person or persons, including eligible investors (whether residents and/or non-residents and/or institutions/corporate bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets), Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Developments Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public, or other entities, authorities and such other persons, who may or may not be the bond/debenture holders of the Company, in one or more combinations thereof, including the green-shoe option (within overall limit of ₹5,000 crore, as stated above), as the Board may, at its sole discretion decide on such terms and conditions as may be finalized by the Board or any Committee thereof as may be approved and authorized by the Board or such other functionary of the Company as may be approved by the Board/ or such Committee."

    "**RESOLVED FURTHER THAT** consent of the Company be and is hereby accorded in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, to the Board of Directors of the Company (the "Board") or any Committee thereof, to create charge, hypothecate, mortgage, pledge in addition to existing charges, mortgages and hypothecations created by the Company on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporates, trustees for the holders of Debentures/ Bonds/Other Instruments/Securities or any other persons on such terms and conditions and covenants as the Board or any Committee thereof may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of Term Loans, External Commercial Borrowings, issue of Debentures/Bonds, etc. not exceeding the limit approved by the Shareholders in terms of Section 180(1)(c) of the Companies Act, 2013.

    "**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to authorize the Committee of the Board to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking, etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company and /or a Committee thereof as may be approved and authorized by the Board, if any, be and are hereby authorized to do all necessary acts, deeds, actions, and other things and to take all such steps as may be required or considered necessary or incidental thereto for giving effect to this resolution."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

12. To ratify the remuneration of the Cost Auditors of the Company and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹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. Shome & Banerjee, Kolkata (for Bokaro Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. R.J. Goel & Co., New Delhi (for Bhilai Steel Plant and Rourkela Steel Plant) and M/s. R.M. Bansal & Co., Kanpur (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) for the Financial Year 2019-20, 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: 31st July, 2019
Registered Office:
Ispat Bhawan, Lodi Road, New Delhi-110003.
CIN: L27109DL1973GOI006454

Notes:

1. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business Item Nos. 6 to 12 above is annexed hereto. The relevant details 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.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Only Members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.

4. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to submit to the Company a certified true copy of the relevant Board Resolution alongwith the specimen signature(s) of the representative(s) authorised to attend and vote on their behalf at the meeting.

5. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be provided.

6. The Register of Members of the Company will remain closed from Saturday, 24th August, 2019 to Friday, 30th August, 2019 (both days inclusive), for the purpose of AGM and payment of dividend for Financial Year 2018-19. If dividend, as recommended by the Board of Directors is approved at the Meeting, payment of such dividend will be made on and from Thursday, 5th September, 2019 in respect of (i) Shares held in Physical Form, to all those Members whose name appears on the Company's Register of Members as on Friday, 23rd August, 2019 after giving effect to valid requests for Transmission or Transposition lodged with the Company on or before the close of business hours on Friday, 23rd August, 2019 and (ii) Shares held in Electronic Form, to all beneficial owners of the shares, as per details furnished by the Depositories for this purpose, as of the close of business hours on Friday, 23rd August, 2019.

7. M/s. MCS Share Transfer Agents Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities viz. Transfer/ transmission/ transposition/ dematerialisation/ rematerialisation/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfer and allied activities with this agency only at the following address:

   M/s. MCS Share Transfer Agents Limited,
   F-65, 1st Floor, Okhla Industrial Area, Phase-I,
   New Delhi-110020
   Phone No.011-41406149, E-mail: admin@mcsregistrars.com

8. **Dematerialisation**

i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. **Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 (subsequently amended), has mandated that w.e.f. 1st April, 2019, 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, if any, to the R&TA specifying full address in block letters with **PIN CODE** of their post offices, which is mandatory. Members holding shares in the Electronic Form (Demat), should inform the change of address to their Depository Participant.

iii) For making nomination, Members holding shares in physical form are advised to collect the Nomination Form from the Company's Share & Transfer Agents and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).

iv) **EFT MANDATE**

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT), for any future payouts from the Company. Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has directed to make payment of dividend only through approved electronic mode and Bank Details and PAN of the shareholders be obtained, updated against their folio, if not already available with the Company. Under 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 PANCARD, 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.

9. 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.

10. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2011-12(Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2011-2012		8.00
2012-2013	16.00	4.00
2013-2014	20.20	-
2014-2015	17.50	2.50
2015-2016	-	-
2016-2017	-	-
2017-2018	-	-

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all upaid/unclaimed dividend declared by it upto Financial year 2011-12 (interim dividend). Upon completion of a period of seven years, the Company would transfer the unclaimed /unpaid dividend (final) of Financial year 2011-12 in November, 2019.

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.

11. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

12. **Green Initiative in Corporate Governance of Ministry of Corporate Affairs**

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars issued by the Ministry of Corporate Affairs, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Board's Report, Auditors' Report, etc.) to their shareholders through electronic mode, to the registered E-mail 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 and physical copies of the same will also be available at the registered office as mentioned herein above for inspection during office hours.

13. **Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance Slip.**

14. **No Brief case or Bag or mobile phone will be allowed to be taken inside the auditorium.**

15. **General Information and Instructions for E-voting:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014 as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electric voting system from a place other than the venue of the AGM (remote e-voting).

II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot paper voting system.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The Company has engaged the services of M/s. National Securities Depository Limited as the Agency to provide remote e-voting facility.

V. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates (and in his absence Ms. Karishma Singh of M/s. Agarwal S. & Associates) as Scrutiniser to scrutinize the remote e-voting and voting at the venue of the AGM through ballot paper in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and available for the same purpose.

VI. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 23rd August, 2019 only shall be entitled to avail the facility of remote e-voting or voting at the venue of the AGM through ballot paper.

VII. A person who becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on cut-off date i.e. 23rd August, 2019, can **follow the process for generating the Login ID and Password as provided in the Notice of the AGM.**

VIII. The remote e-voting period commences on 27th August, 2019 (9:00 am) and ends on 29th August, 2019 (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 23rd August, 2019, may cast their vote by remote e-voting. The remote e-voting module will be disabled by M/s. NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**

IX. The Scrutinizer, after scrutinizing the votes cast at the venue of the AGM (ballot paper) and through remote e-voting, will, not later than 48 Hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith with the consolidated scrutiniser's report shall be placed on the website of the Company-www.sail.co.in and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.

X. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e.30th August, 2019.

XI. The process and manner for remote e-voting are as under:

A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 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 or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who 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, 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.

(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 on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After 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. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sachinag1981@gmail.com with a copy marked to NSDL's email ID- evoting@nsdl.co.in.

C. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

D. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

XII. Those who became Members of the Company after dispatch of the Notice but on or before **cut-off date** may mail to NSDL at **evoting@nsdl.co.in**, requesting for user ID and password. On receipt of user ID and password, the details on step 2 in A above should be followed for casting of vote.

XIII. In case of any query/grievance, you may refer to the Frequently Asked Questions (FAQs) and e-voting Manual available under the Help section of NSDL's e-voting website-www.evoting.nsdl.com or contact Ms. Pallavi, Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 at telephone no. 91-22-24994545/91-22-24994600 or toll free No. 1800 222 990 or at email ID: evoting@nsdl.co.in

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6

CA Parmod Bindal(DIN:06389570), on nomination by the President of India vide Government's Order F.No. 6(13)/2015-BLA dated 13th November, 2015, was appointed as Non-Official Independent Director of the Company for a period of three years with effect from 18th November, 2015. Government of India, Ministry of Steel vide Order F.No. 1(10)/2015-BLA(Vol-III-Pt.) dated 19th November, 2018 has re-appointed CA Parmod Bindal as an Independent Director of the Company with effect from 18th November, 2018 for a period of one year from the date of completion of his existing tenure or till further orders, whichever is earlier. Accordingly, the Board of Directors of the Company has re-appointed CA Parmod Bindal as an Additional Director of the Company w.e.f. 18th November, 2018. His tenure as Non-Official Independent Director is for a period of one year with effect from 18th November, 2018 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, CA Parmod Bindal would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of CA Parmod Bindal for the office of Director of the Company.

CA Parmod Bindal, aged 57 years, is a practicing Chartered Accountant (CA) based at Chandigarh. He passed CA final examination in November, 1989 from the Institute of Chartered Accountants of India. He has also done certificate course of Arbitration in 2005 and Certificate Course of Indirect Taxes in 2013, both from the Institute of Chartered Accountants of India. His area of specialization is Direct and Indirect Taxes, Company Law matters, Accounting, Internal Audit and Statutory Audit. He has over two decades of experience of Statutory Audit of Government Departments, Public Sector Undertakings, Banks, etc.

He is Chairman of Audit Committee of the Company. He is holding 5000 equity shares of ₹10/- each in Vayu Agro Farms Pvt. Ltd., amounting to 50% of its issued share capital.

CA Parmod Bindal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from CA Parmod Bindal that he meets with the criteria of independence as prescribed under sub- section 6 of Section 149 of the Act.

Save and except CA Parmod Bindal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

Keeping in view the vast expertise and knowledge of CA Parmod Bindal, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders, as a Special Resolution.

Item No.7

Prof. Ashok Gupta(DIN: 07342950), on nomination by the President of India vide Government's Order F.No. 6(13)/2015-BLA dated 13th November, 2015, was appointed as Non-Official Independent Director of the Company for a period of three years with effect from 18th November, 2015. Government of India, Ministry of Steel vide Order F.No. 1(10)/2015-BLA(Vol-III-Pt.) dated 19th November, 2018 has re-appointed Prof. Ashok Gupta as an Independent Director of the Company with effect from 18th November, 2018 for a period of one year from the date of completion of his existing tenure or till further orders, whichever is earlier. Accordingly, the Board of Directors of the Company has re-appointed Prof. Ashok Gupta as an Additional Director of the Company w.e.f. 18th November, 2018. His tenure as Non-Official Independent Director is for a period of one year with effect from 18th November, 2018 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Prof. Ashok Gupta would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Prof. Ashok Gupta for the office of Director of the Company.

Prof. Ashok Gupta, aged 62 years, is a Professor in the Department of Civil Engineering, IIT, Delhi. He obtained his B. Tech. in Civil Engineering from IIT, Delhi in 1979 and Ph. D. from IIT, Delhi in 1984. He has about thirty years of research and teaching experience in India and abroad. He has supervised five Ph.D thesis, several M.Tech. and B.Tech projects. He has published a number of books and more than eighty papers in leading journals and peer reviewed conferences. His areas of specialization include earthquake engineering, health monitoring of structures and e-learning. He has held visiting research and teaching appointments at MIT (USA), EPFL (Switzerland) and Nanyang Technological University (Singapore). He has been Professor-in-charge Planning from 2004 to 2007, Dean of Alumni Affairs and International Programmes from 2007 to 2011, Dean, Infrastructure from 2012 to 2014 in IIT, Delhi and Ex Member of Board of Governers of IIT, Delhi.

Prof. Ashok Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Prof. Ashok Gupta that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act.

Save and except Prof. Ashok Gupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

Keeping in view the vast expertise and knowledge of Prof. Ashok Gupta, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders, as a Special Resolution.

Item No.8

Mrs. Anshu Vaish(DIN:02924346), on nomination by the President of India vide Government's Order F.No. 6(13)/2015-BLA dated 13th November, 2015, was appointed as Non-Official Independent Director of the Company for a period of three years with effect from 18th November, 2015. Government of India, Ministry of Steel vide Order F.No. 1(10)/2015-BLA(Vol-III-Pt.) dated 19th November, 2018 has re-appointed Mrs. Anshu Vaish as an Independent Director of the Company with effect from 18th November, 2018 for a period of one year from the date of completion of her existing tenure or till further orders, whichever is earlier. Accordingly, the Board of Directors of the Company has re-appointed Mrs. Anshu Vaish as an Additional Director of the Company w.e.f. 18th November, 2018. Her tenure as Non-Official Independent Director is for a period of one year with effect from 18th November, 2018 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Anshu Vaish would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Mrs. Anshu Vaish for the office of Director of the Company.

Mrs. Anshu Vaish, aged 67 years, is a former Indian Administrative Service (IAS) officer of 1975 batch of Madhya Pradesh cadre and retired as Secretary, Department of School Education & Literacy, Ministry of Human Resource Development, Government of India. She is a Post Graduate in History. During her over 37 years of experience as a public servant, she has worked in several key sectors like Commerce & Industries, Tourism & Culture, Women & Child Development, Rural Industries, Public Health & Family Welfare, Social Welfare and Education in the State Government of Madhya Pradesh. She also has the experience of working in the Government of India in various capacities in the Department of Culture in the Ministry of Human Resource Development, Director General of Archaeological Survey of India and finally as Secretary to the Government of India, Ministry of Human Resource Development, Department of School Education & Literacy.

She is Chairman of the Nomination & Remuneration Committee of the Company. She is also Member of Governing Body of various Non-Government Organization viz. Ranga Sri Little Ballet Troupe (LBT), Bhopal, PRADAN, New Delhi, KATHA, New Delhi, Centre for Equity Studies, New Delhi and Swami Sivananda Memorial Institute, New Delhi. She is also a Member of Institute Body of AIIMS, Bhopal.

Mrs. Anshu Vaish is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Mrs. Anshu Vaish that she meets with the criteria of independence as prescribed under sub- section 6 of Section 149 of the Act.

Save and except Mrs. Anshu Vaish and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.8 of the Notice.

Keeping in view the vast expertise and knowledge of Mrs. Anshu Vaish, the Board considers it desirable that the Company should continue to avail itself of her services as a Director and recommends this Resolution for approval of the shareholders, as a Special Resolution.

Item No.9

Pursuant to the Government of India, Ministry of Steel Order F.No. 1(10)/2015-BLA(Vol-III-Pt.) dated 14th December, 2018, Shri Krishan Kumar Gupta (DIN:03476812) was appointed as an Additional Director of the Company with effect from 21st December, 2018. His tenure as Non-Official Independent Director is for a period of three years with effect from 21st December, 2018 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013(the Act), Shri Krishan Kumar Gupta would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Shri Krishan Kumar Gupta for the office of Director of the Company.

Shri Krishan Kumar Gupta, aged 63 years, has vast experience in the field of logistics and marketing, in Oil and Gas Industry. He has served as Director (Marketing) on the Board of Bharat Petroleum Corporation Limited (BPCL) from March, 2011 to February, 2016, having earlier occupied the positions of Executive Director I/c (Retail), Executive Director (Lubes) and General Manager (Logistics). He had also been on the Board of other companies viz. Indrapastha Gas Limited, Numaligarh Refinery Limited, Sabarmati Gas Limited, Matrix Bharat Pte Ltd., Bharat Stars Services Pvt. Ltd., Bharat Stars Services (Delhi) Pvt. Ltd. Shri Gupta holds the qualification of B.Sc. Engineering (Mechanical) and M.Sc. Engineering Diploma in Rotodynamics from Punjab Engineering College, Punjab University.

Shri Krishan Kumar Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri Krishan Kumar Gupta that he meets with the criteria of independence as prescribed under sub- section 6 of Section 149 of the Act.

Save and except Shri Krishan Kumar Gupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.9 of the Notice.

Keeping in view the vast expertise and knowledge of Shri Krishan Kumar Gupta, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No.10

Pursuant to the Government of India, Ministry of Steel Order No.6/1/2018-BLA dated 27th March, 2019, Shri Vivek Gupta (DIN:08370793) was appointed as an Additional Director of the Company with effect from 27th March, 2019 subject to his re-appointment by the shareholders in the Annual General Meeting. His tenure as Director is for a period of five years from 27th March, 2019 or till the date of his superannuation (31.07.2020) 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 Vivek Gupta as a candidate for the office of Director of the Company.

Shri Vivek Gupta is a Civil Engineer, having over 38 years of experience of working in the Company in different capacities at both Plant as well as at Corporate Office of the Company. Having joined IISCO Steel Plant initially as Junior Manager, he rose to the level of General Manager(Projects), before joining Corporate Office as Executive Director(Projects). Thereafter, he was posted as incharge of Visvesvaraya Iron & Steel Plant. Prior to joining as Director(Raw Materials & Logistics) he was posted as Executive Director(Projects & Operations) at Raw Materials Division(RMD) of the Company, overseeing the projects and operational activities of RMD.

Shri Vivek Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Save and except Shri Vivek Gupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.10 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No.11

Your Company is continuing with massive Modernisation & Expansion programme of its Plants and also for augmentation of Raw Material supplies from its own mines. The expansion programme is being funded through a mix of debt and equity. The Company has already spent about ₹69,623 crore on its expansion programme till 30th June, 2019. In order to part finance the expansion programme as well as to convert short loans into medium and long term loans, your Company plans to borrow about ₹5,000 crore during the period of one year from the date of this Annual General Meeting or such other period as may be permitted under the Companies Act, 2013 and other applicable laws.

On analysis of the various options of raising funds through borrowing in Domestic and International Market, it has been decided by the Board of Directors to raise the funds through private placement of Secured Non-convertible Debentures / Bonds to the extent of ₹5,000 crore during the year.

The provisions of Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures/bonds. Accordingly, approval of Shareholders for the resolution as set out in Item No.11 of the Notice is being sought to borrow funds by offer or invitation to subscribe to Secured Non-convertible Debentures/ Bonds for an amount upto ₹5,000 crore. This resolution would be valid for period of one year from the date of this AGM. The terms and conditions of Secured Non-convertible Debentures / Bonds shall be decided by the Board of Directors / Committee thereof or any one or more Directors, as may be required.

The borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. Consent of the members is being sought in terms of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create charge, hypothecate, mortgage, pledge on any movable, immovable properties of the Company both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company and wherever situated and to authorize the Board to take necessary action in this regard.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and /or Key Managerial Personnel of the Company or their relative(s) is / are concerned or interested in the Resolution set out at Item No.11 of the Notice.

Item No.12

The Board of Directors of the Company, on the recommendation of the Audit Committee has considered and approved the appointment of M/s. Shome & Banerjee, Kolkata (for Bokaro Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. R.J. Goel & Co., New Delhi(for Bhilai Steel Plant and Rourkela Steel Plant) and M/s. R.M. Bansal & Co., Kanpur (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2019-20 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. R.M. Bansal & Co., Kanpur 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.12 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: 31st July, 2019
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	**Ms. Soma Mondal**	**Shri Atul Srivastava**	**CA Parmod Bindal**	**Prof. Ashok Gupta**	**Mrs. Anshu Vaish**	**Shri Krishan Kumar Gupta**	**Shri Vivek Gupta**
DIN	06845389	07957068	06389570	07342950	02924346	03476812	08370793
Date of Birth	21st April, 1963	6th January, 1962	1st October, 1962	6th June, 1957	4th September, 1952	1st March, 1956	6th July, 1960
Date of Appointment	1st March, 2017	12th March, 2018	18th November, 2018	18th November, 2018	18th November, 2018	21st December, 2018	27th March, 2019
Expertise in Specific functional areas	Marketing;	Human Resource Management; HR Policies;	Direct and Indirect Taxes; Company Law matters; Accounting; Internal Audit and Statutory Audit;	Earthquake engineering; Health monitoring of structures and E-learning;	Administration; Commerce; Industry; Education;	Marketing and Logistics;	Projects; Administration;
Qualifications	B.Sc. (Engineering)	B.Tech.(Mechanical), PGDM (Specialisation in HR)	Chartered Accountant	B.Tech; Ph.D	M.A.(History); M.A. (Economics)	BSc(Engg.-Mech.); MSc(Engg.) Diploma in Rotodynamics	BE(Civil Engg.); Diploma in Management; Diploma in Project Management; Diploma in Construction Management;
List of Companies in which outside Directorship is held.	NIL	NIL	NIL	NIL	NIL	IRM Energy Pvt. Ltd.	Bhilai Jaypee Cement Limited
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director.	Member: Operational Issues Committee;	Member: Stakeholders Relationship Committee; CSR Committee; Health, Safety & Environment Committee;	Chairman: Audit Committee Member: Projects Committee; Strategic Issues & Joint Ventures Committee; Operational Issues Committee;	Chairman: Health, Safety & Environment Committee; Operational Issues Committee; Member: Audit Committee; CSR Committee; Nomination & Remuneration Committee;	Chairman: Nomination & Remuneration Committee; Member: Audit Committee; Health, Safety & Environment Committee; Strategic Issues & Joint Ventures Committee; CSR Committee;	Member: Projects Committee; Health, Safety & Environment Committee; CSR Committee; Audit Committee (M/s. IRM Energy Pvt. Ltd.);	Member: Operational Issues Committee; Health, Safety & Environment Committee;
No. of Shares held in SAIL	NIL	200	NIL	NIL	NIL	NIL	NIL

TALKATORA STADIUM – ROUTE MAP

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454
Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003
Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

ATTENDANCE SLIP

47th Annual General Meeting to be held on Friday, 30th August, 2019 at 10.30 hours

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No. / Client ID No.	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 47th Annual General Meeting of the Company to be held on Friday, 30th August, 2019 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

*Applicable in case of Shares held in Physical Form

Member's/Proxy's Signature ______________________________________

NOTE:

1. The attendance slip should be signed as per the specimen signature registered with the R&TA/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the registration counter(s) at the venue against which R&TA will issue Entry Slip.
2. Entry to the hall will be strictly on the basis of Entry Slip as provided by R&TA.
3. Members in person/Proxy holders may please carry photo-ID card for identification/verification purposes.
4. Shareholder(s) present in person or through registered proxy shall only be entertained.
5. Briefcase, mobile phone, bag, eatables, helmets and other belongings will not be allowed to be taken inside the venue of the meeting for security purposes and shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
6. No gifts will be distributed at the Annual General Meeting.

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STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454
Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003
Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
Folio No./DP ID-Client ID	
Email ID	

I/We, being the member(s) of ……..….. shares, hereby appoint:

1.Name: .... Address: ....
E-mail Id: .... Signature: .... , or failing him
2.Name: .... Address: ....
E-mail Id: .... Signature: .... , or failing him
3.Name: .... Address: ....
E-mail Id: ....Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company to be held on 30th August, 2019 at 1030 hours at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
	Ordinary Business
1.	To receive, consider and adopt the (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 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, 2019 and the Report of the Auditors thereon.
2.	To appoint a director in place of Ms. Soma Mondal (DIN:06845389), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
3.	To appoint a director in place of Shri Atul Srivastava (DIN:07957068), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
4.	To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2019-20.
5.	To declare Final Dividend for the Financial Year 2018-19 @ ₹ 0.50 per Equity Share of face value of ₹ 10/- each.
	Special Business
6.	To re-appoint CA Parmod Bindal (DIN: 06389570) as an Independent Director of the Company.
7.	To re-appoint Prof. Ashok Gupta (DIN:07342950) as an Independent Director of the Company.
8.	To re-appoint Smt. Anshu Vaish (DIN:02924346) as an Independent Director of the Company.
9.	To appoint Shri Krishan Kumar Gupta (DIN:03476812) as an Independent Director of the Company.
10.	To appoint Shri Vivek Gupta (DIN:08370793) as a Whole-time Director of the Company.
11.	To obtain consent for Borrowings upto ₹ 5,000/- crore through private placement of Non-Convertible Debentures/Bonds and Creation of Charge on the assets of the Company.
12.	To ratify Remuneration of Cost Auditors of the Company for the Financial Year 2019-20.

Please affix ₹ 1 Revenue Stamp

Signed this ………..day of ………..……........2019
Signature of Member(s)...
Signature of proxy holder(s) ....

NOTE:
This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Ispat Bhawan, Lodi Road, New Delhi-110003 not less than 48 hours before the commencement of the Annual General Meeting.

FORMAT FOR FURNISHING THE BANK DETAILS, PAN, EMAIL ID, ETC.

To
MCS Share Transfer Agent Limited
Unit : Steel Authority of India Limited
F-65, Okhla Industrial Area, phase-I,
New Delhi - 110020

Dear Sir,

I/We, give my/our consent to update the following details in your records to effect payments of dividend or sending other communications by electronic means in compliance with the circular(s) issued by SEBI for equity shares of Steel Authority of India Limited.

FOLIO NO. :______________________________

NAME OF THE FIRST / SOLE HOLDER :______________________________

BANK'S NAME :______________________________

BRANCH'S NAME & ADDRESS :______________________________

____

ACCOUNT NO. :______________________ ACCOUNT TYPE (SB / CURRENT) :______________________

IFSC CODE : ______________________ MICR CODE :______________________

EMAIL ID : ______________________ PHONE NO. :______________________

PARTICULARS	NAME OF SHAREHOLDER(S)	PAN
FIRST / SOLE SHAREHOLDER		
1ST JOINT SHAREHOLDER		
2ND JOINT SHAREHOLDER		

______________________ ______________________ ______________________

Signature of 1st Shareholder Signature of 1st Joint Shareholder Signature of 2nd Joint Shareholder

Date :______________________

Place:______________________

Encl : Original cancelled cheque leaflet or attested copy of bank pass book showing name of account holder and self- attested copy of PAN Card(s).

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SINCE 1959

A MAHARATNA COMPANY

THE SAIL NETWORK

CORPORATE OFFICE	UNITS	CONSIGNMENT AGENCY YARD	BRANCH SALES OFFICES
INTEGRATED STEEL PLANTS	CMO HEAD QUARTERS	SALES RESIDENT MANAGER	1. NORTHERN REGION
ALLOY AND SPECIAL STEEL PLANTS	REGIONAL OFFICES	CUSTOMER CONTACT OFFICE	2. EASTERN REGION
FERRO ALLOY PLANT	STEEL PROCESSING UNIT	SAIL REFRACTORY UNIT (SRU)	3. WESTERN REGION
	DEPARTMENTAL WAREHOUSE	TRANSPORT & SHIPPING OFFICE	4. SOUTHERN REGION

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31st July, 2019

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To,

REGIONAL OFFICES

NORTHERN REGION:
SCOPE Minar, Core-1, North Tower,
17th floor, Laxmi Nagar District Centre,
Delhi - 110092.
Phone: +91-11-22441825 / 22421701
Fax: +91-11-22444595 / 22441842.
E-mail: rmretailnr@sail-steel.com

EASTERN REGION:
Ispat Bhavan, 3rd floor,
40 Jawaharlal Nehru Road,
Kolkata - 700 071.
Phone: +91-33-22882986 / 22888556
Fax: +91-33-22883960 / 22880519
E-mail: rmretailer@sail-steel.com

WESTERN REGION:
The Metropolitan, 8th & 9th floors,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051.
Phone: +91-22-26571819 / 26571827
Fax: +91-22-26571452 /
26571996 / 26572042
E-mail: rmretailwr@sail-steel.com

SOUTHERN REGION:
Ispat Bhavan,
5 Kodambakkam High Road,
Chennai - 600 034.
Phone: +91-44-28285001-4
Fax: +91-44-28285008
E-mail: rmretailsr@sail-steel.com

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