



No.CA-17(44)/2024-25

4<sup>th</sup> September, 2024

|   |   |
|---|---|
| The General Manager (MO)<br>Bombay Stock Exchange<br><br>Through BSE Listing Centre | The Asstt. Vice President<br>National Stock Exchange of India Ltd.<br><br>Through NEAPS |
|---|---|

**Sub: Notice of 52<sup>nd</sup> Annual General Meeting to be held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) along with the Annual Report of the Company for the Financial Year (FY) 2023-24; Book Closure and Record Date.**

Dear Sir,

It is hereby informed that the 52<sup>nd</sup> Annual General Meeting of the Members of Steel Authority of India Limited (SAIL) will be held on 26<sup>th</sup> September, 2024 at 10:30 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility. Pursuant to applicable Circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India, the Notice of the AGM and Annual Report of the Company for FY ended 31<sup>st</sup> March, 2024 containing Audited Financial Statements (including Consolidated Financial Statements) and the Report of the Auditors' and Board thereon, and other reports required to be attached thereto, have been sent through electronic mode on 4<sup>th</sup> September, 2024. Pursuant to Regulation 34 of SEBI (LODR), 2015, a copy of the Annual Report of the Company for the FY 2023-24, along with the Notice of the Annual General Meeting is enclosed for your reference and record. The same is also available on the website of the Company-[www.sail.co.in](http://www.sail.co.in). Notice of the AGM is available at website of M/s. NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

Pursuant to Section 91 of the Companies Act, 2013 and rules notified thereunder and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is thereby notified that the Register of Members of the Company will remain closed from Friday, 20<sup>th</sup> September, 2024 (from end of business hours on 19<sup>th</sup> September, 2024) to Thursday, 26<sup>th</sup> September, 2024 (both days inclusive), for the purpose of AGM of the FY 2023-24. The Company has fixed Thursday, 19<sup>th</sup> September, 2024 as the 'Record Date' for determining entitlement of members to Final Dividend for the FY 2023-24, subject to approval by the Members at the AGM. The payment of final dividend, if approved by the Members at the AGM, will be paid subject to deduction of Income Tax at source (TDS).

It is further informed that pursuant to Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended, the Company is providing remote e-voting facility prior to AGM and e-voting during the AGM,

इस्पत भवन, लोदी रोड, नई दिल्ली : 110 003, दूरभाष : 011-2436 7481-86, फ़ैक्स : 011-2436 7015, वेबसाईट : [www.sail.co.in](http://www.sail.co.in)  
Ispat Bhawan, Lodi Road, New Delhi-110 003, Phone : 011-2436 7481-86, Fax : 011-2436 7015, Website : [www.sail.co.in](http://www.sail.co.in)  
PAN No. AAACS7062F Corporate Identity No. L27109DL 1973 GOI006454

through electronic means to its Members to enable them to cast their vote on the items mentioned in the Notice of the AGM. The Company has engaged services of “National Securities Depository Limited (NSDL)” as an Authorised Agency to provide remote e-voting facility and e-voting facility during AGM to its Members.

The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates as Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner. The Results of e-voting shall be declared within two working days of the conclusion of the AGM of the Company.

The Cut-off Date for determining the eligibility of member to vote through Remote e-voting/ e-voting at the AGM has been fixed as 19<sup>th</sup> September, 2024 (end of business hours). Only members 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, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. The remote e-voting period would commence on Sunday, 22<sup>nd</sup> September, 2024 (9.00 A.M. (IST)) and end on Wednesday, 25<sup>th</sup> September, 2024 (5.00 P.M. (IST)) and during this period the Members of the Company as on the Cut-off Date may cast their vote by electronic means.

| Important Event          | Dates   |
|--------------------------|---|
| AGM                      | 26 <sup>th</sup> September, 2024 at 10:30 AM  |
| Cut-off date             | 19 <sup>th</sup> September, 2024 (end of business hours)  |
| Book Closure             | 20 <sup>th</sup> to 26 <sup>th</sup> September, 2024 (both days inclusive)  |
| Remote E-voting date     | Sunday, 22 <sup>nd</sup> September, 2024 (9.00 A.M. (IST)) and end on Wednesday, 25 <sup>th</sup> September, 2024 (5.00 P.M. (IST)) |
| Record Date for Dividend | 19 <sup>th</sup> September, 2024 (end of business hours)  |

Thanking you,

Yours faithfully



(M.B. Balakrishnan)  
Executive Director (F&A) & Company Secretary

Encl: As above



# SMART STEEL

Today's Core. Tomorrow's Growth.



## Annual Report 2023-24



To view AR video, scan QR Code and allow access



# MISSION 2024



## RAW MATERIAL

- Enhancement of quality, productivity and compliance
- Optimize use of raw materials, energy and processes



## HUMAN ASSETS AND CAPACITY BUILDING

Providing a conducive, safe and happy workplace for employees to actualize shared dreams through innovation and learning



## SAFETY: NON NEGOTIABLE

- Inculcate and practice safe behaviour each day
- Follow safe working practices at workplaces



## SUPPLY CHAIN MANAGEMENT

Strategic planning must include effective maintenance, supply chain management and all other activities to ensure optimal utilization of resources



## PROTECTING LEGITIMATE INTEREST OF OUTSOURCED WORKERS

- Recognize importance of outsourced partners in operations
- Ensure that the legitimate dues are made available to contractual workers in full and in time



## DECARBONISATION

Comprehensive efforts to reduce carbon emissions through improved techno-economics, energy efficiency, waste utilization and facility upgrades



## PROJECT IMPLEMENTATION

Bringing future ready and flexible projects on time



## DIGITALIZATION

Investing in digital and automation technologies in manufacturing, mining and supply chains, with ongoing upgrades and skill development



## STAKEHOLDER ENGAGEMENT & CUSTOMER FOCUS

- Prioritizing customer satisfaction
- Active participation and integrity in decision-making
- Meeting consumer demands for quality, customized, eco-friendly and reliable steel solutions



## JOB ENRICHMENT

- Create opportunities, desire for higher responsibility and seeking diverse job profiles
- Provide growth that encompasses professional development, continuous learning, up-skilling and training



## OPENNESS TO INNOVATION

Embrace new ideas, suggestions and efforts that enhance SAIL's performance



# 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, EARNING 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



**PAGE - 04**  
LETTER TO SHAREHOLDERS



**PAGE - 07**  
PERFORMANCE HIGHLIGHTS



**PAGE - 16**  
BOARD OF DIRECTORS



**PAGE - 18**  
AUDITORS & BANKERS



**PAGE - 19**  
TEN YEARS AT A GLANCE,  
VALUE APPLIED & SHARE  
HOLDING PATTERN



**PAGE - 25**  
BOARD'S REPORT



**PAGE - 55**  
MANAGEMENT DISCUSSION AND  
ANALYSIS REPORT



**PAGE - 69**  
STANDALONE FINANCIAL  
STATEMENTS (SFS)



**PAGE - 142**  
INDEPENDENT AUDITORS'  
REPORT ON SFS



**PAGE - 162**  
COMMENTS OF C&AG  
ON SFS



**PAGE - 166**  
SECRETARIAL AUDIT  
REPORT



**PAGE - 169**  
CORPORATE GOVERNANCE  
REPORT

# Contents



**PAGE - 185**  
CERTIFICATE ON  
CORPORATE GOVERNANCE



**PAGE - 186**  
BUSINESS RESPONSIBILITY  
& SUSTAINABILITY REPORT



**PAGE - 227**  
CONSOLIDATED FINANCIAL  
STATEMENTS (CFS)



**PAGE - 313**  
INDEPENDENT AUDITORS'  
REPORT ON CFS



**PAGE - 327**  
COMMENTS OF C&AG ON  
CFS



**PAGE - 332**  
STATEMENT CONTAINING  
SALIENT FEATURES OF THE  
FINANCIAL STATEMENT OF  
SUBSIDIARIES (FORM AOC-1)



**PAGE - 334**  
PARTICULARS OF LOANS,  
GUARANTEES OR INVESTMENTS  
UNDER SECTION 186



**PAGE - 335**  
PARTICULARS OF ENERGY  
CONSERVATION, TECHNOLOGY  
ABSORPTION AND FOREIGN  
EXCHANGE EARNINGS & OUTGO



**PAGE - 340**  
ANNUAL REPORT ON  
CORPORATE SOCIAL  
RESPONSIBILITY ACTIVITIES



**PAGE - 342**  
PRINCIPAL EXECUTIVES



**PAGE - 343**  
NOTICE



## Letter to Shareholders...

### Dear Shareholders,

It is my privilege to address you and present the Annual Report of your Company for the Financial Year 2023-24. I hope you and your families are in good health and spirits.

Reflecting on the performance of the previous year and looking forward in the future reinforces my belief that as an organisation, we can aspire to be 'Number One', i.e the best in our industry. The Indian economy is on a steady growth path and on its way to becoming third largest economy in the world in next few years. Indian Government's continuous push to transform the social, digital and physical infrastructure of the Country with a vision of Viksit Bharat by 2047 has fuelled steel demand in the Country across all sectors. Steel being a cyclical industry, our inherent strength and our endeavour to work on core areas make me feel very confident and bullish about a strong and sustainable future of the Company.

The global economic landscape, including that of the steel industry, was dominated by geopolitical factors and economic uncertainties during 2023-24. The business activities were impacted to certain extent by several macro-economic challenges like upcoming new capacities, trade measure initiatives, inflationary pressures, supply chain disruptions, interest rate hikes by central banks, and moderating demand in China resulting in pressure on pricing and excess availability of steel products. The consequential outcomes of these events had a significant impact on the steel industry by way of a contraction of steel prices and volatility of raw material prices, almost throughout the year. However, the steel industry in India was able to meet these challenges by focusing on domestic consumption which was backed by Government expenditure on infrastructure and manufacturing.

At SAIL, we are on track to excel in two focus areas: to maximise capacity utilisation and to provide the best value to our customers in order to safeguard against the vagaries of market fluctuations. This necessitates strategic interventions in ramping up of production, securing raw materials, improving the quality of inputs, reducing business risks over the long term in resource mobilization, and providing a better customer experience while focusing on Decarbonisation and Sustainability. I can assure you that we will continue to engage with stakeholders, improve our asset utilization and proactively be ahead of the curve.

Besides being the second-largest producer of steel in the world, India's domestic consumption has reached a level of 136 Million Tonnes, the second-highest in the World. With per capita steel production and consumption growing, the Indian steel industry is poised for progress towards the targets envisaged in the National Steel Policy. We, at SAIL, are also planning to add capacity accordingly.

At this point, I would like to apprise you of the achievements of your Company for the Financial Year 2023-24. Your Company achieved the best Sales Turnover of ₹ 1,04,545 crore during FY 2023-24. The pressures of several headwinds like logistic constraints, input raw material prices & availability and imports of cheaper material were countered by improved capacity utilization and optimization of resources. Further, focusing on the improvement of operating practices and dynamic assessment of customer demand to optimize the product mix helped mitigate problems arising from volatility in the market. All the Integrated Steel Plants achieved their best-ever production, leading to the best ever Crude Steel capacity utilization of about 98.6%.

Reflecting the potential of the Company in the future, SAIL created new benchmarks in annual production performance



by producing 20.5 million tonnes (MT), 19.24 MT, and 18.44 MT of Hot Metal, Crude Steel, and Saleable Steel respectively during FY'24, registering growth of 5.6%, 5.2%, and 6.9% respectively over the previous year. In addition to this, your Company also achieved, its best annual performance in respect of Techno- economic parameters like Coke Rate, CDI Rate, BF Productivity and Specific Energy Consumption owing to focus on better capacity utilisation of bigger Blast Furnaces (BF) and optimisation of BF operations. Besides this, continuous thrust in ramping up of new units as well as continuous intervention in process improvement, resulted in improvement of operational capacity utilisation of Hot Metal, Crude Steel and Saleable Steel improved to 100%, 99% and 102% respectively.

Continuing the journey for enhancing value-added products in the portfolio, 25 new Steel Products, including new sections, have been introduced during FY 2023-24. Various Value Added Semis like 19MnB4, SUP11A, IS 11169 25C10BT/SAE 15B/25, etc. have been developed for applications in Forging, Spring steel, Auto industry, Hi-Tensile TLT segment/General engineering, etc. SAILFORMING 410 and HSFQ 550 grade HR Coil for Automotive component, API X60/X65/X70 HR Coil for Oil and Gas Pipe Line and IS 5914 HS345 2.2/2.5mm HR Coil for LPG cylinder have been developed. Semis in grades AISI SS 410 Low Phosphorous Low Sulphur for usage in oil pipelines and grade CF-53 for nuclear applications have been developed at the Special Steel Plants of your Company during FY 2023-24.

Your Company has been contributing to nation building since inception by servicing the requirement of various Iconic Structures and also projects of Strategic Importance. During the FY 2023-24, SAIL has supplied significant quantity of Steel to Power Projects, Road, Rail, Airport Infrastructure Projects, Oil & Gas Sector, etc., the major projects being Bengaluru Metro Rail Corporation, Chennai Metro Rail Corporation, Kalapakkam Nuclear Project, Mumbai Trans Harbour Link Project, Versova Baroda Sea Link Project, Mumabi-Delhi expressway (Surat-Dahod Package), Rawatbata Nuclear Plant, Zozilla Tunnel in Sonmarg, Ganga Expressway (Meerut to Prayagraj), Delhi Amritsar Katra Highway, AIIMS at Deoghar, 111 Km long Broad Gauge Extension project connecting Jiribam-Tupul-Imphal through 52 tunnels & 149 bridges, Mokama Railway Bridge in Patna, Jagannath Pilgrimage Centre at Puri and several key infrastructure developments across the Country.

The popularity of your Company's branded products like "SAIL SeQR" for TMT bars has been further strengthened by clocking sales of 8.44 lakh tonnes during FY 2023-24, compared to 5.61 lakh tonnes in the previous year, thereby registering a growth of 50%. The brand 'NEX' for Structural is also continuously growing among consumers. To boost sales through the Retail Channel further, 41 more distributors were added in 1-Tier channel during the FY 2023-24. SAIL has established a strong network of approx. 5200 dealers and distributors across the Country as of 31<sup>st</sup> March, 2024.

Continuing the drive to encourage the MSME segment in steel procurement, Under "Mission Poorvodaya" Scheme by

Ministry of Steel, an Incentivization Scheme—"Ispati Ilakon Ka Vikas-SAIL Ke Saath" was introduced by your Company for development of MSMEs based in the districts in which our Integrated Steel Plants are located. During the FY 2023-24, more than 1,20,000 tonnes of various steel products have been sold to these MSMEs, registering a growth of around 35% over the previous year. During the FY 2023-24, SAIL has also supplied 2.21 lakh tonnes steel to NSIC/SSIC, with growth of 21% over previous year.

Regarding raw materials, the total requirement of Iron Ore was met by your Company's captive mines, producing approximately 34.34 million tonnes (MT). Other inputs like coal and fluxes were partially sourced from captive sources (i.e. 1.18 MT and 2.02 MT respectively).

For FY 2023-24, your Company surpassed a turnover of ₹ 1 lakh crore for the third consecutive year. With a sales turnover of ₹ 1.05 lakh crore during FY'24, which was 1% higher than the previous year, the Company decided to reward its investors by declaring an interim dividend of 10% of the paid-up equity share capital during the year. Moreover, the Board of Directors has recommended an additional 10% for the final dividend.

Focusing on Corporate Social Responsibility (CSR) objectives as stipulated in the Companies Act, 2013, as well as DPE Guidelines, your Company prioritized areas of national importance such as Education, Health, Skills Development, and Women Empowerment. SAIL has also been conferred with the McGibony, Institutional Award by the Academy of Hospital Administration, New Delhi in December, 2023.

SAIL's contributions as a responsible corporate citizen have been acknowledged in various forums, earning accolades and awards. Among these, SAIL was acknowledged as the topmost CPSE buyer on GeM for FY'23. Cold Rolling Mill-III at Bokaro Steel Plant won first prize in CII Production Awards (2023-24). SAIL was bestowed the Golden Peacock Environment Management Award 2023 by the Institute of Directors.

Being environmentally conscious, all the Plants and Mines of your Company operate in harmony with the ecological balance, adhering to the Corporate Environmental Policy. This policy emphasizes compliance with environmental standards and encourages efforts to exceed them. SAIL operates within established environmental parameters concerning air emissions, water discharge, and noise pollution. During 2023-24, more than 2.5 lakh saplings were planted, with over 22 million saplings planted across SAIL Plants and Mines to date. Recognizing the importance of rehabilitating degraded ecosystems, an MOU was signed with the Institute of Forest Productivity, Ranchi, for eco-restoration of mined-out areas and waste dumps at Meghahatuburu Iron Ore Mines and Kiriburu Iron Ore Mines. In compliance with the Stockholm Convention on Persistent Organic Pollutants (POPs), a facility for environment-friendly disposal of Polychlorinated Biphenyls (PCBs) has been installed at BSP in partnership with MoEFCC and UNIDO. This project is the first of its kind in the Country.



Your Company is transitioning to energy-efficient and durable LED lighting in line with the Government of India's "Unnat Jyoti by Affordable LEDs for All (UJALA) Scheme." More than a million LED lights have been installed across Company Plants and Units, and all future projects will exclusively use LED lighting systems. SAIL has taken up a strong drive for promoting Renewable Energy usage at its Plants, Units and Mines and has started installing facilities for harnessing solar energy for generation of power as well as for heating purposes. SAIL has drawn up ambitious plans to increase its renewable energy capacity to 384 MW by the year 2028-29.

Your Company is steadfastly committed to the highest standards of Corporate Governance, as underscored in its vision and credos. In this context, your Company's philosophy aims to ensure transparency, disclosures, and reporting that not only adhere to laws, regulations, and guidelines-including the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and DPE guidelines-but also strive to exceed them. SAIL champions ethical conduct throughout the Organization, aiming primarily to enhance shareholders' value. This commitment is evident in the Company's policies, which emphasize transparency, accountability, disclosures, and reporting. Various forums have recognized your Company's diligent efforts as a responsible corporate citizen and a partner in Nation Building, awarding it numerous accolades. SAIL has achieved the distinction of becoming the first Maharatna Public Sector Unit to have implemented the Anti-Bribery Management System (ABMS) across all its Plants/Units.

Your Company has undertaken numerous Digital Initiatives, ramping up its digital transformation and Industry 4.0 efforts to bolster business performance and enhance the customer experience. For better Customer Engagement, Customer Contact Mobile App for sales and marketing executives has been introduced which captures the 360 view of the customer.

Your Company believes that people's development is the key for overall growth of the organisation. Preparing employees for tomorrow is being given a major thrust with a view to enable them to effectively take up challenges and discharge new roles and responsibilities. Overall 45,314 employees were trained against target of 32,765 employees during the FY 2023-24 on various contemporary technical and

managerial modules. SAIL has been certified as a "Great Place to Work" for the period December, 2023 to December, 2024 by the Great Place to Work Institute, an internationally renowned organization.

Our efforts have been consistently directed towards enhancing value for our stakeholders, to ensure that we maintain our competitive edge in the steel industry. Looking ahead, we have pinpointed key areas of focus: Expansion of Capacity, Intensifying Digitisation, Raw Material Securitisation and Quality Enhancement, Decarbonisation and Capacity Building of our employees. As we outline our growth trajectory and anticipate increased capacities in the forthcoming decade, we remain cognizant of the significant shifts poised to redefine the steel industry, particularly in the realms of decarbonisation efforts and green fuel adoption. Our initiatives to safeguard our raw material resources and elevate the quality of these materials will be pivotal as we augment our capacity. The push for digitisation will be crucial in enhancing the efficiency of our processes and services, positioning us at the forefront of our customers' considerations. We pride ourselves on our workforce, considering them an invaluable asset and are committed to equipping them for the future transformations in the steel industry.

Before concluding, I seize this moment to extend my heartfelt gratitude to all our Shareholders for their unwavering trust and confidence. I appreciate our esteemed Customers, Suppliers and Bankers for their support. I also acknowledge and thank the Government of India, State Governments and other statutory authorities for their enduring support. I would also like to express my appreciation to our Board members, whose guidance and advice play a vital role in optimizing our operation, improving efficiency and fostering innovation across all our business divisions. Special acknowledgment goes to our dedicated employees and contractual workmen for their relentless commitment and enduring efforts in moulding a robust and accountable organization. I extend particular thanks to the Ministry of Steel for their continuous guidance and support. To all our stakeholders who have played an instrumental role in fortifying this Company's foundation, making it resilient and sustainable, I express my sincere gratitude. I earnestly anticipate and value your continued support and best wishes.

**(Amarendu Prakash)**  
Chairman

Place: New Delhi  
Dated: 3<sup>rd</sup> September, 2024

# Highlights of FY 2023-24 Production Performance

**BEST EVER**



01

## Best Ever Hot Metal Production at 20.5 MT

- 6% growth over previous best of 19.4 MT achieved last year
- Best ever operational capacity utilization with production at 101% of capacity

## Best Ever Crude Steel Production at 19.2 MT

- 5% growth over previous best of 18.29 MT achieved last year
- Best ever performance with production at 99% of operational capacity utilization

02



## Best Ever Saleable Steel Sales Volume at 17.0 MT

- 5.1% growth over previous best of 16.2 MT achieved last year



03

## Best Ever Techno-Economics (CPLY)

**1.0%**  
Lower Coke  
Rate

**10.1%**  
Growth in  
CDI Rate

**2.7%**  
Growth in BF  
Productivity

**0.8%**  
Reduction in Sp.  
Energy Consumption



# Financial Performance

**↑ 1 %**  
Growth

**Rs. 1,05,375 Crore**

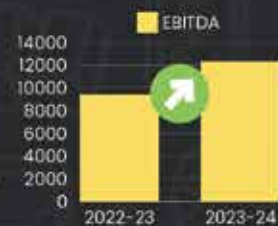
Highest ever Revenue from Operations of Rs. 1,05,375 crore, growth of 1% over previous best of Rs. 1,04,447 crore achieved during CPLY. Revenue from Operations crossed Rs. 1,00,000 crore for the 3rd consecutive year



**↑ 31 %**  
Growth

**Rs. 12,280 Crore**

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) stood at Rs. 12,280 crore, a growth of 31% over Rs. 9,379 crore achieved during CPLY



**↑ 40 %**  
Growth

**Rs. 3,688 Crore**

Profit Before Tax grew by 40% to Rs. 3,688 crore over CPLY level of Rs. 2,637 crore



**↑ 44 %**  
Growth

**Rs. 2,733 Crore**

Profit After Tax grew by 44% to Rs. 2,733 crore against Rs. 1,903 crore achieved during CPLY



# SOME OF OUR ACHIEVEMENTS



#### GeM Procurement:

- Procurement through GeM worth Rs. 10,411 Crore
- Growth of 12.8% over CPLY
- Top Organization w.r.t. GeM Gross Merchandise Value



#### CAPEX Expenditure:

- Rs. 5,646 Crore
- Growth of 3% over CPLY



#### Skill India Mission

Total 3,635 Contract Workers have been trained under Recognizing Prior Learning (RPL)



#### 4.08 MTPA Stage-I Greenfield Expansion

at IISCO Steel Plant approved and in-principle approval accorded for Brownfield Expansion at Bokaro and Durgapur Steel Plants



#### 4MW Floating Solar Power Project

over cooling pond commissioned at IISCO Steel Plant



#### Great Place to Work Certification

obtained for the period Dec'23 to Dec'24



**SAIL supplied the entire 4000 Tonnes special steel for Indigenous Frigate Ship "Vindhyagiri"**

## **SAIL supplied steel for the Sela Tunnel in Arunachal Pradesh**

The Sela Tunnel, a notable infrastructure project in Arunachal Pradesh, was inaugurated on 9 March, 2024. The Sela Tunnel is designed to provide all-weather connectivity to the Tawang region, a strategically sensitive area along the India-China border.



## SAIL Boosts Rishikesh-Karnprayag Rail Link Project with Significant Steel Supply



The Rishikesh-Karnprayag Rail Link, extending 125 kilometers through Uttarakhand, is a key initiative to improve access to the Char Dham pilgrimage sites and enhance regional connectivity.



## SAIL Exports Stainless Steel For Metro Coaches In Australia

The export of stainless steel to Australia for metro coaches signifies SAIL's commitment to contribute to global infrastructure development and strengthens its position as a key player in the international steel industry.





## SAIL supplied about 16300 tonnes of steel for construction of Atal Bihari Vajpayee Sewri-Nhava Sheva Atal Setu



## Special Grade Jackal Plates despatched by SAIL for making of Anti Mine Protective Vehicles for the Armed Forces

SAIL dispatched its first batch of 4 mm thick Jackal Plates to the Vehicle Factory in Jabalpur in January 2024, for the production of Anti-Mine Protective Vehicles for the Armed Forces. In line with the 'Make in India' initiative, SAIL is actively engaged in developing import-substitute plates to bolster India's self-sufficiency in constructing indigenous defence applications, ensuring the country's safety and security.





## SAIL IS NOW A 'GREAT PLACE TO WORK' CERTIFIED COMPANY

SAIL has been certified as a 'Great Place To Work' for the period December 2023 to December 2024 by the Great Place To Work Institute, India. The 'Great Place To Work' certification is a global recognition reflecting SAIL as a respected and sought-after employer. This recognition is a testament to SAIL's sustained focus on fostering a workplace of trust, collaboration and employee empowerment.



## SAIL FORTIFIES INDIA'S INFRASTRUCTURE WITH STEEL SUPPLY TO THE KEY RRTS PROJECT

The priority section of India's first Regional Rapid Transit System (RRTS) between Delhi-Ghaziabad-Meerut was inaugurated recently. SAIL is a major supplier of steel for this prestigious project. Products supplied by SAIL include a variety of steel products, such as TMT, Plates and Structural Steel.





## **450IR GRADE STAINLESS STEEL FROM SSP TO MAKE KANYAKUMARI'S ICONIC BRIDGE PROJECT**

The Tamil Nadu Government is enhancing Kanyakumari's appeal with a 72-meter glass fiber cabled bridge, forged with bespoke 450IR stainless steel from SAIL. Linking the Vivekananda Rock Memorial with the Thiruvalluvar Statue, this bridge promises to augment tourism by offering a mesmerizing experience over the confluence of the three seas.

## **NEW PRODUCT LAUNCHED: Customized TMT Fe-550D**

Responding to customer demand, SAIL has introduced a new product, TMT Fe-550D, produced in the Wire Rod Mill at SAIL - Bhilai Steel Plant.



## NEW PRODUCT LAUNCHED: ADVANCED ASTM STEEL FOR HYDROPOWER SECTOR

SAIL has introduced the advanced ASTM 517 Grade-F steel plates, targeting the hydropower sector's penstock applications. With the first dispatch of 1000 Tons to the Beas Valley Power project, SAIL has affirmed its role in bolstering India's infrastructure capabilities, aligning with the 'Make in India' initiative for self-sufficiency in critical sectors.



## COMMITMENT TO CLIMATE ACTION: SAIL JOINS LEADIT AT SWEDEN



SAIL, recently got inducted as a member of The Leadership Group for Industry Transition (LeadIT), which was announced on June 25, 2024 at the 'Engaging India at Almedalen' held in Visby, Sweden. LeadIT was launched by the governments of Sweden and India at the UN Climate Action Summit in September 2019 and is supported by the World Economic Forum. LeadIT is an alliance of countries and forward-thinking companies that are committed to action to achieve the Paris Agreement and net-zero transition. LeadIT members subscribe to the notion that energy-intensive industry can and must progress on low-carbon pathways, aiming to achieve net-zero carbon emissions within a stipulated time period.



## BOARD OF DIRECTORS

As on 1<sup>st</sup> August, 2024



**SHRI AMARENDU PRAKASH**  
Chairman

## GOVERNMENT DIRECTORS



**MS. SUKRITI LIKHI**  
Additional Secretary and Financial Advisor,  
Ministry of Steel, Government of India



**SHRI ABHIJIT NARENDRA**  
Joint Secretary,  
Ministry of Steel, Government of India

## INDEPENDENT DIRECTORS



**SHRI ASHOK KUMAR TRIPATHY**



**SHRI KANHAIYA SARDA**



**SHRI SAGI KASI VISWANATHA RAJU**



**DR. GOPAL SINGH BHATI**



**PROF. (DR.) K. JAYAPRASAD**

## BOARD OF DIRECTORS

As on 1<sup>st</sup> August, 2024

## FUNCTIONAL DIRECTORS



**SHRI ANIRBAN DASGUPTA**  
Director in-charge (Bhilai Steel Plant)



**SHRI VEJENDLA SRINIVASA  
CHAKRAVARTHY**  
Director (Commercial)



**SHRI ATANU BHOWMICK**  
Director in-charge (Rourkela Steel Plant)



**SHRI BRIJENDRA PRATAP SINGH**  
Director in-charge  
(Burnpur & Durgapur Steel Plant)



**SHRI ANIL KUMAR TULSIANI**  
Director (Finance)



**SHRI KRISHNA KUMAR SINGH**  
Director (Personnel)



**SHRI ARVIND KUMAR SINGH**  
Director (Technical, Projects & Raw Materials)



**SHRI BIRENDRA KUMAR TIWARI**  
Director In-charge (Bokaro Steel Plant)



### JOINT STATUTORY AUDITORS

**WALKER CHANDIOK & CO LLP**  
**J N GUPTA & CO LLP**  
**S P A R K & ASSOCIATES CHARTERED ACCOUNTANTS LLP**  
**VINOD SINGHAL & CO LLP**

### BRANCH AUDITORS

**G N S & ASSOCIATES**  
**S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**  
**VENKAT & RANGAA LLP**  
**D SHANTILAL JAIN & CO**  
**RAY & CO**  
**MUKUND M CHITALE & CO**  
**K C TAK & CO**  
**AMOL & ASSOCIATES**

### COST AUDITORS

**M/S. CHANDRA WADHWA & CO.**

**M/S. ABK & ASSOCIATES**

**M/S. R.M. BANSAL & CO.**

### SECRETARIAL AUDITOR

**M/S. AGARWAL S. & ASSOCIATES**

### REGISTERED OFFICE

#### ISPAT BHAWAN

LODI ROAD, NEW DELHI-110003  
PHONE: 24367481; FAX: 24367015  
WEBSITE: WWW.SAIL.CO.IN, EMAIL: SECY.SAIL@SAIL.IN  
CIN: L27109DL1973GOI006454

### BANKERS

- |                          |                                 |
|--------------------------|---------------------------------|
| 1. AXIS BANK LIMITED     | 11. INDUSIND BANK LIMITED       |
| 2. BANK OF BARODA        | 12. JAMMU & KASHMIR BANK        |
| 3. BANK OF INDIA         | 13. KARNATAKA BANK LIMITED      |
| 4. CANARA BANK           | 14. KOTAK MAHINDRA BANK LIMITED |
| 5. CENTRAL BANK OF INDIA | 15. PUNJAB NATIONAL BANK        |
| 6. HDFC BANK LIMITED     | 16. RBL BANK LIMITED            |
| 7. ICICI BANK LIMITED    | 17. SOUTH INDIAN BANK           |
| 8. IDBI BANK LIMITED     | 18. STATE BANK OF INDIA         |
| 9. INDIAN BANK           | 19. UNION BANK OF INDIA         |
| 10. INDIAN OVERSEAS BANK | 20. UNITED OVERSEAS BANK        |
|                          | 21. YES BANK LIMITED            |

## Ten Years At A Glance

### FINANCIAL HIGHLIGHTS

for the year ended 31<sup>st</sup> March, 2024

(₹ crore)

|   | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gross sales   | 104545  | 103768  | 102805  | 68452   | 61025   | 66267   | 58297   | 49180   | 43294   | 50627   |
| Net sales   | 104545  | 103768  | 102805  | 68452   | 61025   | 66267   | 56893   | 43866   | 38471   | 45208   |
| Earnings before depreciation, interest and tax (EBITDA)   | 12280   | 9379    | 22364   | 13740   | 11199   | 10283   | 5184    | 672     | (2204)  | 5586    |
| Depreciation  | 5277    | 4963    | 4274    | 4102    | 3755    | 3385    | 3065    | 2680    | 2402    | 1773    |
| Interest & Finance charges                                | 2474    | 2037    | 1698    | 2817    | 3487    | 3155    | 2823    | 2528    | 2300    | 1454    |
| Profit/(Loss) before exceptional items                    | 4529    | 2379    | 16392   | 6821    | 3957    | 3743    | (703)   | (4536)  | (6906)  | 2359    |
| Exceptional items: Gain/(Loss)                            | (841)   | 258     | (353)   | 58      | (787)   | (405)   | (56)    | (315)   | (101)   | -       |
| Profit/(Loss) before tax (PBT)                            | 3688    | 2637    | 16039   | 6879    | 3171    | 3338    | (759)   | (4851)  | (7008)  | 2359    |
| Provision for tax   | 955     | 734     | 4024    | 3029    | 1149    | 1159    | (277)   | (2018)  | (2986)  | 266     |
| Profit/(Loss) after tax (PAT)                             | 2733    | 1903    | 12015   | 3850    | 2022    | 2179    | (482)   | (2833)  | (4021)  | 2093    |
| Dividends   | 826     | 620     | 3614    | 1157    | -       | 207     | -       | -       | -       | 826     |
| Equity Share Capital                                      | 4131    | 4131    | 4131    | 4131    | 4131    | 4131    | 4131    | 4131    | 4131    | 4131    |
| Reserves & Surplus  | 50000   | 48009   | 47887   | 39364   | 35647   | 34021   | 31583   | 31879   | 35065   | 39374   |
| Net Worth (equity share capital and reserves & surplus)   | 54131   | 52139   | 52017   | 43495   | 39777   | 38152   | 35714   | 36009   | 39196   | 43505   |
| Total Loans   | 36315   | 30773   | 17284   | 37677   | 54127   | 45170   | 45409   | 41396   | 35141   | 29898   |
| Net Fixed Assets  | 72408   | 73524   | 73657   | 67600   | 69019   | 61359   | 58612   | 50285   | 45926   | 36169   |
| Capital work-in-progress                                  | 5521    | 4891    | 4710    | 8878    | 8752    | 16014   | 18395   | 23275   | 24927   | 29196   |
| Current Assets (including short term loans)               | 47882   | 37763   | 28627   | 31976   | 40918   | 32249   | 29638   | 25545   | 24304   | 28482   |
| Current Liabilities & Provisions                          | 53425   | 49305   | 39318   | 25908   | 22066   | 23632   | 24068   | 21486   | 18992   | 16338   |
| Working Capital (current assets less current liabilities) | (5543)  | (11542) | (10691) | 6068    | 18852   | 8617    | 5570    | 4060    | 5312    | 12145   |
| Capital Employed (net fixed assets + working capital)     | 66864   | 61982   | 62966   | 73668   | 87871   | 69977   | 64182   | 54345   | 51238   | 48314   |
| Market price per share (in ₹) (as at the end of the year) | 134.25  | 82.70   | 98.55   | 78.80   | 23.05   | 53.75   | 70.20   | 61.20   | 43.00   | 68.35   |
| <b>Key Financial Ratios</b>                               |         |         |         |         |         |         |         |         |         |         |
| EBIDTA to average capital employed (%)                    | 19.06   | 15.01   | 32.74   | 17.01   | 14.19   | 15.33   | 8.75    | 1.27    | (4.28)  | 12.88   |
| PBT to Net Sales (%)                                      | 3.53    | 2.54    | 15.60   | 10.05   | 5.20    | 5.04    | (1.33)  | (11.06) | (18.22) | 5.22    |
| PBT to average capital employed (%)                       | 5.72    | 4.22    | 23.48   | 8.52    | 4.02    | 4.98    | (1.28)  | (9.19)  | (13.62) | 5.44    |
| Return on average net worth (%)                           | 5.14    | 3.65    | 25.16   | 9.25    | 5.19    | 5.90    | (1.34)  | (7.53)  | (9.72)  | 4.86    |
| Net worth per share of ₹ 10                               | 131.05  | 126.23  | 125.93  | 105.30  | 96.30   | 92.37   | 86.46   | 87.18   | 94.89   | 105.33  |
| Earnings per share of ₹ 10                                | 6.62    | 4.61    | 29.09   | 9.32    | 4.89    | 5.27    | (1.17)  | (6.86)  | (9.74)  | 5.07    |
| Price Earning ratio (times)                               | 20.29   | 17.95   | 3.39    | 8.45    | 4.71    | 10.19   | (60.19) | (8.92)  | (4.42)  | 13.48   |
| Dividend per share of ₹ 10                                | 2.00    | 1.50    | 8.75    | 2.80    | -       | 0.50    | -       | -       | -       | 2.00    |
| Effective dividend rate (%)                               | 1.49    | 1.81    | 8.88    | 3.55    | -       | -       | -       | -       | -       | 2.93    |
| Debt-Equity (times)                                       | 0.67    | 0.59    | 0.33    | 0.87    | 1.36    | 1.18    | 1.27    | 1.15    | 0.90    | 0.69    |
| Current ratio (times)                                     | 0.90    | 0.77    | 0.73    | 0.68    | 1.85    | 1.36    | 1.23    | 1.19    | 1.28    | 1.74    |
| Capital employed to turnover ratio (times)                | 1.56    | 1.67    | 1.63    | 0.93    | 0.69    | 0.95    | 0.91    | 0.90    | 0.84    | 1.05    |
| Working capital turnover ratio (times)                    | (18.86) | (8.99)  | (9.62)  | 11.28   | 3.24    | 7.69    | 10.47   | 12.11   | 8.15    | 4.20    |
| Interest coverage ratio (times)                           | 2.64    | 2.05    | 9.56    | 2.86    | 1.83    | 1.79    | 0.58    | (0.65)  | (1.91)  | 1.80    |
| Dividend payout ratio (%)                                 | 30.23   | 32.56   | 30.08   | 30.04   | -       | 9.48    | -       | -       | -       | 39.45   |

### PRODUCTION

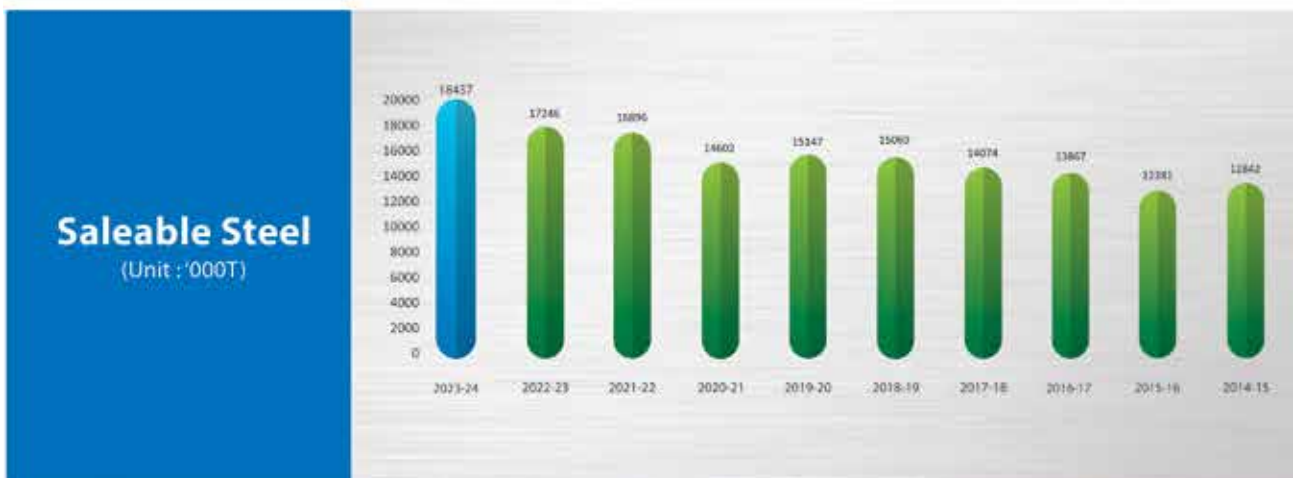
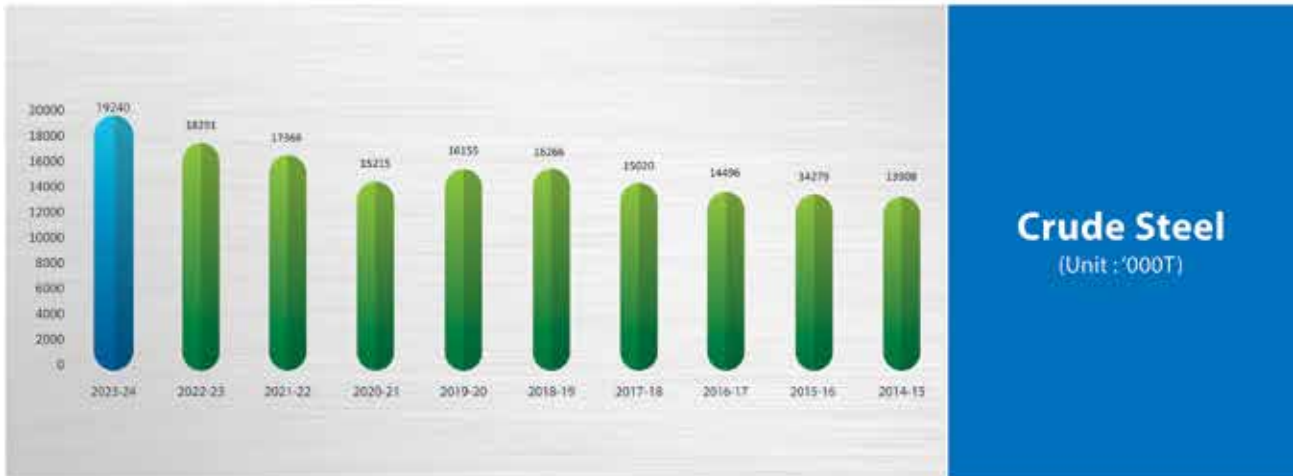
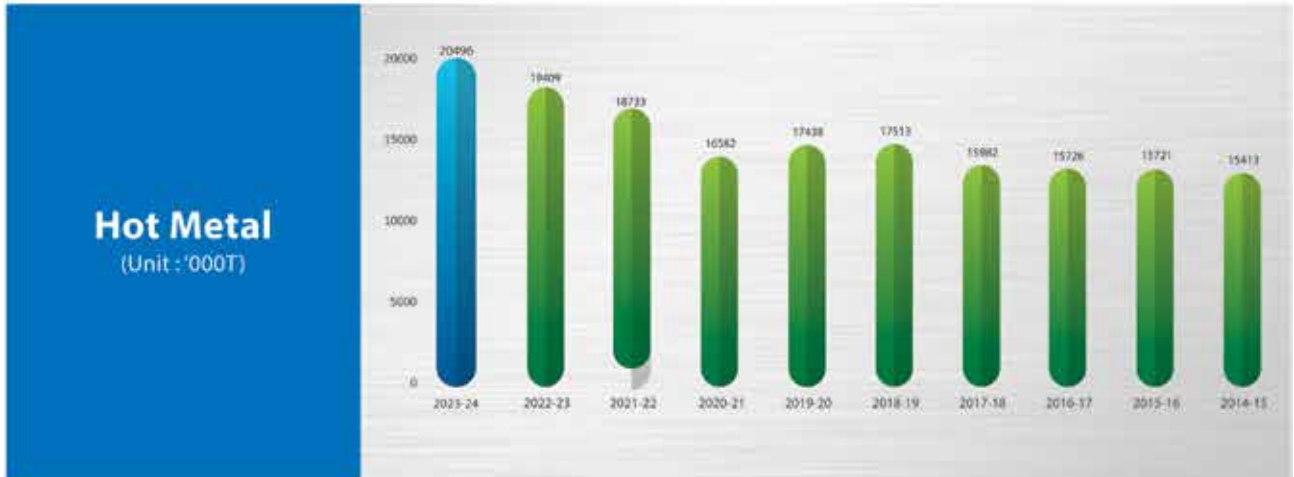
Unit: '000T

| Item                  | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Hot Metal</b>      | 20496   | 19409   | 18733   | 16582   | 17438   | 17513   | 15982   | 15726   | 15721   | 15413   |
| <b>Crude Steel</b>    | 19240   | 18291   | 17366   | 15215   | 16155   | 16266   | 15020   | 14496   | 14279   | 13908   |
| <b>Pig Iron</b>       | 426     | 368     | 564     | 584     | 570     | 480     | 270     | 495     | 642     | 634     |
| <b>Saleable Steel</b> | 18437   | 17246   | 16896   | 14602   | 15147   | 15069   | 14074   | 13867   | 12381   | 12842   |
| - Semi Finished Steel | 2686    | 2277    | 3171    | 3797    | 2995    | 3169    | 2610    | 3170    | 3054    | 3007    |
| - Finished Steel      | 15751   | 14969   | 13724   | 10805   | 12152   | 11900   | 11464   | 10697   | 9327    | 9835    |



# Ten Years At A Glance

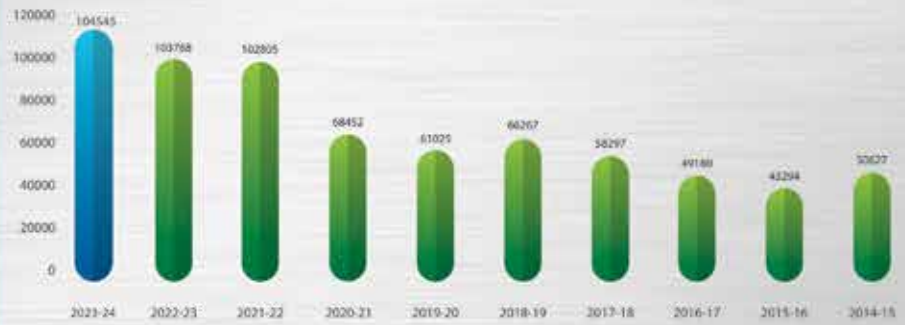
## FINANCIAL HIGHLIGHTS & KEY FINANCIAL RATIOS





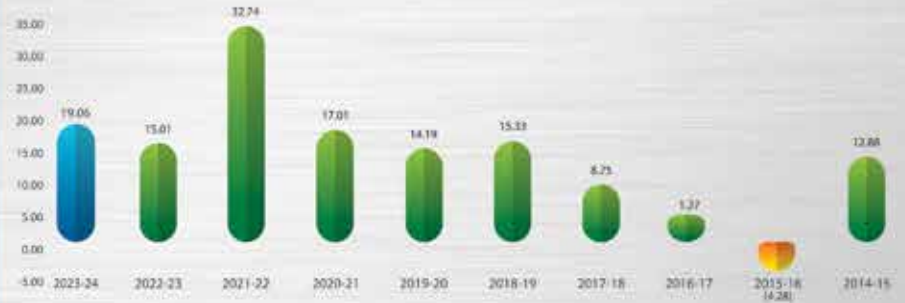
## GROSS SALES

(₹ In Crores)



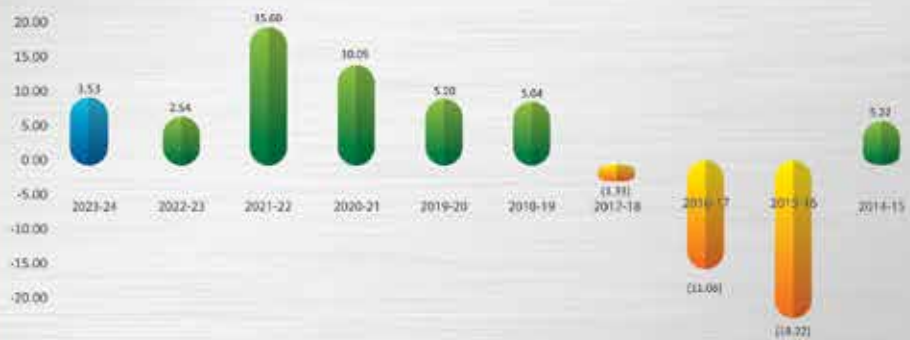
## EBITDA TO AVERAGE CAPITAL EMPLOYED

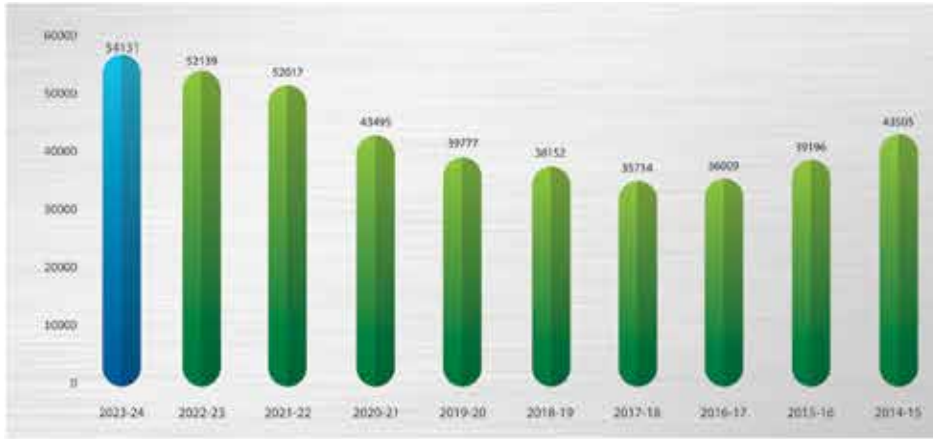
(in %)



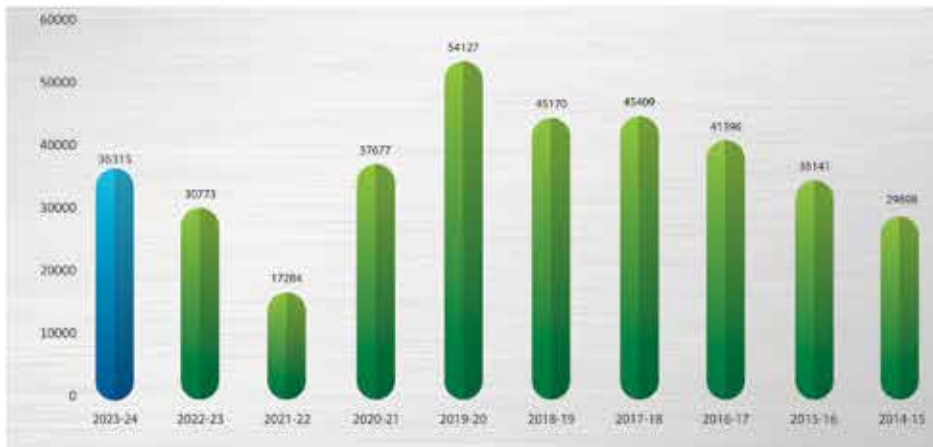
## PBT TO NET SALES

(in %)

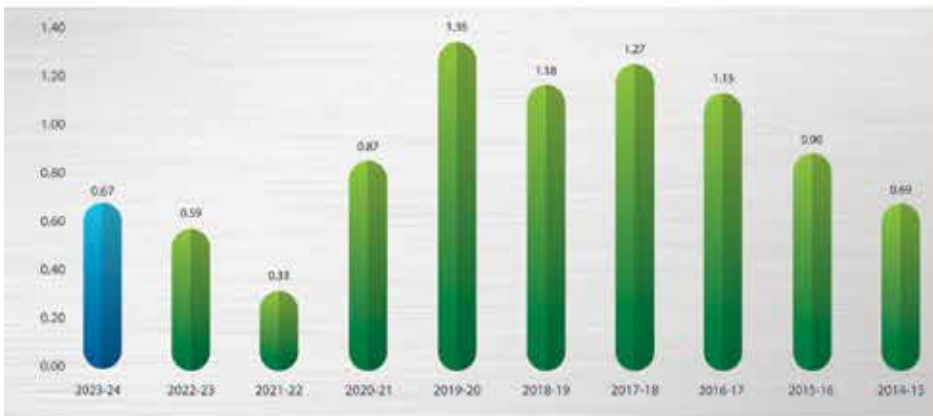




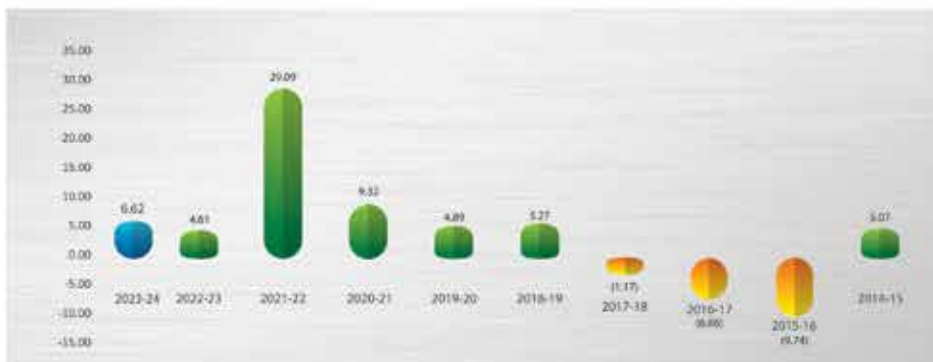
**NET WORTH**  
(Equity Capital and Reserves & Surplus)  
(₹ in Crores)



**BORROWINGS**  
(₹ in Crores)

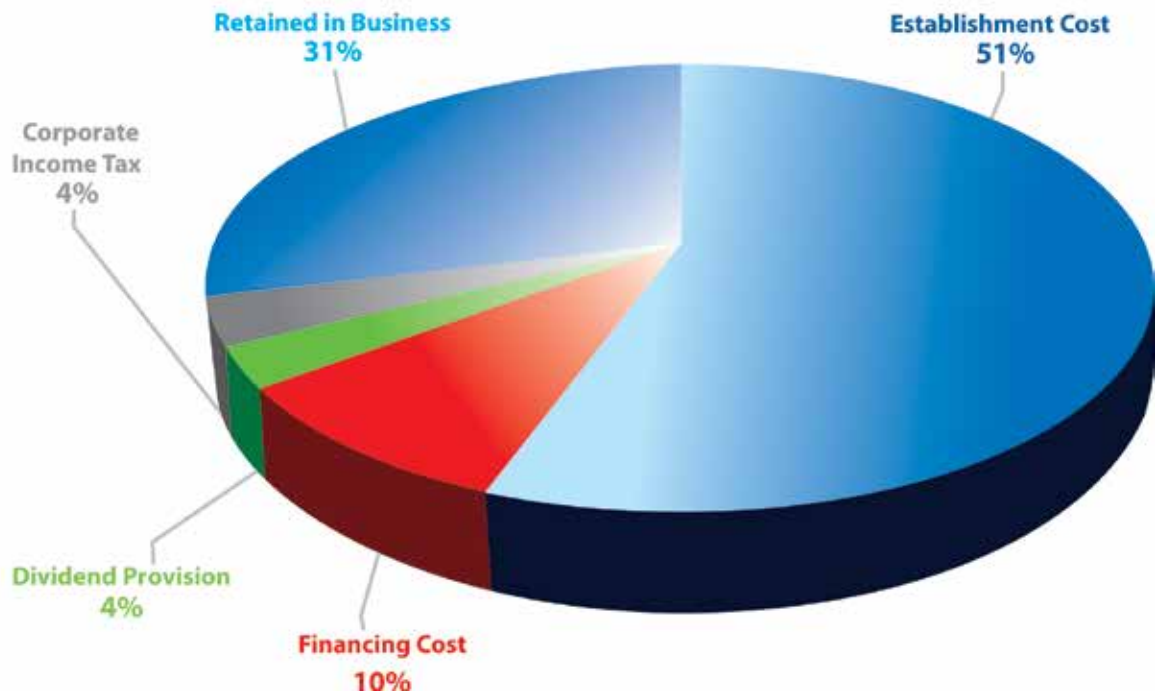


**DEBT-EQUITY**  
(No. of Times)



**EARNING PER SHARE OF ₹10**  
(Amount in ₹)

## VALUE APPLIED

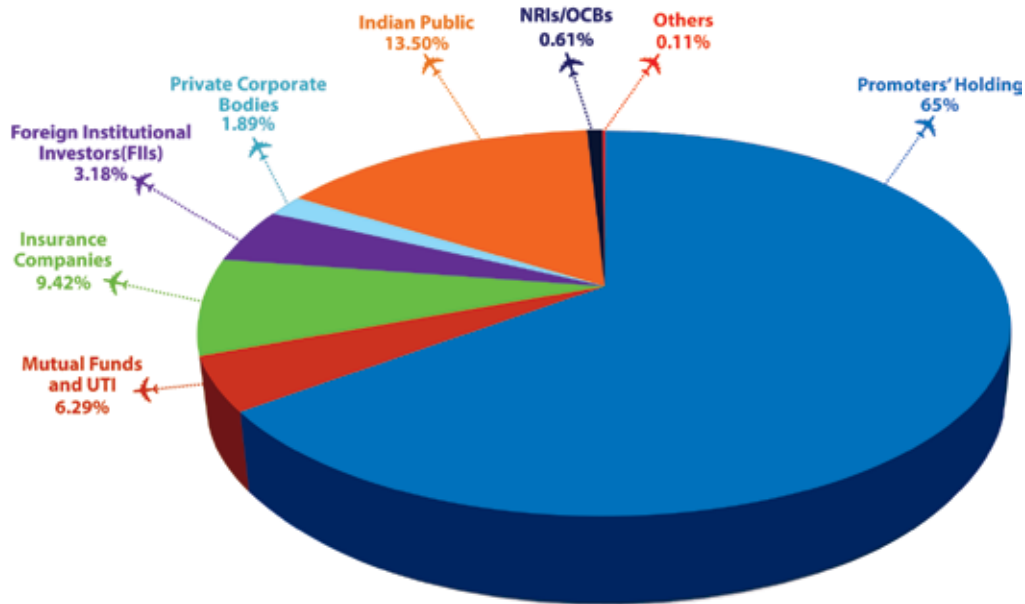


(₹ crore)

| For the year                       | 2023-24 |              | 2022-23 |              |
|------------------------------------|---------|--------------|---------|--------------|
| Value of own production            | 108690  |              | 109694  |              |
| Other Revenues                     | 1777    | 110467       | 2021    | 111715       |
| Less: Cost of Raw Materials        | 57619   |              | 62091   |              |
| Stores and Spares                  | 5855    |              | 5573    |              |
| Power and Fuel                     | 7535    |              | 7704    |              |
| Freight Outward                    | 3172    |              | 3024    |              |
| Other Operating Cost               | 13099   | 87280        | 11632   | 90024        |
| <b>Total Value added</b>           |         | <b>23187</b> |         | <b>21691</b> |
| Establishment Cost                 |         | 11748        |         | 12054        |
| Financing Cost                     |         | 2474         |         | 2037         |
| Dividend Provision                 |         | 826          |         | 620          |
| Corporate Income Tax               |         | 955          |         | 734          |
| <b>Income Retained in Business</b> |         |              |         |              |
| Depreciation                       | 5277    |              | 4963    |              |
| Bonds Redemption Reserve           | -250    |              | -157    |              |
| Balance of Profit                  | 2157    | 7184         | 1441    | 6246         |
| <b>Total Value applied</b>         |         | <b>23187</b> |         | <b>21691</b> |



## SHAREHOLDING PATTERN



'Others' include Banks & Financial Institutions, GDR and IEPF

As on 31<sup>st</sup> March, 2024

| S.No.     | Category                              | Holders        | No. of Shares held | % age of Shareholding |
|-----------|---------------------------------------|----------------|--------------------|-----------------------|
| <b>A.</b> | <b>Promoters' holding</b>             |                |                    |                       |
| 1         | Promoters                             |                |                    |                       |
|           | - Indian Promoters v.i.z., the GOI    | 1              | 2684714550         | 65.00                 |
|           | - Foreign Promoters                   |                |                    |                       |
| 2         | Persons acting in Concert             |                |                    |                       |
|           | <b>Sub-Total</b>                      | <b>1</b>       | <b>2684714550</b>  | <b>65.00</b>          |
| <b>B</b>  | <b>Non-Promoters Holding</b>          |                |                    |                       |
| 3         | Institutional Investors               |                |                    |                       |
| a         | Mutual Funds and UTI                  | 44             | 259975047          | 6.29                  |
| b         | Banks & Financial Institutions        | 22             | 398166             | 0.01                  |
| c         | Insurance Companies                   | 18             | 388954866          | 9.42                  |
| d         | Foreign Institutional Investors(FIIs) | 126            | 131272665          | 3.18                  |
|           | <b>Sub-Total</b>                      | <b>210</b>     | <b>780600744</b>   | <b>18.90</b>          |
| 4         | Others                                |                |                    |                       |
| a         | Private Corporate Bodies              | 3160           | 78074570           | 1.89                  |
| b         | Indian Public                         | 1626454        | 557626916          | 13.50                 |
| c         | NRIs/OCBs                             | 13245          | 25210297           | 0.61                  |
| d         | GDR                                   | 2              | 110990             | 0.00                  |
| e         | IEPF Authority                        | 1              | 4187222            | 0.10                  |
|           | <b>Sub-Total</b>                      | <b>1642862</b> | <b>665209995</b>   | <b>16.10</b>          |
|           | <b>GRAND TOTAL</b>                    | <b>1643073</b> | <b>4130525289</b>  | <b>100.00</b>         |

## BOARD'S REPORT

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

The Board of Directors has the pleasure of presenting the 52<sup>nd</sup> 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 31<sup>st</sup> March, 2024.

### A. FINANCIAL REVIEW

#### Financial Results (₹ crore)

| Sl. No.  | Particulars   | Standalone Year ended        |                              |
|----------|---|------------------------------|------------------------------|
|          |   | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|          |   | Audited                      | Audited                      |
| <b>1</b> | <b>Income</b>   |                              |                              |
|          | (a) Revenue from operations   | 105374.59                    | 104447.36                    |
|          | (b) Other income  | 1148.06                      | 1354.84                      |
|          | <b>Total Income</b>   | <b>106622.65</b>             | <b>105802.20</b>             |
| <b>2</b> | <b>Expenses</b>   |                              |                              |
|          | (a) Cost of materials consumed  | 57618.84                     | 62091.10                     |
|          | (b) Changes in inventories of finished goods, work-in-progress and by-products    | (3352.92)                    | (5160.14)                    |
|          | (c) Employee benefits expense   | 11747.92                     | 12053.62                     |
|          | (d) Finance costs   | 2473.81                      | 2037.47                      |
|          | (e) Depreciation and Amortisation expenses  | 5277.45                      | 4962.52                      |
|          | (f) Other expenses  | 28229.04                     | 27438.71                     |
|          | <b>Total Expenses</b>   | <b>101994.14</b>             | <b>103423.28</b>             |
| <b>3</b> | <b>Profit before Exceptional items and Tax</b>                                    | <b>4528.51</b>               | <b>2378.92</b>               |
|          | <b>Add/(Less): Exceptional items</b>  | <b>(840.84)</b>              | <b>257.99</b>                |
| <b>4</b> | <b>Profit before Tax</b>  | <b>3687.67</b>               | <b>2636.91</b>               |
|          | <b>Less: Tax expense</b>  |                              |                              |
|          | Current tax   | 605.54                       | 118.37                       |
|          | Deferred tax  | 349.02                       | 615.47                       |
|          | <b>Total Tax expense</b>  | <b>954.56</b>                | <b>733.84</b>                |
| <b>5</b> | <b>Net Profit for the period</b>  | <b>2733.11</b>               | <b>1903.07</b>               |
|          | <b>Other Comprehensive Income (OCI)</b>   |                              |                              |
|          | (i) Items that will not be reclassified to profit or loss                         | (122.72)                     | (566.83)                     |
|          | (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.55                         | 128.22                       |
| <b>6</b> | <b>Total Comprehensive Income for the period</b>                                  | <b>2610.94</b>               | <b>1464.46</b>               |

Your Company achieved the best Sales Turnover of ₹ 1,04,545 crore during the Financial Year (FY) 2023-24, which is higher by 1% as compared to corresponding period of last year (CPLY) driven by increase in Sales Volume (5%), fixation of Rail price for FY 2021-22 and revision of provisional Rail price for FY 2022-23 & 2023-24. During the FY 2023-24, the increase in the profitability as compared to CPLY is mainly on account of higher sales volume; fixation of Rail price for FY 2021-22 as well as revision of provisional Rail price for FY 2022-23 & 2023-24; lower imported coal prices (vis-à-



vis previous year) and ferro-alloys prices, lower usage of other raw materials like Iron ore, zinc, copper, other ferro-alloys, power, etc.; better techno-economic parameters like improvement in BF productivity, lower usage of coal, Specific Energy Consumption, etc.; lower salary & wages; reduction in loss on foreign exchange fluctuation; etc.

The increase in the profitability was offset partially by lower Net Sales Realisation of Saleable Steel and lower sale of coal chemical & by-products; higher usage of external BF Coke, Limestone, scrap, etc.; lower stock valuation rate; higher expenditure on stores & spares, Repair & Maintenance, Raw Material handling charges, freight outward, etc.; higher royalty rates; lower dividend income; impact of exceptional items (Settlement under Vivad se Vishwas Scheme-II and Entry Tax); higher interest charges and depreciation; etc.

Your Company continued its thrust on judicious fund management with repayment of loans including interest as well as advance planning and timely action for future fund raising, etc. to meet its growth objectives. The Company had borrowings of ₹ 36,315 crore as on 31<sup>st</sup> March, 2024 vis-a-vis ₹ 30,773 crore as on 31<sup>st</sup> March, 2023 (INDAS). The debt equity ratio of the Company as on 31<sup>st</sup> March, 2024 has increased marginally to 0.67:1 from 0.59:1 as on 31<sup>st</sup> March, 2023 primarily due to increase in borrowings during the FY 2023-24. The net worth of the Company increased to ₹ 54,131 crore as on 31<sup>st</sup> March, 2024 from ₹ 52,139 crore as on 31<sup>st</sup> March, 2023.



Interim Dividend of 10% i.e. ₹ 1.00 per equity share was paid during the FY 2023-24. The Board of Directors of your Company has further recommended a Final Dividend of ₹ 1.00 per equity share, subject to approval of Members in the ensuing Annual General Meeting of the Company. In total, 20% dividend on equity share capital for FY 2023-24 is being distributed to the members of the Company. No amount has been transferred to General Reserve during the year under review.

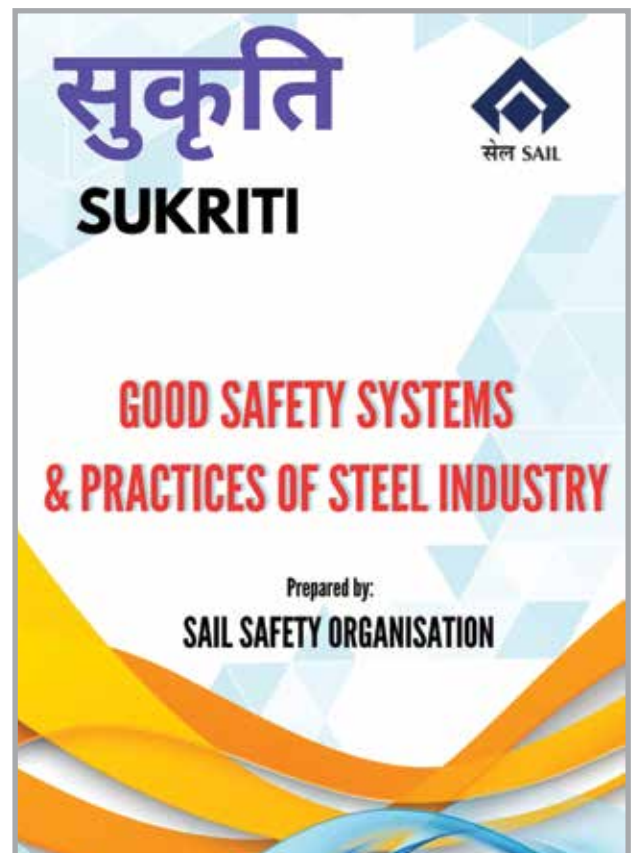
M/s. CARE Ratings and M/s. India Ratings, RBI approved Credit Rating Agencies, assigned 'CARE AA-Outlook: Stable' and 'IND AA-Outlook: Stable' ratings respectively for SAIL's long-term borrowing programme.

## **B. OPERATIONS REVIEW**

### **Safety**

**Safety First:** Your Company is committed to the safety of its employees and the people associated with it, including those living in the neighbourhood of its Plants, Mines and Units. SAIL Safety Organization (SSO) centrally monitors and guides the Safety Promotional and Fire prevention activities undertaken at different Steel Plants/Units/Mines/Stockyards. SSO formulates and prepares appropriate Safety Policies, Procedures, Systems, Action Plans, Guidelines, etc. and follows up for their implementation, and thereby, helps in providing Accident-free Work Environment at the workplace. Plants are ISO-45001 certified, which is an advanced Safety Management System and as a compliance to this, Hazard Identification and Risk Assessment (HIRA) has been conducted for most of operation & maintenance activities using techniques like Bow-tie/HAZOP studies, etc. as applicable and appropriate control measures have been formulated and implemented to either eliminate the risk or bring it to acceptable limits.

Safety aspects, specific to the jobs, have been incorporated in Standard Operating Procedures & Standard Maintenance Procedures (SOPs & SMPs) which helps in integrating safety with operations and maintaining necessary technological discipline. System of conducting safety audits and inspections is in vogue and observations, if any, are complied with at the earliest. Prioritising safety foremost, the Company has engaged Safety Management Consultant for Safety Culture



Transformation, at its Plants in Bhilai, Bokaro, Rourkela, Durgapur and Burnpur. Thrust is being laid on developing safety governance structure, framing technical standards, improving safety through behavioural interventions, containing risk in high hazard processes, etc. Relentless efforts are also being made by Plants and SSO for competence building in the area of Safety Management through regular HRD interventions, LEO workshops, webinars, etc., in-house as well as through external experts, on areas of concern covering Heads of Shops, Line Managers, Safety Personnel and Trade Union leaders. System of imparting safety training at induction and on-the-job trainings to contract workers prior to start of jobs, exists in all the Plants and Units.

SSO has recently launched many new initiatives to reach the lowest strata of the Company. A initiative called 'Suraksha Manthan' has been taken up for achieving Zero Fatality, with the participation of Heads of Safety of all Plants/Units, where learnings from incidents/ Near Miss cases, good safety practices across Plants/Units are discussed and followed up for its implementation. A safety interaction module named 'Sampark' has been launched for sensitizing different working levels of Plants i.e. HODs, Line Managers and Departmental Safety Officers. In the beginning of every training programme at Management Training Institute (MTI), the participants are sensitized on the importance of safety through a customized module titled 'Sparsh'. A compilation titled 'Samiksha' of accidents that occurred in the past has been prepared and circulated as ready reference for all the Plants & Units. 'Sukriti' – a compendium of good practices prevailing in the steel industry, has been prepared with a view to promote benchmarking with the best practices of the industry. In addition to this, 'Suraksha Samvad' – a VC session is being conducted after any major incident or Near Miss case among concerned domain experts from all the Plants & Units, with a view to discuss the root causes, share good practices of each other and bring out technical solutions. Also to bring all the steel producers of the Country with their domain experts along with safety personnel under one platform, SSO has constituted Safety Operating Committee to address the theme-based issues. Meetings of the Committee will be a yearly event in different Plants with new themes.

Benefits of technology are leveraged by extensive utilization of IT in the area of Safety Management, by way of web portals for sharing important information, safety suggestions, etc. Good Safety Practices prevailing in the Plants & Units and other industries are captured and circulated among all for horizontal deployment, knowledge sharing and bringing improvement. A multi-disciplinary Safety Engineering Department exists in each of the Steel Plants and Mines to look into their respective safety requirements. The emphasis is on Systematic Approach to Safety Management. SSO is also managing the secretariat of the Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI), a bipartite forum which addresses Safety, Health & Environment issues of the Steel Plants with active involvement of Management and Central & Plant level trade unions and provides guidelines to the member organizations. Acknowledging the importance of Safety, the activities and measures undertaken are reviewed at the highest level by the Board Sub Committee on Health, Safety & Environment.

## Operations

During the FY 2023-24, the Indian steel sector continued its journey of resilience and growth, navigating through both internal challenges and global economic fluctuations. The year witnessed excess capacity and subdued demand, especially aggravated by crises like the real estate downturn in China. In spite of the challenges faced by your Company in terms of input raw material quality, logistics issues like availability of rakes for transportation of raw material and the asset mix of old and new units, SAIL achieved remarkable milestones in 2023-24 including record-breaking annual performances.

During FY 2023-24, your Company created new benchmarks in production, productivity, techno-economics, value added products and new product development. There has been a phenomenal growth in production of Hot Metal by 1.09 MT, Crude Steel by 0.95 MT and Saleable Steel by 1.19 MT during FY 2023-24, over the previous FY 2022-23. SAIL achieved record Hot Metal, Crude Steel and Saleable Steel production of 20.5 MT, 19.2 MT and 18.4 MT respectively. In addition to this, your Company also achieved, its best annual performance in respect of Techno-economic parameters like Coke Rate, CDI Rate, BF Productivity and Specific Energy Consumption owing to focus on better capacity utilisation of bigger Blast Furnaces (BF) and optimisation of BF operations. Besides this, continuous thrust in ramping up of new units as well as continuous intervention in process improvement, operational capacity utilisation of Hot Metal, Crude Steel and Saleable Steel improved to 101%, 99% and 102% respectively.

The Research and Development Centre for Iron & Steel (RDCIS) of the Company provided innovative technological inputs to different Plants of SAIL, with special emphasis on process and quality improvement, product development and commercialization. The continuous activities in respect of product development have led to development of 25 new Steel Products, including development of new sections, during FY 2023-24.

At Bhilai Steel Plant (BSP), Hot Metal, Crude Steel and Saleable Steel achieved its best ever production of 5.985 MT, 5.675 MT and 5.228 MT respectively. The new Blast Furnace i.e. BF-8 produced 2.68 MT of Hot Metal, surpassing the previous best achievement of 2.54 MT in the previous FY. The contribution to Indian Railways is highlighted by the fact that record dispatches of Long Rails (260m panels) of 1082 Rakes was achieved during the FY 2023-24. Further, with the commencement of commercial production from Flash Butt Welding Plant-Sabarmati, 12 Rakes of Long Rail panels were despatched to the Indian Railways. The year also witnessed commencement of regular production of R-350 HT (1175 HT Gr) Head Hardened Rails at URM in October, 2023, with 1265 tonne being produced and first rake of R350 HT panel was supplied to Indian Railways on 31<sup>st</sup> October, 2023. On techno-economic front, BSP achieved the highest ever CDI rate at 120 kg/thm and lowest Specific Energy Consumption at 6.35 G.cal./tcs.



Durgapur Steel Plant (DSP) recorded the best ever production of Hot Metal at 2.57 MT, surpassing the previous best of 2.56 MT recorded in the FY 2022-23. DSP also produced highest ever Crude Steel at 2.30 MT and Saleable Steel 2.21 MT, surpassing the previous best of 2.29 MT and 2.18 MT respectively achieved in the previous FY. The Plant recorded highest ever production from its Medium Structural Mill (MSM) and Merchant Mill (MM). On techno-economic front, DSP achieved the best ever CDI rate at 68/kg/thm and Coke rate at 449 kg/thm in the FY 2023-24.

Rourkela Steel Plant (RSP) registered highest ever production of Hot Metal at 4.49 MT, Crude Steel production at 4.16 MT and Saleable Steel production at 4.21 MT in the FY 2023-24. In addition to this, BF-5 also achieved highest ever production at 2.88 MT. Similarly, New Plate Mill (NPM) at 0.93 MT and Hot Strip Mill-2 (HSM-II) at 2.38 MT also registered highest ever annual production. With regard to techno-economic parameters, RSP achieved the lowest ever Specific Energy Consumption @5.98 G.cal./tcs. during the FY 2023-24.

Bokaro Steel Plant (BSL) registered the highest ever production of Hot Metal at 4.73 MT with four BFs operation, surpassing the previous best of 4.71 MT achieved with five BFs operation in the FY 2005-06. New SMS (with Concast Route) at 0.86 MT, Crude Steel at 4.31 MT, Hot Strip Mill at 3.97 MT and Saleable Steel at 3.99 MT also recorded highest ever production in FY 2023-24. The techno-economic parameters like CDI rate @79 kg/thm, BF productivity @ 1.82 t/m<sup>3</sup>/day and Specific Energy Consumption @6.57 G.cal./tcs. were best ever in the FY 2023-24.

At IISCO Steel Plant (ISP), Hot Metal, Crude Steel and Saleable Steel production at 2.72 MT, 2.53 MT and 2.41 MT respectively were highest ever in the FY 2023-24. In addition to this, Wire Rod Mill at 0.479 MT, Bar Mill at 0.795 MT and Universal Section Mill at 0.460 MT achieved their best ever production during the FY 2023-24. On techno-economic

front, ISP achieved the best ever CDI rate @126 kg/thm & BF productivity @ 2.18 t/m<sup>3</sup>/day for the year.

SAIL aims to boost production volumes at its five Integrated Steel Plants by enhancing techno-economic efficiencies at Blast Furnace. In this regard, the key initiatives in form of enablers include Improving the Health of Furnace Stoves, Commissioning of New Stoves, Enhancing Oxygen Enrichment, Increasing Pulverized Coal Injection and Improving the Iron content in the Burden through the use of Pellets and Better Quality Ore Fines.





With respect to the Special Steel Plants, Strategic Interventions are being pursued at Alloy Steels Plant (ASP) and Salem Steel Plant (SSP). In this regard, Feasibility Study is being carried out at ASP for upgradation of steel making facilities and enhancement of production through process efficiency. At SSP, initiatives are being taken to improve production and reduce the cost to curtail losses.

### Power

Your Company has always strived to maximize its captive power usage in view of reliability of power supply as well as availability of power at optimum cost. During the FY 2023-24, about 65% of the total requirement of 1437.98 MW was met from the Captive Power Plants, as against 62.75% in the previous year. With an objective to optimize the cost, SAIL has been actively procuring power through Open Access route since such opportunity was introduced in Electricity Act, 2003. Continuing the legacy, this year too, SAIL Plants procured about 299.38 Million Units (MUs) of power through Open Access route which also included Green (renewable) power procured through Short Term Open Access. A major contributor to Green Open Access Power was 85.79 MUs of bagasse-based power from Rajshree Sugar Mills, Coimbatore, through Power Exchange for Salem Steel Plant during the sugarcane crushing season. 110.55 MUs were procured from the Power Exchange and 103.12 MUs were wheeled from PP-3, Bhilai to SSP. Your company was able to save about ₹ 40.13 crore in the FY 2023-24 by procuring cheaper power through Open Access route.

With the objective of enhancing the share of captive power and ensuring supply of reliable power at optimum cost,



the second 20 MW Unit of NTPC-SAIL Power Company Ltd. (NSPCL), a Joint Venture Company of SAIL & NTPC Ltd., Power Plant-III at DSP was commissioned on 29<sup>th</sup> March, 2024. The New Power & Blowing Stations (PBSs) at Integrated Steel Plants at Bhilai, Rourkela and Burnpur are cogeneration Plants that run entirely on process gases (Blast Furnace & Coke Ovens gases), generating 8.44% of total power requirement of your Company, the old Captive Power Plants/ Power Blowing Stations at Bhilai, Rourkela, and Durgapur also utilize the process gases to the maximum, using minimal amounts of coal. In addition to this, process gases are also

provided to NSPCL and Bokaro Power Supply Co. Ltd. (a JV of SAIL and DVC) for substituting coal as a fuel to the optimum level feasible vis-à-vis operational efficiency. LD gas is being mixed with BF gas at BPSCL. Further, at NSPCL's Power Plant-II, BSP, CO gas pipeline for Boiler-3 has been connected to the new CO gas header.

Your Company has always been focussed on its approach towards achieving better performance parameters with respect to usage of power purchased from utilities and capitalizing to maximize the rebates and incentives available in the power tariff for achieving higher load factor, power factor, etc. During the FY 2023-24, ₹ 151.74 crore was received as incentives and rebate in the power tariff from grid utilities.

Besides above, optimization of electricity consumption in various steel making processes is a major thrust area of SAIL Plants for lowering the power consumption per tonne of production of saleable steel. As a responsible corporate house, your Company has given adequate emphasis on development and usage of renewable power sources with focussed approach on Roof Top Solar (RTS) Power Plants. A capacity of 7.50 MWp of Roof Top/Ground Mounted Solar power plants has already been installed across SAIL Plants and Units. Further, SAIL's first Floating Solar Power Plant of 4 MWp at ISP has been commissioned in January, 2024 and it produced 0.88 MUs of green power in February and March, 2024. In addition to this, a 15 MW capacity Floating Solar Power Plant over Cooling Pond in BSP through NSPCL is likely to be commissioned by June, 2025. A capacity of 176.45 MWp of rooftop solar plants at various Plants/ Units of the Company across the Country is in progress. Solar projects with potential of 485 MW are being examined for techno-commercial feasibility. Besides this, 12 MW renewable bagasse-based power being procured for Salem Steel Plant and the proposed 10 MW Small Hydro Electric Plant over Mandira Dam, Rourkela in Joint venture with Green Energy Development Corporation of Odisha Ltd. (GEDCOL) are progressively enhancing your Company's green footprint.

### Raw Materials

During the FY 2023-24, total requirement of iron ore was met from the captive sources. Your Company's captive mines produced about 34.34 million tonnes (MT) of iron ore. However, in case of clean coking coal, out of total consumption of 19.37 MT, about 2.45 MT was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (16.92 MT), the Company had to depend on imports due to constraint in availability of required quality, within the Country. In the FY 2023-24, production from the captive collieries of the Company, including middling & jhama, was about 1.184 MT, out of which 0.466 MT was raw coking coal and balance 0.718 MT was non-coking coal. In case of fluxes, around 1.533 MT of limestone and 0.485 MT of dolomite were produced from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited, except for small quantity produced from the captive mines.



### Selling of Iron Ore from Captive Mines in Open Market

About 1.16 MT of iron ore was made available in the open market from the Mines in the States of Odisha. Further, approval from Jharkhand State Government for selling of iron ore in the open market is still awaited.

### Grant of Environment Clearance (EC)

In order to expedite the process of selling of dump iron ore from captive mines, proposals for amendment of existing environment clearances were submitted to the MoEFCC and following ECs have been granted:

- **Amalgamated Lease (Barsua-Taldih-Kalta):** Clearance for expansion of ROM capacity from 8.05 MTPA to 16.00 MTPA granted on 28<sup>th</sup> April, 2023.
- **Dobil Lease of Chiria Mine:** Clearance granted for transportation of iron ore by Road for another 2 years from 23<sup>rd</sup> January, 2024.
- **Bolani Ore Mines:** Amended EC extended for further period of 2 years to liquidate entire stock of old fines dumps maximum up to 3MTPA by selling in open market or supplying to external conversion agencies for captive use within the EC capacity of 12 MTPA, on 13<sup>th</sup> September, 2023.
- **Chasnalla Colliery:** On 21<sup>st</sup> August, 2023, State Environment Impact Assessment Authority, Jharkhand, granted EC for the capacity expansion of Chasnalla Colliery up to 1.2/1.5 MTPA (Normative/Peak), along with the expansion of the coal washery of capacity 4 MTPA.
- **Jitpur Coal Mine:** Vide Order dated 19<sup>th</sup> June, 2023, State Environment Impact Assessment Authority, Jharkhand granted EC for the expansion of Jitpur Coal Mine up to 0.6/0.7 MTPA (Normative/Peak).

- **Iron Ore by Road from Rowghat to Antagarh:** MoEFCC amended the EC on 21<sup>st</sup> December, 2023, with the permission to transport 2.0 MTPA (@1.5 MTPA for initial six months and 2.0 MTPA for the subsequent 18 months) of Iron Ore by Road from Rowghat to Antagarh Railway Siding and/or Bhanupratappur Railway Siding, followed by Rail transportation to Bhilai for a duration of 2 years w.e.f. 1<sup>st</sup> January, 2024.

### Grant of Forest Clearance

- MoEFCC on 26<sup>th</sup> May, 2023 has granted Stage-II Forest Clearance for diversion of 465.62 ha of forest land (including safety zone) under 6.9 Sq. Mile Lease of Bolani Mine.
- MoEFCC vide Order dated 1<sup>st</sup> February, 2024 accorded in-principle approval for diversion of safety zone under 6.9 Sq. Mile Lease of Bolani Mile in pursuance to its Guidelines dated 7<sup>th</sup> November, 2022.

### Extension of Lease Period/Reservation Notification Period

- Government of Chhattisgarh vide Orders dated 6<sup>th</sup> July, 2023 and 10<sup>th</sup> July, 2023, has extended the lease periods of Rajhara Hill Lease and Pandridalli & Rajhara Pahar Leases of Bhilai Steel Plant until 31<sup>st</sup> May, 2043 and 27<sup>th</sup> April, 2043 respectively.
- Government of Chhattisgarh vide letter dated 3<sup>rd</sup> July, 2023 has extended Kalwar-Nagur Lease upto 31<sup>st</sup> March, 2025.
- In the process of execution of mining lease deed for 150-acre area in Ramanadurga Forest Range for iron ore, the Government of Karnataka vide Order dated 29<sup>th</sup> February, 2024 has accorded approval for relaxation

for a further period of one year up to 19<sup>th</sup> February, 2025 to obtain statutory clearance and execute the mining lease under Reservation made by Ministry of Mines, Gol.

#### **Appointment of MDO for Development of 4 MTPA Coal Mine at Tasra Coal Block, Jharkhand**

Consortium of M/s. Power Mech Projects Limited & M/s. P C Patel Infra Pvt. Ltd. was appointed as a Mine Developer cum Operator ((MDO) for development of 4 MTPA Mine at Tasra Coal Block and Coal Mining Service Agreement (CMSA) was signed with M/s. Kalyaneshwari Tasra Mining Pvt Ltd., a JV of the consortium, on 8<sup>th</sup> September, 2023 (Commencement Date). Mining operation will commence @ 1.50 MTPA during the 3<sup>rd</sup> year and @ 4 MTPA from 5<sup>th</sup> year onwards. MDO shall construct the washery within three years from the Commencement Date.

#### **Operationalization of Kalwar-Nagur Iron Ore Mining Lease of BSP**

On obtaining all the requisite statutory clearances, despatch of iron ore from the Kalwar-Nagur Mine has commenced from 5<sup>th</sup> February, 2024 onwards.

#### **Resumption of Mining Operations at Ramnagore Coal Mine**

On account of absence of a composite contract and local issues, operations at Salanpur quarry at Ramnagore Coal Mine were halted in September, 2020. With the contract finalized, operations have resumed in November, 2023 and production is gradually increasing.

#### **Resumption of Production at Jitpur Colliery**

Consequent to Consent to Operate (CTO) from the Jharkhand State Pollution Control Board on 24<sup>th</sup> July, 2023, production activities commenced on 20<sup>th</sup> September, 2023 in Jitpur Colliery.

#### **Valuation of Compensation for Payment to the Prior Allottee (SAIL) for Sitanala Coal Mines**

On 16<sup>th</sup> October, 2023, the Nominated Authority of Ministry of Coal issued a final compensation Order of ₹ 10.17 crore for the Geological Report cost and the same was refunded on 16<sup>th</sup> February, 2024. However, as the other compensation requests were not considered, SAIL filed a writ petition on 8<sup>th</sup> January, 2024, challenging the Order.

#### **Utilisation of Dump Fines of Gua Ore Mines**

Evacuation of dump fines at Gua Ore Mines for captive use started in November, 2023, with the first rake being dispatched to BSL for captive use. About 62,835 tonne of iron ore has been dispatched to SAIL Steel Plants for captive use upto 31<sup>st</sup> March, 2024.

#### **Commencement of Dispatch of Manganese Ore from Bolani Ore Mines**

The inaugural shipment of 1136 tonnes of Manganese from 6.9 Sq. Mile Lease of Bolani Ore Mines was sent to Rourkela Steel Plant on 30<sup>th</sup> August, 2023.

#### **Registration of SAIL for Green Credit Programme of MoEFCC**

In the FY 2023-24, SAIL has successfully enrolled in the Green Credit Programme (GCP) by submitting applications for two plantation blocks, measuring 25 hectares and 10 hectares respectively, in the State of Chhattisgarh. Generated Green Credit under the programme, can be exchanged to fulfil compensatory afforestation obligations in cases of forest land diversion for non-forestry purposes under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, where applicable. Additionally, these credits may also be utilized for environmental, social, and governance reporting activities under relevant laws and regulations currently in effect.

#### **Sales & Marketing**

During the Financial Year (FY) 2023-24, your Company achieved Saleable Steel sales volume of around 17.24 million tonnes (MT), registering a growth of about 4.8% over previous year. With Home Sales of 16.17 MT for Mild Steel, there has been a growth of about 6.3% over FY 2022-23. While the overall exports declined over FY 2022-23, the Company was able to achieve growth in Wire Rod exports of 11% in FY 2023-24 amidst various challenges in the international market.

For most part of FY 2023-24, the Global Steel business scenario has been under pressure due to overcapacity and increased exports from China. At the same time, many developed countries are facing high interest rates and inflation due to which demand has generally been on the lower side. The developing countries are also facing financial challenges due to depreciating currencies and weak financial conditions. Compared to international situation, India has fared relatively better and SAIL concentrated more on domestic sales.

During FY 2023-24, Global prices of steel products had dampened and were usually softening continuously. Lower international prices resulted in higher domestic availability, which in turn kept domestic prices under pressure during major part of the year. Raw material prices remained volatile. The Company adopted focused approach for improving its sales in domestic markets by entering new market segments, expanding reach through retail network and making efforts to improve price realization in a highly competitive scenario.

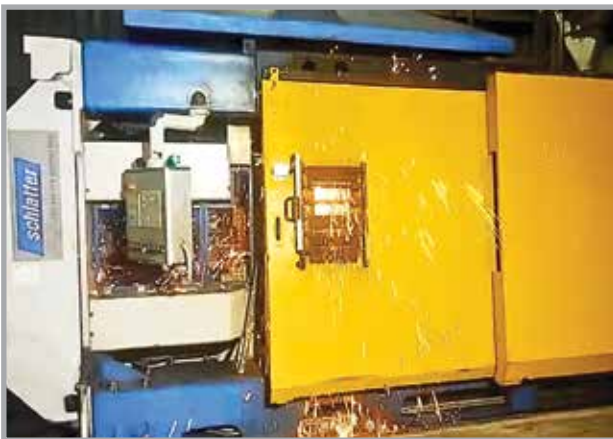
Consumption of Finished Steel in India in FY 2023-24 was 136.25 MT, a growth of 13.6% over previous year, while Finished Steel production was 138.825 MT, which is a growth of 12.7% over FY 2022-23. The Building, Construction and Infrastructure continued to be fulcrum of growth in steel sector due to consistent increase in Capex spending on infrastructure by the Government of India. A total budgetary provision of ₹ 15 lakh crore had been made for Govt. Capex in the Union Budget 2023-24, to boost growth of Infra and Construction segment.

Your Company has been fulfilling the entire demand of steel tracks from Indian Railways for decades. A total of 11.50



lakh tonnes of Rails were supplied to Indian Railways in FY 2023-24, the 260m long-rail welded-panel component in the total Rail supply being about 87.5%, which is highest ever and registered a growth of 8% over the previous year. It may be mentioned that 100% of the 60 kg Rail supplied to Railways during FY 2023-24 comprised the newly developed R-260 grade in 60E-1 profile. In addition to this, commercial supply of Long Rail Panels in R350 HT Grade has been started in FY 2023-24 as per Railway's requirement for Higher Axles Load (25T) routes. Various technological developments, including installation of new flash butt welding machine at Rail & Structural Mill, Bhilai Steel Plant have been carried out to improve the supply component of Long Rail panels, as per demand from Indian Railways. Further, supplies of Long Rail Panels have been started from Flash Butt Welding Plant (FBWP), Sabarmati, as per MoU with Indian Railways during FY 2023-24. The MoU between Western Railway and Bhilai Steel Plant is expected to augment the supplies of Long Rail Panels through flash butt welding of 26 mtr. Rails.

SAIL has been the pioneer and the only domestic producer catering to the forged steel wheel requirements of Indian



Railways. In addition to being the largest domestic producer of Loco Wheels for Indian Railways, over the years, a number of wheel profiles have been developed by SAIL, which have substituted imports, thereby, furthering the cause of Atmanirbhar Bharat initiative of the Government of India. In this regard, 42,024 numbers of WTA (Wheel, Tyre, Axle) items were supplied to Indian Railways in FY 2023-24, including few profiles which are import substitution items.

Your Company's presence in certain critical areas of Defence has been strategically significant with MOU being signed with the Indian Coast Guard for indigenous procurement of Ship-building Grades steel promoting Aatmanirbhar Bharat. Additionally, Special Grades for tank/shells have been developed.

Continuing the journey for increasing sales of value added and special quality products to the consumers, SAIL's basket in FY 2023-24, inter-alia, included Vacuum degassed Cold Heading Quality Wire Rods for the Auto Industry; Various Value Added Semis like 19MnB4, SUP11A, IS 11169 25C10BT/SAE 15B/25, etc. have been developed for applications in Forging, Spring steel, Auto industry, Hi-Tensile TLT segment/General engineering, etc. Products like SAILFORMING 410 and HSFQ 550 grade for Automotive component and API X60/X65/X70 HR Coil for Oil and Gas Pipe Line have been developed at HSM-2 of Rourkela Steel Plant. Certification has been obtained for the same. Further, IS 5914 HS345 2.2/2.5mm HR Coil for LPG cylinder has been developed and certification has been obtained for the same. Semis in grades AISI SS 410 Low Phosphorous Low Sulphur for usage in oil pipelines and grade CF-53 for nuclear applications have been developed at the Special Steel Plants of your Company.

The brand "SAIL SeQR" for TMT has been further strengthened by clocking sales of 8.44 lakh tonnes during FY 2023-24, compared to 5.61 lakh tonnes in the previous year, thereby registering a growth of 50%. In addition to

this, brand 'NEX' for Structural is also being promoted. Your Company is working towards expanding the 2-Tier and 1-Tier distributorship networks across India, which will further strengthen our position in B2C space. 41 more distributors were added in 1-Tier during the FY 2023-24, reaching a total of 58 as on 31<sup>st</sup> March, 2024, and thereby, achieving sales of 12.59 lakh tonnes through Tier-I Distributors. With regard to 2-Tier, for giving boost to sales through Retail Channel, SAIL has a strong network of distributors and dealers across the Country with 50 distributors and 5121 dealers as on 31<sup>st</sup> March, 2024. Further, the Company has achieved retail sales of 9.47 lakh tonnes of TMT during FY 2023-24, with a growth of 31% over previous year.

Under "Mission Poorvodaya" Scheme by Ministry of Steel, an Incentivization Scheme—"Ispati Ilakon Ka Vikas-SAIL Ke Saath" was introduced by SAIL for development of MSMEs based in the districts in which its Integrated Steel Plants are located. During the FY 2023-24, more than 1,20,000 tonnes of various steel products have been sold to these MSMEs, registering a growth of around 35% over the previous year.

During the FY 2023-24, your Company has supplied 2.21 lakh tonnes steel to NSIC/SSIC, with growth of 21% over previous year. Further, in line with National Steel Policy, to improve per capita consumption of steel in the Country, more than 400 "Gaon Ki Ore" workshops were organised during FY 2023-24 across India for propagating steel usage. In addition to this, your Company also participated in a number of trade fairs and exhibitions related to steel sector viz. Build-Expo at Hassan (Karnataka), Real Estate Expo at Vizag, Property Expo organised by Tamilnadu Engineer Association, SAIL SeQR promotion through sponsorship in IIT Ropar and IIT-BHU and Krishi Darshan Expo at Hisar (18<sup>th</sup>-20<sup>th</sup> Feb'24), International Technical Seminar of IPWE 2023 (Mumbai), Steel & Metal Conference—Supply Chain and Sourcing Strategies (Mumbai), to name a few. SAIL also organised a number of events for the promotion of SAIL SeQR like SAIL SeQR Run for Green, Marathon in Delhi, SAIL SeQR Run at Chennai, etc.

The Warehousing Group of Marketing Organisation has implemented Integrated Vehicle Tracking System in all Warehouses & CA/WLA units, ensuring real time tracking of the consignments. Spot-bidding for door delivery was implemented in all Warehouses & CA/WLA units for getting faster competitive freight rates, efficient transportation for faster door delivery, etc.

Your Company has been contributing to nation building since inception by servicing the requirement of various Iconic Structures and also projects of Strategic Importance. During the FY 2023-24, SAIL has supplied significant quantity of Steel to Power Projects, Road, Rail, Airport Infrastructure Projects, Oil & Gas Sector, etc., the major projects being Bengaluru Metro Rail Corpn.; Chennai Metro Rail Corpn.; Kalapakkam Nuclear Project in Southern Region; Mumbai Trans Harbour Link Project; Versova Baroda Sea Link Project; Mumabi Delhi expressway (Surat- Dahod Package); Rawbatta Nuclear Plant, Rajasthan in Western Region; Zozilla Tunnel in Sonmarg;

Ganga Expressway (Meerut to Prayagraj); Delhi Amritsar Katra Highway in Northern Region; AIIMS at Deoghar; 111 Km long Broad Gauge Extension project connecting Jiribam-Tupul-Imphal through 52 tunnels & 149 bridges; Mokama Railway Bridge in Patna, Jagannath Pilgrimage Centre at Puri, in Eastern Region.

Your Company is strategically oriented in building and cementing relationship with customers & prospects, upgrading products and services through branding, promotions, research, process improvements, digitalization, etc. SAIL has developed a leadership position in consumer mind space and is striving sincerely to bridge the ever changing expectation gaps in an ever evolving and increasingly demanding business scenario with focus on profitability and enterprise value.

### 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 FYs 2023-24 and 2022-23 is given below:

(₹ crore)

| Particulars                 | 2023-24 | 2022-23 |
|-----------------------------|---------|---------|
| Total Amount of Procurement | 9971.41 | 9508.86 |
| Total Procurement from MSE  | 2919.87 | 3110.30 |
| % age Procurement from MSE  | 29.28   | 32.71   |

### Modernisation & Expansion Plan

A capital expenditure of ₹ 5,646 crore has been incurred during FY 2023-24 against the Revised Budget Estimate of ₹ 6,000 crore. Capex planned for the FY 2024-25 is at ₹ 6,300 crore. The details of Addition, Modification & Replacement (AMR) Schemes under implementation are given in the Management Discussion & Analysis (MD&A) Report.

### C. HUMAN RESOURCE MANAGEMENT REVIEW

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

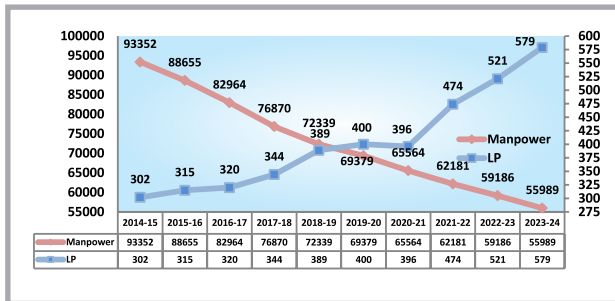
Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Human Resource initiatives in SAIL are focused on developing team spirit, employee empowerment and their involvement in various improvement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



### Enhanced Productivity with Rationalized Manpower

Your Company achieved Labour Productivity (LP) of 579 TCS/Man/Year in FY 2023-24. The manpower strength of the Company was 55,989 nos. as on 1<sup>st</sup> April, 2024 with manpower rationalization of 3,197 nos. achieved during the FY 2023-24. 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 2014-15, onwards is depicted below:

### Manpower & Labour Productivity during last 10 years



### 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 employees' knowledge and skills, resulting in advancement of competencies, thereby leading to attainment of Organisational goals and objectives. SAIL has been making sustained efforts through various training and development activities with focus on preservation, transfer and improvement of skills, knowledge and technology in collaboration with reputed organizations and development of effective managerial competencies in association with premier institutes.

Preparing employees for tomorrow is being given a major thrust with a view to enable them to effectively take up challenges and discharge new roles and responsibilities. Overall 45,314 employees were trained against target of 32,765 employees during the FY 2023-24 on various contemporary technical and managerial modules. In addition to this, the Contractual Workers at Plants are being provided Recognition of Prior Learning (RPL) training through Indian Iron and Steel Sector Council (IISSC). The learning and development continuity of the Organization was maintained through various online interventions, apart from the regular programs and e-learning modules being made available in the in-house e-learning portal.

### Harmonious Employee Relations

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

Bipartite forums like National Joint Committee for Steel Industry (NJCS), Joint Committee on Safety, Health & Environment in Steel Industry (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 and harmonious work culture which gets substantiated from the harmonious Industrial Relations witnessed over the years by SAIL Plants/Units, marked with diverse work culture at multi-locations.



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

Communication is done in a structured manner with employees at various levels on a wide range of issues impacting the Company's performance as well as those related to employees' welfare across the Company. Mass communication campaigns are undertaken at Director In-charges'/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. Grievance Redressal Machinery exists at Plant/Unit level for effective redressal of grievances.

SAIL Plants/Units are maintaining 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, welfare amenities, etc. Majority of grievances are redressed informally in view of the participative nature of environment prevailing in the Steel Plants/Units. The system is comprehensive, simple and flexible and has proved effective in promoting harmonious relationship between employees and management.

273 staff grievances were received during the FY 2023-24 and with 11 grievances were pending from previous year, 252 staff grievances have been disposed of during the year, achieving 89% fulfillment and leaving 32 grievances outstanding at the end of FY 2023-24.

Further, during FY 2023-24, 732 grievances were received under Centralised Public Grievance Redressal and Monitoring System (CPGRAMS), a National level online system managed by Department of Administrative Reforms and Public Grievance (DARPG), Government of India.

The Status of Grievances received and disposed from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 is as under:

| S. No. | Particulars       | Received (including Brought Forward) | Disposed   | Pending as on 31 <sup>st</sup> March, 2024 |
|--------|-------------------|--------------------------------------|------------|--|
| 1      | Public Grievances | 585                                  | 549        | 36   |
| 2      | Appeals           | 147                                  | 132        | 15   |
|        | <b>Total</b>      | <b>732</b>                           | <b>681</b> | <b>51</b>                                  |

### Remuneration Policy

In SAIL, pay and other benefits for executives are based on the Presidential Directives issued by the Ministry of Steel, Government of India. Presidential Directives for revision of pay scales of Board level and below Board level executives were issued by the Ministry of Steel vide letter dated 18<sup>th</sup> November, 2021 w.e.f. 1<sup>st</sup> January, 2017 notionally and the actual payment was made w.e.f. 1<sup>st</sup> April, 2020. In case of Non-executive employees, the wages including perks were finalized/ revised in bipartite forum of National Joint Committee for Steel Industry (NJCS) with the approval of Ministry of Steel on 18<sup>th</sup> November, 2021. The pay scales have been implemented notionally w.e.f. 1<sup>st</sup> January, 2017 and the actual payment was made w.e.f. 1<sup>st</sup> April, 2020. The Perks and Allowances under Cafeteria Approach have been implemented w.e.f. 18<sup>th</sup> November, 2021. In terms of notification dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of section 197 of the Companies Act, 2013 are not applicable to Government Companies. As such, the disclosures to be made in the Board's Report in respect of overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits are not included in this Report.

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



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

- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities, thus, benefiting the population in the peripheral areas with different types of services. Steel Townships developed by SAIL have the best of medical, education and civic facilities and are like an oasis for the local Scheduled Castes, Scheduled Tribes and other population who share the benefits of prosperity and development along with SAIL employees.
- Recruitment of non-executive employees, around 82% 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 are engaged for executing job contracts wherein they deploy workmen from the local areas, which again provides an opportunity for employment of local candidates from economically weaker section.
- Your Company has undertaken several initiatives for the socio-economic development of SCs/STs and other weaker sections of the society which are mainly as under:
  - Special Schools have been started exclusively for poor, underprivileged children at five Integrated Steel Plant locations. The facilities provided include free education, mid-day meals, uniforms including shoes, text books, stationery items, school bags, water bottles, etc.



- 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 have been set up at Bhilai, Durgapur, Rourkela, Bokaro and Burnpur (Gutgutpara) providing free medical consultation, medicines, etc. to the peripheral population mainly comprising of SC/ST and weaker sections of society.
- SAIL Plants have adopted tribal children. They are being provided free education, uniforms, text books, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, Saranda Suvan Chhatravas, Gyanodaya Hostel and an exclusive Gyan Jyoti Yojana for the nearly extinct Birhor Tribe.

For Skill Development and better employability, youths & women of peripheral villages have been provided vocational and specialized skill development training at various ITIs, Nursing tribal school pass-outs have been sponsored for coaching in premier institutes for IIT/JEE entrance examinations and for trainings along with monthly stipend, accommodation, transportation and food facility at various ITIs, Nursing and other vocational training institutes.

**Implementation of Presidential Directives on Reservation for SC/ST/OBC, etc.**

- Your Company follows Presidential Directives on

Reservation for Scheduled Castes and Scheduled Tribes in the matter of recruitments and promotions. As on 1<sup>st</sup> April, 2024, out of total manpower of 55989, 9477 belong to SCs (16.9%), 8949 belong to STs (16.0%).

- Liaison Officers have been appointed as per Presidential Directives for due compliance of the Orders and instructions pertaining to reservation for SCs/STs/OBCs/PWDs at Plants/Units of SAIL.
- SC/ST/OBC Cell is functioning in all the main Plants/Units. A member belonging to SC/ST community is associated in all Departmental Promotion Committees (DPCs)/ Selection Committees. A sufficiently senior level officer of SC/ST category is nominated for the purpose as per the level of the Recruitment Board/Selection Committees/DPC.
- Out of the total manpower of 55989, number of OBCs is 9431, which is 16.8% of the manpower. Reservation for OBCs came into force with effect from 8<sup>th</sup> September, 1993. OBC candidates joining prior to this date are shown against the Unreserved (UR) category. Liaison officers have been appointed for due compliance of orders and instructions pertaining to reservation for OBC at Plants/Units.
- Internal workshops are conducted at regular intervals through an external expert for Liaison Officers for SC/ST/OBC and other dealing officers of SAIL Plants/Units to keep them updated on the reservation policy for SC/ST/OBCs 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](http://www.sail.co.in). Your Company has appointed Public Information Officers (PIO)/Assistant Public Information Officers and Appellate Authorities and Transparency Officer in each Plant and Unit under Sections 5 and 19(1) of the Act for speedy redressal of the queries received under the Act. Under Section 5(5), all the officers/line managers responsible for providing information to the PIO are called Deemed PIO, and are made equally responsible as PIO, towards timely submission of information to the applicant.

An exclusive RTI Portal has been developed with link available on the website of the Company. All the Plants/Units have listed 17 manuals and details of Authorities under the Act are uploaded on the website of the Company. Quarterly Returns and Annual Returns on implementation of the Act are being



submitted online through the CIC portal. Implementation of online request has already been introduced from 1<sup>st</sup> May, 2015. A compilation of Record Retention Policy of various functions of Corporate Office has also been uploaded on the website of the Company. Awareness Programs/Workshops on RTI have been organised across Plants/ Units.

SAIL received a total of 3,071 applications and 529 appeals under the Act during the FY 2023-24 and all of them have been disposed of within the time frame stipulated under the Act. CIC has also taken up 43 cases and most of these cases were disposed of in favour of the Company.

Since enactment of the Act, SAIL has received a total of 55,567 applications and 8,582 appeals up to 31<sup>st</sup> March, 2024, which were disposed-off within the stipulated time. Out of these, 1,151 cases were taken up by the CIC and most of these cases were disposed of in favour of the Company.

### Citizen Charter

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

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

Ensuring citizen-centric focus across all its processes by adopting Total Quality Management Principles for improvement of products and services.

- Ensuring effective citizen communication channels.
- Demonstrating transparency and openness of its business operations by hosting the Citizen's Charter on the Corporate website.
- Working towards the delight of citizens, by fail-safe processes and in case of exigencies leveraging its service recovery processes, like Grievance Redressal, Handling Complaints, etc.

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

Your 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, if any, 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 2023-24 are as under:

| Particulars   | No. of Complaints |
|---|-------------------|
| Number of complaints pending as on 1 <sup>st</sup> April, 2023  | 2                 |
| Number of complaints received in 2023-24                        | 3                 |
| Number of complaints disposed of during 2023-24                 | 3                 |
| Number of complaints pending as on 31 <sup>st</sup> March, 2024 | 2                 |

### D. AWARDS & ACCOLADES WON DURING THE YEAR

Your Company has won the following awards during the FY 2023-24:

- SAIL has been conferred with the McGibony, Institutional Award by the Academy of Hospital Administration, New Delhi in December, 2023 in recognition of the efforts made by SAIL during the CoVID-19 pandemic. The award was presented by Dr. Jitendra Singh, Union Minister of State (Independent Charge) Science & Technology; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space to Shri Krishna Kumar Singh, Director (Personnel), SAIL.
- SAIL has been certified as a "Great Place to Work" for the period December, 2023 to December, 2024 by the Great Place to Work Institute, an internationally renowned organization. The "Great Place to Work" certification is a global recognition reflecting SAIL's commitment to being a respected and sought-after employer.





- SAIL achieved the Golden Peacock Environment Management Award 2023 by the Institute of Directors.
- SAIL was awarded 'Ispat Rajbhasha Samman' for Excellent Official Language Implementation in the year 2021-22. The award was given by the then Minister of State for Steel and Rural Development, Shri Faggan Singh Kulaste ji in the meeting of the Hindi Advisory Committee of the Ministry of Steel held in Srinagar on 25<sup>th</sup> April, 2023 and was received by Shri Krishna Kumar Singh, Director (Personnel), SAIL.
- The Hindi in-house magazine 'Ispat Bhasha Bharti' of SAIL Corporate Office was honored with the Official Language Award on 21<sup>st</sup> September, 2023 in the International Hindi Conference, 2023 organised by Vishwa Hindi Parishad.
- SAIL Corporate Communication was conferred with four awards by the Public Relations Council of India in the categories (i) Best Digital Newsletter; (ii) Best Use of Social Media; (iii) Best Story telling; and (iv) Best Corporate Film, at the award function held on 22<sup>nd</sup> September, 2023.
- Cold Rolling Mill-III at Bokaro Steel Plant won first prize in CII Production Awards (2023-24).

## 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, rather preserving the same. As an environmentally conscious and responsible corporate citizen, SAIL undertakes all its operations at its Plants, Mines and Units with the underlying objective of promoting clean, green and sustainable growth. The Company also strives to integrate its business values



and operations in an ethical and transparent manner to demonstrate its commitment towards sustainable development and to meet the interest of its stakeholders. Your Company has also drawn its environmental vision in consonance with the Corporate Environmental Policy, which not only addresses the need for compliance of prescribed norms but also emphasizes 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. The Corporate Environmental Policy is available at the website of the Company-[www.sail.co.in](http://www.sail.co.in).



### Improvement in Environmental Performance

SAIL Plants and Mines are efficiently operating the pollution control devices/facilities and maintaining them regularly through revamping/refurbishing/revitalization and also upgrading them regularly, for the purpose of complying with the applicable environmental standards, which are becoming more and more stringent with each passing day. Concerted efforts including robust and systematic environment management actions and initiatives have resulted in achieving major improvements during the FY 2023-24 over the last five years in the following areas:

- The Specific Particulate Matter (PM) Emission Load has reduced by more than 15% to 0.58 kg/tcs.
- Specific Water consumption has reduced by around 14% to 3.02 m<sup>3</sup>/tcs.
- Specific Effluent Discharge has reduced by more than 31% to 1.27 m<sup>3</sup>/tss.
- Specific Effluent Load has reduced by around 34% to 0.054 kg/tcs.
- Utilisation of BF Slag has increased by more than 1% to 100%.
- BOF Slag Utilisation increased by more than 102% to 113%.
- Total Solid Waste Utilisation has increased by more than 16% to 102%.

(Values more than 100% indicate utilization from stock)

During the FY 2023-24, following projects were completed to improve upon environmental footprint:

- Silica Reduction Plant at Dalli-Rajhara Mines under BSP.
- Recirculation of recovery pit water of Slag Granulation Plant of BF#3 at DSP.
- Recirculation of wastewater at source to reduce wastewater through Outfall#5 at DSP.
- Lagoon Management System at RSP.
- Treatment System-1 for treatment and recycling of effluent from Outfall#1 at RSP.
- Refurbishing of ESP#2 in Refractory Material Plant at BSL.
- Cast House Slag Granulation Plant#1 with BF#1 at BSL.
- Treatment and recirculation of wastewater from BF, BOF and PBS seal pot at ISP.
- Treatment and recirculation of wastewater from CCP, RHF, WRM & BM, USM, CCAS and Oxygen Plant at ISP.

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

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



Some of the major clean technologies/latest pollution control facilities installed are as under:

- Tall Coke Oven Batteries along with Coke Dry Cooling Plant, Land based Pushing Emission Control System, Computerised Combustion Control System.
- Top Pressure Recovery Turbine (TRT), Coal Dust Injection (CDI) and Waste Heat Recovery (WHR) with stoves in large volume (>4000 m<sup>3</sup>) Blast Furnaces as well as Torpedo Ladles for Hot Metal transfer to Steel Melting Shop (SMS).
- Sinter Plant integrated with improved ignition system (multi-slit burners), Waste Heat Recovery system with Sinter Cooler.
- Continuous Casting of steel.
- Cast House Slag Granulation Plants.
- Walking Beam type Reheating Furnaces in Rolling Mills.
- Variable Voltage Variable Frequency (VVVF) drives in Plant machineries.
- Installation of energy-efficient IE3 motors and pumps in plant machineries.
- By-product gas fired boilers for power generation.

### Initiatives taken for Decarbonisation and Carbon Capture, Utilisation and Sequestration

- BSP signed an MoU with the SMS Group, Germany's leading engineering company, in August, 2023 to explore innovative and sustainable solutions for the long-term transformation of steel production. Such collaboration will promote decarbonisation technology in steelmaking processes, in addition to contributing significantly in reduction of carbon footprint at Steel Plants of SAIL.
- As a part of Decarbonisation Strategy to become Carbon Neutral, RSP inked an MoU with M/s. Primetals Technologies, Austria GmbH in February, 2024 in its endeavour to adopt Green Steelmaking Technologies progressively.
- Carbon Capture, Utilisation and Sequestration (CCUS) is one of the technologies that can mitigate the carbon emission from the Iron and Steel Industry and has immense potential to help the Country meet its emission targets, while ensuring the sustainability of the sectors critical to growth of the Indian economy. With the aim



of collaborating in the area of CCUS, actions have been initiated to set up pilot project separately at different Plant sites in partnership with M/s. Ram Charan Company Pvt. Ltd. (RCPL), Chennai, to capture carbon from the industrial flue gases and convert the same into useful products such as Methanol, Ethanol, Propanol, Isoamyl Alcohols and Acetates, etc. After successful pilot scale demonstration, commercial viability of the process shall be studied to reinforce the unwavering commitment of SAIL to advance technologies that contribute to CCUS. In addition to this, IISCO Steel Plant has awarded a contract to IIT, Mumbai for setting up a CCUS facility of 50 TPD. This shall be an important milestone in SAIL's journey towards carbon neutrality.

- Walking Beam type Reheating Furnaces in Rolling Mills.
- Gas-fired boilers for power generation.
- Energy efficient shaft kilns.
- Variable Voltage Variable Frequency (VVVF) drives in plant machineries.
- Use of renewable energy: 6.115 MW of solar plants already set up. Floating type & roof-top solar plants and hydel power plant under installation.
- Switching over to energy-efficient illumination: More than 7.34 lakh nos. of conventional lights already replaced with LED lights.

**Strategic Approach on Decarbonisation of SAIL**

Keeping in view India's NDC commitment of achieving 2.30 tonnes of CO<sub>2</sub> per tonne of Crude Steel (t/tcs) by 2030, the decarbonisation programme of SAIL has been segregated in three distinct phases, incorporating Action Plans to achieve 2.19 t/tcs by the year 2030-31.

SAIL's decarbonisation strategy has been designed based on the existing architecture and logistics, availability of technology, product basket and market dynamics, technology infusion rate & availability of fund, future expansion plan, breakthrough technological developments, Government policies, and the Company's social commitment.

**Phase-I Decarbonisation: From 2005-06 to 2022-23**

During Phase-I, SAIL reduced its CO<sub>2</sub> emission intensity by around 20%. Major initiatives taken for reduction of CO<sub>2</sub> emission intensity are enumerated below:

**Adoption of energy-efficient cum CO<sub>2</sub> mitigating technologies:**

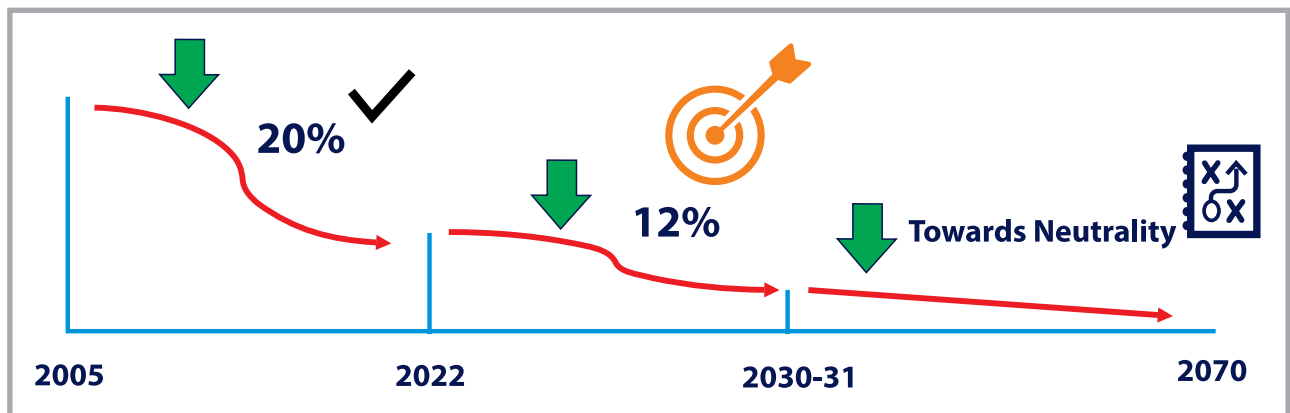
- Coke Dry Cooling Plant (CDCP) facility in tall Coke Oven Batteries (COBs).
- BF Top gas Pressure Recovery Turbine (TRT), Coal Dust Injection (CDI) and Waste Heat Recovery (WHR) in large volume BFs.
- Torpedo ladle for Hot Metal transfer from BF to SMS.
- WHR System in Sinter Plants.



- Plantation of around 22 million trees since inception and eco-restoration of mined out areas.

**Phase-II Decarbonisation: Post-modernisation period till 2030-31**

In consonance with the Country's demand and Make in India initiative, SAIL is also poised to increase its Crude Steel



production from 19.2 Million Tonne (MT) during 2023-24 to 31.49 MT by 2030-31 from its Integrated Steel Plants and is committed to substantially reduce CO<sub>2</sub> emissions through adoption of new technologies and increased share of renewable/non-conventional energy.

In Phase-II, SAIL has set a target of ~12% reduction of CO<sub>2</sub> emission intensity in line with India's NDC, thereby, bringing down the CO<sub>2</sub> emission below 2.19 tonne CO<sub>2</sub>/tcs.

### Phase-III Deep Decarbonisation for Net Zero by 2070

With the presently available and established technologies in the steel sector, target of carbon neutrality is extremely challenging. The goal carbon neutrality can be achieved through adoption of some breakthrough technologies for steelmaking, which mainly utilize non-fossil fuel based reductant or any alternate fuel and processes which can significantly reduce the emission from steelmaking. The significant ones are as under:

- Further improvement in energy efficiency of processes through retrofitting Best Available Technologies (BATs).
- Phasing out the energy-intensive old processes.
- Full capacity utilization of the installed units.
- Usage of improved quality raw material by enhancing beneficiation facilities and sourcing of good quality raw material from new mines.
- Increasing share of renewable/green power to substitute fossil based power.
- Integration of Industry 4.0.
- Product and Process Innovation through R&D along with new initiatives for developing low carbon technologies for Iron & Steel making.
- Partnership with the Technology providers and academic institutes of national/international repute for CCUS/ Green Steelmaking.
- Increase green cover to augment carbon sink.
- Maximizing the use of tools like Life Cycle Assessment (LCA) to identify the weak areas and formulating action plans for improving the process and energy efficiency shall help SAIL in achieving the targeted CO<sub>2</sub> emissions at a much faster pace
- Gradually influence supply chain to reduce carbon footprint.

### Environment-friendly Disposal of Polychlorinated Biphenyls

The "Stockholm Convention" is a global treaty to protect human health and the environment from Persistent Organic Pollutants (POPs). Use of Polychlorinated Biphenyls (PCB), a POP, in any form shall be completely prohibited by 31<sup>st</sup> December, 2025. PCBs are used in transformers as dielectric fluid and also as cleaning solvent. In compliance with the Stockholm Convention on POPs, a facility for environment-friendly disposal of PCBs, has been installed at

BSP in partnership with MoEFCC and UNIDO. This project is the first of its kind in the Country.

### Enhancing utilization of wastes through application of 4R's (Reduction, Reuse, Recycling and Recovery)

- Your Company is committed to reduce solid waste generation and maximise its utilisation to achieve 100% and has adopted the "4R's Policy" (Reduce, Recover, Recycle and Reuse) across all its processes.
- With a view to enhance utilisation of BOF Slag, a R&D project proposal on "Development of Steel Slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth" has been taken up through ICAR-Indian Agricultural Research Institute (IARI), under the guidance of the Ministry of Steel. IARI has developed different Steel Slag Based Value Added Products and shared it with the industry partners for evaluation of independent field performance. All the five Integrated Steel Plants of SAIL have initiated actions to undertake field trial at their site. The project will ensure symbiotic growth of steel industry and agriculture. Besides, the project is envisaged to open up a promising avenue towards gainful utilisation of BOF Slag as soil ameliorating agent and promoting circular economy.
- SAIL has also taken steps for utilisation of BOF slag in rural road construction under Pradhan Mantri Gramin Sadak Yojna (PMGSY).
- BOF Slag used for land filling and road making in ISP & DSP was 314% and 199% respectively in the financial year 2023-24.
- As a green initiative and for achieving 100% solid waste utilisation, along with reducing CO<sub>2</sub> emissions, BSP has established 'SAIL Green Tiles Plant' of capacity 1000 nos. of tiles per day for manufacturing paver blocks using BOF Slag. In addition to this, BSP is also exploring a new avenue for utilisation of BOF Slag as a replacement of runner sand in Blast Furnace. The results during the trials carried out by M/s. Proman Infrastructure Services Pvt. Ltd., Bangalore, were encouraging and 25% BOF Slag sand has been recommended for use as runner dressing material mixed with the normal runner sand.

### Switching over to LED Illuminating System

Your Company is gradually shifting to more energy-efficient and durable LED lighting system from conventional lighting system in consonance with the Government of India's initiative "Unnat Jyoti by Affordable LEDs for All (UJALA) Scheme". In this respect, more than one million LED lights have already been installed across all the Plants and Units of the Company, being about 84% of the total lights. Further, all upcoming projects will be having LED lighting systems only.

### Environmental Management System (EMS)

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 performance within the applicable regulatory requirements.

The EMS (ISO-14001) was implemented at all the Plants and the Company is striving to cover all the Mines under its purview to further its commitment towards environment. In the recent years, Barsua Iron Ore Mine, Gua Ores Mine, Kiruburu and Meghahatuburu Iron Ore Mines, Bolani Iron Ore Mine, Manoharpur Iron Ore Mine, Dalli Iron Mine and Warehouses of CMO have also been ISO 14001 Certified.

#### Eco-restoration Projects

Restoration and rehabilitation of degraded ecosystem is essential for maintaining and enhancing bio-diversity as well as replenishing the ecosystem services. After the degraded landscapes in and around Purnapani Limestone Mines in Odisha had been successfully restored, fresh initiative has been taken for eco-restoration of Meghahatuburu Iron Ore Mines and Kiruburu Iron Ore Mines. An MOU has been signed with Institute of Forest Productivity, Ranchi for eco-restoration of mined out area and waste dumps at both the Mines. The work is under progress.

#### Harnessing Renewable Energy

Your Company has taken up a strong drive for promoting Renewable Energy usage at its Plants, Units and Mines and installed few facilities for harnessing solar energy for generation of power as well as for heating purposes. Most of the Guest Houses and Hospitals of SAIL are equipped with Solar Water Heating/Solar Lighting Systems. As a part of its commitment for transition to sustainable energy, SAIL has already commissioned 12.58 MW solar units. Apart from the above, approx. 7 MW bagasse based renewable energy is also being procured.

Besides, some of the key renewable power projects under implementation include:

- **Solar Projects through NSPCL**
  - i. 25 MW Ground-mounted Solar Plant at BSL Township
  - ii. 30 MW Floating Solar Plant over Cooling Pond in BSL
  - iii. 20 MW Ground-mounted Solar Plant, DSP Township
  - iv. 15 MW Floating Solar Plant over Waria Reservoir, DSP
  - v. 25 MW Ground-mounted Solar Plant in SAIL Growth Works, Kulti
  - vi. 20 MW Floating Solar Plant over Maroda-2 reservoir, BSP
- 10 MW Small Hydro Electric Project at Mandira Dam, RSP through JV, GEDCOL-SAIL Power Co. Ltd.
- 6 MW capacity at Utai near CSVTU on BSP land parcel and 500 kW capacity on available land parcel at Hirri Mines, BSP through CREDA.

SAIL has drawn up ambitious plans to increase its renewable energy capacity to 384 MW by the year 2028-29.

#### 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. Such plantations are established to foster native species and promote forest regeneration on degraded lands as a tool of environmental restoration. The greenery developed by afforestation adds to the aesthetic environment, which becomes dust and noise barriers and also a natural sink/absorber of CO<sub>2</sub>. 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. Giving special thrust for plantation, around 2.5 lakhs of saplings have been planted during 2023-24. More than 22 million saplings have been planted across SAIL Plants and Mines till date.

#### 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.

#### Disinvestment of SAIL Plants

The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27<sup>th</sup> October, 2016 had accorded 'in principle' approval for strategic disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visveswaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steels Plant (ASP), Durgapur, West Bengal. Expression of Interest (EOI) of ASP, SSP and VISP were issued on 4<sup>th</sup> July, 2019. In case of ASP, no EOI was received. The eligible bidders of VISP and SSP were shortlisted. After two unsuccessful attempts of disinvestment of ASP through EOI, DIPAM has requested Ministry of Steel to examine the issue and apprise them with their views. SAIL is looking at viable options for upgradation/modernization of ASP.

With regard to VISP and SSP, as per the decision of DIPAM, the SAIL Board in its meeting held on 16<sup>th</sup> January, 2023 and 12<sup>th</sup> February, 2024, had given effect to the annulment decision of the DIPAM with regard to these Units.

#### Business Excellence Initiative

Most of SAIL Plants/Units are certified to ISO 9000, ISO 14000, ISO 45000, SA 8000, ISO 50000 and ISO 27000 Management Systems. Empanelment of Certification Agencies has led to various benefits, significant among them being Reduction in Audit Man-Days, Single Certification Agency for all Management Systems of a Plant/Unit, Ease of Operation in engaging Certification Agencies, Improved Quality of Audits, and Reduced administrative hassles. New cycle of Empanelment for selection of Certification Agencies for 2023-26 was finalised in May, 2023. The scope of the empanelment

included Certification and Training related to six Management Systems i.e. ISO 9000, ISO 14000, ISO 45000, SA 8000, ISO 27000 and ISO 50000. For maintenance of Management Systems as per the requirement of standards, on-site and remote (online) audits/trainings were organised.

### Information Technology Related Initiative

Your Company has embarked on the journey of transformation of business processes through digital initiatives to stay competitive, meet evolving customer expectations and capitalize on emerging opportunities. Cloud computing has been embraced in a big way for better scalability. Artificial intelligence has been used for automation of processes. Real-time monitoring systems powered by Internet of Things (IoT) devices have enabled continuous surveillance of assets and environments, allowing for early detection of potential hazards and swift response to emergencies. Through digital transformation, SAIL has been able to unlock new opportunities, streamline processes, enhance customer experiences and stay agile in an ever-evolving landscape.



Some of the initiatives accomplished during the year 2023-24 are given below:

Command Centre Dashboard has been implemented for Top Management to monitor the production data at Plants of the Company.

- To promote 'Made in India Branding of Steel Products' by Govt. of India through implementation of QR Code Label Printing for HR Coils in HSM-2, WRM, BRM, MM, SMS as per National Institute of Design (NID), GOI Guidelines and integration of the same with Quality Council of India (QCI) portal.
- The steel industry is experiencing significant shifts driven by technological advancements, changing market demands and evolving regulatory landscapes to maintain competitiveness and sustainability. In this regard, to remain relevant, resilient and to embrace digitalization and leverage its transformative potential, SAIL is in the process of engaging a Consultant for Preparation of Digital Transformation Roadmap and its Implementation.
- A women exclusive portal 'Sakhi' was launched for Motivating and Empowering Women of your Company by creating a supportive environment.
- Digital Project Monitoring System and an Electronic Drawing and Document Management System has been implemented.
- Hospital Management Information System (HMIS) has been successfully implemented in the SAIL's hospitals at Bokaro Steel Plant, Rourkela Steel Plant, IISCO Steel Plant, Durgapur Steel Plant and is under implementation at Bhilai Steel Plant.
- Technology is changing by leaps and bounds with the growth of mobile applications and digitization. In this regard, your Company has developed an e-Suraksha module along with a mobile app for recording BI-SEE round observations, uploading photographs on-the-spot. This has features of all major verticals-BI-SEE (Behavioural Intervention- e Safety Encouragement and Engagement), I2 (Incident Investigation), Audit, Standards, HHP (High Hazard Processes). In addition to this, Near Miss on common Road, Rail/Road incidents, Consequence Management, Safety Training Calendar, ZTR (Zero Tolerance Records) are captured from High Speed camera logs. Dashboard, KPI and Analytical Reports are generated for faster mitigation of incident investigation.
- To boost the morale of the employees, your Company has launched 'SAIL SHABASH' recognition scheme by acknowledging outstanding performance through an online system.
- In continuance of business automation, Payment Gateway has been implemented for accepting remittances from multiple sources like vendors and customers of Marketing, Township, Hospital, Material Management and from Employees.
- Your Company has started the journey of transition from SAP ECC to S/4HANA by reviewing and harmonizing existing processes. With S/4HANA's in-memory computing, advanced analytics, and simplified data models, businesses can achieve greater agility, faster decision-making, and improved operational efficiency, thereby, paving the way for digital transformation and future growth.
- For better Customer Engagement, Customer Contact Mobile App for sales and marketing executives have been introduced which captures the 360 view of the customer. In addition to this, Comprehensive Customer Portal for Secondary Sales taking care of all the activities of Customers of Secondary Sales has been implemented. This is an important step to increase transparency, improved customer service, ease of doing business.
- Smart Sensors have been installed throughout the production process to monitor and optimize energy consumption, temperature, and other crucial parameters.
- Implementation of Digital Signatures in Invoices, Test Certificates and Services PRs using Hardware Security Module.



- To reduce human intervention, Automated Vehicle Entry has been introduced, allowing only authorized vehicles into the warehouse through the boom barrier by reading the number plate, thereby, avoiding manual checking by the security staff.
- Taking the technology to one step higher, Digital Twins is being introduced in the Plants by creating digital replicas of physical assets to simulate and optimize processes, reducing the need for physical trials and minimizing material waste. In this regard, SAIL has created Digital Twin of Blast furnace, which allows virtually monitoring the Blast Furnace.
- In-house Application has been developed for on-line monitoring of Wagon Tippler#4, 5 & 6, and Conveyor Belt Status of Track Hoppers#1, 2 & 3.
- System has been developed for Test Request Memo Generation, Test Result Recording and Display of Results as per NABL Standard of Continuous Casting Plant (CCP) products.

**Corporate Communication**

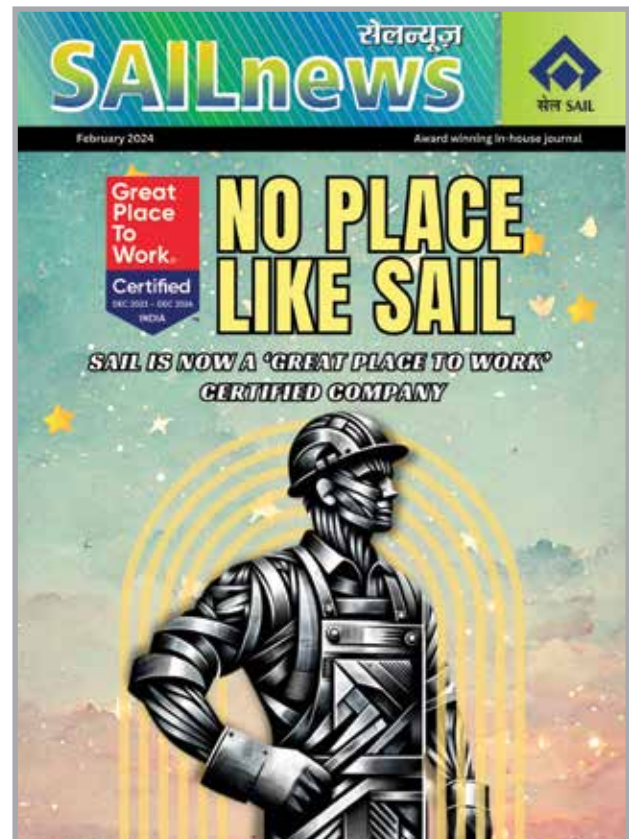
In the dynamic landscape of modern business, effective communication plays a central role in corporate operations. Communication acts as binding factor within the company and also with the stakeholders, while creating strong brand names and building lasting relationships.

At SAIL, this feat is accomplished through meticulously crafted and comprehensive communication strategies. Central to our ethos, is a firm belief in the transformative power of meaningful dialogue. Your Company recognizes communication as a two-way street, where engaging with stakeholders-be it the employees, customers, investors, suppliers or the community at large, is extremely meaningful and important.

SAIL adopts an approach involving active listening, understanding needs, providing thoughtful responses and inspiring action. Your Company operates in an environment of openness, ensuring stakeholders are well-informed about

the initiatives, activities and future plans. Moreover, we actively seek and value feedback, addressing concerns and involving stakeholders in decision-making processes. This commitment to inclusive communication is at the heart of our working culture that cultivates trust and fosters a sense of shared ownership among all our stakeholders. As the needs and trajectory of SAIL continue to evolve, so too does the role of corporate communications, adapting to meet emerging challenges and opportunities, while remaining steadfast in our dedication to transparency, engagement, and mutual respect.

**Internal Communication**





Internal communication plays a crucial role in empowering the employees and fostering a positive work environment. In your Company, employees are the drivers of change and success. Internal communication serves as a strong means for organizational success while driving collaboration, engagement, information sharing and change management as well as the feedback mechanisms within the Company. SAIL plays an essential role in building a cohesive and resilient organization capable of navigating challenges and seizing opportunities in today's dynamic business environment. SAIL Gaurav Diwas, the online celebration of SAIL's Foundation Day, was consecutively organized fourth time in a row, fostering camaraderie and togetherness amongst the SAIL collective. 'SAIL Track', your Company's corporate video news capsule has successfully completed more than 80 episodes, while the in-house produced corporate house journal 'SAIL News' has been entirely revamped into a fresh and reading friendly format. Several mini-videos promoting SAIL steel and steel in general have been produced in-house while other mini-videos highlighting your Company's many achievements have been produced annually to keep stakeholders updated and informed. These measures enabled to reach out to a wide gamut of stakeholders via Company's social media handles and corporate website. Utilizing various social media platforms, we ensure that the sense of belonging and engagement among employees is not just preserved but continually strengthened.

**External Communication**



External communications are essential for organizations to cultivate positive relationships while conveying its commitment to transparency and credibility. Effective external communication is an enabler to engage with customers, investors, partners and the broader community, shaping perceptions, building trust, and fostering loyalty. Your Company ensures that our stakeholders are well-informed about corporate developments, new initiatives, financial health and achievements through regular press releases, media interactions and social media updates.



At SAIL, we extensively use a mix of both new-age and traditional media channels to connect with the audience while leveraging the various platforms of social media, witnessing steady growth in our social media presence. Adopting a multi-pronged approach in engaging with the media, our commitment to timely and transparent communication has been instrumental in creating a strong brand image and maintaining healthy relations. With a focus on maintaining organic followership, our social media presence continues to grow steadily across all the platforms. By conveying transparent and compelling messages through various channels like social and conventional media and relevant advertising, your Company always strives to strengthen its brand presence along with sustained long-term success in the competitive marketplace. In an era marked by rapid change, effective communication in business is more critical than ever. SAIL's dynamic communication strategy ensures seamless flow of information cultivates a culture of creativity and innovation and enhances employee engagement.

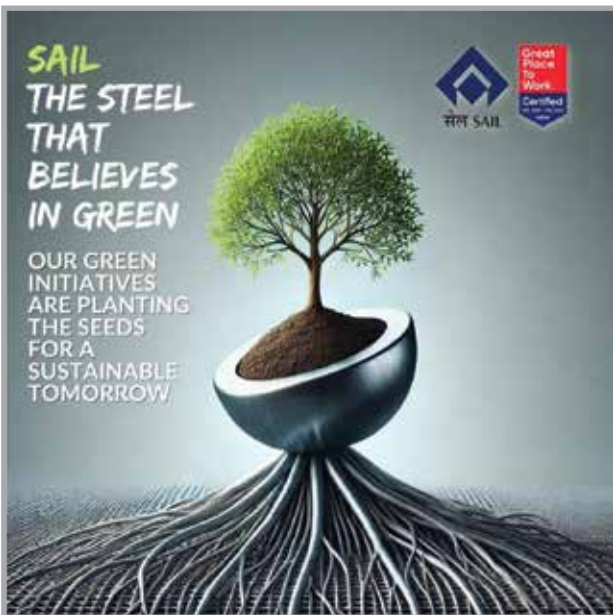




At SAIL, the focus is not only on communicating your Company's achievements but also on showcasing its commitment to the community and the environment by highlighting the Organization's sustainability practices and adherence to ethical values. This helps in building strong relationships, developing a sense of shared purpose and in garnering support for our initiatives. These assist in driving growth and sustainability of the Organization.

## 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 FY 2023-24:



As we move forward, our commitment to openness, collaboration and engagement remains unwavering. Our communication approach continues to evolve, setting new benchmarks in employee participation and stakeholder engagement. Whether through engaging in-house journal, impactful press releases or vibrant social media campaigns, our narrative embodies constant growth, innovation, and sustainable success.

- 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 190 workshops involving 4092 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Purchase/Contract Procedures, Preventive Vigilance, Conduct & Discipline Rules, Common Irregularities, Systems and Procedures followed in SAIL, etc. Amongst these training programmes, eighteen dedicated two day Preventive Vigilance training programs were organised during FY 2023-24, wherein, a total of 327 executives of SAIL have been covered.
- Preventive Checks including file scrutiny and Joint Checks were conducted regularly in vulnerable areas of the Company. A total of 2214 preventive checks including file scrutiny and Joint Checks were conducted at different Plants/ Units.
- Vigilance provides vital inputs to the concerned authorities for improving the prevailing systems for bringing about more transparency. Accordingly, eleven 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 were forwarded to concerned departments for implementation.

- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in SAIL during 30<sup>th</sup> October to 5<sup>th</sup> November, 2023. The week started with administering the Integrity Pledge and reading out the messages of dignitaries on 30<sup>th</sup> October, 2023 at SAIL Corporate Office as well as in all Plants/Units of SAIL. During the week, Workshops/Sensitization Programmes, Customers Meet, etc. were organised. Further, events like quiz, essay, slogan & drawing/ poster, debate competition, etc. were organized for the employees across SAIL. As outreach measures, various events like Speech/Oratory competition, Essay/Slogan Drawing competition, etc. were organized for School/College Students across various townships of SAIL.
- In an another Participative Vigilance initiative taken up, Ethics Club and Ethics Circle activities were undertaken in different Plants/Units during the FY 2023-24. In order to propagate ethical behavior in the society at large, Ethics Clubs have been formed in the schools of SAIL Townships with the belief that it is essential to create a strong ethical and moral foundation for children to facilitate formation of an ethically sustainable society.
- The concept of Learn from Each Other (LEO) Workshops has been introduced in Vigilance Department with the aim of arriving at result oriented solutions in common areas where complaints are being received in various Plants/Units and also to standardize the functioning of Vigilance. The LEO workshops provide a platform for Vigilance executives from SAIL Plants/Units as well as other PSUs to collaborate with each other on carving out new paths to take on the challenges of various important topics pertinent to Vigilance. The main takeaways from these workshops are also submitted to Higher Management for further necessary actions.
- 94 additional sites of SAIL including Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, IISCO Steel Plant, Alloy Steels Plant, Salem Steel Plant, Central Marketing Organization, Chandrapur Ferro Alloys Plant, SAIL Refractory Unit, Ranchi based Units and Environment Management Division have been included by BIS under SAIL ABMS (as per ISO 37001 : 2016) License No. CRO/AB/L-8000027 dated 2<sup>nd</sup> November, 2022. Re-Certification (Initial Certification date: 17<sup>th</sup> February, 2006) of QMS as per ISO 9001:2015 for SAIL Vigilance has been done with validity from 16<sup>th</sup> February, 2024 to 15<sup>th</sup> February, 2027. Thus, Steel Authority of India Limited has achieved the distinction of becoming the first Maharatna Public Sector Unit to have implemented the Anti-Bribery Management System (ABMS) across all its Plants/Units.
- The following four thrust areas were identified by SAIL Vigilance for examination/scrutiny:
  - Scrutiny of Stock verification system at WH/Stores, other service units associated.
  - Scrutiny of cases, where the items like spares, consumables, etc. have been procured and are lying

in inventory for more than 3 years after receipt of the items.

- Scrutiny of cases where single techno-commercial eligible offer has been received against OTE cases.
- Scrutiny of procurement cases through GeM portal.

- 'Inspiration-Prerna', an in-house publication of SAIL Vigilance, is being published regularly. The above publication contains case studies and informative articles to enhance awareness of the readers.
- As on 1<sup>st</sup> April, 2023, a total of 60 complaints were pending and the closing balance as on 31<sup>st</sup> March, 2024 was 68. The summary of disposal of complaints during 2023-24 is as under:

#### Complaints Disposed:

| Particulars  | Complaints |
|--|------------|
| Closed as found anonymous/pseudonymous (filed in line with CVC Guidelines)   | 156        |
| Closed as no vigilance angle/allegations not substantiated   | 188        |
| Referred to other departments  | 193        |
| Closed with preventive/administrative recommendations  | 116        |
| Regular Departmental Actions (RDAs) initiated (Include 7 cases of Major Penalty against 23 employees and 19 cases of Minor Penalty against 28 employees) | 26         |
| <b>Total Disposed</b>  | <b>679</b> |

#### 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 complainant i.e. employee and includes a Director 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. It also provides for protection of any other employee assisting in the investigation or furnishing evidence with regard to a complaint. The summary of complaints under Vigil Mechanism during the Financial Year 2023-24 is as under:

| Particulars   | No. of Complaints |
|---|-------------------|
| Complaints pending as on 1 <sup>st</sup> April, 2023  | 0                 |
| Complaints received in 2023-24                        | 3                 |
| Complaints disposed of during 2023-24                 | 0                 |
| Complaints pending as on 31 <sup>st</sup> March, 2024 | 3                 |

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion



and Analysis Report covering the performance and outlook of the Company is attached and forms part of this Report.

### **AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS**

The Statutory Auditors' Report on the Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 along with Management's replies thereon is placed at **Annexure-I** to this Report. The comments of Comptroller & Auditor General of India (C&AG) on the Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 under Section 143(6) (b) of the Companies Act, 2013 are placed at **Annexure-II** to this Report.

### **COST AUDITORS**

The Company is required to maintain cost accounting records at its various Steel Plants as required under the provisions of Section 148 of the Companies Act, 2013. The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s. Chandra Wadhwa & Co., New Delhi; M/s. ABK & Associates, Mumbai; and M/s. R.M. Bansal & Co., Kanpur as Cost Auditors for the FY 2023-24. The Board had fixed a fee of ₹12.12 lakhs plus applicable taxes and reimbursement of out of pocket expenses for conducting the audit of cost records maintained by the Company for the FY 2023-24, which was ratified by the shareholders in the last Annual General Meeting.

### **SECRETARIAL AUDITOR'S REPORT**

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the FY ended on 31<sup>st</sup> March, 2024. 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 the FY 2023-24, it is stated that appointment of Independent Directors on the Board of the Company is made by the Company based on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

### **CORPORATE GOVERNANCE**

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

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

### **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

In terms of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the Business Responsibility & Sustainability Report describing the initiatives taken by the Company from Environmental, Social and Governance perspective forms part of this Annual Report and is placed at **Annexure-V**.

"W.r.t the observation of Third Party Assurance provider on the BRSR that GHG accounting process is not standardized as per ISO14064-1/2/3 Year 2018/19, it is stated that WSA methodology has been based on Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard which has also been basis of building of the ISO 14064 standards. The ISO has used the GHG Protocol standard as primary seed document during development of ISO 14064-1 standards that provide guidance for Quantification and Reporting at the Organizational Level. The WSA methodology was introduced by the Ministry of Steel for CO<sub>2</sub> emission calculation from Indian BF-BOF route steelmaking. SAIL follows the CO<sub>2</sub> emission calculation methodology developed by the World Steel Association since 2007-08. The methodology is widely accepted by the steelmakers across the globe and is adopted by the International Organization for Standardization as ISO 14404 standards."

### **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 currently has two subsidiary Companies namely, SAIL Refractory Company Limited (SRCL) and Chhattisgarh Mega Steel Limited.

SRCL is operating the Salem Refractory Unit which was acquired by SAIL from Burn Standard Company Limited on 16<sup>th</sup> December, 2011. Chhattisgarh Mega Steel Limited was incorporated as a Special Purpose Vehicle with an objective of setting up of an Ultra Mega Steel Project. The project has not taken off.

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 are placed at **Annexure-VI** to this Report.

### **AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

The Statutory Auditors' Report on the Consolidated Financial

Statements along with the Management's replies thereon is placed at **Annexure-VII** to this Report. The comments of Comptroller & Auditor General of India (C&AG) on the Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 under Section 143(6) (b) read with Section 129(4) of the Companies Act, 2013 are placed at **Annexure-VIII** 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-IX** to this Report.

#### **RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150<sup>TH</sup> REPORT**

During the FY 2023-24, the Reports of Comptroller and Auditor General of India (C&AG) tabled in the Parliament do not contain any Audit Para pertaining to SAIL.

#### **ANNUAL RETURN**

As per the provisions of the Companies Act, 2013, the Annual Return for FY 2023-24 is available at [https://www.sail.co.in/sites/default/files/2023-24/SAIL\\_DRAFT\\_ANNUAL\\_RETURN\\_2023\\_24.pdf](https://www.sail.co.in/sites/default/files/2023-24/SAIL_DRAFT_ANNUAL_RETURN_2023_24.pdf).

#### **BOARD MEETINGS**

During the year, 12 meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report at **Annexure-IV**, forming part of this Annual Report.

#### **AUDIT COMMITTEE**

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

#### **INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY**

Implementation of Internal Financial Control (IFC) in SAIL is guided by established frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model. The COSO framework provides a structured approach for designing, implementing, and assessing internal controls to ensure effective financial management and compliance. SAIL's internal financial control system is designed to provide a comprehensive framework for ensuring financial accuracy, protecting assets, and maintaining regulatory compliance. The company typically engages in regular reviews and updates of its internal control systems to adapt to changing regulatory requirements and operational challenges.

SAIL 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 statements.

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

The adequacy of SAIL's internal financial control is reflected in its audit reports, regulatory compliances, and effective risk management. Regular updates and management oversight helps in maintaining and enhancing these controls, ensuring the company's financial stability and integrity.

The deployment of SAP Governance, Risk, and Compliance (GRC) modules and IT platforms significantly enhances the effectiveness of Internal Financial Control at SAIL. SAP GRC modules are designed to integrate with the Organization's financial and operational systems to streamline compliance, risk management, and control processes.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a Going-Concern basis;
- (v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **INDEPENDENT DIRECTORS' DECLARATION**

In terms of Section 149(6) of the Companies Act, 2013, necessary declaration has been given by each Independent Director stating that he/she meets the criteria of



independence. In terms of Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have undertaken requisite steps towards registration of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

In terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees and Investments given during the FY ended on 31<sup>st</sup> March, 2024 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 FY 2023-24, 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. The Policy is uploaded on the website of the Company-[https://sail.co.in/sites/default/files/Dividend\\_Distribution\\_Policy\\_2017.pdf](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**

SAIL has a comprehensive Enterprise Risk Management (ERM) Policy that has been approved by the Board and is designed to comply in accordance with the regulatory frameworks provided by the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR), Regulations, 2015 and with the latest amendments in the Companies Act, 2013. These regulations ensure that SAIL maintains robust governance and risk management practices.

The Risk Management Policy aims to identify, assess, monitor and mitigate risks to ensure the Company's financial health, operational efficiency, and strategic success. It emphasizes

on systematic identification of financial, operational, strategic, and compliance risks across all business units. It also includes specific provisions for identifying and managing Environmental, Social and Governance (ESG) risks, IT & Cyber Security and Sustainability-related risks. Risks are assessed based on their likelihood and potential impact, using both qualitative and quantitative methods. For each identified risk, appropriate mitigation strategies and controls are developed and implemented to minimize risk exposure. SAIL employs continuous monitoring systems to track risk indicators and the effectiveness of control measures. Regular risk reports are generated and reviewed by the Risk Management Committee (RMC) and the Board, ensuring timely communication of emerging risks.

The Risk Management Policy is dynamic, incorporating regular reviews and updates to adapt to changing regulatory requirements and business environments.

The architecture of Enterprise Risk Management (ERM) in SAIL comprises a well-designed multi-layered organization structure, with each Plant or Unit having its own perceived Risks which are under the constant monitoring by the Risk Owners or Risk Champions who frame and implement the mitigation strategy and take it to its logical conclusion. RMC of Plants/Units reviews and reports the risks periodically to Chief Risk Officer (CRO) who in turn apprises the risks to SAIL Risk Management Committee (SRMC) which is responsible for formulating and overseeing the implementation and evaluation of the risk management framework to assess its continuing effectiveness. In compliance to the Companies Act, 2013, the Board ensures the development and effective implementation of the Risk Management Policy. The Audit Committee evaluates the adequacy and effectiveness of the risk management systems, ensuring continuous improvement.

By strengthening the Risk Management Committee, enhancing disclosures, aligning risk management with corporate governance practices, and integrating IT systems, SAIL ensures robust compliance with regulatory requirements and effective management of risks. These measures contribute to the Company's long-term sustainability and resilience in an increasingly complex and dynamic business environment. SAIL's Risk Management Policy Statement is available on its website <https://sail.co.in/company/company-policies>.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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



The CSR initiatives of your Company are undertaken in conformity to the Companies Act, 2013, Schedule-VII to the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, Companies (CSR Policy) Amendment Rules, 2021 and 2022. SAIL carries out CSR projects mainly in and around periphery of steel townships, mines and far flung locations across the Country in the areas of Rural Development including maintenance of Model Steel Villages, providing Education, Healthcare, Immunisation, Ante/post-natal care, Access to Drinking Water, Sanitation, Road side tree plantation, Environment Sustainability, Women Empowerment, Assistance to Sr. Citizens & Divyangs, Sustainable Income Generation through Self-Help Groups, Promotion of Art and Culture, etc.

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

**Healthcare:** Your Company's extensive and specialised Healthcare Infrastructure provided specialized and basic healthcare to nearly 183.74 lakh people living in the vicinity of its Plants and Units during the period 2011-2024. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps are being organised in various villages on fixed days for the people living in the periphery of Plants/Units/Mines. During the FY 2023-24, regular Health Camps have been organized and 5 Mobile Medical Units (MMUs) extended quality healthcare to about 1.80 lakh villagers at their doorsteps in peripheral areas of Plants, Units and Mines. 24 Primary Health centres at Plants exclusively provided free medical care and medicines to more than 84,000 patients during FY 2023-24.

#### Education:

To develop the society through education, SAIL is supporting over 77 schools, providing education to more than 40,000 children in the steel townships, 22 Special Schools (Kalyan, Mukul & DAV Vidyalayas) are benefitting around 12026 BPL category students at integrated steel plants and mines locations with facilities of free education, mid-day meals, uniform including shoes, text books, stationery items, school bag, water bottles, etc., under CSR.



More than 450 children from tribal and naxal-affected areas are getting free of cost comprehensive educational facilities viz. Schooling, Accommodation, Meals, Uniform, Textbooks, Infrastructure, etc. at Saranda Suvan Chhatravas and Central School, Kiriburu; Gyanodaya Chhatravas, BSP School Rajhara, Bhilai; Gyanjyoti Yojna, Bokaro, and other schools.

Your Company in association with the Akshaya Patra Foundation, is providing Mid-day meals and dry ration kits to around 60,000 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 1578 youths and 2369 women of peripheral villages in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter, Electrician training, Improved agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Achar/Pappad/Agarbati/Candle making, Screen printing, Handlooms, Sericulture, Yarn Weaving, Tailoring, Sewing and embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Bans/Jute Shilp, Smokeless chullah making, etc. About 490 youths have been sponsored for ITI training at ITIs Bolani, Bargaon, Baliapur, Rourkela and Bokaro Private ITI, etc.



**Connectivity & Water facilities in Rural Areas:**

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



**Environment Sustainability:**

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





### Support to Divyangs and Senior Citizens:



Divyang (children/people) are being supported through provision of equipment like tricycle, motorized vehicles, calipers, hearing aids, artificial limbs, etc. Your Company supports centres and programmes at its Plants like "Schools for blind, deaf & mentally challenged children" and "Home and Hope" at Rourkela; "Ashalata Kendra" at Bokaro; various programs like "Handicapped Oriented Education Program" and "Durgpaur Handicapped Happy Home" at Durgapur; and "Cheshire Home" at Burnpur. Old age homes are being supported at different Plant townships like "Siyam Sadan" at Bhilai, "Abasar", "Acharya Dham" at Durgapur, "Sr. Citizens Home" at Rourkela, etc. Series of events were organised across the Company to celebrate the 'International Day of Persons with Disabilities' commencing on 3<sup>rd</sup> December, 2023 in alignment of ongoing 'Azadi ka Amrit Mahotsav'. The assistive aids & devices like Tricycle, Motorized Vehicles, Calipers, Hearing Aids, Smart Phones, Smart Canes, etc. provided by Artificial Limbs Manufacturing Corporation of India (ALIMCO) were distributed among Divyangjans through Plants/Units and Corporate Office at New Delhi of your Company.

### Sports, Art & Culture:



SAIL is regularly organizing inter-village sports tournaments, extending support to major National sports events and tournaments. Also, supporting and coaching aspiring sportsmen and women through its residential sports academies at Bokaro (Football), Rourkela (Hockey)-with world class astro-turf ground, Bhilai (Athletics for boys), Durgapur

(Athletics for girls) and Kiriburu, Jharkhand (Archery). Cultural events like Chhattisgarh Lok Kala Mahotsav, Gramin Lokotsav are organised every year. Bokaro Steel Plant organised Special Olympics Bharat (SOB) under National Sports Preparatory Training Camps and also supported participation expenditure of the selected/trained Divyang athletes for Special Olympics Summer World Games 2023 (SOSWG 2023).

**Development of Aspirational Districts:** In order to provide comprehensive development of both physical and social infrastructure, SAIL has undertaken CSR activities in 6 Aspirational Districts, viz. Kanker, Narayanpur and Rajnandgaon in Chhattisgarh and West Singhbhum, Bokaro, Ranchi in Jharkhand and Banka in Bihar.

**SAIL Employees Rendering Volunteerism and Initiatives for Community Engagement (SERVICE):** It supports volunteer activities and community outreach by SAIL employees.

**REPORTING OF FRAUD BY AUDITORS:** During the FY 2023-24, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees, which would need mention in the Board's Report.

**PERFORMANCE EVALUATION OF DIRECTORS AND BOARD:** Ministry of Corporate Affairs vide its Notification dated 5<sup>th</sup> June, 2015 has exempted 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 5<sup>th</sup> July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013, according to which, provisions relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

**PARTICULARS OF EMPLOYEES:** In terms of the provisions of Section 197(12) of the Companies Act, 2023 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits prescribed from time to time in the Board's Report.

Ministry of Corporate Affairs vide its Notification dated 5<sup>th</sup> June, 2015 has exempted Government Companies from complying with the provisions of Section 197 of the Companies Act, 2013. Accordingly, such particulars have not been included in the Board's Report.

### GENERAL DISCLOSURES

- During the year, the Company has not accepted any deposits under the Companies Act, 2013.
- No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.



However, attention of Members is drawn to the statement on contingent liabilities in notes forming part of the Financial Statements.

- iii. During the year, there has been no change in the nature of Business of the Company.
- iv. During the year, no application was made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- v. During FY 2023-24, the Company had identified itself as a Large Corporate and accessed the incremental borrowings of ₹ 2,505.06 crore. For FY 2024-25, SAIL has submitted the required information along with the Audited Financial Results for the year ended March 31, 2024 as per the applicability of SEBI Circular dated 19<sup>th</sup> October, 2023. Based on the framework, the issuance of debt securities to the extent of 25% of domestic borrowing in a year is required to be met in the same FY and/or the succeeding two FYs. Therefore, the Company was required to issue debt securities amounting to ₹ 627 crore (i.e. 25% of Incremental borrowing). Till 31<sup>st</sup> December, 2023, SAIL had incremental borrowings of about ₹ 155 crore only. The major amount of incremental borrowings has been availed during Q4 2023-24. SAIL has analysed the cost of raising Bonds as compared to Long Term loans and as per the leading research firms, the spread for raising NCDs by AA Rated PSUs was hovering around 1.00 – 1.10% over G-secs in FY 2023-24. The Company has borrowed Long Term rupee loan at much lower than the effective rate of NCDs in FY 2023-24. Hence, decision regarding issuance of NCDs may be taken in subsequent years depending on the market conditions.
- vi. Government of India, Ministry of Steel, vide its letters dated 19<sup>th</sup> January, 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of Steel Authority of India Limited, had placed Shri V.S. Chakravarthy, Director (Commercial) and Shri A.K. Tulsiani, Director (Finance) on suspension with effect from 19<sup>th</sup> January, 2024. Further, complying with the Ministry of Steel, Government of India, letter dated 19<sup>th</sup> January, 2024, the Company had placed 26 below Board Level Officials of the Company, on suspension with effect from 19<sup>th</sup> January, 2024. Interim arrangements were made to continue uninterrupted operations of the Company. Subsequently, Government of India, Ministry of Steel, vide Orders dated 28<sup>th</sup> June, 2024, has revoked the suspension of Shri V.S. Chakravarthy, Director (Commercial) and Shri A.K. Tulsiani, Director (Finance)

with immediate effect. Further, the Company has revoked the suspension of 25 below Board Level Officials of the Company, with immediate effect, with one official having superannuated during the interim period.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- Smt. Soma Mondal ceased to be Chairman w.e.f. 30<sup>th</sup> April, 2023.
- Shri Amarendu Prakash, Director (In-charge, BSL), has taken over as Chairman w.e.f. 31<sup>st</sup> May, 2023.
- Smt. Neelam Sonker, Independent Director, has tendered her resignation vide letter dated 7<sup>th</sup> April, 2024, with immediate effect.
- Shri Birendra Kumar Tiwari has been appointed as Director (In-charge, BSL) w.e.f. 20<sup>th</sup> April, 2024.

#### **ACKNOWLEDGEMENT**

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

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

For and on behalf of the Board of Directors

**(Amarendu Prakash)**  
Chairman

Place: New Delhi

Date : 3<sup>rd</sup> September, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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

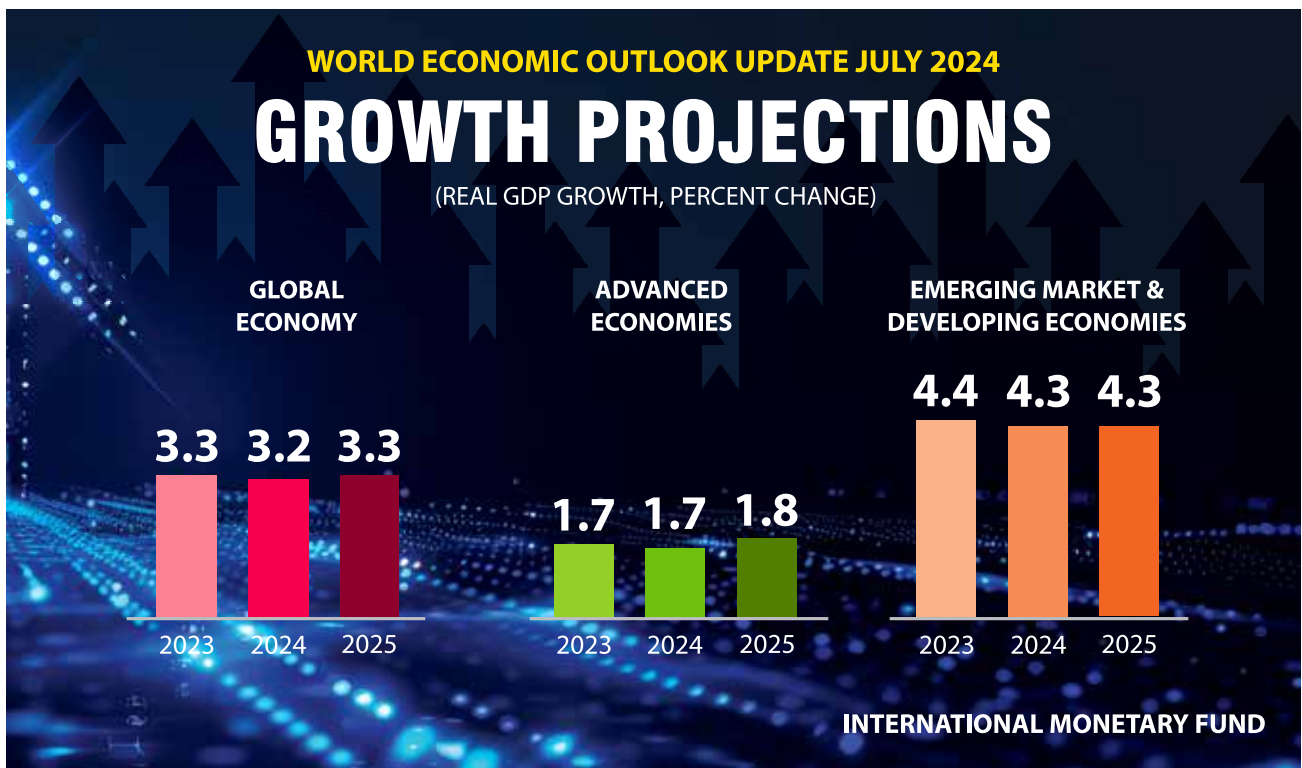
In the CY 2023, the world economy managed to defy the odds such as surprise Gaza attack on Israel, Houthi attacks on merchant vessels, high interest rates as well as continuing Russia-Ukraine war. World GDP grew by 3.2% in 2023, thus averting the threat of hard landing. As per the OECD, a stronger than expected US economy helped to keep the global slowdown in check, which grew at faster than expected rate of 2.5% in 2023. Although economists had been warning of a potential slowdown, the US economy proved resilient than expected. The growth was driven by robust household and Government spending.

On the other hand, the Chinese economy stumbled in 2023. When China had abandoned its Covid controls in 2022, economists had anticipated its economy would recover quickly. However, it did not happen. China faced challenges such as deepening property crisis, deflationary risks, subdued demand and joblessness. China's economy grew by 5.2% in 2023, though higher than the official 5% target, but the concerns persisted.

Europe's economy avoided ending the CY 2023 in a recession by the narrowest of margins. Over the whole of 2023, GDP rose by 0.5%, both in the Eurozone and the EU. Europe economy was affected by falling Government and household expenditure amid the negative effects of the energy crisis, inflation and the Ukraine war.

However, despite the strong expectations, the US economy grew by just 1.6% in Q1'24, as consumer and Government spending cooled amid a sharp increase in inflation. In contrast, buoyed by the Government's support, China's economy started to recover and grew by 5.3% in Q1'24, faster than expected. The Government of China announced steps to address the near collapse of its mammoth property sector, by allocating billions of Dollars to support it. However, China's economy has performed inconsistently during the year and is struggling to sustain itself at uniform rate. Euro zone economy also rebounded in Q1 and grew by 0.5% as Germany returned to growth, while inflation steadied.

As per the IMF World Economic Outlook July-2024, global growth expectations for 2024 are steady, while warning of inflation risks and trade tensions ahead. IMF expects the world economy to grow by 3.2% in 2024, unchanged from its April forecast. For 2025, it expects global growth of 3.3%. IMF cautioned that risks to inflation have increased, thereby, increasing the prospect of interest rates staying elevated for longer, in the context of escalating trade tensions and increased policy uncertainty.





## World Economic Outlook Projections

(Real GDP Growth Percentage Change)

|   | Year Over Year |             |            |
|---|----------------|-------------|------------|
|   | Actual         | Projections |            |
|   | 2023           | 2024        | 2025       |
| <b>World Output</b>                             | <b>3.3</b>     | <b>3.2</b>  | <b>3.3</b> |
| <b>Advanced Economies</b>                       | <b>1.7</b>     | <b>1.7</b>  | <b>1.8</b> |
| United States                                   | 2.5            | 2.6         | 1.9        |
| Euro Area                                       | 0.5            | 0.9         | 1.5        |
| Japan   | 1.9            | 0.7         | 1.0        |
| <b>Emerging Market and Developing Economies</b> | <b>4.4</b>     | <b>4.3</b>  | <b>4.3</b> |
| China   | 5.2            | 5.0         | 4.5        |
| India   | 8.2            | 7.0         | 6.5        |
| Brazil  | 2.9            | 2.1         | 2.4        |
| Russia  | 3.6            | 3.2         | 1.5        |

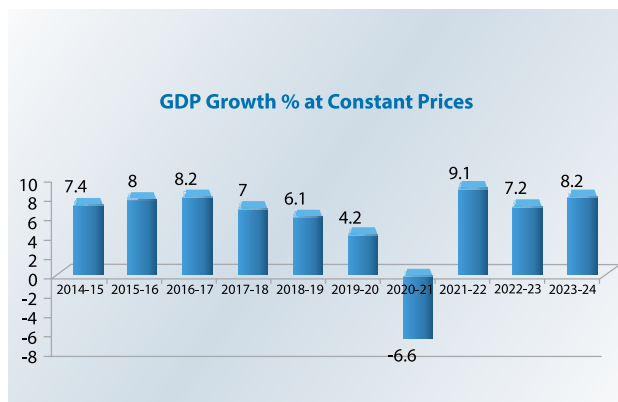
Source: IMF World Economic Outlook Update, July'2024

While world growth appears stable, IMF lowered projections for the United States and Japan. US growth in 2024 was downgraded to 2.6%, 0.1 percentage points below April's forecast, due to a "slower-than-expected start to the year." Japan's economy was seen expanding 0.2 percentage points less than expected, by 0.7% this year, mainly due to temporary supply disruptions and weak private investment in the first quarter.

The Euro area, meanwhile, is showing signs of recovery with relatively strong services activity, although manufacturing shows weakness. China and India are expected to power activity in Asia, with China's 2024 forecast revised up to 5.0% on a private consumption rebound and strong exports.

### Indian Economic Environment

India's economy during FY 2023-24, presented a picture of resilience, supported by strong macro-economic fundamentals. India's GDP grew by solid 8.2% in FY 2023-24 as compared to the growth rate of 7% in FY 2022-23. This remarkable GDP growth rate is the highest among the major economies of the world. Earlier, Government estimates had placed GDP growth for FY 2023-24 at 7.6%. Manufacturing sector witnessed a significant growth of 9.9% in the FY 2023-24. In addition to this, lower inflation also played a key role in the robust GDP growth number. Retail inflation or the Consumer Price Index (CPI) in June'24 was 5.08% and is expected to remain below or close to 5.0% in the remaining months of 2024-25 (Source: SBI Research).



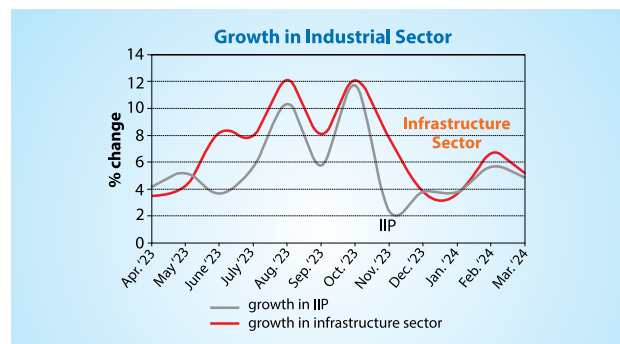
As per Economic Survey 2023-24, India's GDP growth in FY 2024-25 is projected to be between 6.5% to 7.0%. RBI stated that India was at the threshold of a "major structural shift" in its growth trajectory. Further, the Country was moving towards a path where yearly 8% GDP growth could be sustained for a longer term. RBI also projected that the economy would grow at 7.2% in FY 2024-25. IMF has increased India's growth projection for 2024 to 7%, which is 20 basis points higher than its April estimate, on account of improved prospects for private consumption, especially in rural areas. As per the S&P Global Market Intelligence, India is likely to overtake Japan and Germany to become the world's third-largest economy with a GDP of US\$ 7.3 trillion, by 2030.

India's merchandise exports during FY 2023-24 were US\$ 437.06 bn., down by 3.1% as compared to previous FY, mainly due to global headwinds. India's Services exports during FY 2023-24 were US\$ 339.62 bn., up by 4.4%. The services exports are growing fast and are expected to overtake merchandise exports in the next five years on the back of above-par growth.

As per Federation of Automobile Dealers Associations (FADA), India's total automobile sales during FY 2023-24, were 2.45 crore nos., which is an increase by commendable 10.29% over the previous year. All the sub-sectors viz. 2 Wheeler, 3 Wheeler, Passenger Vehicle, Tractor and Commercial Vehicle, registered high positive growth figures during the year.

In addition to this, BSE Sensex closed at a record 79,032 mark as on 30<sup>th</sup> June, 2024, clearly signifying investors' confidence in the strength of the Indian economy and positive sentiments on the India's future economic prospects.

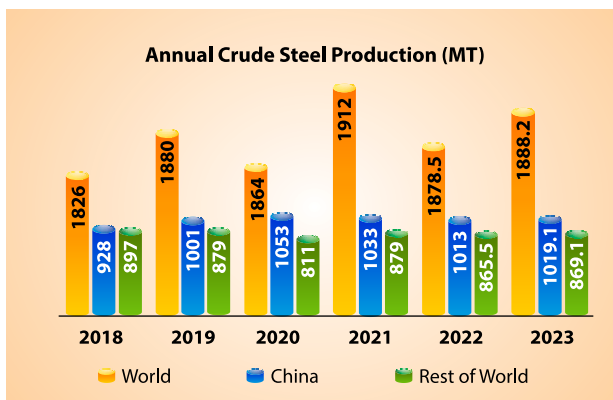
India's Index of Industrial production during FY 2023-24 was up by 5.8% as compared to a growth of 5.2%, recorded during the last year.



Government of India (GoI) continued to lay emphasis on the infrastructure development and in the Interim Union Budget for FY 2024-25, GoI increased the outlay for infrastructure development by 11.1% to more than ₹ 11 lakh crore. As per CRISIL, India is likely to spend nearly ₹ 143 lakh crore on infrastructure between fiscals 2024 and 2030.

## World Steel

Global Crude Steel production during CY 2023 stood at 1888.2 MT, up by 0.5%, over CY2022. China's Crude Steel production was 1019.1 MT, constant at level of CY 2022. India, along with Russia, South Korea and Iran were the major steel producing countries which showed positive growth in steel production in 2023. China produced about 54% of world Crude Steel in 2023. However, there has been some moderation in the China's Crude Steel production, which came down by 1.4% in the first five months of 2024 to 438.6 MT.



Global steel prices witnessed a downward trend in 2023 due to poor demand and rising supplies. Due to weak selling prices and strong input prices, many European companies are facing weak financial condition. China's export prices of HRC went down steeply during FY 2023-24 due to falling domestic prices and continued weakness of overseas demand. The Chinese steel industry is suffering from the impact of a severe property slump, which has led to a sharp decline in domestic steel demand and fall in prices. This has led to increase in exports of steel from China, with finished steel exports in 2023 being 90.26 MT, up by 36.2% as compared to previous year. Further, in H1 of 2024, China's steel exports were 53.4 MT, up by 24% as compared to same period in previous year. As per CISA, China's apparent consumption of Crude Steel has peaked and is expected to come down to 910 MT in 2025. Amid elevated steel production but sluggish domestic demand, Chinese steel exports are expected to continue to rise in 2024.

The OECD Steel Committee has voiced concerns over growing global capacity which has risen to 2.5 Billion Tonne (BT) in 2023, taking the gap between global capacity and steel production to 612 MT. As per OECD, global steel making capacity is projected at 2.63 BT by 2025.

## Top 10 Crude Steel Producing Countries

| Rank | Country       | 2023 (MT) | 2022 (MT) | % Change |
|------|---------------|-----------|-----------|----------|
| 1    | China         | 1019.1    | 1019.1    | 0.0      |
| 2    | India         | 140.2     | 125.4     | 11.8     |
| 3    | Japan         | 87.0      | 89.2      | (-)2.5   |
| 4    | United States | 80.7      | 80.5      | 0.2      |
| 5    | Russia        | 75.8      | 71.7      | 5.6      |
| 6    | S. Korea      | 66.7      | 65.8      | 1.3      |
| 7    | Germany       | 35.4      | 36.9      | (-)3.9   |
| 8    | Turkey        | 33.7      | 35.1      | (-)4.0   |
| 9    | Brazil        | 31.9      | 34.1      | (-)6.5   |
| 10   | Iran          | 31.1      | 30.6      | 1.8      |
| 11   | World         | 1888.2    | 1878.5    | 0.5      |

Source: World Steel Association

Due to falling steel prices, profitability of steel companies worldwide in CY 2023 was lower as compared to CY 2022.

## Outlook for Steel Industry

The World Steel Association in its Short Range Outlook April'24, has forecast that the World Steel demand will grow by 1.7% in 2024, to reach 1,793 MT. Steel demand is forecast to grow by 1.2% in 2025 to reach 1,815 MT. WSA observed that in 2023 tighter credit conditions and higher costs led to a sharp slowdown in housing activity in most major markets and have hampered manufacturing sector globally.

### Steel Demand Forecasts SRO April'24

#### Finished steel products

|                        | Million T     |               |               | y-o-y % growth rates |            |            |
|------------------------|---------------|---------------|---------------|----------------------|------------|------------|
|                        | 2023          | 2024 (f)      | 2025 (f)      | 2023                 | 2024 (f)   | 2025 (f)   |
| EU(27) & UK            | 136.8         | 140.7         | 148.1         | (-)10.0              | 2.9        | 5.3        |
| Other Europe           | 44.3          | 47.9          | 46.1          | 13.5                 | 8.1        | (-)3.7     |
| Russia & CIS           | 56.1          | 58.4          | 58.9          | 8.6                  | 4.1        | 0.8        |
| USMCA                  | 131.7         | 133.6         | 136.2         | (-)1.0               | 1.4        | 1.9        |
| Central and S. America | 45.7          | 45.5          | 46.8          | 0.9                  | (-)0.5     | 2.8        |
| Africa                 | 35.0          | 36.9          | 38.5          | (-)1.7               | 5.4        | 4.4        |
| Middle East            | 54.9          | 57.2          | 58.7          | (-)0.4               | 4.1        | 2.6        |
| Asia and Oceania       | 1258.5        | 1273.1        | 1281.9        | (-)1.0               | 1.2        | 0.7        |
| <b>World</b>           | <b>1763.0</b> | <b>1793.1</b> | <b>1815.2</b> | <b>(-)1.1</b>        | <b>1.7</b> | <b>1.2</b> |

European steel companies are making accelerated efforts to shift towards green steel production and the respective Governments are extending huge financial supports in their efforts. Tata Steel UK will close the BF-BoF based steel production at its Port Talbot steelworks and install new EAFs by 2027. China has set a target to achieve at least 15% Crude Steel production via the EAF route by 2025. Electra, USA as well as Boston Metal, USA, have commissioned their pilot Plants to produce Low Carbon Steel using new innovative technologies, using electricity to reduce iron ore. Naveen Jindal group has also started constructing the world's largest 5 MTPA Hydrogen based steel Plant in Oman.



## Indian Steel Outlook

As per World Steel Association's (WSA) April, 2024 Short Range Outlook, after growth of 14.8% in 2023, India's Finished Steel demand is expected to show healthy growth of 8.2% each in 2024 and 2025. Further, India has emerged as the strongest driver of steel demand growth since 2021 and it projects that the Indian steel demand will continue to charge ahead with 8% growth in 2024 and 2025, driven by continued growth in all steel using sectors and especially by continued strong growth in infrastructure investments. In 2025, steel demand in India is projected to be almost 70 MT higher than in 2020.

The FY 2023-24 was marked by high domestic Finished Steel consumption at 135.95 MT, up by 13.4% as compared to previous year. The high steel demand was partially supported by huge investment in infrastructure by the Government of India. However, as per ICRA, while the Government capex spending was healthy until February'24, other steel consuming sectors like housing/real estate contributed to the resilient demand thereafter. Given these leading trends, the rating agency has revised its FY 2024-25 full-year steel demand growth target to 9-10% as compared to the earlier estimate of 7-8%. According to ICRA, for the last three years, the steel industry has been going through the fastest period of growth witnessed since the global financial crisis of 2008. During FY 2023-24, the industry registered a consumption growth of 13.4%, which is marginally lower than the peak of 13.9% registered in the golden period of FY 2005-06. Strong domestic demand remains a bright spot for Indian steel producers. During Q1'24-25 India's Finished Steel consumption was 35.42 MT, up by 14.2% as compared to corresponding period of previous year.

A sub-par economic growth outlook in China is leading to an outflow of cheap steel exports from China. India's Finished Steel imports increased during FY 2023-24 to 8.31 MT, up by 38.1% w.r.t. previous FY 2022-23. India turned into a net steel importer in FY 2023-24 after a gap of five years. In Q1 of FY 2024-25, India's Finished Steel imports were 1.85 MT, up by 29.50% as compared to corresponding period of last year. It is expected that due to strong demand in India and subdued domestic Chinese demand, India's steel imports will continue to rise.

During FY 2023-24, Domestic steel prices came down amid sufficient domestic supplies, weak global steel prices, sluggish exports and high imports.

Green Steel is manufacturing of steel without the use of fossil fuels. In this regard, for promotion of Green Steel, Ministry of Steel has set up 13 Task Forces to identify action points for each aspect of green steel production and sustainable development of manufacturing processes. ₹ 455 crore has been allocated for the steel sector under the National Green Hydrogen Mission. The first commercial-scale green Hydrogen Plant in India's stainless steel sector was inaugurated at manufacturing unit of Jindal Stainless Ltd. in Hisar (Haryana). JSW Energy Ltd. is also setting up India's largest 25 MW Green Hydrogen project in Vijayanagar, Karnataka for its group company JSW Steel Ltd. to manufacture green steel. Tata Steel started the construction of its 0.75 MTPA scrap-based EAF Plant in Ludhiana. SAIL signed an MoU with Chennai-based Ram Charan Company for managing greenhouse gas emissions at its various Plants, including converting emissions to value-added products and fuel.

## B. RISKS AND CONCERNS

### • **Impact of MMDR Amendment Act, 2021 on Non-operational Mining Leases**

The Minerals (Development and Regulation) Amendment Act (The Act) which came into force on 28<sup>th</sup> March, 2021, inter-alia, provides that in case the holder of a mining lease fails to commence production and dispatch within a period of two years after the execution of mining lease or discontinues the production and dispatch for a period of two years, the lease shall lapse on the expiry of the period of two years from the date of execution of mining lease or discontinuance of the production and dispatch, as the case may be. On account of likely impact of the Act on non-operational mining leases of SAIL and its subsidiary company, the matter was taken up with the Ministry of Steel for expediting early executions of the mining leases of the Company on or before March, 2022. On intervention of the Ministry of Steel, required applications were submitted for each non-operational mining lease with the respective State Governments in March/April, 2022. Consequently, out of the eleven non-operational mining leases of SAIL, three previously non-operational mining leases, namely, Bolani 6.9 Sq. Mile, Kuteshwar Left Bank and Kalwar have been made operational with the initiation of mineral dispatches from these leases. Continuous efforts are being made to operationalize additional mining leases also.

### • **Impact on Chiria Iron Ore Leases being in No-Mining Zone**

Chiria Mine Leases (except already broken up area in Dhobil Lease) have been designated as a "No Mining Zone" in Management Plan for Sustainable Mining (MPSM) in Saranda forest, approved by MoEFCC. This impacts SAIL, as it is holding about 42% (out of available 3.7 Billion Tonnes (BT)) i.e. 1.6 BT of iron ore resource at a single location viz. the Chiria Mine in Saranda forest in Jharkhand, which is not only critical for securing input raw material for future expansion but will also take care of ongoing expansion in view of depleting resources at SAIL's other Operating Mines. On intervention of the Ministry of Steel in July, 2022 to allow mining in already broken up area of the Chiria Leases which have been with SAIL for a long time, along with resumption of Reassessment Study on MPSM to be carried out concurrently, MoEFCC intimated that there is no need for any Reassessment Study. Consequently, SAIL's Chiria Leases, except for Dhobil, remain non-operational. In this regard, during a review meeting chaired by the Secretary (Mines) on 6<sup>th</sup> February, 2024, it was noted that despite ongoing efforts by the Ministry of Steel to resolve the issue with MoEFCC, progress has been limited, and accordingly, Secretary (Mines) directed to convene a meeting at the Secretary/Minister level with MoEFCC to address the matter concerning the Saranda Forest Area.

### • **Revocation of the Prospecting License (PL) Grant Order for Iron Ore by the Government of Odisha**

Government of Odisha vide Order dated 19<sup>th</sup> September, 2022 while invoking the MMDR Amendment Act, 2021, declared the Gazette Notification dated 4<sup>th</sup> February, 2004 as lapsed and revoked the Prospecting License (PL) Grant Order dated 24<sup>th</sup> February, 2021 for iron ore in favour of SAIL. The matter was taken up in November, 2022 with the Government of Odisha for grant of a Composite License including the mining lease. However, there was inordinate delay in getting the response. Accordingly, a writ petition was filed before the Hon'ble High Court of Orissa for directing the Government

of Odisha to consider the application. Subsequently, the Hon'ble High Court of Orissa vide Order dated 17<sup>th</sup> March, 2023 directed the Government of Odisha to consider SAIL's application and pass appropriate order within a period of three months from the date of production of a certified copy of this order. Consequently, in March, 2023, enclosing the certified copy of the Hon'ble Court Order, Government of Odisha was requested to consider the SAIL's application as per the direction of Hon'ble High Court of Orissa order. Thereafter, in November, 2023, on Government of Odisha informing that the Thakurani lease could not be granted, following a meeting between the Secretary (Steel) and the Chief Secretary of Odisha on 22<sup>nd</sup> November, 2023, the matter of Thakurani Block A was forwarded by the Government of Odisha to the Ministry of Mines on 27<sup>th</sup> December, 2023, seeking clarification on extending the time for granting and executing mining leases for areas reserved under Section 17A of the MMDR Act. Subsequently, Chairman, SAIL, took up the matter with the Secretary (Mines) on 22<sup>nd</sup> February, 2024, urging for swift action and requested Ministry of Steel for its intervention. Thereafter, on 11<sup>th</sup> March, 2024, Secretary (Steel) took up the issue with Secretary (Mines) for a favorable resolution in the Thakurani lease. In the meeting chaired by Secretary (Mines) on 13<sup>th</sup> August, 2024 with representatives from Government of Odisha and Ministry of Steel, SAIL presented its efforts regarding Thakurani PL and requested an extension for the grant and execution of the Mining Lease deed. It was concluded that, as a matter of policy, the Ministry does not support reserving areas for bulk minerals. Consequently, the proposal from the Government of Odisha to extend the timeline by three years for the Thakurani Block Lease may not be considered. SAIL is in the process of seeking further intervention of the Ministry of Steel.

- **Delay in Grant of Clearance for Selling Iron Ore from Jharkhand Mines**

On account of the likely shortage of iron ore in the Country, Ministry of Mines, Government of India, vide Order dated 16<sup>th</sup> September, 2019 has entrusted SAIL with the responsibility to make available in the open market, 25 percent of its total mineral production of the previous year. Further, in another separate Order dated 16<sup>th</sup> September, 2019, Ministry of Mines, has allowed SAIL to dispose of the old stock of 70 MT of low grade iron fines and ores (including slime) lying dumped across different captive mines of the Company. In this regard, approximately 33 MT of iron ore dump fines is concentrated at a single location at Gua Ore Mine. Efforts were being made in obtaining approval of respective State Governments and other concerned statutory authorities. Accordingly, Jharkhand State Government granted approval for utilizing iron ore dump fines at Gua for captive use in October, 2023. As a result, regular supplies of iron ore dump fines from Gua mines are being directed to SAIL Steel Plants for captive purposes. However, efforts are underway to secure clearances from the Jharkhand State Government to initiate the sale of iron ore from SAIL Mines in Jharkhand.

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

In order to reduce its dependability on imported coking coal, with the intervention of Ministry of Steel, two Coking Coal blocks namely Sitanala and Parbatpur were allotted to

SAIL through allotment route in 2015 and 2016 respectively. However, due to decrease in the Coal Mining Lease areas for both the coal blocks, SAIL Board approved the return of the Parbatpur and Sitanala Coal Blocks to Ministry of Coal (MoC). Accordingly, Nominated Authority, MoC, was intimated about returning of Parbatpur and Sitanala Coal Blocks, 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.

Meanwhile, Ministry of Coal terminated the allocations of both the Coal Blocks i.e. Sitanala and Parbatpur and advised concerned banks to invoke the Bank Guarantees (BGs). In both the matters, SAIL has preferred Writ Petitions before the Hon'ble High Court of Delhi to challenge the respective Orders.

In the matter of Sitanala Coal Block, Hon'ble Delhi High Court declined to pass any interim order. However, Hon'ble Court clarified that if the petitioner prevails in this petition, the consequential direction for refund of the amount collected by invoking the BG will be passed. However, in the matter of Parbatpur Coal Block, Hon'ble Delhi High Court directed for maintaining status quo in respect of the BG till the next date of hearing. In both the cases, the matter is sub-judice. Delay in allocating alternative, appropriate coal blocks as recommended by Niti Aayog in April, 2017 is a matter of concern.

- **Delay in Grant of Stage-II Forest Clearance for South-Central Block of Kiriburu-Meghahatuburu Mines by the MoEFCC**

The Stage-I Forest Clearance (FC) for establishing new mining pits at Kiriburu and Meghahatuburu Mines was granted in October, 2010, but faced delays due to various issues, including concerns with the Management Plan for Sustainable Mining (MPSM) and Compensatory Afforestation Land. In the FY 2022-23, the FC proposal after two reviews by the Forest Advisory Committee (FAC) was found inadequate. Thereafter, SAIL provided necessary information to MoEFCC and fulfilled requirements for the Integrated Wildlife Management Plan (IWMP). Subsequently, after addressing the queries raised by MoEFCC in June, 2023, the Jharkhand State Government recommended the FC proposal in March, 2024, followed by MoEFCC, Ranchi in April, 2024. The proposal was examined by the FC division of MoEFCC. However, on April 24<sup>th</sup> & 26<sup>th</sup>, 2024, MoEFCC sought further clarifications from Jharkhand State and MoEFCC, Ranchi. SAIL officials met with MoEFCC officials to address these queries and submitted a representation on 3<sup>rd</sup> May, 2024. In the meetings with MoEFCC and State officials held in May, 2024 and June, 2024 queries were addressed and request was made to expedite the proposal for the diversion of 247.50 hectares of forest land. However, in spite of these efforts, the proposal remained pending, and on 11<sup>th</sup> July, 2024, Director (Technical, Projects & Raw Materials) requested the intervention of IG (FC), MoEFCC. Consequently, MoEFCC asked the Principal Secretary (Forests), Jharkhand, to provide comments on SAIL's representation and respond to a previous letter. The meeting held on 24<sup>th</sup> July, 2024, with the PCCF (Nodal), Jharkhand, led to revisions of the Site-Specific Conservation Plan, which was resubmitted and approved on 31<sup>st</sup> July, 2024. Subsequently, as required for the revised plan, SAIL deposited ₹ 31.77 crore



on 8<sup>th</sup> August, 2024. In this regard, Final Compliance Report from Jharkhand Government is awaited.

- **Execution of Ramanadurga Mining lease**

Ministry of Mines vide Gazette Notification dated 20<sup>th</sup> February, 2019 reserved 150-acre area in Block No.13/1, Ramanadurga Forest Range, for iron ore mining purposes by SAIL/VISL for a 10 year period. In the process of execution of mining leases deed for 150 acre area in Ramanadurga Forest Range for iron ore, the Government of Karnataka vide Order dated 29<sup>th</sup> February, 2024 accorded approval for relaxation for a further period of one year up to 19<sup>th</sup> February, 2025 to obtain statutory clearance and execute the mining lease. SAIL/VISL is in the process of obtaining necessary approvals viz. Forest and Environment Clearances. Any delay in granting these clearances by 19<sup>th</sup> February, 2025 may impact the execution of the Ramanadurga Lease.

- **Delay in Development of Large Mechanised Iron Ore Mine at Rowghat**

In view of the depleting reserves and serious quality concerns associated with existing iron ore mines of Bhilai Steel Plant, early development of large mechanised mines at Rowghat is imperative. The Rowghat Lease is situated across two Forest Divisions viz. Bhanupratappur (East) (MDO Area) and Narayanpur (Interim Mining Area). On obtaining clarification from MoEFCC and after addressing security concerns, tree cutting began on 17<sup>th</sup> June, 2020. In the Narayanpur Division, where interim mining @ 1.5 MTPA is underway, tree cutting and land handover progress are satisfactory. However, in the Bhanupratappur Division, tree cutting operations have been halted since March, 2021 due to protests from local residents. In this regard, approximately 280 hectares of land, with only 36% of the required area handed over so far. The delays in land handover, has hindered the establishment of infrastructure needed for the development of a large mechanized mine at Rowghat. Till the time, the large mechanized mine at Rowghat is developed, SAIL is in the process of increasing the interim mining production to a level of 2 MTPA by October, 2024.

- **Inadequate supply of Raw Material may lead to Loss of Production**

At Bhilai Steel Plant, the iron ore production is being met from the Rajhara Group of Iron Ore Mines. Due to exhaustion of iron ore from top benches, mining operations are being done in lower benches. As an alternative, mining of iron ore is to be started from the Rowghat Mines. However, there is delay in the Rowghat project mainly due to LWE activities. In the meantime, contract has been awarded for interim mining in Anjrel Block. In this regard, preliminary work like construction of approach road, installation of screening unit, supply of power and construction of water pipeline has been completed. Tree enumeration process has been completed. Security camp has been established at hilltop, exploratory drilling activity has been completed. Rail Line commissioned up to Taraoki siding (77kms) and complete Rail Line is expected by June, 2025. Production from Block-A through MDO @ 14 MTPA is in progress.

- **Challenges to Ramp up Production of Iron Ore**

The matter is being taken up with the concerned authorities for obtaining forest clearances for starting mining activities at some of the mines. In addition to this, actions are being taken to expedite the mining process at Rowghat and matter

is being taken up with Indian Railways for expansion of railway sidings, wherever required.

- **Non-availability of Spare Parts/Critical Spares due to Restriction on Import**

The matter is being pursued with the Government of India for procurement through Global Tender Enquiry (GTE) for items having no indigenous availability and are valued up to ₹ 200 crore. Further, in order to encourage indigenization, a list of items for which GTEs were issued has been put up on the SAIL Tender website to enable interested indigenous vendors to express their interest in supplying these items.

- **Volatility in Steel Prices may lead to Failure in Achieving Target Revenue**

As there is lower than expected demand for steel during part of the year, continuous efforts are made to improve upon sales in freight advantageous zones. Further, committed sales under MoU and other order booking schemes through Tier-1 and Tier-2 distributorships mitigate the risk of volatility in price and low demand. To reduce the dependence of sales on lower end of the product value chain, focus is on increasing targeted sales of downstream and ready to use products to diversify the segment basket under Tier-1 distribution channel. Segment specific approach is being adopted for products being difficult to market and seminars and workshops are being conducted to bring awareness about the products. Government intervention is also being sought through industry associations for continuing tariff based redressal for discouraging low value imports. Focused approach is being adopted to explore more avenues for exports in countries like Nepal for semis, WR Coils, HR Coils and Europe for PM Plates and HR Coils.

- **Stiff Competition in International Market in respect of specific Product Mix may impact plans for Revenue generation and Growth from Exports.**

As the prices in international market are subject to wide fluctuations, focus is on neighbouring markets in SAARC and Middle East viz. Nepal, Bangladesh and Sri Lanka. Efforts are being made for diversification of export product basket with inclusion of more value added products and products manufactured from new mills at ISP, RSP and DSP.

- **Disruption in Supply of Imported Coking Coal.**

There is a risk of interruption in supply of imported coking coal as there are limited number of vendors and bulk supply from one geographical area. Action is being taken to increase vendor base through EOI route and increase coal basket by exploring new coal producing countries from different geographies like Russia, Kazakhstan, etc.

- **Misuse of our brands may lead to loss of Revenue, Reputation, Customers' Confidence and Erosion of Brand Image/Equity.**

To mitigate the misuse of our brands, existing brand names and their registry status is reviewed. Action is being taken for extension of registration of all brands except SAIL TIN, which is not for production. Last registered brand was SAIL SeQR. Updated list of conversion agents, wet leasing agents and SPUs is available on the website of the Company. Further, major brands are properly displayed at SAIL's website and other media avenues. In addition to this, product brochures for major products have been developed and are displayed at appropriate places and Brand Manual for Tier-1 & Tier-2 retail models is also in use.



### C. SWOT ANALYSIS

| Strengths   | Weakness  | Opportunities   | Threats  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>Multi located production units provide an edge over other domestic steel players.</li> <li>Well established nationwide marketing and distribution network.</li> <li>Most diversified product range.</li> <li>Availability of land bank at existing Plant/Unit locations for future brown-field expansion.</li> <li>Input security - 100 per cent integration in iron-ore.</li> <li>Newly commissioned Mills oriented towards products, for infrastructure development.</li> <li>Potential for improving product-mix and reducing cost through operational efficiency and utilization of new &amp; modernized units.</li> <li>Qualified and experienced professionals in steel making.</li> </ul> | <ul style="list-style-type: none"> <li>Dependence on external sources for key input i.e. coking coal leads to exposure of the Company to the market risk.</li> <li>Ageing employee mix along with a high manpower cost and relatively low manpower productivity.</li> </ul> | <ul style="list-style-type: none"> <li>With an accelerated push to step up capital expenditure, the Government of India proposed new policies regarding steel intensive segments such as infrastructure, capital goods and construction, thus giving a bright outlook for the steel industry.</li> <li>Low per capita steel consumption as compared to world standards.</li> <li>Rising Steel demand in the Country.</li> </ul> | <ul style="list-style-type: none"> <li>Increased competition from domestic, international steel companies located in India and imports.</li> <li>Increased focus worldwide on Green Steel.</li> <li>Increasing domestic Steel production capacity.</li> <li>Inflationary pressures.</li> </ul> |

### D. OUTLOOK

International Monetary Fund (IMF) in its July' 24 World Economic Outlook has held global growth expectations for 2024 to be steady, while warning of inflation risks and trade tensions ahead. The IMF expects the world economy to grow 3.2% in 2024, unchanged from its April forecast. IMF has increased India's growth projection for 2024 to 7%, which is 20 basis points higher than its April estimate, due to improved prospects for private consumption, especially in rural areas. Most other agencies have revised upwards their growth projections for India for FY 2024-25 in the range of 6.6% to 7.0%.

World Steel Association (WSA) in its Short Range Outlook, April'2024, has observed that after two years of negative growth and severe market volatility since the Covid-19 crisis in 2020, it sees early signs of global steel demand settling in a growth trajectory in 2024 and 2025. The global economy continues to show resilience despite facing several strong headwinds, the lingering impact from the pandemic and Russia's invasion of Ukraine, high inflation, high costs and falling household purchasing power, rising geopolitical uncertainties and forceful monetary tightening. On the upside, WSA believes that a faster than expected disinflation accompanied by further monetary policy easing could provide a significant boost to steel using sectors, particularly housing construction. On the downside, it observes that further escalation in geopolitical tensions, inflationary pressures proving more persistent than expected, and high and rising public debt levels triggering fiscal consolidation in major economies, have the potential to slowdown the ongoing economic recovery or even derail it.

With regard to Indian economy, WSA in its April'24 Short Range Outlook has stated that India's Finished Steel demand is expected to show healthy growth of 8.2% each in 2024 as well as 2025. Government of India's strong emphasis on infrastructure development in FY 2024-25 budget is likely to boost domestic steel consumption. However, inflated coking coal prices, rising steel imports from China, weak international steel prices, rising domestic steel making capacities, rising geo-political uncertainties, remain a challenge.

### E. REVIEW OF FINANCIAL PERFORMANCE

#### 1. FINANCIAL OVERVIEW OF SAIL

SAIL achieved its best ever sales turnover of ₹ 1,04,545.09 crore during the Financial Year (FY) 2023-24, which was higher by 1% as compared to corresponding period of last year (CPLY) turnover of ₹ 1,03,728.63 crore. During the FY 2023-24, the Profit before Tax and after Tax was ₹ 3,687.67 crore and ₹ 2,733.11 crore respectively as compared to CPLY Profit before Tax and after Tax of ₹ 2,636.91 crore and ₹ 1,903.07 crore respectively. The comparative performance of major financial parameters during the FYs 2023-24 and 2022-23 is given below:

(₹ crore)

| Particulars   | 2023-24   | 2022-23   |
|---|-----------|-----------|
| Sales Turnover  | 104545.09 | 103767.54 |
| Profit Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | 12279.77  | 9378.91   |
| Less: Interest and Finance Charges                                    | 2473.81   | 2037.47   |
| Less: Depreciation  | 5277.45   | 4962.52   |
| Profit Before Exceptional/Abnormal Items and Tax                      | 4528.51   | 2378.92   |
| Less: Exceptional items Gain(-)/Loss (+)                              | 840.84    | -257.99   |
| Profit(+)/ Loss(-) before tax   | 3687.67   | 2636.91   |
| Less: Provision for taxation  | 954.56    | 733.84    |
| Profit(+)/Loss(-) after Tax   | 2733.11   | 1903.07   |
| Other Comprehensive Income  | -122.17   | -438.61   |
| Total Comprehensive Income (+)/Loss(-)                                | 2610.94   | 1464.46   |
| Net Worth   | 54131     | 52139     |
| EBITDA to Net sales (%)   | 11.75     | 9.04      |
| Return (PAT) on Net worth (%)   | 5.05      | 3.65      |
| EBITDA to average capital employed (%)                                | 19.06     | 15.01     |
| Earnings per share of Rupee 10/- each                                 | 6.62      | 4.61      |
| Debt Equity Ratio   | 0.67:1    | 0.59:1    |
| Current Ratio   | 0.90:1    | 0.77:1    |
| Debtors' Turnover Ratio (Days)  | 29        | 19        |
| Inventory Turnover Ratio (Days)                                       | 6.65      | 8.41      |
| Interest Coverage Ratio(No. of times)                                 | 2.64      | 2.05      |
| Operating Profit Margin (%)   | 6.69      | 4.26      |
| Net Profit Margin (%)   | 2.61      | 1.83      |



During the FY 2023-24, the increase in the profitability over CPLY is mainly on account of higher sales volume; finalization of Rail price for FY 2021-22 as well as revision of provisional Rail price for FY 2022-23 & 2023-24; lower imported coal prices and ferro alloys prices; lower usage of other raw materials like Iron ore, zinc, copper, other ferro-alloys, power; etc., better techno-economic parameters like improvement in BF productivity, lower usage of coal, Specific Energy consumption, etc.; lower salary & wages; reduction in loss on foreign exchange fluctuation; etc.

However, the increase in the profit has been partially offset by lower Net Sales Realisation of Saleable Steel and lower sale of coal chemical & by-products; higher usage of external BF Coke, limestone, scrap etc.; lower stock valuation rate; higher expenditure on stores & spares, Repair & Maintenance, Raw Material handling charges, freight outward, etc.; higher royalty rates; lower dividend income; impact of exceptional items (Settlement under Vivad se Vishwas Scheme-II and Entry Tax); higher interest charges and depreciation; etc.

As compared to CPLY, while there has been increase in turnover, there has been an increase in dues also, leading to an increase in Debtors' Turnover Ratio. There has been an increase in the inventory levels during the year. The increased Current Ratio is mainly on account of increase in inventory levels and debtors. Increase in borrowings has led to higher debt equity ratio in FY 2023-24. Increase in Interest Coverage Ratio is mainly due to higher increase in EBIT w.r.t. interest and finance charges.

### 1.1 Cost Control Measures

- Renewed focus on innovation and productivity, through continuous process improvement and R&D efforts, resulted in cost reduction, improvement in productivity & quality and value addition.
- Continuous monitoring of procurement of high value items, maximizing usage of available indigenous coal, maximising use of in-house engineering shops, sale of idle assets, optimising procurement through centrally purchased items, including negotiations with suppliers for price reduction, were pursued throughout the financial year 2023-24.
- Coal blend optimization, improvement in vendor base of purchased PCI coal by adding low cost coals from Russia, enhanced usage of indigenous coals and improvement in operational parameters such as Coke Rate, Coal Dust Injection, Concast Production and Usage of Pellets in prepared burden at Blast Furnaces have contributed to cost savings during the year.

### 1.2 Marketing

Your Company has taken a number of business and strategic initiatives during the Financial Year 2023-24 aimed at sustaining and consolidating its position, in a highly competitive market, as the leading steel producer of the Country.

Further, with consistent focused approach in areas of product development, branding, niche marketing, customer servicing, market penetration & diversification, digitalization, etc., SAIL is committed to aim for continual improvement for prosperity in business. In this regard, to tap new markets, new products are being developed and commercialized in a planned manner. Marketing of new products in FY 2023-24, include the following:

- Vacuum degassed Cold Heading Quality Wire Rods at Wire Rod Mill at IISCO Steel Plant for the Auto Industry.
- Your Company has developed various Value Added Semis like 19MnB4, SUP11A, IS 11169 26C10BT/SAE 15B/25, etc. at IISCO Steel Plant for applications in Forging, Spring steel, Auto industry, Hi-Tensile TLT segment/General engineering, etc.
- At Rourkela Steel Plant, products like SAILFORMING 410 and HSFQ 550 grade have been developed at Hot Strip Mill-2 for Automotive component.
- API X60/X65/X70 HR Coil for Oil and Gas Pipe Line and IS 5914 HS345 2.2/2.5mm HR Coil for LPG cylinder have been developed at Hot Strip Mill-2 at Rourkela Steel Plant and Certification has been obtained for the same.
- Hot Strip Mill at Bokaro Steel Plant has developed ISH 4905 (11.8mm) for Railway Wagon Spring Box.
- Semis in grades AISI SS 410 Low Phosphorous Low Sulphur for usage in oil pipelines and grade CF-53 for nuclear applications have been developed at the Special Steel Plants of the Company.

Besides the usual efforts to enhance sales, your Company has taken a number of initiatives to improve sales and market presence which, inter-alia, include the following:

- SAIL has an extensive dealership network comprising of more than 5100 dealers spread across the Country. With 50 Distributors already in place in the 2-tier distribution network as on 31<sup>st</sup> March, 2024, this channel of retail sales is being further strengthened. Around 9.47 lakh tonnes of TMT were supplied through the 2 Tier Distributor network during FY 2023-24. SAIL also has Tier-I distributor system to improve the system of servicing demand of small consumers, B2B industrial segments and to provide single window servicing of small customers including value added services and has 58 distributors as on 31<sup>st</sup> March, 2024. This huge network spread across the Country helps in meeting the requirements of a wide range of customers spread through length and breadth of the Country. Out of total sales of 22.86 lakh tonnes to retail segment during April to March, 2024, sales through Tier-2 Distributors and Dealers was 10.27 lakh tonne consisting of TMT & GC, against 8.26 lakh tonne in the previous year. Sales through Tier-1 distributors during the Financial Year 2023-24 was 12.59 lakh tonne.
- In order to help build awareness and acceptance of steel usage in rural areas, SAIL has an ongoing rural outreach

programme “Gaon Ki Ore”. Under the campaign, 400 workshops have been conducted during the financial year 2023-24 across the Country with focus on small consumers, etc.

- Your Company has launched its reinforcement bar brand “SAIL-SeQR” in 2019-20. This brand is being promoted as better quality steel for safer homes. This brand is focused to enhance retail presence of SAIL with special emphasis on rural penetration. During the FY 2023-24, the Company has sold about 8.44 lakh tonnes of “SAIL SeQR” reinforcement bars. During the coming years, in addition to contribution to top line value, the brand “SAIL SeQR” is expected to not only meet the quality expectation of the Retail Sector but also to drive brand presence of the Company.
- In the domain of Digitization, SAIL has been pursuing a number of projects. Within this, the dynamic QR project is established at Dankuni and Bengaluru Warehouses. Integrated Vehicle Tracking system (IVTS) has been implemented throughout the Country. SAIL Grahak Sampark app has been launched for customer contact. After being introduced in the previous financial year for facilitating easier navigation & information accessibility for customers and visitors, AI based Chatbot ‘SAIL SARATHI’ is being monitored for further improvements. In addition to this, WhatsApp business channel has been established for SAIL SARATHI and to send promotional activities to customers and distributors. Make in India Branding, using Dynamic QR Code has started in Steel Plants. Software defined wide area network (SDWAN) implemented on the New BSNL network, will optimize data movement across the network. Face based Biometric attendance has been implemented for all the Marketing executives. Safe Cyber security measures have been taken like VAPT: Vulnerability & Penetration Test Done for Data Centre Servers and Safe to Host certificates obtained from the Auditors.
- Your Company has continued the thrust on the “NEX” brand of structurals, assuring improved performance. Efforts have been made to popularise usage of steel in designing in general and increase usage of “NEX” brand of structural through virtual meetings with customers, webinars and participated in virtual workshop sessions in-house and also by Structural Designers, Architects, etc. In addition to this, Tier I Distributors of Structurals are promoting NEX brand through advertisements/hoardings, etc.
- During the FY 2023-24, your Company has supplied steel to number of Iconic Structures and Projects of National Importance. The major projects include- Kalapakkam Nuclear Project in Southern Region; Mumbai Trans Harbour Link Project, Versova Baroda Sea Link Project, Mumbai Delhi expressway (Surat-Dahod Package), Rawbatta Nuclear Plant, Rajasthan in Western Region; Zozilla Tunnel in Sonmarg, Ganga Expressway (Meerut

to Prayagraj), Delhi Amritsar Katra Highway in Northern Region; AIIMS at Deoghar, 111 Km long Broad Gauge Extension project connecting Jiribam-Tupul-Imphal through 52 tunnels & 149 bridges, Mokama Railway Bridge in Patna, Jagannath Pilgrimage Centre at Puri, in Eastern Region. SAIL was also one of the major suppliers of steel to Metro Rail Projects across the Country.

- Your Company has the largest marketing network among all steel producers in the Country. As on 31<sup>st</sup> March, 2024, SAIL’s functional network of marketing offices consists of 37 Branch Sales Offices, 5 Customer Contact Offices and 37 Stockyards (18 Departmental Warehouses, 17 Functional Consignment Agency yards and 2 Consignment Handling Agency yards). Marketing efforts are further supplemented through SAIL’s Retail Channel that reaches the products of mass consumption to remote corners of India.
- Some other initiatives undertaken by your Company include launching of Incentivisation Scheme for MSMEs to promote Local Industries based in and around our Integrated Steel Plants, wherein 147 MSMEs have joined the SAIL scheme. Supplies to these MSMEs have been more than 1,22,000 tonnes in Financial Year 2023-24, a growth of about 35% over the previous year.

In your Company’s pursuit for continual improvement, particularly in the area of increasing customer reach and customer satisfaction, several activities and initiatives are being taken and planned for future, including the following:

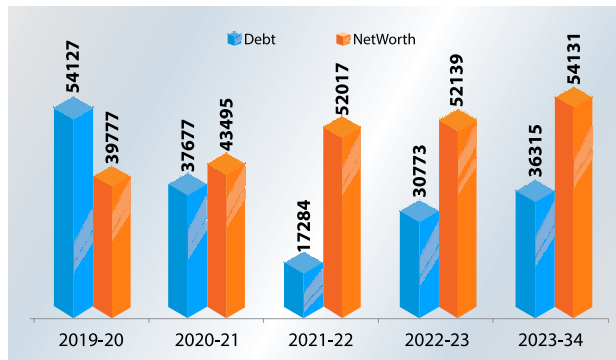
- Tying up major quantum of sales with MOU(s) and Annual/Quarterly Commitments with customers.
- Endeavour to Increase sales in Consumer Base and Key Accounts.
- Increasing Sales and Servicing to Mid-sized Accounts (MSAs) through Sales Force Effectiveness.
- To service requirements of small consumers (MSA) by better stock management at warehouses and Tier-1 distributor network. Efforts will be made to augment sales through Tier-1 Distributor Network with value added services.
- Distributor – Dealer Network is being strengthened.
- Focus will be on Brand Promotion & Influencer Management.
- Sales through e-platform will be targeted.

Besides above, future plans include development of medium & long term strategies with focus on realignment of segments for improving realization & increasing market share in value added segments. In addition to this, efforts will be made to consolidate sales in new segments like Precision Tube, General Engineering & Fabrication, Cold Forming, Auto Component & Electrical Equipment, Solar, Pre Engineered Building (PEB), Earth Moving Equipment (EME), Oil & Gas and Windmill.



### 1.3 Funds Management

There is increase in the borrowings of the Company from ₹ 30,773 crore as on 31<sup>st</sup> March, 2023 to ₹ 36,315 crore as on 31<sup>st</sup> March, 2024 in line with INDAS. Consequently, the debt equity ratio of the Company as on 31<sup>st</sup> March, 2024 is 0.67:1 as compared to 0.59:1 in the previous year. The interest and finance charges on operation account during the current year at ₹ 2,474 crore are higher as compared to ₹ 2,037 crore in CPLY due to increase in borrowings as well as interest rates. The Net-worth of the Company has increased from ₹ 52,139 crore as on 31<sup>st</sup> March, 2023 to ₹ 54,131 crore as on 31<sup>st</sup> March, 2024. M/s. CARE Ratings and M/s. India Ratings, RBI approved credit rating agencies, assigned 'CARE AA- Outlook: Stable', 'India Ratings IND AA-Outlook: Stable' 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

As per the settlement made towards payment of Gratuity by the Company, an amount of ₹ 516 crore has been funded by SAIL Gratuity Trust to the Company. The fund size has been at ₹ 5,792.99 crore as on 31<sup>st</sup> March, 2024, as per the contributions made by the Company to SAIL Gratuity Trust.

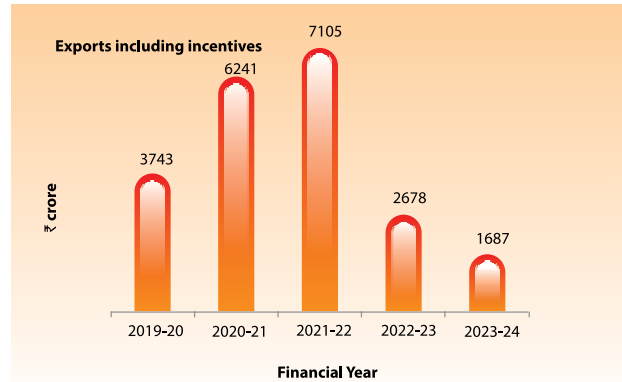
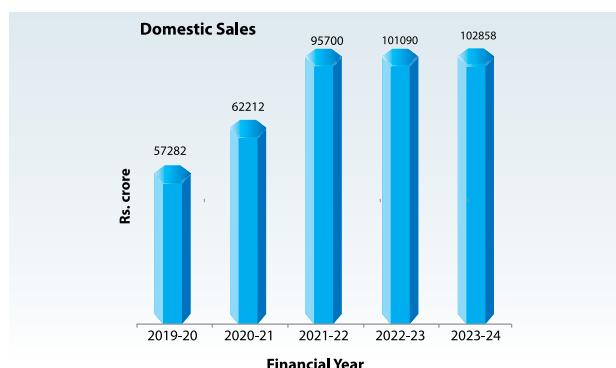
## 2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

### 2.1 Revenue from Operations

#### (a) Sale of Products

| S.No. | Particulars                      | FY 2023-24 | FY 2022-23 | Change % |
|-------|----------------------------------|------------|------------|----------|
| 1     | Sales of Saleable Steel Products | 100984.80  | 98813.35   | 1.17     |
| 2     | Sales of Other Products          | 3560.29    | 3915.28    | -9.07    |
| 3     | Total Sales Turnover             | 104545.09  | 103728.63  | 0.79     |

#### (b) Trend of Domestic Sales and Exports



The Company catered to almost the entire gamut of the mild steel business namely, Flat Products in the form of Plates, HR Coils/Sheets, CR Coils/Sheets, Galvanised Plain/Corrugated Sheets and Long Products comprising Rails, Structural, Wire-Rods and Merchant Products. In addition, Electric Resistance Welded Pipes, Spiral Welded Pipes and Silicon Steel Sheets formed part of the Company's rich product-mix. The product category-wise % sales turnover during the FY 2023-24 is given as under:

| Products Category  | % of Sales value |
|--|------------------|
| <b>Saleable Steel</b>  |                  |
| Flat Products (including Pipes & Electrical Sheets) (a)        | 49               |
| Long Products (b)  | 44               |
| Integrated Steel Plants – Mild Steel (c = a + b)               | 93               |
| Alloy & Special Steel Plants - Alloy & Special Steel (d)       | 3                |
| Total Saleable Steel (e = c + d)                               | 96               |
| Secondary Products (Pig Iron, Scrap, Coal Chemicals, etc.) (f) | 4                |
| <b>Total (g = e + f)</b>                                       | <b>100</b>       |

#### c) Sale of Services - Service Charges

(₹ crore)

| FY 2023-24 | FY 2022-23 | Change % |
|------------|------------|----------|
| 19.93      | 20.22      | -1.43    |

Revenue from sale of services decreased by about ₹ 0.29 crore over the previous year.

#### d) Other Operating Revenues

(₹ crore)

| FY 2023-24 | FY 2022-23 | Change % |
|------------|------------|----------|
| 809.57     | 698.51     | 15.89    |

Other operating revenues increased by about ₹ 111.06 crore over previous year mainly due to recoveries from social amenities, sale of empties and better realization from sale of sundries.

### 2.2 Other Income

(₹ crore)

| FY 2023-24 | FY 2022-23 | Change % |
|------------|------------|----------|
| 1148.06    | 1354.84    | -15.26   |

Other income decreased by about ₹ 206.78 crore over previous year primarily on account of lower interest income from customers and dividend from investments.

### 2.3 Expenditure

(₹ crore)

| Particulars                      | FY 2023-24 | FY 2022-23 | Change % |
|----------------------------------|------------|------------|----------|
| Raw Materials Consumed           | 57619      | 62091      | -7.20    |
| Employee Remuneration & Benefits | 11748      | 12054      | -2.54    |
| Finance Cost                     | 2474       | 2037       | 21.45    |
| Depreciation                     | 5277       | 4963       | 6.33     |
| Other Expenses                   | 28229      | 27439      | 2.88     |

During the FY 2023-24, there has been decrease in Raw Materials cost on account of low imported coal prices and higher usage of raw materials like Iron Ore, Limestone and other ferro-alloys. During the year, the Employees' Remuneration & Benefits have decreased mainly due to reduction in manpower on account of natural separation. There has been increase in borrowings, which has led to higher finance cost and an increase in depreciation has been mainly due to capitalization of new facilities. The increase in Other Expenses was on account of increase in royalty rates, higher consumption of stores & spares, raw material handling expenses, repairs & maintenance, freight outward, etc. due to increase in production volume.

### 2.4 Contribution to Exchequer

During the Financial Year 2023-24, SAIL contributed ₹ 22,015 crore to the exchequer by way of payment of taxes and duties to various Government agencies.

### 2.5 Non-Current/Current Assets

(₹ crore)

| Particulars                       | FY 2023-24   | FY 2022-23   | Change %     |
|-----------------------------------|--------------|--------------|--------------|
| <b>NON CURRENT ASSETS</b>         |              |              |              |
| (a) Property, Plant and Equipment | 65397        | 67091        | -2.52        |
| (b) Capital Work-in-Progress      | 6141         | 4891         | 25.55        |
| (c) Right of use Asset            | 5521         | 4910         | 12.44        |
| (d) Investment Property           | 1            | 1            | 0            |
| (e) Intangible assets             | 1489         | 1521         | -2.10        |
| (f) Inventories                   | 4625         | 4635         | -0.22        |
| (g) Financial Assets              |              |              |              |
| (i) Investments                   | 1694         | 1673         | 1.26         |
| (ii) Trade Receivables            |              |              |              |
| (iii) Loans                       | 877          | 655          | 33.89        |
| (iv) Other Financial Assets       | 444          | 370          | 20.00        |
| (h) Deferred Tax Assets (Net)     | 0            | 0            |              |
| (i) Current Tax Assets (Net)      | 375          | 595          | -36.97       |
| (j) Other non-current assets      | 3087         | 3612         | -14.53       |
| <b>TOTAL NON CURRENT ASSETS</b>   | <b>89651</b> | <b>89954</b> | <b>-0.34</b> |

(₹ crore)

| Particulars                               | FY 2023-24    | FY 2022-23    | Change %     |
|---|---------------|---------------|--------------|
| <b>CURRENT ASSETS</b>                     |               |               |              |
| (a) Inventories                           | 32646         | 27716         | 17.79        |
| (b) Financial Assets                      |               |               |              |
| (i) Trade Receivables                     | 8309          | 5362          | 54.96        |
| (ii) Cash and cash equivalents            | 14            | 6             | 133.33       |
| (iii) Bank balances other than (ii) above | 528           | 392           | 34.69        |
| (iv) Loans                                | 28            | 35            | -20.00       |
| (v) Other Financial Assets                | 1369          | 1229          | 11.39        |
| (c) Income Tax Assets                     | 433           |               |              |
| (d) Other Current Assets                  | 4541          | 2989          | 51.92        |
| (e) Assets classified as held for sale    | 15            | 29            | -48.28       |
| <b>TOTAL CURRENT ASSETS</b>               | <b>47883</b>  | <b>37758</b>  | <b>26.81</b> |
| <b>TOTAL ASSETS</b>                       | <b>137534</b> | <b>127712</b> | <b>7.69</b>  |

- The capital work-in-progress has increased by ₹ 1,250 crore on account of expenditure incurred on various capital schemes in Steel Plants.
- Other Non-Current Assets decreased by ₹ 525 crore.
- The inventories increased by ₹ 4,930 crore mainly on account of increase in raw materials inventory by ₹ 974 crore, finished/semi-finished products inventory by ₹ 3,392 crore, and stores & spares inventory by ₹ 564 crore.
- Increase in trade receivables was by ₹ 2,947 crore mainly on account of dues from Indian Railways.
- Other Current Assets increased by ₹ 1,552 crore.

### 2.6 Non-Current/Current Liabilities

(₹ crore)

| Particulars                                      | FY 2023-24   | FY 2022-23   | Change %     |
|--|--------------|--------------|--------------|
| <b>NON-CURRENT LIABILITIES</b>                   |              |              |              |
| (a) Financial Liabilities                        |              |              |              |
| (i) Borrowings                                   | 9568         | 6113         | 56.52        |
| (ii) Lease Liabilities                           | 5235         | 4737         | 10.51        |
| (iii) Trade Payables                             |              |              |              |
| (iv) Other Financial Liabilities                 | 1411         | 1390         | 1.51         |
| (b) Long Term Provisions                         | 5724         | 5604         | 2.14         |
| (c) Deferred tax liabilities (net)               | 6178         | 5747         | 7.50         |
| (d) Other non-current liabilities                | 1860         | 2680         | -30.60       |
| <b>Total Non Current Liabilities</b>             | <b>29976</b> | <b>26271</b> | <b>14.11</b> |
| <b>Current Liabilities</b>                       |              |              |              |
| (i) Borrowings                                   | 21025        | 19549        | 7.55         |
| (ii) Lease Liabilities                           | 486          | 375          | 29.60        |
| (iii) Trade Payables                             | 15332        | 14339        | 6.92         |
| (iv) Other Financial Liabilities                 | 10517        | 10131        | 3.81         |
| (b) Other current liabilities                    | 4565         | 3533         | 29.21        |
| (c) Provisions                                   | 1290         | 1379         | -6.45        |
| (d) Current Tax liabilities (net)                | 209          |              |              |
| <b>TOTAL CURRENT LIABILITIES</b>                 | <b>53424</b> | <b>49306</b> | <b>8.35</b>  |
| <b>TOTAL (CURRENT + NON CURRENT LIABILITIES)</b> | <b>83400</b> | <b>75577</b> | <b>10.35</b> |



- Long term borrowings increased by 57% mainly due to funds being blocked in inventory and realization from debtors and the short term borrowings have increased by ₹ 1,476 crore mostly on account of lower sales realisations. Further, other current liabilities increased mainly due to payables on account of GST and Entry Tax settlement.

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

(₹ crore)

| Plant/Unit                                 | FY 2023-24     | FY 2022-23     |
|--|----------------|----------------|
| Bhilai Steel Plant (BSP)                   | 2342.75        | 376.16         |
| Durgapur Steel Plant (DSP)                 | 351.64         | 638.88         |
| Rourkela Steel Plant (RSP)                 | 652.91         | 521.07         |
| Bokaro Steel Plant (BSL)                   | 822.83         | 840.84         |
| IISCO Steel Plant (ISP)                    | 109.42         | 339.77         |
| Alloy Steels Plant (ASP)                   | -102.65        | -140.09        |
| Salem Steel Plant (SSP)                    | -286.19        | -240.53        |
| Visvesvaraya Iron & Steel Plant (VISP)     | -48.93         | -51.10         |
| SAIL Refractory Unit (SRU)                 | 11.17          | 25.72          |
| Chandrapur Ferro Alloys Plant (CFP)        | -136.71        | -91.80         |
| Raw Materials Division/Central Units       | -28.57         | 417.99         |
| <b>SAIL: Profit Before Tax (+)/Loss(-)</b> | <b>3687.67</b> | <b>2636.91</b> |

### F. MATERIALS MANAGEMENT

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

- **Procurement on GeM Portal:** In the Financial Year 2023-24, SAIL further scaled up its procurement of Goods and Services through Government e-Marketplace (GeM), with a special focus on procurement of Services, by achieving a total procurement value of ₹ 10,421.65 crore, including ₹ 1,031.08 crore of Services. For the last 3 years since FY 2021-22, SAIL has successively maintained its position amongst top three CPSE buyers on GeM. While the total Goods & Services registered a growth of about 13%, Services were higher by about 568% over the previous financial year. In the Buyer Seller Honour Ceremony 2023 held on 26<sup>th</sup> June, 2023, SAIL was awarded the Gold award in the category of Top Organisations with respect to Government e-Marketplace (GeM) Gross Merchandise Value (GMV) in FY 2022-23.
- SAIL's procurement from MSE's in FY 2023-24 was 29.28% against a target of 25%. SAIL is continuously making endeavors to develop new MSE vendors and provide support to local MSEs by mentoring, training, handholding and providing technical support to such MSEs in their chosen areas of functioning. In this regard, SAIL Plants and Units conducted 38 Vendor Development Programs during FY 2023-24. Vendor Development Programs were also conducted especially for SC/ST and Women MSME vendors, to inform them about the opportunities, item requirement and vendor registration procedures in the organization.

### G. FOREIGN EXCHANGE CONSERVATION

SAIL's imports are large as compared to the exports, and therefore, the foreign exchange has a larger impact on the

Company in terms of the foreign exchange outgo, affecting the Country's foreign exchange reserves.

It has been our endeavour to minimize the imports through domestic substitution wherever possible, and also emphasise on exports. One of the major raw materials which SAIL has been importing is Coking Coal. Efforts are being made to use a blended coal mix with increased indigenous coal, which would lead to reducing the dependence on the Imported Coking Coal in order to reduce the outflow of precious foreign currency. Further, measures are being taken to expand the basket/pool of suppliers for imported inputs/raw materials. The Government of India policy initiative restraining Global tender for projects up to ₹ 200 crore, while is expected to provide the domestic participants an opportunity on the one hand, on the other hand, it will result in conserving of Foreign Currency. In addition to this, the Company has taken up various initiatives to indigenise the procurement of raw materials and other inputs to the extent they become available to the Company at the commercially acceptable prices/costs and commensurate with the requirements of the technologies adopted by the Company.

### H. PROJECT MANAGEMENT

#### AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement (AMR) Schemes have also been taken up which are required for managing the 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, improve energy & other resource consumption/ services/safety and environment. Replacement includes mostly replacing the existing Plant & Equipment which have completed their useful life with better performance Plant & Equipment. Accordingly, a number of AMR schemes costing around ₹ 8,200 crore were under implementation during Financial Year 2023-24 in different Plants of the Company, of which major schemes are as under:

- Rebuilding of Coke Oven Battery-7 & 8; Replacement of Converter Vessels, Trunnion Rings, Support System; Installation of Secondary Emission Control System for three Converters in SMS-II; and Installation of High Pressure Primary Descaling Unit in Plate Mill at Bhilai Steel Plant; and Modification in Washing Circuit of CSW Plant; Installation of 1.0 Mtpa Pellet Plant on Build-Own-Operate (BOO) basis at Dalli Mines.
- Installation of 4<sup>th</sup> Stove in Blast Furnace No.4; Installation of NDT Facilities at Wheel & Axle Plant; Power Augmentation Scheme for new 1250 TPD BOO Oxygen Plant; Installation of New Gas Fired Boiler; Replacement of existing 33KV MRS Indoor Switchboard by GIS; Complete Waste Water Treatment for Outfall 1, 2 & 3; Installation of New Coke Oven Gas Holder; Installation of 1250 TPD Oxygen Plant on BOO basis; Rebuilding of Coke Oven Battery-4; Extension of FG Bay and other

Associated Facilities for enhancing storage of Billets and Blooms and dispatch facilities at CCP; and Installation of New Electric Driven Exhauster in 1.0 MT Coal Chemical Plant at Durgapur Steel Plant.

- Installation of Treatment System-1 for Implementation of ZLD; Re-building of Coke Oven Battery No.2 along with augmentation of Coke Handling & Gas Handling Facility; Installation of 4<sup>th</sup> Slab Caster along with Ladle Furnace at SMS-II; Installation of Power supply Package for 1000 TPD Oxygen Plant on Construct, Operate and Maintain (COM) basis; Construction of 30 MLD Sewage Treatment Plant at RSP Township; and Installation of 1000 TPD Oxygen Plant on COM Basis at Rourkela Steel Plant.
- Up-gradation of 6 nos. of ESPs of Lime Kiln; New Sinter Plant; Development of alternate system for drawal of raw water from Damodar River from BSL & Township; Replacement of existing RRI (Route Relay Interlocking) System by SSI (Solid State Interlocking) System at SWS (Steel Works Station); Power supply arrangement for proposed 2000 TPD Oxygen; Installation of 2000 TPD Oxygen Plant on BOO Basis; Up-gradation of Automation System of Hot Strip Mill; Installation of 220 kV, 3<sup>rd</sup> line between CTPS of DVC to MRS; Replacement of Turbine & Auxiliaries for Turbo Blower No.5; Reconstruction of unused Stove No. 4 in Blast Furnace No.2; Revamping of Blast Furnace No. 3; Rebuilding of Coke Oven Battery No. 6; and Replacement of Central Compressor Plants (CCP-I & CCP-II) by installation of Compressed Air Station at Bokaro Steel Plant.
- Laying of new Steam Pipe Line from Power & Blowing Station No. 2 to Coke Oven Battery No.10; and Installation of 4<sup>th</sup> Stove in Blast Furnace No.5 at IISCO Steel Plant.

Further, out of the above, following projects worth about ₹ 350 crore have been completed during the year 2023-24:

- Modification in Washing Circuit of CSW Plant of Dalli Mines.
- Up-gradation of 6 nos. of ESPs of Lime Kiln at BSL.
- Installation of Treatment System-1 under 'Implementation of ZLD' at RSP.

## I. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the ISO 9001:2015 certified in-house design, engineering and consultancy unit of SAIL caters to prepare investment proposal for the projects required for sustenance, up gradation, modernization of Plants & Units of the Company with measures to reduce carbon footprint and compliance to environmental norms. CET provides consultancy for CAPEX projects across the complete value chain of steel business processes from Mines to Finishing. The major area of competency is in Mine Planning, Development and Capacity Expansion of Mines, Mineral Beneficiation, Loading and Transportation, Iron Ore Pelletisation, Material Handling in the area of Mining; Preparation of Investment Proposals and Design &

Engineering Consultancy for Sinter Plants, Pellet Plants, Blast Furnaces with associated facilities like CDI injection, Stoves, Gas Cleaning Plant, Top Recovery Turbine, Slag Granulation Plant, etc. Steel Melting Shops with associated facilities like Ladle Furnaces, Casters and Thin Slab Casting and Direct Rolling (TSCDR) in the area of Iron & Steel making, Rolling Mills & Reheating Furnaces, Utilities projects like Zero Liquid Discharge Projects, Oxygen Plant, Power Plant, Pollution Control Projects, Refractory Plants, Automation Projects, Electrical Power Supply & Distribution Projects, Infrastructure Projects, and Balance of Plant & Equipment.

CET has competitive edge of working in brown field projects in SAIL Plants and has also successfully carried out green field projects. CET has prepared the (a) Composite Project Feasibility Report for brownfield expansion of DSP from 2.2 Mtpa of Crude Steel to 3.09 Mtpa and (b) Pre-feasibility report for brownfield expansion of BSL from 4.66 Mtpa of Crude Steel to 7.16 Mtpa. CET is also the owners' consultant for expansion of ISP, BSL and DSP.

The current major projects being handled by CET covers many brownfield as well as greenfield projects and include Brown Field Expansion of DSP and RSP; Engagement of MDO at Tasra for Open Cast Coal Mines, and at Taldih for Iron Ore Mines; Mining Plans for development of various mining leases in SAIL Iron ore mines; Up-gradation of OHP-A, BSP; Installation of New Stamp Charged Coke Oven Battery (first such Coke Oven Battery in SAIL) at RSP and ISP along with CDCP units; Rebuilding of Coke Oven Battery at BSL and DSP; Upgradation of Blast Furnace#3 at DSP; Revamping of subsystems of BF-3 at BSL; New Hot Blast Stoves for Blast Furnaces in DSP, BSL, RSP & ISP; New CDI complex with grinding, drying and injection facility for BF-3 & 4 of BSL; Augmentation of CDI in BF-7 at BSP; Installation of TRTs on BFs of RSP and BSP; Installation of 4<sup>th</sup> caster in RSP; Converter shell changing in BSP; Ladle Furnace in BSP & ISP; Installation of New Universal Rail & Structural Mill, BSP; New Bar Mill in DSP; Refurnishing Mill Complex for Rails in Universal Rail Mill of BSP and Head Hardening facility for Rails in BSP; Upgradation of Automation of Finishing Mills and Reheating Furnaces of Hot Strip Mill at BSL; New Product Testing Laboratory for NPM & HSM in RSP; Non-Destructive Testing facilities for wheels in DSP and Long Rails in BSP; Oxygen Plant at DSP, RSP and BSL; Zero Liquid Discharge (ZLD) projects of ISP, DSP and RSP; Power Evacuation Projects at DSP, RSP; Installation of ESP based Area De-dusting of Machine Building (Sinter Band-1, 2 & 3) alongwith Material Distribution Plant (MDP) of Sinter Plant, BSL.

## J. 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 2023-24, 49 R&D projects were completed with substantial benefits to the Company.

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 2023-24, twenty four products have been developed and some of the noteworthy products along with the manufacturing Plant include IS 2062 E450 High Strength Structural (DSP); IS 7904 High Carbon Wire Rod (HC38 to HC80 (BSP); Ultra low Nb slabs for Inter Plant Transfer to SSP, (HR Coils of E350 grade rolled at SSP) (BSP); HSFQ 550 grade & SAILFORMING 410/ 450 (RSP); API X70 HR Coil (RSP); IS15914 HS345 2.2 mm HR Coil (RSP); ASTM A516 Gr. 60/70 HR Coils (RSP); HRC 2.0-2.5 mm in E350 BR and HRC 1.6-1.8 mm in 250BR (RSP); HDG 0.35 mm GSM 80 (BSL); IS 5986 ISH490S > 5 mm (BSL); and IS 2062 E350 ULNb HR Coils (BSL). 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.

The efforts of RDCIS engineers and scientists have culminated in filing of 17 patents and 13 copyrights (in association with SAIL Plants) during 2023-24. As many as 76 technical papers were presented in seminars/symposia/conferences and 65 papers were published in prestigious journals.

## **K. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

In SAIL, Internal Audit is a multi-disciplinary function which reviews, evaluates and appraises various systems,

procedures/policies of the Company and suggests meaningful and useful improvements. It helps Management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance.

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

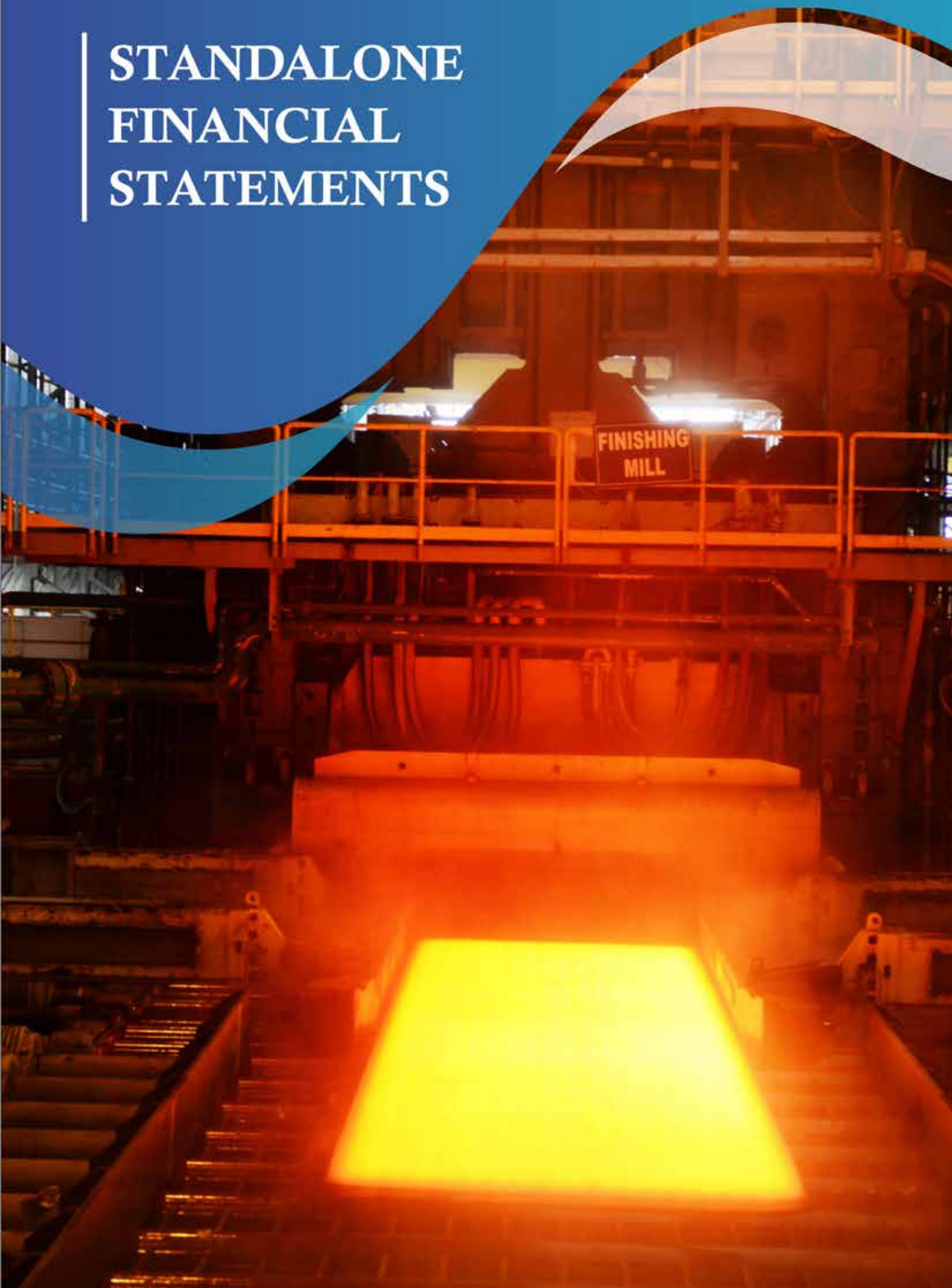
The Internal Audit system is supplemented by well-documented Policies, Guidelines and Procedures and regular reviews are being carried out by the Internal Audit Department. The reports containing Significant Audit Findings along with settlement/updated status are periodically submitted to the Management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

## **CAUTIONARY STATEMENT**

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



# STANDALONE FINANCIAL STATEMENTS





**STEEL AUTHORITY OF INDIA LIMITED**  
**Standalone Balance Sheet**

**As at 31<sup>st</sup> March, 2024**

**(₹ crore)**

|  | Note No. | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |          |                                    |                                    |
| <b>Non-current assets</b>  |          |                                    |                                    |
| (a) Property, plant and equipment  | 4        | 65396.59                           | 67091.46                           |
| (b) Capital work-in-progress   | 5        | 6140.57                            | 4891.36                            |
| (c) Right of use assets  | 4a       | 5521.17                            | 4910.24                            |
| (d) Investment property  | 6        | 0.99                               | 1.03                               |
| (e) Other intangible assets  | 7        | 1488.84                            | 1521.02                            |
| (f) Inventories  | 7a       | 4625.29                            | 4635.29                            |
| (g) Financial assets   |          |                                    |                                    |
| (i) Investments  | 8        | 1694.07                            | 1672.67                            |
| (ii) Trade receivables   | 9        | -                                  | -                                  |
| (iii) Loans  | 10       | 877.30                             | 655.19                             |
| (iv) Other financial assets  | 11       | 444.24                             | 370.01                             |
| (h) Income tax assets (net)  | 13       | 374.70                             | 595.41                             |
| (i) Other non-current assets   | 14       | 3086.55                            | 3612.02                            |
|  |          | <b>89650.31</b>                    | <b>89955.70</b>                    |
| <b>Current Assets</b>  |          |                                    |                                    |
| (a) Inventories  | 15       | 32645.58                           | 27716.27                           |
| (b) Financial assets   |          |                                    |                                    |
| (i) Trade receivables  | 16       | 8308.72                            | 5362.48                            |
| (ii) Cash and cash equivalents   | 17 (i)   | 13.73                              | 6.44                               |
| (iii) Bank balances other than (ii) above  | 17 (ii)  | 527.87                             | 391.51                             |
| (iv) Loans   | 18       | 28.31                              | 35.29                              |
| (v) Other financial assets   | 19       | 1368.66                            | 1229.32                            |
| (c) Income tax assets  |          | 433.11                             | -                                  |
| (d) Other current assets   | 20       | 4541.05                            | 2988.70                            |
|  |          | <b>47867.03</b>                    | <b>37730.01</b>                    |
| Assets classified as held for sale   | 21       | 15.11                              | 29.28                              |
|  |          | <b>137532.45</b>                   | <b>127714.99</b>                   |
| <b>TOTAL ASSETS</b>  |          |                                    |                                    |
| <b>EQUITY AND LIABILITIES</b>  |          |                                    |                                    |
| <b>Equity</b>  |          |                                    |                                    |
| (a) Equity share capital   | 22       | 4130.53                            | 4130.53                            |
| (b) Other equity   | 23       | 50000.01                           | 48008.65                           |
|  |          | <b>54130.54</b>                    | <b>52139.18</b>                    |
| <b>Liabilities</b>   |          |                                    |                                    |
| <b>Non-current liabilities</b>   |          |                                    |                                    |
| (a) Financial liabilities  |          |                                    |                                    |
| (i) Borrowings   | 24       | 9568.21                            | 6112.58                            |
| (ii) Lease liabilities   |          | 5235.24                            | 4737.11                            |
| (iii) 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 |          | -                                  | -                                  |
| (iii) Other financial liabilities  | 26       | 1410.52                            | 1389.66                            |
| (b) Provisions   | 27       | 5723.77                            | 5603.61                            |
| (c) Deferred tax liabilities (net)   | 12       | 6178.20                            | 5747.17                            |
| (d) Other non-current liabilities  | 28       | 1860.49                            | 2680.21                            |
|  |          | <b>29976.43</b>                    | <b>26270.34</b>                    |
| <b>Current liabilities</b>   |          |                                    |                                    |
| (a) Financial liabilities  |          |                                    |                                    |
| (i) Borrowings   | 29       | 21025.11                           | 19549.20                           |
| (ii) Lease liabilities   |          | 486.41                             | 374.50                             |
| (iii) Trade payables   | 30       | -                                  | -                                  |
| (a) total outstanding dues of micro enterprises and small enterprises                      |          | 498.06                             | 448.62                             |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 14834.33                           | 13890.25                           |
| (iii) Other financial liabilities  | 31       | 10517.18                           | 10130.61                           |
| (b) Other current liabilities  | 32       | 4565.19                            | 3533.01                            |
| (c) Provisions   | 33       | 1290.37                            | 1379.28                            |
| (d) Current tax liabilities (net)  | 34       | 208.83                             | -                                  |
|  |          | <b>53425.48</b>                    | <b>49305.47</b>                    |
|  |          | <b>137532.45</b>                   | <b>127714.99</b>                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          |                                    |                                    |
| Material accounting policies   | 3        |                                    |                                    |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

In terms of our report of even date

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024

**STEEL AUTHORITY OF INDIA LIMITED**  
**Standalone Statement of Profit and Loss**
**For the year ended 31<sup>st</sup> March, 2024**

(₹ crore)

|   | Note No. | Year ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2023 |
|---|----------|--|--|
| <b>Income</b>   |          |  |  |
| Revenue from operations   | 35       | <b>105374.59</b>                           | 104447.36                                  |
| Other income  | 36       | <b>1148.06</b>                             | 1354.84                                    |
| <b>Total Income</b>   |          | <b>106522.65</b>                           | <b>105802.20</b>                           |
| <b>Expenses</b>   |          |  |  |
| Cost of materials consumed  | 37       | <b>57618.84</b>                            | 62091.10                                   |
| Changes in inventories of finished goods, work in progress and by-products                  | 38       | <b>(3352.92)</b>                           | (5160.14)                                  |
| Employee benefits expense   | 39       | <b>11747.92</b>                            | 12053.62                                   |
| Finance costs   | 40       | <b>2473.81</b>                             | 2037.47                                    |
| Depreciation and amortisation expense   |          | <b>5277.45</b>                             | 4962.52                                    |
| Other expenses  | 41       | <b>28229.04</b>                            | 27438.71                                   |
| <b>Total expenses</b>   |          | <b>101994.14</b>                           | <b>103423.28</b>                           |
| <b>Profit before Exceptional items and tax</b>  |          | <b>4528.51</b>                             | <b>2378.92</b>                             |
| Add/(Less): Exceptional items   | 41a      | <b>(840.84)</b>                            | 257.99                                     |
| <b>Profit before tax</b>  |          | <b>3687.67</b>                             | <b>2636.91</b>                             |
| <b>Tax expense</b>  |          |  |  |
| Current tax   |          | <b>605.54</b>                              | 118.37                                     |
| Deferred tax  |          | <b>349.02</b>                              | 615.47                                     |
| Total tax expense   |          | <b>954.56</b>                              | 733.84                                     |
| <b>Profit for the year</b>  |          | <b>2733.11</b>                             | <b>1903.07</b>                             |
| <b>Other Comprehensive income</b>   |          |  |  |
| A (i) Items that will not be reclassified to profit or loss                                 |          |  |  |
| Remeasurement of defined benefit plans  |          | <b>(196.62)</b>                            | (633.77)                                   |
| Gain and losses from investments in equity instruments designated at fair value through OCI |          | <b>73.90</b>                               | 66.94                                      |
| (ii) Income tax relating to items that will not be reclassified to profit or loss           |          | <b>0.55</b>                                | 128.22                                     |
| <b>Other Comprehensive Income/(Loss) for the year</b>                                       |          | <b>(122.17)</b>                            | (438.61)                                   |
| <b>Total Comprehensive Income for the year</b>  |          | <b>2610.94</b>                             | <b>1464.46</b>                             |
| <b>Earnings per equity share</b>  |          |  |  |
| Number of equity shares (face value ₹10/- each)   |          | <b>4130525289</b>                          | 4130525289                                 |
| Basic and diluted earnings per share (₹)  | 41b      | <b>6.62</b>                                | 4.61                                       |
| Material accounting policies  | 3        |  |  |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
 Company Secretary  
 M. No. A17770

**[Amarendu Prakash]**  
 Chairman  
 DIN: 08896653

*In terms of our report of even date*
**For Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
 Chartered Accountants  
 Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered  
Accountants LLP**  
 Chartered Accountants  
 Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
 Chartered Accountants  
 Firm Registration No.  
005826C/C400276

**[Nalin Jain]**  
 Partner  
 M. No. 503498

**[Devendra Upadhyay]**  
 Partner  
 M. No. 076727

**[Nilesh Gupta]**  
 Partner  
 M. No. 406020

**[Vinod Kumar Singhal]**  
 Partner  
 M. No. 074391

 Place : New Delhi  
 Dated : May 20, 2024



**STEEL AUTHORITY OF INDIA LIMITED**  
**Standalone Statement of changes in equity**  
**For the year ended 31<sup>st</sup> March, 2024**

**A. Equity Share Capital**

(₹ crore)

| Particulars                         | Balance as at 1 <sup>st</sup> April, 2023 | Changes in equity share capital | Balance as at 31 <sup>st</sup> March, 2024 |
|-------------------------------------|---|---------------------------------|--|
| Equity shares with voting rights    | 4130.42                                   | -                               | 4130.42                                    |
| Equity shares without voting rights | 0.11                                      | -                               | 0.11                                       |
| <b>Total</b>                        | <b>4130.53</b>                            | <b>-</b>                        | <b>4130.53</b>                             |

| Particulars                         | Balance as at 1 <sup>st</sup> April, 2022 | Changes in equity share capital | Balance as at 31 <sup>st</sup> March, 2023 |
|-------------------------------------|---|---------------------------------|--|
| Equity shares with voting rights    | 4130.42                                   | -                               | 4130.42                                    |
| Equity shares without voting rights | 0.11                                      | -                               | 0.11                                       |
| <b>Total</b>                        | <b>4130.53</b>                            | <b>-</b>                        | <b>4130.53</b>                             |

**B. Other Equity**

| Particulars   | Reserves and Surplus |                    |                 |                         |                   | Other comprehensive Income - Reserve                  | Total           |
|---|----------------------|--------------------|-----------------|-------------------------|-------------------|---|-----------------|
|   | Capital Reserve      | Securities Premium | General Reserve | Bond Redemption Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income |                 |
| <b>Balance as at 1<sup>st</sup> April, 2023</b>             | <b>1.75</b>          | <b>235.10</b>      | <b>5095.13</b>  | <b>373.71</b>           | <b>42150.48</b>   | <b>152.48</b>   | <b>48008.65</b> |
| Profit for the year   | -                    | -                  | -               | -                       | 2733.11           | -   | 2733.11         |
| Other comprehensive income/(loss) for the year (net of tax) | -                    | -                  | -               | -                       | (179.16)          | 56.99   | (122.17)        |
| <b>Total comprehensive income for the year</b>              | <b>-</b>             | <b>-</b>           | <b>-</b>        | <b>-</b>                | <b>2553.95</b>    | <b>56.99</b>  | <b>2610.94</b>  |
| Transfer from bond redemption reserve                       | -                    | -                  | -               | (249.93)                | 249.93            | -   | -               |
| Equity dividend   | -                    | -                  | -               | -                       | (619.58)          | -   | (619.58)        |
| <b>Balance as at 31<sup>st</sup> March, 2024</b>            | <b>1.75</b>          | <b>235.10</b>      | <b>5095.13</b>  | <b>123.78</b>           | <b>44334.78</b>   | <b>209.47</b>   | <b>50000.01</b> |
| <b>Balance as at 1<sup>st</sup> April, 2022</b>             | <b>1.75</b>          | <b>235.10</b>      | <b>5095.13</b>  | <b>530.97</b>           | <b>41922.80</b>   | <b>100.86</b>   | <b>47886.61</b> |
| Profit for the year   | -                    | -                  | -               | -                       | 1903.07           | -   | 1903.07         |
| Other comprehensive income/(loss) for the year (net of tax) | -                    | -                  | -               | -                       | (490.23)          | 51.62   | (438.61)        |
| <b>Total comprehensive income for the year</b>              | <b>-</b>             | <b>-</b>           | <b>-</b>        | <b>-</b>                | <b>1412.84</b>    | <b>51.62</b>  | <b>1464.46</b>  |
| Transfer from bond redemption reserve                       | -                    | -                  | -               | (157.26)                | 157.26            | -   | -               |
| Equity dividend   | -                    | -                  | -               | -                       | (1342.42)         | -   | (1342.42)       |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>            | <b>1.75</b>          | <b>235.10</b>      | <b>5095.13</b>  | <b>373.71</b>           | <b>42150.48</b>   | <b>152.48</b>   | <b>48008.65</b> |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

In terms of our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024

**STEEL AUTHORITY OF INDIA LIMITED**  
**Standalone Cash Flow Statement**

(₹ crore)

|  | For the Year ended<br>31 <sup>st</sup> March, 2024 | For the Year ended<br>31 <sup>st</sup> March, 2023 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| <b>Profit before tax</b>   | <b>3687.67</b>                                     | 2636.91  |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortisation expenses   | <b>5277.45</b>                                     | 4953.42  |
| Impairment loss  | -  | 9.10   |
| Gain on disposal of fixed assets (net)   | <b>(130.00)</b>                                    | (49.50)  |
| Interest income  | <b>(306.45)</b>                                    | (282.09)   |
| Dividend income  | <b>(168.81)</b>                                    | (419.64)   |
| Finance costs  | <b>2473.81</b>                                     | 2037.47  |
| Allowance for doubtful debts, loans and advances   | <b>62.90</b>                                       | 115.16   |
| Other allowances   | <b>148.67</b>                                      | 237.64   |
| Unclaimed balances and excess allowances written back  | <b>(328.85)</b>                                    | (403.00)   |
| <b>Operating Profit before working capital changes</b>                                       | <b>10716.39</b>                                    | <b>8835.47</b>                                     |
| <b>Changes in assets and liabilities:</b>  |  |  |
| Trade receivables  | <b>(2979.91)</b>                                   | (724.29)   |
| Loans, other financial assets and other assets   | <b>(1501.21)</b>                                   | (887.67)   |
| Trade payable  | <b>993.52</b>                                      | (2333.67)  |
| Other financial liabilities and other liabilities  | <b>974.11</b>                                      | (1301.58)  |
| Provisions   | <b>(165.37)</b>                                    | (152.37)   |
| Inventories  | <b>(5010.90)</b>                                   | (8422.78)  |
| <b>Cash flow from operating activities post working capital changes</b>                      | <b>3026.63</b>                                     | <b>(4986.89)</b>                                   |
| Income tax paid (net)  | <b>(93.44)</b>                                     | (419.60)   |
| <b>Net cash generated/(used) in operating activities (A)</b>                                 | <b>2933.19</b>                                     | <b>(5406.49)</b>                                   |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |  |
| Purchase of property, plant & equipment (including capital work-in-progress) and intangibles | <b>(4863.09)</b>                                   | (4314.51)  |
| Proceeds from sale/disposal of property, plant & equipment                                   | <b>502.85</b>                                      | 399.55   |
| Movement in fixed deposits (net)   | <b>(280.94)</b>                                    | (20.31)  |
| Interest received  | <b>192.11</b>                                      | 282.09   |
| Dividend received  | <b>168.81</b>                                      | 419.64   |
| <b>Net cash used in investing activities (B)</b>   | <b>(4280.26)</b>                                   | <b>(3233.54)</b>                                   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |  |
| Proceeds from long-term borrowings   | <b>5000.00</b>                                     | -  |
| Repayment of long-term borrowings  | <b>(2494.93)</b>                                   | (1278.57)  |
| Proceeds/(repayment) of short-term borrowings (net)  | <b>2426.47</b>                                     | 13554.70   |
| Lease liabilities  | <b>(801.03)</b>                                    | (267.04)   |
| Finance cost paid  | <b>(2156.57)</b>                                   | (2079.96)  |
| Dividend paid  | <b>(619.58)</b>                                    | (1342.42)  |
| <b>Net cash generated in financing activities (C)</b>  | <b>1354.36</b>                                     | <b>8586.71</b>                                     |
| <b>D. Net change in cash and cash equivalents (A+B+C)</b>                                    | <b>7.29</b>  | (53.32)  |
| <b>Cash and cash equivalents at the beginning of the year</b>                                | <b>6.44</b>  | <b>59.76</b>                                       |
| <b>Cash and cash equivalents at the end of the year*</b>                                     | <b>13.73</b>                                       | <b>6.44</b>  |

\* Includes balance with banks in current accounts, cheques in hand and stamps in hand.  
Borrowings include non cash item on account of foreign exchange loss of ₹ 1.72 crores (previous year - ₹ 18.71 crore).  
The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows.  
The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

In terms of our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants

Firm Registration No.001076N/N500013

**[Nalin Jain]**  
Partner  
M. No. 503498

**For J N Gupta & Co LLP**  
Chartered Accountants

Firm Registration No.006569C/W100892

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**For S P A R K & Associates Chartered  
Accountants LLP**

Chartered Accountants  
Firm Registration No.005313C/C400311

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**For Vinod Singhal & Co LLP**  
Chartered Accountants

Firm Registration No.  
005826C/C400276

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024



## Notes to Standalone Financial Statements for the Year ended 31<sup>st</sup> March, 2024

### 1. Corporate and General Information

Steel Authority of India Limited (hereinafter referred to as "the Company"), a Public Sector Undertaking, is domiciled and incorporated in India. The Company, 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-110003. The securities of the Company are listed on the National Stock Exchange of India Limited, BSE Limited and London Stock Exchange plc.

These standalone financial statements (the 'financial statements') for the year ended 31<sup>st</sup> March, 2024 were approved by the Board of Directors and authorised for issue in their meeting held on 20<sup>th</sup> May, 2024. The Company has also prepared consolidated financial statements for the year ended 31<sup>st</sup> March, 2024 in accordance with Ind AS 110 and the same were also authorised for issue by the Board of Directors on 20<sup>th</sup> May, 2024.

### 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) prescribed under Section 133 of the Companies Act, 2013, read with 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 in accordance with the requirements of the relevant Ind AS:

- certain financial assets and liabilities which are classified at 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, assumptions and judgements

In preparing the financial statements in conformity with Ind AS and company's accounting policies, management is required to make estimates, assumptions and judgements that affect reported amounts of revenues, expenses, assets and liabilities

and the accompanying disclosures as at the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Actual results could differ from those estimates.

#### 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 be sold or consumed in the Company's 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 the Company's 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 only.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

A summary of the material 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

The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as on April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

An item of property, plant and equipment is recognised as an asset if it is probable that future

economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment. Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and impairment losses, if any, The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties, non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

In case of constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

The excess of net sale proceeds of items produced during testing over the cost of testing, if any, shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Spares having useful life of more than one year and having value of ₹ 10 lakh or more in each case, are capitalised under the respective heads as and when available for use. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Capital work-in-progress comprises of assets in the course of construction for production and/ or supply of goods or services or administrative purposes are carried at cost less any recognised impairment loss. At the point when an asset is operating as intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use as intended by the management.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Claims for liquidated damages are accounted for as and when these are considered recoverable by the Company.

In the event that construction is not completed by an agreed upon date, or if the asset does not meet certain performance or other requirements outlined in the contract, certain construction agreements provide for the payment of liquidated damages

by the contractor to the company for the asset under construction. Liquidated damages represent compensation for a reasonable estimate of the companies cost associated with a delay or less than expected performance.

The payments received by the company from the contractor is presumed to be a reduction of the cost of the asset being constructed, to the extent liquidated damages are reimbursements of direct and incremental costs incurred by the company as a result of the contractor's breach is credited to the asset.

In cases other than above, the claim for liquidation damages are credited to statement of profit and loss.

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

### 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 lakh or more of property, plant and equipment is recognised in the carrying amount of the respective 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.

### 3.2 Depreciation

Depreciation on property, plant and equipment 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 asset, as specified in Schedule-II of the Companies Act, 2013 except in case of following category of assets, where useful life is determined by technical experts. The useful life estimated 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.

Freehold land is not depreciated.



The estimated useful lives and residual values of depreciable/ amortisable assets are reviewed at each year end, with the effect of any changes in estimates 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.

### 3.3 Intangible assets

Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

#### Mining Rights

Mining rights are treated as Intangible Assets and all related costs thereof are amortised using the unit of production basis over the commercially recoverable reserves. In case the mining rights are not renewed, the balance related cost paid is charged to revenue in the year of decision of non-renewal.

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

#### Other Intangible Assets

Other intangible assets are amortised on straight-line method over the expected duration of benefits. Software, which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

#### Research and development

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

##### 3.3.1 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.

##### 3.3.2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

##### 3.4 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognised as a component of the mining 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 be incurred to access ore is charged to revenue, based on stripping ratio as per five-year mining plan for mines, except collieries which is based on project report.

##### 3.5 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.

An assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

##### 3.6 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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 and included within borrowing costs. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which these are incurred.

### 3.7 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

The sub-grade iron ore fines and Tailings generated over time at the captive mines of the Company have been considered as inventory w.e.f. 01.04.2019 and 01.04.2020 respectively and were assigned values in the books of accounts considering it as immaterial by-products.

De-silted Tailings (Slime) have been considered as inventory to the extent of % age quantity of iron ore embedded in the Tailings and valued at lower of cost minus beneficiation charges in the year of recognition and net realisable value.

The cost of Iron scrap embedded in BF Slag has been calculated at 75% of the variable cost of Hot Metal minus the cost of extraction of scrap in the year of recognition and valued at lower of cost and net realisable value of the item.

The cost of Steel scrap embedded in LD Slag has been calculated at 75% of the variable cost of Crude Steel minus the cost of extraction of scrap in the year of recognition and valued at lower of cost and net realisable value of the item.

Finished/Semi-finished products Cost of purchase, cost of conversion and other appropriate share of costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

### 3.8 Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply

with the conditions attaching to them and that the grants will be received.

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

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

### 3.9 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. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of reporting period.

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.

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 (Revised) notified by Government of India on 31<sup>st</sup> March, 2009 (as amended on 29<sup>th</sup> December, 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31<sup>st</sup> March, 2016. Accordingly, for foreign currency loans taken before 31<sup>st</sup> March, 2016, for adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31<sup>st</sup> March 2016, exchange differences arising on settlement or translation of long term monetary items are recognised in statement of profit or loss.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the Statement of profit and loss for the period.

### 3.10 Employee Benefits

#### Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions to a separate entity. Payment to



defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions towards Pension Funds are charged to the Statement of Profit and Loss of the period when the contributions to the Funds are due.

#### **Defined Benefit Plan**

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

### **3.11 Revenue Recognition**

The Company manufactures and sells a range of steel and other products.

#### **Sale of Goods**

Sales are net of Goods and Services Tax (GST), rebates and price concessions. Sales are recognised when it satisfies 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. In case of rails supplied to the Indian Railways, sales are accounted for based on the final price approved by the Railway Board. However, in absence of the same, sales are considered on the latest price available with the Company i.e. provisional price approved by the Railway Board, or fair price recommended by the Office of the Chief Advisor-Cost, or price as recommended by the Joint Pricing Committee (JPC).

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 letter of credit of respective contracts, whichever is earlier.

#### **Other Operating Income**

Export incentives under various schemes are recognised as "Other Operating Income" when the right to receive incentives arises and the realisation of the same is considered highly probable.

#### **Other Income**

##### **Interest and dividend income**

Interest income is accrued on a time proportion basis, by reference to the principal amount outstanding and the effective interest rate applicable.

Interest on delayed realization from customers are accounted for, when there is certainty of realisation and can be measured reliably.

Dividend income is recognised when the right to receive dividend is established.

### **3.12 Leases**

At the inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a Lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of Profit & Loss on a straight-line basis over the lease term. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

#### **Company as a Lessor**

##### **Finance leases**

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

##### **Operating leases**

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

#### **3.13 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.

#### **3.14 Mine Closure**

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

#### **3.15 Provisions, Contingent Liabilities and Contingent Assets**

##### **Provisions and Contingent Liabilities**

A Provision is recognised when the Company has present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and 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. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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.

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 and are disclosed only where an inflow of economic benefits is probable.

### 3.16 Income Taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent that the tax relates to the items that are recognised directly in Other Comprehensive Income (OCI) or in equity in which case the related tax is recognised either directly in OCI or equity accordingly.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. The Company offsets current tax assets and current tax liabilities when the legally enforceable right to offset exists and they are intended to be settled net or realised simultaneously.

Deferred income taxes are calculated using the balance sheet liability method/approach. 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 or deductible temporary difference will be utilised against future taxable income. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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.

The Company offsets deferred income tax assets and liabilities when the legally enforceable right to offset current tax assets and liabilities exists and they are intended to be settled or realised simultaneously.

### 3.17 Financial Instruments

#### Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, except for those which are classified at Fair Value through Profit & Loss (FVTPL) at inception, are adjusted with the fair value on initial recognition.

Financial assets are derecognised when the contractual rights to the cash flows from the

financial asset expires, or has been transferred, and the Company has transferred all substantial risks and rewards of ownership. A financial liability (or a part of financial liability) is derecognised when the obligation specified in the contract is extinguished or discharged or 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 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 receivables and most of other receivables fall into this category of financial instruments.

#### Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognised in Statement of Profit and 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.

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 and 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 Statement of Profit and Loss. All derivative financial instruments are accounted for at FVTPL.

#### **Embedded Derivatives**

Some hybrid financial liability contracts contain both derivative and a non-derivative component. In such cases, the derivative component is termed as embedded derivative, with a non-derivative component representing the host financial liability contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract and the contract itself is not measured at FVTPL, the embedded derivative is bifurcated and reported at fair value, with gains and losses recognised in net gains (losses) on financial assets/liabilities at fair value through profit or loss (FVTPL). The host financial liability is accounted for in accordance with the appropriate Ind AS.

#### **Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) **Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) **Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) **Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

#### **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 measured at amortised cost or at fair value through other comprehensive income.

ECL is the weighted average 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**

Trade receivables are recognised initially at fair value based on amounts exchanged and subsequently at amortised cost less any impairment as per Ind AS 109.

#### **Offsetting of financial instruments**

Financial assets and liabilities are offset, with net amount reported in the balance sheet, only 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 both in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

#### **3.18 Investments in subsidiaries, joint ventures, associates and equity Instruments**

Investment in subsidiaries, associate and joint ventures are carried at cost less accumulated impairment, if any in the Company's standalone financial statements in accordance with Ind AS-27, 'Separate Financial Statements'.

Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVTOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### **3.19 Segment reporting**

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets.

The Company has eight operating segments: five integrated steel plants and three alloy steel plants, being separate manufacturing units, have been considered reportable operating 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 has different requirements in terms of technology, raw material 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.

### **3.20 Earnings per share**

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive

### **3.21 Significant Judgements, Assumptions and Estimations in applying Accounting Policies**

#### **3.21.1 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

#### **3.21.2 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 based on current interpretation of scientific and legal data and existing technology, in addition to assumptions about probability and future costs.

#### **3.21.3 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.

#### **3.21.4 Inventories**

The Company estimates the cost of inventories taking into account the most reliable evidence, such as cost of materials and overheads considered attributable to the production of such inventories including actual

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

#### **3.21.5 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.

#### **3.21.6 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.

#### **3.21.7 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.

#### **3.21.8 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.

#### **3.21.9 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 Standalone Financial Statements

### 4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

| Description   | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION/AMORTISATION/IMPAIRMENT |                |                        |            | NET BLOCK                          |                                    |
|---|------------------------------------|------------------------|------------------------|------------------------------------|--|----------------|------------------------|------------|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2023 | Additions /Adjustments | Disposals /Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023               | For the Year   | Disposals /Adjustments | Impairment | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| <b>A. PLANTS, MINES AND OTHERS</b>                              |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| Land  |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| - Freehold land   | 358.42                             | 3.91                   | 0.04                   | 362.29                             | 0.81   | -              | -                      | -          | 0.81                               | 361.48                             |
| Buildings and related equipments                                | 5324.00                            | 32.72                  | (24.43)                | 5381.15                            | 2426.48  | 121.20         | 0.05                   | -          | 2547.63                            | 2833.52                            |
| Plant and machinery   |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| - Steel plant   | 102581.72                          | 2469.64                | 537.69                 | 104513.67                          | 43117.62   | 4197.19        | 273.86                 | -          | 47040.95                           | 57472.72                           |
| - Others  | 3673.64                            | 285.41                 | 54.83                  | 3904.22                            | 2430.41  | 156.67         | 57.44                  | -          | 2529.64                            | 1374.58                            |
| Furniture and fixtures  | 151.57                             | 6.76                   | 0.68                   | 157.65                             | 127.53   | 5.35           | 0.44                   | -          | 132.44                             | 25.21                              |
| Vehicles  | 1611.22                            | 79.78                  | 10.25                  | 1680.75                            | 1118.73  | 75.89          | 5.52                   | -          | 1189.10                            | 491.65                             |
| Office equipments   | 62.91                              | 2.70                   | 2.54                   | 63.07                              | 54.66  | 1.92           | 2.34                   | -          | 54.24                              | 8.83                               |
| Miscellaneous articles  | 439.60                             | 38.67                  | 1.55                   | 476.72                             | 287.98   | 21.50          | 1.38                   | -          | 308.10                             | 168.62                             |
| Roads, bridges & culverts                                       | 554.18                             | 62.30                  | 0.01                   | 616.47                             | 406.52   | 32.22          | -                      | -          | 438.74                             | 177.73                             |
| Water supply & sewerage   | 822.28                             | 108.03                 | (5.93)                 | 936.24                             | 509.36   | 28.34          | 0.37                   | -          | 537.33                             | 398.91                             |
| EDP equipments  | 478.64                             | 59.74                  | 4.77                   | 533.61                             | 409.75   | 19.83          | 10.05                  | -          | 419.53                             | 114.08                             |
| Railway lines and sidings                                       | 1098.69                            | 21.77                  | 7.84                   | 1112.62                            | 377.07   | 34.30          | 0.11                   | -          | 411.26                             | 701.36                             |
| <b>Sub-total 'A'</b>  | <b>117156.87</b>                   | <b>3171.43</b>         | <b>589.84</b>          | <b>119738.46</b>                   | <b>51266.92</b>                                  | <b>4694.41</b> | <b>351.56</b>          | <b>-</b>   | <b>55609.77</b>                    | <b>64128.69</b>                    |
| <b>B. SOCIAL FACILITIES</b>                                     |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| Land  |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| - Freehold land   | 10.89                              | 0.01                   | -                      | 10.90                              | -  | -              | -                      | -          | -                                  | 10.90                              |
| Buildings and related equipments                                | 1149.75                            | 19.60                  | 0.09                   | 1169.26                            | 499.25   | 21.53          | 0.04                   | -          | 520.74                             | 648.52                             |
| Plant and machinery   | 261.79                             | 33.68                  | 2.87                   | 292.60                             | 140.84   | 11.26          | 2.31                   | -          | 149.79                             | 142.81                             |
| Furniture and fixtures  | 29.28                              | 3.49                   | 0.52                   | 32.25                              | 25.00  | 1.32           | 0.29                   | -          | 26.03                              | 6.22                               |
| Vehicles  | 11.93                              | 0.67                   | 0.47                   | 12.13                              | 9.79   | 0.56           | 0.52                   | -          | 9.83                               | 2.30                               |
| Office equipments   | 4.22                               | 1.60                   | 0.01                   | 5.81                               | 3.69   | 0.37           | -                      | -          | 4.06                               | 1.75                               |
| Miscellaneous articles  | 328.72                             | 30.72                  | 7.54                   | 351.90                             | 188.28   | 24.81          | 4.25                   | -          | 208.84                             | 143.06                             |
| Roads, bridges & culverts                                       | 200.09                             | 92.55                  | 7.51                   | 285.13                             | 132.76   | 24.19          | 1.58                   | -          | 155.37                             | 129.76                             |
| Water supply & sewerage   | 313.12                             | 2.90                   | 0.81                   | 315.21                             | 167.41   | 8.26           | 0.48                   | -          | 175.19                             | 140.02                             |
| EDP equipments  | 12.01                              | 0.30                   | 0.36                   | 11.95                              | 10.56  | 0.54           | 0.30                   | -          | 10.80                              | 1.15                               |
| <b>Sub-total 'B'</b>  | <b>2321.80</b>                     | <b>185.52</b>          | <b>20.18</b>           | <b>2487.14</b>                     | <b>1177.58</b>                                   | <b>92.84</b>   | <b>9.77</b>            | <b>-</b>   | <b>1260.65</b>                     | <b>1226.49</b>                     |
| <b>C. Property, plant and equipment retired from active use</b> |                                    |                        |                        |                                    |  |                |                        |            |                                    |                                    |
| <b>Assets retired from active use</b>                           | <b>57.29</b>                       | <b>25.44</b>           | <b>41.32</b>           | <b>41.41</b>                       | <b>-</b>   | <b>-</b>       | <b>-</b>               | <b>-</b>   | <b>-</b>                           | <b>41.41</b>                       |
| <b>Total ('A'+ 'B'+ 'C')</b>                                    | <b>119535.96</b>                   | <b>3382.39</b>         | <b>651.34</b>          | <b>122267.01</b>                   | <b>52444.50</b>                                  | <b>4787.25</b> | <b>361.33</b>          | <b>-</b>   | <b>56870.42</b>                    | <b>65396.59</b>                    |



## Notes to Standalone Financial Statements

### 4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

| Description   | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION/AMORTISATION/IMPAIRMENT |                |                        |               |                                    | NET BLOCK                          |
|---|------------------------------------|------------------------|------------------------|------------------------------------|--|----------------|------------------------|---------------|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2022 | Additions /Adjustments | Disposals /Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022               | For the Year   | Disposals /Adjustments | Impairment    | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. PLANTS, MINES AND OTHERS</b>                              |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| Land  |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| - Freehold land   | 354.30                             | 4.16                   | 0.04                   | 358.42                             | 0.81   | -              | -                      | -             | 0.81                               | 357.61                             |
| - Leasehold land  | 2.16                               | -                      | 2.16                   | -                                  | 0.30   | 0.02           | 0.32                   | -             | -                                  | -                                  |
| Buildings and related equipments                                | 5257.55                            | 67.46                  | 1.01                   | 5324.00                            | 2300.68  | 122.79         | 0.81                   | (3.82)        | 2426.48                            | 2897.52                            |
| Plant and machinery   |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| - Steel plant   | 100625.13                          | 2667.15                | 710.56                 | 102581.72                          | 39568.64   | 3963.83        | 420.13                 | (5.28)        | 43117.62                           | 59464.10                           |
| - Others  | 3453.18                            | 253.56                 | 33.10                  | 3673.64                            | 2323.28  | 136.80         | 29.67                  | -             | 2430.41                            | 1243.23                            |
| Furniture and fixtures  | 147.30                             | 6.59                   | 2.32                   | 151.57                             | 122.61   | 4.94           | 0.02                   | -             | 127.53                             | 24.04                              |
| Vehicles  | 1424.38                            | 196.72                 | 9.88                   | 1611.22                            | 1055.59  | 72.37          | 9.23                   | -             | 1118.73                            | 492.49                             |
| Office equipments   | 61.18                              | 2.08                   | 0.35                   | 62.91                              | 53.32  | 1.65           | 0.31                   | -             | 54.66                              | 8.25                               |
| Miscellaneous articles  | 417.42                             | 24.65                  | 2.47                   | 439.60                             | 273.39   | 18.99          | 4.40                   | -             | 287.98                             | 151.62                             |
| Roads, bridges & culverts                                       | 533.58                             | 20.62                  | 0.02                   | 554.18                             | 376.47   | 30.08          | 0.03                   | -             | 406.52                             | 147.66                             |
| Water supply & sewerage   | 764.52                             | 58.54                  | 0.78                   | 822.28                             | 463.90   | 45.50          | 0.04                   | -             | 509.36                             | 312.92                             |
| EDP equipments  | 452.30                             | 37.65                  | 11.31                  | 478.64                             | 406.13   | 14.08          | 10.46                  | -             | 409.75                             | 68.89                              |
| Railway lines and sidings                                       | 1048.67                            | 50.02                  | -                      | 1098.69                            | 343.75   | 33.31          | (0.01)                 | -             | 377.07                             | 721.62                             |
| <b>Sub-total 'A'</b>  | <b>114541.67</b>                   | <b>3389.20</b>         | <b>774.00</b>          | <b>117156.87</b>                   | <b>47288.87</b>                                  | <b>4444.36</b> | <b>475.41</b>          | <b>(9.10)</b> | <b>51266.92</b>                    | <b>65889.95</b>                    |
| <b>B. SOCIAL FACILITIES</b>                                     |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| Land  |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| - Freehold land   | 10.88                              | 0.01                   | -                      | 10.89                              | -  | -              | -                      | -             | -                                  | 10.89                              |
| Buildings and related equipments                                | 1144.09                            | 5.76                   | 0.10                   | 1149.75                            | 470.76   | 28.91          | 0.42                   | -             | 499.25                             | 650.50                             |
| Plant and machinery   | 200.35                             | 64.02                  | 2.58                   | 261.79                             | 131.72   | 9.31           | 0.19                   | -             | 140.84                             | 120.95                             |
| Furniture and fixtures  | 28.51                              | 0.84                   | 0.07                   | 29.28                              | 24.10  | 0.96           | 0.06                   | -             | 25.00                              | 4.28                               |
| Vehicles  | 10.87                              | 1.19                   | 0.13                   | 11.93                              | 9.68   | 0.23           | 0.12                   | -             | 9.79                               | 2.14                               |
| Office equipments   | 4.13                               | 0.10                   | 0.01                   | 4.22                               | 3.58   | 0.12           | 0.01                   | -             | 3.69                               | 0.53                               |
| Miscellaneous articles  | 272.11                             | 59.32                  | 2.71                   | 328.72                             | 177.43   | 13.36          | 2.51                   | -             | 188.28                             | 140.44                             |
| Roads, bridges & culverts                                       | 167.13                             | 33.25                  | 0.29                   | 200.09                             | 124.80   | 12.91          | 4.95                   | -             | 132.76                             | 67.33                              |
| Water supply & sewerage   | 310.49                             | 2.85                   | 0.22                   | 313.12                             | 160.43   | 7.18           | 0.20                   | -             | 167.41                             | 145.71                             |
| EDP equipments  | 12.19                              | 0.12                   | 0.30                   | 12.01                              | 10.07  | 0.78           | 0.29                   | -             | 10.56                              | 1.45                               |
| <b>Sub-total 'B'</b>  | <b>2160.75</b>                     | <b>167.46</b>          | <b>6.41</b>            | <b>2321.80</b>                     | <b>1112.57</b>                                   | <b>73.76</b>   | <b>8.75</b>            | <b>-</b>      | <b>1177.58</b>                     | <b>1144.22</b>                     |
| <b>C. Property, plant and equipment retired from active use</b> |                                    |                        |                        |                                    |  |                |                        |               |                                    |                                    |
| <b>Assets retired from active use</b>                           | <b>61.74</b>                       | <b>44.47</b>           | <b>48.92</b>           | <b>57.29</b>                       | <b>-</b>   | <b>-</b>       | <b>-</b>               | <b>-</b>      | <b>-</b>                           | <b>57.29</b>                       |
| <b>Total ('A'+ 'B'+ 'C')</b>                                    | <b>116764.16</b>                   | <b>3601.13</b>         | <b>829.33</b>          | <b>119535.96</b>                   | <b>48401.44</b>                                  | <b>4518.12</b> | <b>484.16</b>          | <b>(9.10)</b> | <b>52444.50</b>                    | <b>67091.46</b>                    |



**4: PROPERTY, PLANT AND EQUIPMENT (Contd.)**
**Note : Allocation of Depreciation of PPE, ROU assets, Intangible assets and Investment property**

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
| (a) Charged to Profit & Loss account           | <b>5277.45</b>                        | 4962.52                               |
| (b) Charged to expenditure during construction | -                                     | -                                     |
|  | <b>5277.45</b>                        | 4962.52                               |

**(i) Contractual obligations**

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

**(ii) Land:**

- Includes 61235.48 acres (55854.89 acres as on 31<sup>st</sup> March, 2023) owned/possessed/taken on lease by the Company, in respect of which title lease deeds are pending for registration.
- Includes 32082.45 acres (31397.15 acres as on 31<sup>st</sup> March, 2023) in respect of which title is under dispute.
- 5052.34 acres (8873.81 acres as on 31<sup>st</sup> March, 2023) 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.
- 6062.72 acres (6114.59 acres as on 31<sup>st</sup> March, 2023) given on lease to various agencies/employees/ex-employees.
- Includes 4896.70 acres (4435.60 acres as on 31<sup>st</sup> March, 2023) under unauthorised occupation.
- 8870.84 acres (2371.10 acres as on 31<sup>st</sup> March, 2023) of land which is not in the actual possession, shown as deemed possession.
- ₹ 59.23 crore is lying under deposits, in respect of land already acquired (₹ 56.72 crores as on 31<sup>st</sup> March, 2023) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.
- Vide Notification of acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd. (NHAI) had acquired 34.471 acres freehold land. Also notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009. Matter is subjudice regarding valuation of the said land.
- 525.43 acres land includes 500 acres land granted by Government of Maharashtra under occupancy rights subject to restrictions agreed upon by the company towards payment of unearned increment on the property transfer as per agreed terms.
- Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to ₹ 13.07 crore has been considered in the accounts for the Financial Year ended 31<sup>st</sup> March, 2020. Out of ₹ 13.07, provision @50% amounting to ₹ 6.53 crore has been created for the year ended 31<sup>st</sup> March, 2023.
- ₹ 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:**

- Includes 6536 (7207 as on 31<sup>st</sup> March, 2023), residential quarters/houses under unauthorised occupation.

**(iv) Refer note 48.1 (B)** for title deeds not held in the name of Company.

**4a: RIGHT OF USE ASSETS\***

(₹ crore)

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |               |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|---------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023      | For the Year  | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| Right of use assets | 7093.39                            | 1111.55                | 61.37                  | 8143.57                            | 2183.15                                 | 440.52        | 1.27                   | 2622.40                            | 5521.17                            |
| <b>Sub-total</b>    | <b>7093.39</b>                     | <b>1111.55</b>         | <b>61.37</b>           | <b>8143.57</b>                     | <b>2183.15</b>                          | <b>440.52</b> | <b>1.27</b>            | <b>2622.40</b>                     | <b>5521.17</b>                     |

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |               |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|---------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022      | For the Year  | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| Right of use assets | 5985.00                            | 1480.20                | 371.81                 | 7093.39                            | 2150.96                                 | 399.12        | 366.93                 | 2183.15                            | 4910.24                            |
| <b>Sub-total</b>    | <b>5985.00</b>                     | <b>1480.20</b>         | <b>371.81</b>          | <b>7093.39</b>                     | <b>2150.96</b>                          | <b>399.12</b> | <b>366.93</b>          | <b>2183.15</b>                     | <b>4910.24</b>                     |

\* For detailed disclosures for right of use assets, refer note 49.8.



**5: CAPITAL WORK-IN-PROGRESS\***

(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 |                | As at<br>31 <sup>st</sup> March, 2023 |                |
|---|---------------------------------------|----------------|---------------------------------------|----------------|
| Steel Plants & Units  | <b>5988.82</b>                        |                | 4875.28                               |                |
| Township  | <b>342.76</b>                         |                | 186.87                                |                |
| Ore Mines and Quarries  | <b>243.30</b>                         |                | 210.73                                |                |
|   | <b>6574.88</b>                        |                | 5272.88                               |                |
| Less: Allowances  | <b>469.63</b>                         | <b>6105.25</b> | 428.54                                | 4844.34        |
| Construction stores and spares                                | <b>40.17</b>                          |                | 52.43                                 |                |
| Less: Allowances for non-moving items                         | <b>4.85</b>                           | <b>35.32</b>   | 5.41                                  | 47.02          |
| Expenditure during construction pending allocation (Note 5.1) |                                       | -              |                                       | -              |
|   |                                       | <b>6140.57</b> |                                       | <b>4891.36</b> |

\* Refer note 48.2 for ageing and completion schedule.

**5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION**

|   |               |               |        |        |
|---|---------------|---------------|--------|--------|
| Opening balance (a)   |               | -             |        | 0.22   |
| <b>Expenditure incurred during the year</b>                                       |               |               |        |        |
| <b>Employees' Remuneration &amp; Benefits</b>                                     |               |               |        |        |
| Salaries & Wages  | <b>88.20</b>  |               | 98.11  |        |
| Company's contribution to provident fund  | <b>2.22</b>   |               | 3.50   |        |
| Travel concession   | <b>0.23</b>   |               | 2.00   |        |
| Welfare expenses  | <b>0.42</b>   |               | 0.24   |        |
| Gratuity  | <b>0.50</b>   | <b>91.57</b>  | 0.99   | 104.84 |
| <b>Other expenses</b>   |               |               |        |        |
| Technical consultants' fees & know-how  | <b>6.45</b>   |               | 7.45   |        |
| Power & Fuel  | <b>25.86</b>  |               | 9.53   |        |
| Other expenses  | <b>5.73</b>   |               | 5.02   |        |
| Interest & Finance charges  | <b>183.38</b> | <b>221.42</b> | 211.06 | 233.06 |
|   |               | <b>312.99</b> |        | 337.90 |
| <b>Less: Recoveries</b>   |               |               |        |        |
| Hire charges  |               |               |        |        |
| Sundries  | <b>0.17</b>   | <b>0.17</b>   | 0.37   | 0.37   |
| <b>Net expenditure during the year (b)</b>  |               | <b>312.82</b> |        | 337.53 |
| <b>Total (a)+(b)</b>  |               | <b>312.82</b> |        | 337.75 |
| Less : Amount allocated to Property, plant and equipment/Capital Work-in-progress |               | <b>312.82</b> |        | 337.75 |
| <b>Balance carried forward</b>  |               | -             |        | -      |

**6: INVESTMENT PROPERTY**

(₹ crore)

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |              |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023      | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| <b>A. BUILDINGS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Buildings           | 2.06                               | -                      | -                      | 2.06                               | 1.03                                    | 0.04         | -                      | 1.07                               | 0.99                               |
| <b>Total</b>        | <b>2.06</b>                        | <b>-</b>               | <b>-</b>               | <b>2.06</b>                        | <b>1.03</b>                             | <b>0.04</b>  | <b>-</b>               | <b>1.07</b>                        | <b>0.99</b>                        |

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |              |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022      | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. BUILDINGS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Buildings           | 2.06                               | -                      | -                      | 2.06                               | 1.00                                    | 0.03         | -                      | 1.03                               | 1.03                               |
| <b>Total</b>        | <b>2.06</b>                        | <b>-</b>               | <b>-</b>               | <b>2.06</b>                        | <b>1.00</b>                             | <b>0.03</b>  | <b>-</b>               | <b>1.03</b>                        | <b>1.03</b>                        |

**(i) Contractual obligations**

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

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

(₹ crore)

|  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| Rental income  | <b>1.83</b>                        | 1.77                               |
| Direct operating expenses that generated rental income*          | -                                  | -                                  |
| Direct operating expenses that did not generate rental income*   | -                                  | -                                  |
| Profit from leasing of investment properties before depreciation | <b>1.83</b>                        | 1.77                               |
| Depreciation   | <b>0.04</b>                        | 0.03                               |
| <b>Profit from leasing of investment properties</b>              | <b>1.79</b>                        | 1.74                               |

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

**(iii) Leasing arrangements**

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

(₹ crore)

|  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| Within one year                                | <b>1.22</b>                        | 1.14                               |
| Later than one year but not later than 5 years | <b>0.61</b>                        | 1.21                               |
| Later than 5 years                             | -                                  | -                                  |
|  | <b>1.83</b>                        | 2.35                               |

**(iv) Fair value**

Fair value of Investment Properties as on 31<sup>st</sup> March, 2024 is ₹ 20.60 crore (₹ 19.12 crore as on 31<sup>st</sup> March, 2023).

**(v) Estimation of fair value**

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

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



**7: OTHER INTANGIBLE ASSETS**

(₹ crore)

| Description                          | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION /AMORTISATION** |              |                        |                                    | NET BLOCK                          |
|--------------------------------------|------------------------------------|------------------------|------------------------|------------------------------------|--|--------------|------------------------|------------------------------------|------------------------------------|
|                                      | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023       | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| <b>A. PLANTS, MINES &amp; OTHERS</b> |                                    |                        |                        |                                    |  |              |                        |                                    |                                    |
| Computer Software*                   | 126.47                             | 9.65                   | 0.04                   | 136.08                             | 116.01                                   | 6.81         | 0.51                   | 122.31                             | 13.77                              |
| Mining Rights                        | 2015.40                            | 27.57                  | 24.36                  | 2018.61                            | 504.87                                   | 42.77        | 1.15                   | 546.49                             | 1472.12                            |
| <b>Sub-total 'A'</b>                 | <b>2141.87</b>                     | <b>37.22</b>           | <b>24.40</b>           | <b>2154.69</b>                     | <b>620.88</b>                            | <b>49.58</b> | <b>1.66</b>            | <b>668.80</b>                      | <b>1485.89</b>                     |
| <b>B. SOCIAL FACILITIES</b>          |                                    |                        |                        |                                    |  |              |                        |                                    |                                    |
| Computer Software*                   | 0.49                               | 2.98                   | -                      | 3.47                               | 0.46                                     | 0.06         | -                      | 0.52                               | 2.95                               |
| <b>Sub-total 'B'</b>                 | <b>0.49</b>                        | <b>2.98</b>            | <b>-</b>               | <b>3.47</b>                        | <b>0.46</b>                              | <b>0.06</b>  | <b>-</b>               | <b>0.52</b>                        | <b>2.95</b>                        |
| <b>Total ('A'+ 'B')</b>              | <b>2142.36</b>                     | <b>40.20</b>           | <b>24.40</b>           | <b>2158.16</b>                     | <b>621.34</b>                            | <b>49.64</b> | <b>1.66</b>            | <b>669.32</b>                      | <b>1488.84</b>                     |

| Description                          | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION /AMORTISATION** |              |                        |                                    | NET BLOCK                          |
|--------------------------------------|------------------------------------|------------------------|------------------------|------------------------------------|--|--------------|------------------------|------------------------------------|------------------------------------|
|                                      | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022       | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. PLANTS, MINES &amp; OTHERS</b> |                                    |                        |                        |                                    |  |              |                        |                                    |                                    |
| Computer Software*                   | 122.28                             | 4.58                   | 0.39                   | 126.47                             | 111.24                                   | 5.16         | 0.39                   | 116.01                             | 10.46                              |
| Mining Rights                        | 1913.06                            | 102.34                 | -                      | 2015.40                            | 464.80                                   | 40.07        | -                      | 504.87                             | 1510.53                            |
| <b>Sub-total 'A'</b>                 | <b>2035.34</b>                     | <b>106.92</b>          | <b>0.39</b>            | <b>2141.87</b>                     | <b>576.04</b>                            | <b>45.23</b> | <b>0.39</b>            | <b>620.88</b>                      | <b>1520.99</b>                     |
| <b>B. SOCIAL FACILITIES</b>          |                                    |                        |                        |                                    |  |              |                        |                                    |                                    |
| Computer Software*                   | 0.49                               | -                      | -                      | 0.49                               | 0.44                                     | 0.02         | -                      | 0.46                               | 0.03                               |
| <b>Sub-total 'B'</b>                 | <b>0.49</b>                        | <b>-</b>               | <b>-</b>               | <b>0.49</b>                        | <b>0.44</b>                              | <b>0.02</b>  | <b>-</b>               | <b>0.46</b>                        | <b>0.03</b>                        |
| <b>Total ('A'+ 'B')</b>              | <b>2035.83</b>                     | <b>106.92</b>          | <b>0.39</b>            | <b>2142.36</b>                     | <b>576.48</b>                            | <b>45.25</b> | <b>0.39</b>            | <b>621.34</b>                      | <b>1521.02</b>                     |

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

\*\*All amortisation charges are included within depreciation and amortisation expenses.

**7a: INVENTORIES NON-CURRENT**

(₹ crore)

|  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| Stores & Spares                        | -                                  | -                                  |
| <b>Raw Material</b>                    |                                    |                                    |
| Slime                                  | 305.16                             | 276.39                             |
| Others                                 | -                                  | 305.16                             |
| <b>Others - By product</b>             |                                    |                                    |
| Iron ore fines (sub-grade)             | 3878.05                            | 3914.55                            |
| <b>Finished/Semi-finished products</b> |                                    |                                    |
| Slag dump (embedded scrap)*            | 442.08                             | 4358.90                            |
|  | <b>4625.29</b>                     | <b>4635.29</b>                     |

\* Includes manganese slag of 0.53 MT (previous year-0.46 MT) valuing ₹35.66 crore (previous year-₹34.99 crore).

**8 : INVESTMENTS - NON CURRENT**

(₹ crore)

|  | No. of Shares                         |                                       | Amount                                |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
| <b>Investments carried at cost in equity shares</b>                                  |                                       |                                       |                                       |                                       |
| <b>In Subsidiaries (unquoted)</b>  |                                       |                                       |                                       |                                       |
| SAIL Refractory Company Limited  | 100000                                | 100000                                | 0.05                                  | 0.05                                  |
| Chattisgarh Mega Steel Limited   | 37000                                 | 37000                                 | 0.04                                  | 0.04                                  |
|  |                                       |                                       | <b>0.09</b>                           | <b>0.09</b>                           |
| <b>In Associates (unquoted)</b>  |                                       |                                       |                                       |                                       |
| Almora Magnesite Limited (Face value- ₹ 100/share)                                   | 40000                                 | 40000                                 | 0.40                                  | 0.40                                  |
|  |                                       |                                       | <b>0.40</b>                           | <b>0.40</b>                           |
| <b>In Joint ventures (unquoted)</b>  |                                       |                                       |                                       |                                       |
| NTPC- SAIL Power Company Limited   | 490250050                             | 490250050                             | 490.25                                | 490.25                                |
| Bokaro Power Supply Company Pvt Limited  | 124025000                             | 124025000                             | 124.03                                | 124.03                                |
| Bhilai Jaypee Cement Limited   | 98718048                              | 98718048                              | 52.51                                 | 52.51                                 |
| SAIL-Bansal Service Centre Limited   | 3200000                               | 3200000                               | 3.20                                  | 3.20                                  |
| mjunction services limited   | 4000000                               | 4000000                               | 4.00                                  | 4.00                                  |
| International Coal Ventures Pvt. Ltd.  | 698371832                             | 698371832                             | 698.37                                | 698.37                                |
| SAIL-SCL Kerala Ltd.#  | 13017801                              | 13017801                              | 18.75                                 | 18.75                                 |
| SAIL RITES Bengal Wagon Industry Pvt. Ltd.   | 24000000                              | 24000000                              | 24.00                                 | 24.00                                 |
| SAIL-KOBE Iron India Pvt. Ltd.   | 250000                                | 250000                                | 0.25                                  | 0.25                                  |
| Prime Gold -SAIL JVC Ltd.  | 4680000                               | 4680000                               | 4.68                                  | 4.68                                  |
| Romelt SAIL (India) Limited  | 63000                                 | 63000                                 | 0.06                                  | 0.06                                  |
| Bastar Railway Pvt Ltd   | 35232600                              | 35232600                              | 35.23                                 | 35.23                                 |
| VSL-SAIL JVC LIMITED   | 1297780                               | 1297780                               | 1.30                                  | 1.30                                  |
| GEDCOL SAIL Power Corporation Limited  | 2600000                               | 2600000                               | 2.60                                  | 2.60                                  |
|  |                                       |                                       | <b>1459.23</b>                        | <b>1459.23</b>                        |
| <b>Total (A)</b>   |                                       |                                       | <b>1459.72</b>                        | <b>1459.72</b>                        |
| <b>Investments carried at fair value through other comprehensive income</b>          |                                       |                                       |                                       |                                       |
| <b>Unquoted equity</b>   |                                       |                                       |                                       |                                       |
| TRL Krosaki Refractories Limited   | 2203150                               | 2203150                               | 97.32                                 | 76.87                                 |
| Indian Potash Limited  | 720000                                | 720000                                | 207.46                                | 154.24                                |
| Haridaspur Paradeep Railway Co Ltd   | 5000000                               | 5000000                               | 5.55                                  | 5.31                                  |
| Cement & Allied Products (Bihar) Limited   | 2                                     | 2                                     | -                                     | -                                     |
| Chemical & Fertilizer Corporation (Bihar) Limited                                    | 1                                     | 1                                     | -                                     | -                                     |
| Bhilai Power Supply Company Limited  | 5                                     | 5                                     | -                                     | -                                     |
| IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)#                     | 3000000                               | 3000000                               | 3.00                                  | 3.00                                  |
| UEC SAIL Information Technology Limited*   | 180000                                | 180000                                | 0.18                                  | 0.18                                  |
| Bihar State Finance Corporation (Face value ₹ 100/share)                             | 500                                   | 500                                   | 0.01                                  | 0.01                                  |
|  |                                       |                                       | 313.52                                | 239.61                                |
| <b>In Co-operative society</b>   |                                       |                                       |                                       |                                       |
| Bokaro Steel Employees' Co-operative Credit Society                                  | 116500                                | 116500                                | 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)                  | 1377                                  | 1377                                  | 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)                 | 23000                                 | 23000                                 | 0.05                                  | 0.05                                  |
|  |                                       |                                       | <b>0.18</b>                           | <b>0.18</b>                           |
| <b>Total (B)</b>   |                                       |                                       | <b>313.70</b>                         | <b>239.79</b>                         |
| <b>Grand total (A+B)</b>   |                                       |                                       | <b>1773.42</b>                        | <b>1699.51</b>                        |
| Allowance for impairment in the value of investments                                 |                                       |                                       | 79.35                                 | 26.84                                 |
| <b>Net investment</b>  |                                       |                                       | 1694.07                               | 1672.67                               |
| Aggregate amount of unquoted investments   |                                       |                                       | 1773.42                               | 1699.51                               |
| Aggregate amount of impairment in value of investments                               |                                       |                                       | 79.35                                 | 26.84                                 |
|  |                                       |                                       | <b>1694.07</b>                        | <b>1672.67</b>                        |

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 Company.



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 |               | As at<br>31 <sup>st</sup> March, 2023 |       |
|--|---------------------------------------|---------------|---------------------------------------|-------|
| <b>9: TRADE RECEIVABLES - NON CURRENT*</b> |                                       |               |                                       |       |
| Considered good - Secured                  |                                       | -             |                                       | -     |
| Considered good - Unsecured                |                                       | -             |                                       | -     |
| Trade receivables - credit impaired        |                                       | <b>132.59</b> |                                       | 16.94 |
|  |                                       | <b>132.59</b> |                                       | 16.94 |
| Less: Allowance for credit losses          |                                       | <b>132.59</b> |                                       | 16.94 |
|  |                                       | -             |                                       | -     |

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

#### 10: LOANS - NON CURRENT\*

##### Considered good - Unsecured

|                                   |               |               |        |               |
|-----------------------------------|---------------|---------------|--------|---------------|
| Loan to employees                 | <b>25.09</b>  |               | 34.05  |               |
| Loan to others**                  | <b>854.06</b> | <b>879.15</b> | 621.16 | 655.21        |
|                                   |               | <b>879.15</b> |        | 655.21        |
| Less: Allowance for credit losses |               | <b>1.85</b>   |        | 0.02          |
|                                   |               | <b>877.30</b> |        | <b>655.19</b> |

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

\*\* Given to Indian Railways on account of construction of rowghat railway line.

The exposure to financial risks and fair value measurement related to these financial instruments is described in note 43.

#### 11: OTHER FINANCIAL ASSETS - NON CURRENT

|  |              |               |       |               |
|--|--------------|---------------|-------|---------------|
| Security deposits  |              | <b>261.99</b> |       | 228.71        |
| Claims recoverable   |              | <b>10.31</b>  |       | 10.36         |
| Receivables other than trade                                     |              | <b>68.37</b>  |       | 68.14         |
| Lease equalisation reserve                                       |              | <b>1.34</b>   |       | 1.44          |
| Receivables from employees                                       |              | <b>1.33</b>   |       | 1.31          |
| Other receivables*   |              | <b>96.80</b>  |       | 94.64         |
| Loans and advances to related parties (refer note 51.2)          | <b>14.05</b> |               | 14.05 |               |
| Less: Allowance for doubtful related party advances              | <b>14.05</b> | -             | 14.05 | -             |
| <b>Earmarked Balances</b>  |              |               |       |               |
| Fixed deposits with original maturity period more than 12 months |              | <b>51.58</b>  |       | 10.78         |
|  |              | <b>491.72</b> |       | 415.38        |
| Less: Allowance for doubtful assets                              |              | <b>47.48</b>  |       | 45.37         |
|  |              | <b>444.24</b> |       | <b>370.01</b> |

\* Deposit with electricity Company and revenue receivable from outsiders for township dues.

The exposure to financial risks and fair value measurement related to these financial instruments is described in note 43.

#### 12 : DEFERRED TAX LIABILITIES (NET)

##### Tax effect of items constituting deferred tax liabilities

|   |                |                |         |         |
|---|----------------|----------------|---------|---------|
| Related to property, plant and equipment        | <b>8366.64</b> |                | 8047.67 |         |
| Fair value adjustment of investment through OCI | <b>69.51</b>   | <b>8436.15</b> | 52.61   | 8100.28 |

##### Tax effect of items constituting deferred tax assets

|                                       |                |                |         |                |
|---------------------------------------|----------------|----------------|---------|----------------|
| Amount deductible on payment basis    | <b>1268.55</b> |                | 1274.02 |                |
| Others                                | <b>989.40</b>  | <b>2257.95</b> | 1079.09 | 2353.11        |
| <b>Deferred tax liabilities (net)</b> |                | <b>6178.20</b> |         | <b>5747.17</b> |

**12 : DEFERRED TAX LIABILITIES (NET) (Contd...)**

Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2024 are summarised as follows:

(₹ crore)

| Deferred tax liabilities (net)                                   | As at<br>31 <sup>st</sup> March, 2023 | Recognised in<br>Profit and Loss | Recognised<br>in Other<br>comprehensive<br>income | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|----------------------------------|---|---------------------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                       |                                  |   |                                       |
| Related to propoerty, plant and equipment                        | 8047.67                               | 318.97                           | -   | 8366.64                               |
| Fair value adjustment of investment through OCI                  | 52.61                                 | -                                | 16.90   | 69.51                                 |
|  | <b>8100.28</b>                        | <b>318.97</b>                    | <b>16.90</b>                                      | <b>8436.15</b>                        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                       |                                  |   |                                       |
| Amount deductible on payment basis                               | 1274.02                               | (5.47)                           | -   | 1268.55                               |
| Others   | 1079.09                               | (107.14)                         | 17.45   | 989.40                                |
|  | <b>2353.11</b>                        | <b>(112.61)</b>                  | <b>17.45</b>                                      | <b>2257.95</b>                        |
| <b>Deferred tax liabilities (net)</b>                            | <b>5747.17</b>                        | <b>431.58*</b>                   | <b>(0.55)</b>                                     | <b>6178.20</b>                        |

\* This amount includes tax impact of earlier years amounting to ₹ 82.56 crore. Net amount recognised in profit and loss is ₹ 349.02 crore.

Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2023 are summarised as follows:

(₹ crore)

| Deferred tax liabilities (net)                                   | As at<br>31 <sup>st</sup> March, 2022 | Recognised in<br>Profit and Loss | Recognised<br>in Other<br>comprehensive<br>income | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|----------------------------------|---|---------------------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                       |                                  |   |                                       |
| Related to propoerty, plant and equipment                        | 7471.62                               | 576.05                           | -   | 8047.67                               |
| Fair value adjustment of investment through OCI                  | 37.29                                 | -                                | 15.32   | 52.61                                 |
|  | <b>7508.91</b>                        | <b>576.05</b>                    | <b>15.32</b>                                      | <b>8100.28</b>                        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                       |                                  |   |                                       |
| Amount deductible on payment basis                               | 1238.04                               | 35.98                            | -   | 1274.02                               |
| Losses available for offsetting against future taxable income    | 133.24                                | (133.24)                         | -   | -                                     |
| Others   | 877.70                                | 57.84                            | 143.54  | 1079.09                               |
|  | <b>2248.98</b>                        | <b>(39.42)</b>                   | <b>143.54</b>                                     | <b>2353.11</b>                        |
| <b>Deferred tax liabilities (net)</b>                            | <b>5259.93</b>                        | <b>615.47</b>                    | <b>(128.22)</b>                                   | <b>5747.17</b>                        |

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**13: CURRENT TAX ASSETS (NET)**
**Current tax assets**

|  |               |        |
|--|---------------|--------|
| Advance income tax (net of allowances) | <b>374.70</b> | 595.41 |
|  | <b>374.70</b> | 595.41 |

**14: OTHER ASSETS - NON CURRENT**

|   |                |                |
|---|----------------|----------------|
| Advance to contractors & suppliers            | <b>64.92</b>   | 61.83          |
| Deposit with Government authorities*          | <b>3008.56</b> | 3570.59        |
| Prepaid expenses                              | <b>14.86</b>   | 21.48          |
| Capital advances                              | <b>238.38</b>  | 132.85         |
| Less: Allowance for doubtful capital advances | <b>5.02</b>    | 127.51         |
|   | <b>3321.70</b> | 3781.41        |
| Less: Allowance for doubtful other assets     | <b>235.15</b>  | 169.39         |
|   | <b>3086.55</b> | <b>3612.02</b> |

\* Includes entry tax and arbitration cases.



(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 |                 | As at<br>31 <sup>st</sup> March, 2023 |                 |
|---|---------------------------------------|-----------------|---------------------------------------|-----------------|
| <b>15: INVENTORIES*</b>                       |                                       |                 |                                       |                 |
| <b>Stores &amp; spares</b>                    |                                       |                 |                                       |                 |
| Production                                    | 4022.46                               |                 | 3515.87                               |                 |
| Fuel Stores                                   | 214.34                                |                 | 138.17                                |                 |
| Others  | 32.17                                 |                 | 30.74                                 |                 |
|   | <u>4268.97</u>                        |                 | <u>3684.78</u>                        |                 |
| Add: In-transit                               | 239.97                                |                 | 247.07                                |                 |
|   | <u>4508.94</u>                        |                 | <u>3931.85</u>                        |                 |
| Less: Allowance for non moving/obsolete items | 295.01                                | 4213.93         | 281.81                                | 3650.04         |
| <b>Raw Material</b>                           |                                       |                 |                                       |                 |
| Raw material**                                | 7673.38                               |                 | 6987.60                               |                 |
| Add: In-transit                               | 5050.57                               |                 | 4764.16                               |                 |
|   | <u>12723.95</u>                       |                 | <u>11751.76</u>                       |                 |
| Less: Allowance for unusable materials        | 13.49                                 | 12710.46        | 15.03                                 | 11736.73        |
| <b>Finished/Semi-finished products</b>        |                                       |                 |                                       |                 |
| Finished goods***                             | 11292.02                              |                 | 8162.22                               |                 |
| Work in progress                              | 4195.80                               | 15487.82        | 3899.83                               | 12062.05        |
| <b>Others - By-products (sub-grade fines)</b> |                                       |                 |                                       |                 |
|   |                                       | 233.37          |                                       | 267.45          |
|   |                                       | <u>32645.58</u> |                                       | <u>27716.27</u> |

\*Valued as per accounting policy No. 3.8

\*\*Includes inventories of slime of ₹ 29.34 crore (previous year - ₹ 29.34 crore).

\*\*\*Includes inventories of iron and steel scrap embedded in slag dumps of ₹ 43.42 crore (previous year - ₹ 50.99 crore).

\*\*\*Includes manganese slag of 0.06 MT (previous year-0.06 MT) valuing ₹ 6.69 crore (previous year - ₹ 6.57 crore).

**16: TRADE RECEIVABLES - CURRENT\***

**Unsecured**

|                                    |                |  |                |  |
|------------------------------------|----------------|--|----------------|--|
| Considered good                    | 8308.72        |  | 5362.48        |  |
| Credit impaired                    | 275.30         |  | 302.18         |  |
|                                    | <u>8584.02</u> |  | <u>5664.66</u> |  |
| Allowance for doubtful receivables | 275.30         |  | 302.18         |  |
|                                    | <u>8308.72</u> |  | <u>5362.48</u> |  |

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

\* Refer note 43 and 48.4(B) - Financial instruments for assessment of expected credit losses and ageing schedule.

**17 (i): CASH AND CASH EQUIVALENTS**

|  |       |              |      |             |
|--|-------|--------------|------|-------------|
| Cash and stamps on hand  | 0.11  |              | 0.26 |             |
| Cheques in hand  | 11.55 |              | 3.93 |             |
| <b>Balance with Banks</b>  |       |              |      |             |
| Current accounts   | 2.07  |              | 1.47 |             |
| Term deposits with original maturity upto 3 months                     | -     |              | 0.51 |             |
| Term deposits as per court orders with original maturity upto 3 months | -     | 2.07         | 0.27 | 2.25        |
|  |       | <u>13.73</u> |      | <u>6.44</u> |



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 |  | As at<br>31 <sup>st</sup> March, 2023 |  |
|--|---------------------------------------|--|---------------------------------------|--|
|--|---------------------------------------|--|---------------------------------------|--|

**17 (ii): BANK BALANCES OTHER THAN 17 (i) ABOVE**
**Earmarked bank balances**

|   |        |               |        |               |
|---|--------|---------------|--------|---------------|
| Term Deposits as per court orders                 | 441.34 |               | 197.56 |               |
| Term Deposits under Bank Lien/pledge against loan | -      |               | 7.01   |               |
| Earmarked Term Deposits                           | 34.59  | 475.93        | 33.36  | 237.93        |
| Unpaid dividend accounts                          |        | 17.62         |        | 9.00          |
| Unspent corporate social responsibility balance   |        | 34.32         |        | -             |
| Dividend account                                  |        | -             |        | 144.58        |
|   |        | <b>527.87</b> |        | <b>391.51</b> |

**18: LOANS - CURRENT\***
**Considered good - Unsecured**

|                                   |       |              |       |              |
|-----------------------------------|-------|--------------|-------|--------------|
| Loan to employees                 | 29.06 |              | 36.02 |              |
| Loan to others                    | 1.10  | 30.16        | 1.12  | 37.14        |
|                                   |       | <b>30.16</b> |       | <b>37.14</b> |
| Less: Allowance for credit losses |       | 1.85         |       | 1.85         |
|                                   |       | <b>28.31</b> |       | <b>35.29</b> |

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

**19: OTHER FINANCIAL ASSETS - CURRENT**

|  |       |                |       |                |
|--|-------|----------------|-------|----------------|
| Security deposits                      |       | 17.87          |       | 15.84          |
| Claims recoverable                     |       | 787.20         |       | 839.33         |
| Receivable - others*                   |       | 489.01         |       | 473.07         |
| Receivables from employees             |       | 17.65          |       | 18.72          |
| Amount recoverable from Gratuity Trust |       | 452.41         |       | 212.93         |
| Advances to related parties            | 71.22 |                | 80.61 |                |
| Less: Allowance for doubtful advances  | 7.27  | 63.95          | 7.27  | 73.34          |
|  |       | <b>1828.09</b> |       | <b>1633.23</b> |
| Less: Allowance for doubtful assets    |       | 459.43         |       | 403.91         |
|  |       | <b>1368.66</b> |       | <b>1229.32</b> |

\* Includes rent, electricity, hospital and water charges etc., receivable from employees and outsiders.

**20: OTHER ASSETS - CURRENT**

|   |         |                |        |                |
|---|---------|----------------|--------|----------------|
| Gold coins in hand                        |         | 0.14           |        | 0.14           |
| Advances to contractors & suppliers       | 676.79  |                | 578.56 |                |
| Advance others*                           | 2923.93 | 3600.72        | 1991.4 | 2569.96        |
| Deposit with Government authorities       |         | 57.58          |        | 23.46          |
| Deposits - GST                            |         | 1.43           |        | 1.18           |
| GST receivable-input service              |         | 5.16           |        | 3.74           |
| GST receivable                            |         | 716.36         |        | 337.77         |
| TDS deducted by customers on GST          |         | 0.16           |        | 0.05           |
| Prepaid expenses                          |         | 75.20          |        | 76.57          |
| Claims receivable                         |         | 75.61          |        | 134.40         |
| Export incentive receivables              |         | 37.53          |        | 42.79          |
|   |         | <b>4569.89</b> |        | <b>3190.06</b> |
| Less: Allowance for doubtful other assets |         | 28.84          |        | 201.36         |
|   |         | <b>4541.05</b> |        | <b>2988.70</b> |

\*Includes advance to DVC, Royalty and Government Departments etc.



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

## 21: ASSETS CLASSIFIED AS HELD FOR SALE

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Assets classified as held for sale | 15.11        | 29.28        |
|                                    | <b>15.11</b> | <b>29.28</b> |

- (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.

## 22: EQUITY SHARE CAPITAL

### Authorised capital

Equity shares of ₹ 10 each

|   |         |         |
|---|---------|---------|
| (5000000000 equity shares of ₹ 10 each) | 5000.00 | 5000.00 |
|---|---------|---------|

### Issued and subscribed capital & fully paid-up

|   |         |         |
|---|---------|---------|
| (4130525289 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<br>31 <sup>st</sup> March, 2024 |                     | As at<br>31 <sup>st</sup> March, 2023 |                     |
|---|---------------------------------------|---------------------|---------------------------------------|---------------------|
|   | Numbers                               | Amount (₹ in crore) | Numbers                               | Amount (₹ in crore) |
| <b>Equity shares with voting rights</b>                       |                                       |                     |                                       |                     |
| Balance at the beginning of the year                          | 4130414299                            | 4130.42             | 4130414299                            | 4130.42             |
| Shares converted to shares with voting rights during the year | -                                     | -                   | -                                     | -                   |
| Shares bought back during the year                            | -                                     | -                   | -                                     | -                   |
| <b>Balance at the end of the year#</b>                        | <b>4130414299</b>                     | <b>4130.42</b>      | <b>4130414299</b>                     | <b>4130.42</b>      |
| <b>Equity shares without voting rights*</b>                   |                                       |                     |                                       |                     |
| Balance at the beginning of the year                          | 110990                                | 0.11                | 110990                                | 0.11                |
| Shares Issued during the year                                 | -                                     | -                   | -                                     | -                   |
| Shares converted to shares with voting rights during the year | -                                     | -                   | -                                     | -                   |
| Balance at the end of the year                                | <b>110990</b>                         | <b>0.11</b>         | <b>110990</b>                         | <b>0.11</b>         |
| <b>Total Equity shares outstanding at the of the year</b>     | <b>4130525289</b>                     | <b>4130.53</b>      | <b>4130525289</b>                     | <b>4130.53</b>      |

- i) \*Represented by current holding of 110990 shares in Global Depository Receipt (GDR) issued in 1996 @ US \$ 29.55 each for an aggregate amount of US \$ 125 million.
- ii) #Includes 4187222 shares (previous year 4193693 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<br>31 <sup>st</sup> March, 2024 |              | As at<br>31 <sup>st</sup> March, 2023 |              |
|---------------------|---------------------------------------|--------------|---------------------------------------|--------------|
|                     | Number of Shares held                 | % of Holding | Number of Shares held                 | % of Holding |
| President of India  | 2684714550                            | 65.00        | 2684714550                            | 65.00        |
| LIC of India        | 350544700                             | 8.49         | 286403775                             | 6.93         |

### (vi) Details of shares held by Promoters at the end of the year.

| Name of Promoter   | As at<br>31 <sup>st</sup> March, 2024 |              | As at<br>31 <sup>st</sup> March, 2023 |              | % change during the year |
|--------------------|---------------------------------------|--------------|---------------------------------------|--------------|--------------------------|
|                    | Number of Shares held                 | % of Holding | Number of Shares held                 | % of Holding |                          |
| President of India | 2684714550                            | 65.00        | 2684714550                            | 65.00        | -                        |

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

**23: OTHER EQUITY**

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 |                 | As at<br>31 <sup>st</sup> March, 2023 |                 |
|--|---------------------------------------|-----------------|---------------------------------------|-----------------|
| <b>Reserves &amp; Surplus</b>                                |                                       |                 |                                       |                 |
| <b>Capital Reserve</b>                                       |                                       |                 |                                       |                 |
| Opening balance  | 1.75                                  |                 | 1.75                                  |                 |
| Less: Utilisation during the year                            | -                                     | 1.75            | -                                     | 1.75            |
| <b>Securities Premium</b>                                    |                                       |                 |                                       |                 |
| Opening balance  | 235.10                                |                 | 235.10                                |                 |
| Changes during the year                                      | -                                     | 235.10          | -                                     | 235.10          |
| <b>Bond Redemption Reserve</b>                               |                                       |                 |                                       |                 |
| Opening balance  | 373.71                                |                 | 530.97                                |                 |
| Transfer to retained earnings                                | 249.93                                | 123.78          | 157.26                                | 373.71          |
| <b>General Reserve</b>                                       |                                       |                 |                                       |                 |
| Opening balance  | 5095.13                               |                 | 5095.13                               |                 |
| Less: Utilisation during the year                            | -                                     | 5095.13         | -                                     | 5095.13         |
| <b>Retained Earnings</b>                                     |                                       |                 |                                       |                 |
| Opening balance  | 42150.48                              |                 | 41922.80                              |                 |
| Add: Net Profit for the year                                 | 2733.11                               |                 | 1903.07                               |                 |
| Add: Other comprehensive Income/(Loss)                       | (179.16)                              |                 | (490.23)                              |                 |
| -Remeasurement of gains/(losses) of defined benefit plans    |                                       |                 |                                       |                 |
| Add: Transfer from Bond Redemption Reserve                   | 249.93                                |                 | 157.26                                |                 |
| Less: Final dividend paid                                    | 206.53                                |                 | 929.37                                |                 |
| Less: Interim dividend paid                                  | 413.05                                | 44334.78        | 413.05                                | 42150.48        |
| <b>Other Comprehensive Income</b>                            |                                       |                 |                                       |                 |
| <b>Equity Instruments through Other Comprehensive Income</b> |                                       |                 |                                       |                 |
| Opening balance  | 152.48                                |                 | 100.86                                |                 |
| Change in fair value of FVOCI equity instruments             | 73.90                                 |                 | 66.94                                 |                 |
| Deferred tax   | (16.91)                               | 209.47          | (15.32)                               | 152.48          |
| <b>Total other equity</b>                                    |                                       | <b>50000.01</b> |                                       | <b>48008.65</b> |

**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 distribution to the shareholders.

**Securities premium**

Securities premium 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.



## 24. BORROWINGS - NON CURRENT

(₹ crore)

|   |                     |                      |                    |                | As at                        | As at                        |
|---|---------------------|----------------------|--------------------|----------------|------------------------------|------------------------------|
|   |                     |                      |                    |                | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
| <b>SECURED</b>                          |                     |                      |                    |                |                              |                              |
| <b>Redeemable Non-Convertible Bonds</b> |                     |                      |                    |                |                              |                              |
| Rate of Interest                        | Maturity Date       | Call/Put option (yr) | Security reference |                |                              |                              |
| 9.35%                                   | 9-Sep-2026          | 12/nil               | (a)                | -              |                              | 455.00                       |
| 8.80%                                   | 26-Oct-2025         |                      | (a, b)             | 14.00          |                              | 28.00                        |
| 9.00%                                   | 14-Oct-2024         |                      | (a)                | -              |                              | 1000.00                      |
| 8.75%                                   | 15-Sep-2024         |                      | (a)                | -              |                              | 50.00                        |
| <b>Total Bonds (A)</b>                  |                     |                      |                    | <b>14.00</b>   |                              | <b>1533.00</b>               |
| <b>Term Loans from banks</b>            |                     |                      |                    |                |                              |                              |
| <b>Rupee loans</b>                      |                     |                      |                    |                |                              |                              |
| Rate of Interest                        | Bank Name           |                      |                    |                |                              |                              |
| 7.27%                                   | Bank of India       |                      | (f)                | 4100.00        |                              | 4100.00                      |
| 7.40%                                   | South Indian Bank   |                      | (g)                | 300.00         |                              | -                            |
| 7.65%                                   | State Bank of India |                      | (h)                | 4700.00        |                              | -                            |
| <b>Total term loans from banks (B)</b>  |                     |                      |                    | <b>9100.00</b> |                              | <b>4100.00</b>               |
| <b>Total secured loans (A+B)</b>        |                     |                      |                    | <b>9114.00</b> |                              | <b>5633.00</b>               |
| <b>UNSECURED</b>                        |                     |                      |                    |                |                              |                              |
| <b>Foreign currency loan</b>            |                     |                      |                    |                |                              |                              |
| 1                                       | KFW, Germany        |                      | (c)                | 247.08         |                              | 270.96                       |
| 2                                       | Natexis Banque      |                      | (d)                | 2.97           |                              | 4.46                         |
| <b>Steel development fund</b>           |                     |                      |                    | <b>204.16</b>  |                              | <b>204.16</b>                |
|   |                     |                      |                    | <b>454.21</b>  |                              | <b>479.58</b>                |
| <b>Total Non Current Loans</b>          |                     |                      |                    | <b>9568.21</b> |                              | <b>6112.58</b>               |

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.

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

- Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).
- Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26<sup>th</sup> October, 2014. Instalment payable on 26<sup>th</sup> October, 2024 has been shown in current borrowings under the line item 'current maturities of long term debt'.
- 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 0.75% p.a and balance 8.0% p.a is towards periphery development. Tranche 1(c) has been fully repaid. The principal and interest amount is is repayable half yearly. The loan is guaranteed by Government of India.
- The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- Terms of repayment is to be decided by SDF Management Committee.
- The interest rate is Repo rate +0.77% p.a. i.e. 7.27% (6.50%+0.77%) on the outstanding loan amount. The tenor of the loan is 10 years having moratorium period of 4 years and repayment period of 6 Years. The loan is payable in 12 half yearly equal instalments after moratorium of 4 years starting from 5<sup>th</sup> year onwards upto 10 years. The first instalment is due in April, 2025.
- Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL to the extent of loan. The interest rate is Repo rate +0.90% p.a. i.e. 7.40% (6.50%+0.90%) on the outstanding loan amount. The tenor of the loan is 4 years having moratorium period of 2 and half years and repayment period of 1 and a half years. The loan is repayable in 6 quarterly equal instalments after moratorium of 2 and half years. The first instalment is due on 01.05.2026.

- (h) Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL to the extent of loan. The interest rate is linked to 3M T-bill + 0.75%, which is reset at the last working day of every quarter. As on 31.03.2024, the rate is 7.65% p.a. (i.e 3M T-bill 6.90%+0.75%). The tenor of the loan is 4 years having moratorium period of 2 and a half years and repayment period of 1 and a half years. The loan is payable in 6 quarterly equal instalments after moratorium of 2.5 Years. The first instalment is due on 01.05.2026.
- (i) Long term borrowings transferred to current borrowings under the line item 'current maturities of long term debts' are shown in the table given below.

**Statement of Current Maturities of long term debt**

(₹ crore)

| Particulars                             | Maturity date  | 2023-24        | 2022-23        |
|---|----------------|----------------|----------------|
| <b>Redeemable non-convertible bonds</b> |                |                |                |
| 8.80%                                   | 26-Oct-2023/24 | 14.00          | 14.00          |
| 9.00%                                   | 14-Oct-2024    | 1000.00        | -              |
| 8.75%                                   | 15-Sep-2024    | 50.00          | -              |
| 8.30%                                   | 3-Aug-2023     | -              | 800.00         |
| 8.30%                                   | 1-Aug-2023     | -              | 1200.00        |
| <b>Unsecured foreign currency loans</b> |                |                |                |
| KFW, Germany                            |                | 25.23          | 25.10          |
| Natexis Banque                          |                | 1.73           | 2.42           |
| <b>Total</b>                            |                | <b>1090.96</b> | <b>2041.52</b> |

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**25: TRADE PAYABLES - NON CURRENT**

|   |          |          |
|---|----------|----------|
| Due to micro, small and medium enterprise (refer note 48.3) | -        | -        |
| Amount payable to contractors/suppliers/others              | -        | -        |
|   | <u>-</u> | <u>-</u> |

**26: OTHER FINANCIAL LIABILITIES - NON CURRENT**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Employees related dues                     | <b>738.19</b>         | 710.39                |
| Interest Accrued but not due on borrowings | <b>400.12</b>         | 422.39                |
| Other payables*                            | <b>272.21</b>         | 256.88                |
|  | <u><b>1410.52</b></u> | <u><b>1389.66</b></u> |

\* Includes security deposit from shopkeepers, contractors etc.

**27: PROVISIONS - NON CURRENT**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Provision for accrued leave liability                       | <b>3372.60</b>        | 3399.42               |
| Provision for post retirement medical & settlement benefits | <b>1807.66</b>        | 1636.31               |
| Provision for long term service award                       | <b>15.92</b>          | 15.45                 |
| Provision for mines closure                                 | <b>226.15</b>         | 162.03                |
| Other provisions*   | <b>301.44</b>         | 390.40                |
|   | <u><b>5723.77</b></u> | <u><b>5603.61</b></u> |

\*includes provision for mines closure (refer note 51.3)

**28: OTHER LIABILITIES - NON CURRENT**

|                  |                       |                       |
|------------------|-----------------------|-----------------------|
| Deferred Income* | <b>473.29</b>         | 424.12                |
| Other payables** | <b>1387.20</b>        | 2256.09               |
|                  | <u><b>1860.49</b></u> | <u><b>2680.21</b></u> |

\*Deferred income includes:

\*Central Government grant of ₹ 277.33 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital. The Company has complied with all the conditions for such grants in line with Ind AS 20.

\*\* Entry tax provision



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**29: BORROWINGS - CURRENT**

**Secured**

**Repayable on demand**

From banks\* 3834.15 3957.68

**Other loans and advances**

Current maturities of long term debts (refer note 24) 1090.96 2041.52

**Unsecured**

From banks 16100.00 13550.00

**21025.11** **19549.20**

**Security disclosure for the outstanding short term borrowings as at 31<sup>st</sup> March, 2024:**

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

(i) Hypothecation of all current assets

**30: TRADE PAYABLES - CURRENT**

Due to micro, small and medium enterprises (refer note 48.3) 498.06 448.62

Amount payable to related parties 528.65 570.78

Amount payable to contractors/suppliers/others 14305.68 13319.47

**15332.39** **14338.87**

**31: OTHER FINANCIAL LIABILITIES - CURRENT**

Employee related dues 255.16 265.22

Interest accrued but not due on borrowings 99.44 204.04

Interest accrued and due on Steel Development Fund loans 344.00 312.00

Other liabilities-debtors banking arrangement 139.94 124.23

Unclaimed matured deposits and interest accrued thereon 1.01 1.01

Security deposits 1897.13 1697.28

Unpaid dividends 17.62 9.00

Unspent corporate social responsibility balance 112.57 51.73

Payable for capital work 2066.95 2053.97

Other payables\* 5583.36 5412.13

**10517.18** **10130.61**

\*Other payables include liability for salary & wages, royalty, pension and employee welfare etc.

(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>32: OTHER LIABILITIES - CURRENT</b>    |                                       |                                       |
| Income received in advance from customers | <b>1513.21</b>                        | 1472.27                               |
| Income received in advance - others       | <b>80.42</b>                          | 98.11                                 |
| Deferred Income                           | <b>22.30</b>                          | 22.38                                 |
| GST payable                               | <b>1566.14</b>                        | 1019.23                               |
| Liability for interest on GST             | <b>4.04</b>                           | 3.15                                  |
| TDS deducted from suppliers on GST        | <b>41.00</b>                          | 39.52                                 |
| Other payables*                           | <b>1338.08</b>                        | 878.35                                |
|   | <b>4565.19</b>                        | <b>3533.01</b>                        |

\* Includes income tax deducted at source from employees, Government Departments etc.

**33: PROVISIONS - CURRENT**

|   |                |         |
|---|----------------|---------|
| Provision for accrued leave liability                       | <b>382.07</b>  | 364.63  |
| Provision for post retirement medical & settlement benefits | <b>288.45</b>  | 253.94  |
| Provision for long term service award                       | <b>2.20</b>    | 2.10    |
| Provision for pollution control                             | <b>45.84</b>   | 45.58   |
| Provision for foreign exchange fluctuation                  | <b>36.66</b>   | 28.19   |
| Provision for mine afforestation/restoration etc.           | <b>161.16</b>  | 169.37  |
| Other provisions*   | <b>373.99</b>  | 515.47  |
|   | <b>1290.37</b> | 1379.28 |

\* Includes provision for DVC, Railway related and other assets etc.

**34: CURRENT TAX LIABILITIES**

|   |               |        |
|---|---------------|--------|
| Opening Balance                               | -             | -      |
| Add: Provision during the year                | <b>608.28</b> | 118.37 |
| Less: Amount paid/transferred during the year | <b>399.45</b> | 118.37 |
| Less: Provision written back during the year  | -             | -      |
|   | <b>208.83</b> | -      |
|   | <b>208.83</b> | -      |



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

### 35: REVENUE FROM OPERATIONS

#### Sale of products

|               |                  |           |
|---------------|------------------|-----------|
| Domestic      | <b>102857.85</b> | 101089.74 |
| Exports       | <b>1687.24</b>   | 2638.89   |
| Sub Total (a) | <b>104545.09</b> | 103728.63 |

#### Sale of Services

|                 |              |       |
|-----------------|--------------|-------|
| Service charges | <b>19.93</b> | 20.22 |
| Sub Total (b)   | <b>19.93</b> | 20.22 |

#### Other Operating Revenues

|                             |                  |           |
|-----------------------------|------------------|-----------|
| Export incentives           | <b>25.72</b>     | 38.91     |
| Social amenities-recoveries | <b>346.29</b>    | 322.78    |
| Sale of empties etc.        | <b>121.75</b>    | 86.41     |
| Sundries                    | <b>315.81</b>    | 250.41    |
| Sub Total (c)               | <b>809.57</b>    | 698.51    |
| <b>Total (a+b+c)</b>        | <b>105374.59</b> | 104447.36 |

There is no single customer contributing more than 10% of revenue.

The credit period on sale of goods ranges from 0 to 120 days with or without security.

Where a customer has a right to return a product within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Company also recognises a right to recover the returned goods. The refund liability and the cost to recover the products are not expected to be material.

#### 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  | <b>102857.85</b> | 101089.74 |
| Outside India | <b>1687.24</b>   | 2638.89   |
| Total         | <b>104545.09</b> | 103728.63 |

##### (2) Major Products

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| Iron and steel                  | <b>100984.80</b> | 99813.35  |
| Other Secondary and by-products | <b>3560.29</b>   | 3915.28   |
| Total                           | <b>104545.09</b> | 103728.63 |

#### Reconciliation of revenue with contract price

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| Gross revenue                   | <b>107193.41</b> | 106819.31 |
| Less: Rebates and discount etc. | <b>2648.32</b>   | 3090.68   |
| Net revenue recognised          | <b>104545.09</b> | 103728.63 |

#### 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     | <b>8308.72</b> | 5362.48 |
| Contract liabilities* | <b>1513.21</b> | 1472.27 |

\*Contract liabilities as shown above are expected to be recognised by 31<sup>st</sup> March, 2025.



(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>36. OTHER INCOME</b>                             |                                       |                                       |
| <b>Interest income*</b>                             |                                       |                                       |
| Customers   | 182.38                                | 198.04                                |
| Employees   | 9.83                                  | 5.77                                  |
| Bank deposits                                       | 3.35                                  | 0.66                                  |
| Others  | 110.89                                | 77.62                                 |
| <b>Sub Total (a)</b>                                | <b>306.45</b>                         | <b>282.09</b>                         |
| <b>Dividend income**</b>                            |                                       |                                       |
| Dividend from investments                           | 6.08                                  | 12.52                                 |
| Dividend from investments**                         | 162.73                                | 407.12                                |
| <b>Sub Total (b)</b>                                | <b>168.81</b>                         | <b>419.64</b>                         |
| <b>Net gain on sale of investments</b>              | <b>Sub Total (c)</b>                  | <b>Sub Total (c)</b>                  |
|   | -                                     | -                                     |
| <b>Other non-operating Income</b>                   |                                       |                                       |
| Subsidy, relief and concession                      | 0.10                                  | 0.10                                  |
| Grant-in-aid  | 5.58                                  | 5.77                                  |
| Allowances no longer required written back          | 201.10                                | 52.48                                 |
| Write back of other liabilities                     | 127.75                                | 350.52                                |
| Liquidated damages                                  | 80.38                                 | 103.57                                |
| Profit on sale of fixed assets (net)                | 130.00                                | 49.50                                 |
| Others  | 128.31                                | 92.75                                 |
|   | <b>673.22</b>                         | <b>654.69</b>                         |
| Less: Expenses attributable to non-operating income | 0.42                                  | 1.58                                  |
| <b>Sub Total (d)</b>                                | <b>672.80</b>                         | <b>653.11</b>                         |
| <b>Total (a+b+c+d)</b>                              | <b>1148.06</b>                        | <b>1354.84</b>                        |

\*Interest income represents income on financial assets carried at amortised cost.

\*\*Includes dividend from investments carried at fair value through OCI: ₹ 5.52 crore (previous year: ₹ 5.15 crore)

### 37 : COST OF MATERIALS CONSUMED

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| Iron ore                        | 10324.00        | 8871.00         |
| Coal                            | 45918.51        | 50993.38        |
| Coke                            | 1328.60         | 480.44          |
| Limestone                       | 2428.05         | 2287.51         |
| Dolomite                        | 747.62          | 768.52          |
| Ferro manganese                 | 362.48          | 331.76          |
| Ferro silicon                   | 485.21          | 548.94          |
| Silico manganese                | 1951.91         | 2260.30         |
| Zinc                            | 107.71          | 146.89          |
| Aluminium                       | 616.39          | 584.67          |
| Others                          | 2708.54         | 2796.19         |
|                                 | <b>66979.02</b> | <b>70069.60</b> |
| Less: Inter account adjustments | 9360.18         | 7978.50         |
|                                 | <b>57618.84</b> | <b>62091.10</b> |



(₹ crore)

As at  
31<sup>st</sup> March, 2024

As at  
31<sup>st</sup> March, 2023

### 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCTS

#### Opening stock

|                            |                 |                 |
|----------------------------|-----------------|-----------------|
| Finished goods             | <b>8606.57</b>  | 4880.55         |
| Work in progress           | <b>3899.83</b>  | 2397.75         |
| Iron ore fines (sub-grade) | <b>4182.00</b>  | 4249.96         |
|                            | <b>16688.40</b> | <b>11528.26</b> |

#### Less: Closing stock

|                            |                 |          |
|----------------------------|-----------------|----------|
| Finished goods             | <b>11734.10</b> | 8606.57  |
| Work in progress           | <b>4195.80</b>  | 3899.83  |
| Iron ore fines (sub-grade) | <b>4111.42</b>  | 4182.00  |
|                            | <b>20041.32</b> | 16688.40 |

(Accretion)/depletion to stock

**(3352.92)**                      **(5160.14)**

### 39: EMPLOYEE BENEFITS EXPENSE\*

|   |                 |          |
|---|-----------------|----------|
| Salaries & wages                                  | <b>8733.45</b>  | 8826.81  |
| Leave encashment                                  | <b>791.81</b>   | 1075.80  |
| Company's contribution to provident & other funds | <b>1436.56</b>  | 1285.83  |
| Travel concession                                 | -               | 103.92   |
| Welfare expenses                                  | <b>558.48</b>   | 541.61   |
| Gratuity  | <b>227.62</b>   | 219.65   |
|   | <b>11747.92</b> | 12053.62 |

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

|                                 |              |        |
|---------------------------------|--------------|--------|
| Expenditure during construction | <b>91.57</b> | 104.84 |
|---------------------------------|--------------|--------|

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

### 40: FINANCE COSTS

#### Interest Cost

|  |                |                |
|--|----------------|----------------|
| Foreign currency loans                     | <b>25.30</b>   | 26.32          |
| Non convertible bonds                      | <b>101.49</b>  | 243.80         |
| Bank borrowings - working capital          | <b>18.55</b>   | 12.20          |
| Steel development fund loans               | <b>9.29</b>    | 3.61           |
| Other bank borrowings and commercial paper | <b>2256.76</b> | 1601.80        |
| Interest under Income Tax Act              | <b>2.74</b>    | -              |
| Other borrowing costs                      | <b>59.68</b>   | 149.74         |
|  | <b>2473.81</b> | <b>2037.47</b> |

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

|   |               |               |
|---|---------------|---------------|
| Non convertible bonds                   | <b>70.94</b>  | 127.40        |
| Steel development fund loans - interest | <b>0.44</b>   | 0.99          |
| Other bank borrowings                   | <b>112.00</b> | 82.67         |
|   | <b>183.38</b> | <b>211.06</b> |

(₹ crore)

As at  
31<sup>st</sup> March, 2024As at  
31<sup>st</sup> March, 2023**41: OTHER EXPENSES****Consumption of stores & spares**

|  |                |                 |         |                 |
|--|----------------|-----------------|---------|-----------------|
| Consumption  | <b>6489.26</b> |                 | 6286.65 |                 |
| Less: Departmentally manufactured stores                         | <b>634.23</b>  |                 | 713.73  |                 |
| Less: Finished products internally consumed as stores and spares | <b>792.34</b>  | <b>5062.69</b>  | 804.73  | 4768.19         |
| <b>Repairs &amp; maintenance</b>                                 |                |                 |         |                 |
| Buildings  | <b>311.16</b>  |                 | 282.73  |                 |
| Plant & machinery  | <b>1463.44</b> |                 | 1314.59 |                 |
| Others   | <b>508.66</b>  | <b>2283.26</b>  | 422.18  | 2019.50         |
| <b>Handling expenses</b>   |                |                 |         |                 |
| Raw material   | <b>906.76</b>  |                 | 647.64  |                 |
| Scrap recovery   | <b>307.43</b>  | <b>1214.19</b>  | 312.59  | 960.23          |
| <b>Remuneration to auditors</b>                                  |                |                 |         |                 |
| Audit fees   | <b>2.73</b>    |                 | 3.00    |                 |
| Tax audit fees   | <b>0.77</b>    |                 | 0.86    |                 |
| In other services  | <b>1.76</b>    |                 | 1.76    |                 |
| Out of pocket expenses   | <b>0.65</b>    | <b>5.91</b>     | 1.05    | 6.67            |
| <b>Allowances</b>  |                |                 |         |                 |
| Doubtful debts, loans and advances                               | <b>62.90</b>   |                 | 115.16  |                 |
| Investments  | <b>52.51</b>   |                 | 18.75   |                 |
| Stores, spares and sundries                                      | <b>96.16</b>   | <b>211.57</b>   | 218.89  | 352.80          |
| Power and fuel   |                | <b>7534.99</b>  |         | 7703.71         |
| Freight outward  |                | <b>3171.71</b>  |         | 3024.29         |
| Royalty and cess   |                | <b>5577.16</b>  |         | 4520.86         |
| Conversion charges   |                | <b>204.28</b>   |         | 197.76          |
| Demurrage & wharfage   |                | <b>88.59</b>    |         | 87.03           |
| Water charges & cess on water pollution                          |                | <b>179.60</b>   |         | 154.20          |
| Insurance  |                | <b>87.24</b>    |         | 82.16           |
| Postage, telegram & telephone                                    |                | <b>20.31</b>    |         | 18.29           |
| Printing & stationery  |                | <b>12.53</b>    |         | 11.41           |
| Rates & taxes  |                | <b>47.32</b>    |         | 44.51           |
| Rent   |                | <b>2.51</b>     |         | 5.22            |
| Security expenses  |                | <b>825.32</b>   |         | 821.58          |
| Travelling expenses  |                | <b>78.45</b>    |         | 99.61           |
| Law Charges  |                | <b>29.07</b>    |         | 29.76           |
| Training expenses  |                | <b>91.32</b>    |         | 80.85           |
| Expenditure on corporate social responsibility (refer note 49.6) |                | <b>161.93</b>   |         | 162.46          |
| Foreign exchange fluctuations (net)                              |                | <b>181.17</b>   |         | 963.87          |
| Cost audit fee and reimbursement of expenses                     |                | <b>0.12</b>     |         | 0.04            |
| Write-offs - Miscellaneous                                       |                | <b>8.09</b>     |         | 0.10            |
| Handling expenses - finished goods                               |                | <b>268.10</b>   |         | 236.43          |
| Impairment loss  |                | -               |         | 9.10            |
| Commission to selling agents                                     |                | <b>9.62</b>     |         | 8.24            |
| Export sales expenses  |                | <b>34.65</b>    |         | 145.27          |
| Miscellaneous  |                | <b>837.34</b>   |         | 924.57          |
|  |                | <b>28229.04</b> |         | <b>27438.71</b> |



#### 41a: EXCEPTIONAL ITEMS\*

|   |               |                 |
|---|---------------|-----------------|
| Contractual settlements under 'Vivad se Viswas scheme II' | <b>394.39</b> | -               |
| Provision towards settlement of Entry Tax                 | <b>446.45</b> | -               |
| Sale of fixed assets                                      | -             | (301.34)        |
| Others  | -             | 43.35           |
|   | <b>840.84</b> | <b>(257.99)</b> |

\* Refer note 49.14

#### 41b: EARNING PER SHARE

|   |                   |            |
|---|-------------------|------------|
| Profit for the year (₹ crore)             | <b>2733.11</b>    | 1903.07    |
| Number of equity shares                   | <b>4130525289</b> | 4130525289 |
| Earning per share - basic and diluted (₹) | <b>6.62</b>       | 4.61       |
| Face value per equity share (₹)           | <b>10.00</b>      | 10.00      |

#### 42: FINANCIAL INSTRUMENTS

##### i) Fair values hierarchy

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

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

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

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

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

(₹ crore)

| As at 31 <sup>st</sup> March, 2024    | Level 1 | Level 2 | Level 3       | Total         |
|---------------------------------------|---------|---------|---------------|---------------|
| <b>Financial assets</b>               |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative financial assets           |         |         | -             | -             |
| <b>Investments at FVOCI</b>           |         |         |               |               |
| Equity instruments                    |         |         |               |               |
| Quoted                                |         |         | -             | -             |
| Unquoted                              |         |         | 313.70        | 313.70        |
| <b>Total financial assets</b>         |         |         | <b>313.70</b> | <b>313.70</b> |
| <b>Financial liabilities</b>          |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative liabilities                |         |         | -             | -             |
| <b>Total financial liabilities</b>    |         |         | -             | -             |

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

(₹ crore)

| As at 31 <sup>st</sup> March, 2023    | Level 1 | Level 2 | Level 3       | Total         |
|---------------------------------------|---------|---------|---------------|---------------|
| <b>Financial assets</b>               |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative financial assets           | -       | -       | -             | -             |
| <b>Investments at FVOCI</b>           |         |         |               |               |
| Equity instruments                    |         |         |               |               |
| Quoted                                | -       | -       | -             | -             |
| Unquoted                              | -       | -       | 239.79        | 239.79        |
| <b>Total financial assets</b>         | -       | -       | <b>239.79</b> | <b>239.79</b> |
| <b>Financial liabilities</b>          |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative liabilities                | -       | -       | -             | -             |
| <b>Total financial liabilities</b>    | -       | -       | -             | -             |

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

(₹ crore)

|  | Level   | As at 31 <sup>st</sup> March, 2024 |                 | As at 31 <sup>st</sup> March, 2023 |            |
|--|---------|------------------------------------|-----------------|------------------------------------|------------|
|  |         | Carrying value                     | Fair Value      | Carrying value                     | Fair Value |
| <b>Financial assets</b>                |         |                                    |                 |                                    |            |
| Loans                                  | Level-3 | 905.61                             | 1021.86         | 690.48                             | 800.71     |
| Derivative financial assets            | Level-2 | -                                  | -               | -                                  | -          |
| <b>Equity instruments</b>              |         |                                    |                 |                                    |            |
| Quoted                                 | Level-1 | -                                  | -               | -                                  | -          |
| Unquoted*                              | Level-3 | 313.70                             | 313.70          | 239.79                             | 239.79     |
| <b>Total financial assets</b>          |         | <b>1219.31</b>                     | <b>1335.56</b>  | 930.27                             | 1040.50    |
| <b>Financial liabilities</b>           |         |                                    |                 |                                    |            |
| Borrowings (including lease liability) | Level-3 | 37298.47                           | 37041.52        | 31836.05                           | 31683.48   |
| Other payables                         | Level-3 | 10944.20                           | 10953.95        | 10457.61                           | 10517.82   |
| Derivative liabilities                 | Level-2 | -                                  | -               | -                                  | -          |
| <b>Total financial liabilities</b>     |         | <b>48242.67</b>                    | <b>47995.47</b> | 42293.66                           | 42201.30   |

\*Already at fair value

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

Specific valuation techniques used to value financial instruments include:

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

**(v) Unquoted investments:**

Fair value estimates of unquoted equity investments are included in level-3 and are based on latest available financial statements of investee Company. The Company expects no sensitivity in the fair value of investments. 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                     |  |               |
|--|--|---------------|
| <b>As at 31<sup>st</sup> March, 2022</b>       |  | <b>172.85</b> |
| Gains recognised in other comprehensive income |  | 66.94         |
| <b>As at 31<sup>st</sup> March, 2023</b>       |  | <b>239.79</b> |
| Gains recognised in other comprehensive income |  | 73.91         |
| <b>As at 31<sup>st</sup> March, 2024</b>       |  | <b>313.70</b> |

**43: FINANCIAL RISK MANAGEMENT**
**(i) Financial instruments by category**

(₹ crore)

| Particulars                            | As at 31 <sup>st</sup> March, 2024 |               |                 | As at 31 <sup>st</sup> March, 2023 |               |                 |
|--|------------------------------------|---------------|-----------------|------------------------------------|---------------|-----------------|
|  | FVTPL                              | FVOCI         | Amortised cost  | FVTPL                              | FVOCI         | Amortised cost  |
| <b>Financial assets</b>                |                                    |               |                 |                                    |               |                 |
| Investments                            |                                    |               |                 |                                    |               |                 |
| Equity instruments*                    | -                                  | 313.70        | -               | -                                  | 239.79        | -               |
| Trade receivables                      | -                                  | -             | 8308.72         | -                                  | -             | 5362.48         |
| Cash and cash equivalents              | -                                  | -             | 13.73           | -                                  | -             | 6.44            |
| Other Bank Balances                    | -                                  | -             | 527.87          | -                                  | -             | 391.51          |
| Loans                                  | -                                  | -             | 905.61          | -                                  | -             | 690.48          |
| Other receivables                      | -                                  | -             | 1812.90         | -                                  | -             | 1599.33         |
| <b>Total</b>                           | -                                  | <b>313.70</b> | <b>11568.83</b> | -                                  | <b>239.79</b> | <b>8050.24</b>  |
| <b>Financial liabilities</b>           |                                    |               |                 |                                    |               |                 |
| Borrowings (including lease liability) | -                                  | -             | 37298.47        | -                                  | -             | 31836.05        |
| Trade payable                          | -                                  | -             | 15332.39        | -                                  | -             | 14338.87        |
| Other payables                         | -                                  | -             | 10944.20        | -                                  | -             | 10457.61        |
| <b>Total</b>                           | -                                  | -             | <b>63575.06</b> | -                                  | -             | <b>56632.53</b> |

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



## A) Credit risk

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

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

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

### 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.

For descriptive note on trade receivables ageing, refer note 48.4 (B)

#### Other financial assets measured at amortized cost

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

## B) Liquidity risk

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

#### Maturities of financial liabilities

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

(₹ crore)

| Contractual maturities of financial liabilities<br>as at 31 <sup>st</sup> March, 2024 | Less than<br>1 year | 1-2<br>year    | 2-3<br>year    | More than<br>3 years | Total           |
|---|---------------------|----------------|----------------|----------------------|-----------------|
| <b>Non-derivatives</b>  |                     |                |                |                      |                 |
| Borrowings  | 21474.30            | 1320.89        | 4521.17        | 5386.14              | 32702.50        |
| Trade payables  | 15061.59            | 58.74          | 49.77          | 162.29               | 15332.39        |
| Other payables  | 7011.54             | 133.60         | 115.96         | 423.77               | 7684.87         |
| <b>Total</b>  | <b>43547.43</b>     | <b>1513.23</b> | <b>4686.90</b> | <b>5972.20</b>       | <b>55719.76</b> |
| <b>Derivatives</b>  |                     |                |                |                      |                 |
| Derivative liability (net settled)  | -                   | -              | -              | -                    | -               |
| <b>Total</b>  | -                   | -              | -              | -                    | -               |

| Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2023 | Less than 1 year | 1-2 year       | 2-3 year       | More than 3 years | Total           |
|--|------------------|----------------|----------------|-------------------|-----------------|
| <b>Non-derivatives</b>   |                  |                |                |                   |                 |
| Borrowings   | 19804.09         | 2437.65        | 911.79         | 5312.62           | 28466.15        |
| Trade payables   | 13879.36         | 234.82         | 3.73           | 219.00            | 14336.91        |
| Other payables   | 6160.57          | 135.39         | 227.78         | 894.48            | 7418.22         |
| <b>Total</b>   | <b>39844.02</b>  | <b>2807.86</b> | <b>1143.30</b> | <b>6426.10</b>    | <b>50221.28</b> |
| <b>Derivatives</b>   |                  |                |                |                   |                 |
| Derivative liabilities   | -                | -              | -              | -                 | -               |
| <b>Total</b>   | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>          | <b>-</b>        |

**C) Market Risk**
**a) Foreign currency risk**

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

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

**Foreign currency risk exposure:**

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

| Particulars  | As at 31 <sup>st</sup> March, 2024 |               | As at 31 <sup>st</sup> March, 2023 |               |
|--|------------------------------------|---------------|------------------------------------|---------------|
|  | USD                                | Euro          | USD                                | Euro          |
| <b>Financial assets</b>  |                                    |               |                                    |               |
| Trade receivables  | 87.46                              | -             | 32.77                              | -             |
| Cash and cash equivalents  | -                                  | -             | -                                  | -             |
| Other Bank Balances  | -                                  | -             | -                                  | -             |
| Loans  | -                                  | -             | -                                  | -             |
| Derivative financial assets (Gross amounts, to hedge borrowings) | -                                  | -             | -                                  | -             |
| Other receivables  | -                                  | -             | -                                  | -             |
| <b>Net exposure to foreign currency risk (assets)</b>            | <b>87.46</b>                       | <b>-</b>      | <b>32.77</b>                       | <b>-</b>      |
| <b>Financial liabilities</b>                                     |                                    |               |                                    |               |
| Borrowings   | -                                  | 277.01        | -                                  | 302.95        |
| Trade payable  | 9728.38                            | 60.11         | 8412.14                            | 51.58         |
| Other payables   | 101.72                             | 179.99        | 152.01                             | 216.87        |
| <b>Net exposure to foreign currency risk (liabilities)</b>       | <b>9830.10</b>                     | <b>517.11</b> | <b>8564.15</b>                     | <b>571.40</b> |

**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 +/- 2.02% change of the INR/USD exchange rate for the year ended at 31 March, 2024 (2023: 4.93%). A +/- 5.77% change is considered for the INR/EUR exchange rate (2023: 8.75%). 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.

(₹ crore)

| Particulars                                | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| <b>USD sensitivity</b>                     |                                    |                                    |
| INR/USD- increase by 2.02% (31 March 2024) | <b>196.80</b>                      | -                                  |
| INR/USD- decrease by 2.02% (31 March 2024) | <b>(196.80)</b>                    | -                                  |
| INR/USD- increase by 4.93% (31 March 2023) | -                                  | 420.60                             |
| INR/USD- decrease by 4.93% (31 March 2023) | -                                  | (420.60)                           |
| <b>Euro sensitivity</b>                    |                                    |                                    |
| INR/EUR- increase by 5.77% (31 March 2024) | <b>29.84</b>                       | -                                  |
| INR/EUR- decrease by 5.77% (31 March 2024) | <b>(29.84)</b>                     | -                                  |
| INR/EUR- increase by 8.75% (31 March 2023) | -                                  | 50.00                              |
| INR/EUR- decrease by 8.75% (31 March 2023) | -                                  | (50.00)                            |

**b) Interest rate risk**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long term borrowings are therefore usually at fixed rates. At 31<sup>st</sup> March, 2024, 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% (2023: +/- 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. As at 31<sup>st</sup> March, 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

**Interest rate risk exposure**

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

(₹ crore)

| Particulars   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| Variable rate borrowing (excluding exposures offset by derivatives) | <b>29034.15</b>                    | 21607.68                           |
| Fixed rate borrowing  | <b>1559.17</b>                     | 4054.10                            |
| <b>Total borrowings</b>   | <b>30593.32</b>                    | <b>25661.78</b>                    |

**Sensitivity**

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

(₹ crore)

| Particulars                                 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| <b>Interest rate sensitivity</b>            |                                    |                                    |
| Interest rates-increase by 100 basis points | <b>290.34</b>                      | 216.08                             |
| Interest rates-decrease by 100 basis points | <b>(290.34)</b>                    | (216.08)                           |

**ii) Assets**

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

**Interest rate risk exposure**

Below is the overall exposure of the financial assets:

(₹ crore)

| Particulars                  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|------------------------------|------------------------------------|------------------------------------|
| Variable rate deposits/loans | -                                  | -                                  |
| Fixed rate deposits/loans    | <b>1433.48</b>                     | 1081.99                            |
| <b>Total deposits</b>        | <b>1433.48</b>                     | <b>1081.99</b>                     |

**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 significant, therefore is not exposed to price risks on exposures outstanding on the balance sheet date.

**44: Capital management**

The Company's capital management objectives are

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

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

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

(₹ crore)

| Particulars                     | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------------------------------|------------------------------------|------------------------------------|
| Net debts                       | 37284.74                           | 31829.61                           |
| Total equity                    | 54130.54                           | 52139.18                           |
| <b>Net debt to equity ratio</b> | <b>0.69</b>                        | <b>0.61</b>                        |

**Dividends**

(₹ crore)

| Particulars   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| Equity shares   |                                    |                                    |
| (i) Interim dividend on paid up equity share capital                  | <b>413.05</b>                      | 413.05                             |
| (ii) Final dividend not recognised at the end of the reporting period | <b>413.05</b>                      | 206.53                             |



**45: DETAILS OF ASSETS PLEDGED**

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>Current</b>   |                                       |                                       |
| Inventories and trade receivables (to the extent pledged)  | <b>3834.15</b>                        | 3957.68                               |
| <b>Non Current</b>   |                                       |                                       |
| Plant & Machinery (present and future movable assets) - RSP<br>(to the extent pledged)   | <b>4100.00</b>                        | 4100.00                               |
| Plant & Machinery (present and future movable assets) - BSL<br>(to the extent pledged)   | <b>5000.00</b>                        | -                                     |
| Land at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - ISP<br>including land on which it stands. | <b>14.00</b>                          | 1533.00                               |

**46: EFFECTIVE TAX RECONCILIATION**

(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| Profit before tax   | <b>3687.67</b>                        | 2636.91                               |
| Domestic tax rate   | <b>25.168%</b>                        | 25.168%                               |
| <b>Expected tax expense [A]</b>                               | <b>928.11</b>                         | 663.66                                |
| Adjustment for tax-exempt income/non-deductible expenses      | <b>4.18</b>                           | 46.85                                 |
| Adjustment for difference tax rate items                      | -                                     | (6.89)                                |
| Tax related to earlier years                                  | <b>(82.56)</b>                        | 18.25                                 |
| Others  | <b>104.83</b>                         | 11.97                                 |
| <b>Total adjustments [B]</b>                                  | <b>26.45</b>                          | 70.18                                 |
| <b>Actual tax expense [C=A+B]</b>                             | <b>954.56</b>                         | 733.84                                |
| <b>Tax expense comprises:</b>                                 |                                       |                                       |
| Current tax expense   | <b>605.54</b>                         | 118.37                                |
| Deferred tax charge   | <b>349.02</b>                         | 615.47                                |
| <b>Tax expense recognized in Statement of profit and loss</b> | <b>954.56</b>                         | 733.84                                |



## 47.1 CONTINGENT LIABILITIES

(₹ crore)

|   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| (i) Claims against the Company pending appellate/judicial decisions :   |                                    |                                    |
| a) Excise Duty & Service Tax  | <b>5549.64</b>                     | 6154.00                            |
| b) Sales Tax on inter-state stock transfers from plants to stockyards*  | <b>934.34</b>                      | 958.56                             |
| c) Other sales tax matters  | <b>167.71</b>                      | 206.43                             |
| d) Income Tax   | <b>1413.20</b>                     | 1478.26                            |
| e) Other duties, cess and levies  | <b>10323.12</b>                    | 9738.31                            |
| f) Civil matters **   | <b>4612.93</b>                     | 5528.84                            |
| g) Entry Tax  | <b>990.24</b>                      | 1536.37                            |
| h) Miscellaneous **   | <b>12337.38</b>                    | 12317.18                           |
| * No liability is expected to arise, as sales tax has been paid on eventual sales.  |                                    |                                    |
| (ii) Other claims against the Company not acknowledged as debt:   |                                    |                                    |
| a) Sales Tax  | <b>69.96</b>                       | 347.56                             |
| b) Duties, cess and levies  | <b>373.87</b>                      | 109.10                             |
| c) Civil Matters  | <b>29.37</b>                       | 34.93                              |
| d) Miscellaneous ***  | <b>2353.03</b>                     | 2190.55                            |
| *** includes certain claims, against which there are counter-claims.  |                                    |                                    |
| (iii) Disputed income tax/service tax/other demand on joint venture companies for which company may be contingently liable under the joint venture agreement. | <b>58.59</b>                       | 48.72                              |
| (iv) Bills drawn on customers and discounted with banks.  | -                                  | 212.99                             |
| (v) Price escalation claims by contractors/suppliers and claims by employees.   | -                                  | 310.18                             |

**47.2 a) (i)** The Nine Judge Bench of the Hon'ble Supreme court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹ 1092.28 crore wherein a rate of 6% was applied on iron Ore and Coking Coal in Bhilai-Durg area as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh and matter relating to Entry tax amounting to ₹ 98.83 crore on goods entering into the local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. During the year, Chhattisgarh Government notified a settlement scheme (Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act, 2023) for settlement of old cases of VAT, Entry Tax & CST etc. under which applications were filed assessment year-wise for settlement of Entry Tax dispute pertaining to rate discrimination. Out of nine applications filed, four applications settled by the Commercial Tax Department. The disputed amount for balance five applications are ₹ 762.91 Crore. The settlement amount for balance five applications as per scheme works out to ₹ 137.72 crore for which firm liability has been provided as on 31<sup>st</sup> March, 2024. Balance amount of ₹ 625.19 crore has been treated as contingent liability. As on 31<sup>st</sup> March, 2024, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/ assigned authorities/ Commercial Tax Department in this regard. Pending decision by the other Courts, disputed

Entry Tax liabilities of ₹ 724.02 crore have been treated by the Company as Contingent Liability (As at 31<sup>st</sup> March, 2023 - ₹ 1184.81 crore) and included in Note No. 47.1 (i) (g) above.

- (ii) In respect of levy of Entry Tax in Industrial township of Rourkela Steel Plant, Hon'ble Supreme Court, vide its judgment dated 4<sup>th</sup> November, 2022 had decided that Entry Tax is leviable in areas covered under Rourkela Steel Plant Industrial township. However, by virtue of a judgement dated 01.12.2021 pronounced by Orissa High Court and subsequently upheld by the Supreme Court vide its order dated 13.07.2022, the reassessed demands raised under Section 10 of Orissa Entry Tax Act, 1999 in absence of original assessment are liable to be rejected. Pending such adjudication as on 31<sup>st</sup> March, 2024, these demands amounting to ₹ 138.48 crores (31<sup>st</sup> March 2023 ₹ 213.00 crores) have been treated as Contingent Liability and included in Note No. 47.1 (i) (g) above.
- 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 2009-2014 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt. 7-8-2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09

against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹ 587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission (JSERC) for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC. JSERC finalised the Category-wise Retail Supply Tariff of DVC for the period from FY 2006-07 to FY 2011-12 vide order dated 31<sup>st</sup> October, 2023. However, DVC has preferred an appeal before Hon'ble APTEL against the order of the JSERC regarding the consideration of non-tariff income in totality in the tariff order. APTEL vide its order dated 5<sup>th</sup> February, 2024 allowed the appeal of DVC with request to the commission to pass an order afresh at the earliest. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹ 587.72 crore upto 31<sup>st</sup> March 2024, (upto 31<sup>st</sup> March, 2023, ₹ 587.72 crore) has been treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

**47.3** Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹ 5387.70 crore upto 31<sup>st</sup> March, 2024 (upto 31<sup>st</sup> March, 2023 ₹ 5037.29 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 Contingent Liability in Note No. 47.1(i)(e) above.

The Mineral (Mining by Government Company) Rules 2015 (the "MMGC Rules") were notified by GOI on 03.12.2015. Although no provision was made for realization of any money for extension of the leases in the said Rules, demands for payment under the MMGC Rules 2015 in respect of Duargaiburu lease of Gua, Amalgamated leases of Kiriburu-Meghahatuburu and Dhobil lease of Chiria were raised by the District Mining Officer (DMO), Chaibasa, Jharkhand. The collective demand for payment against the notices was about ₹ 2980.00 Crore. SAIL challenged the demand notices through the filing of Writ Petitions in Hon'ble High Court of Jharkhand in March 2019. Hon'ble High Court vide order dated 18.12.2019/20.12.2019 stayed the operation of such demand notices. In the meantime, the Government of Jharkhand sought clarification in respect of right/claim to raising of demand under Rule 5 of Mineral (Mining by Government Company)

Rule, 2015 (MMGC) from the Ministry of Mines, Govt. of India. The Ministry of Mines, GOI vide letter dated 29.01.2021 clarified MMGC Rule, 2015 do not provide for payment of the additional amount for extension of mining leases granted to a Government Company. Pending disposal of the matter by the Hon'ble High Court of Jharkhand, an amount of ₹ 5959.14 crores (₹ 5241.88 crore as on 31<sup>st</sup> March, 2023) has been disclosed as contingent liability in Note No. 47.1(i)(h) 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 for payment of revised perks and allowances amounting to ₹ 309.34.crore (previous year: ₹ 309.34 crore) to the executives for the period from 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A petition in the matter was filed on 22.12.2016 before the Hon'ble Calcutta High Court and is disposed off during the year. Pending administrative decision on the matter, the amount has been disclosed as Contingent Liability in Note No. 47.1(ii)(d) above.

**47.5** (i) The Ministry of Environment & Forest and Climate Change (MoEF & CC) vide their letter No.-11-599/2014-FC dated 1<sup>st</sup> 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 crores received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh, in which the Hon'ble High Court of Chhattisgarh awarded judgement in favour of Chhattisgarh Government.

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



order of Hon'ble High Court of Chhattisgarh. The disputed amount of ₹ 96.28 crore (previous year: ₹ 96.28 crore) crore has been disclosed under contingent liability in Note no.47.1.(i)(e).

- (ii) Chhattisgarh State enacted Chhattisgarh (Adhosanrachna Vikas ewam Paryaawaran) Upkar Adhiniyam, 2005 and levied Cess on the mineral extracted in the State of Chhattisgarh. BSP has filed a writ petition in the High Court of Chhattisgarh challenging the enactment as ultra vires. However, BSP has deposited ₹ 235.71 crore under protest till March, 2024 and shown as deposit with Government Department. Total disputed amount of ₹ 235.71 crore (previous year ₹ 212.96 crore) is disclosed under contingent liability in Note no. 47.1.(i)(e).

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

- (a) As the matter is pending for final determination and considering the implication of existing litigation, the Company:
- (i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹419.68 crore and ₹3122.00 crore (₹386.33 crore and ₹2847.52 crore as on 31<sup>st</sup> March, 2023) respectively (including interest). Based on internal assessment, the Company has provided an amount of ₹ 329.67 crore (₹ 329.67 crore as on 31<sup>st</sup> March, 2023) on estimated basis. Balance amount of ₹ 3212.01 crore (₹ 2904.18 crore as on 31<sup>st</sup> March, 2023) (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).
- (ii) In respect of Flux, by the Government of Jharkhand & Odisha amounting to ₹66.15 crore (₹59.03 crore as on 31<sup>st</sup> March 2023) (including interest). Based on internal assessment, the Company has provided an amount of ₹6.86 crore (₹6.86 crore as on 31<sup>st</sup> March 2023) on estimated basis. Balance amount of ₹59.29 crore (₹52.17 crore as on 31<sup>st</sup> March 2023) (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.
- (iii) In respect of Coal, by the Government of Jharkhand amounting to ₹Nil crore (₹755.90 crore as on 31<sup>st</sup> March 2023) (including interest), 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 ₹Nil crore (₹755.90 crore as on 31<sup>st</sup> March 2023) (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h) above.

**47.7** 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 ₹171.22 crore (previous year: ₹160.37 crore) (including interest) has been disclosed under contingent liability in Note no 47.1(ii)(d) above.

**47.8** Land measuring 5.545 acres was allotted to DVC for 30 year 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.

**47.9** 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.

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

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

SAIL ASP had challenged the award for claims no. 1 & 2 before Id. Commercial Court in Misc. Arb. Case No.8( re-registered under new rules as Misc. Arb. Comm. Case no 12 of 2024. Oral arguments of both parties were heard and Written notes of Arguments were also filed by both parties whereafter order was reserved by Id. Commercial Court on 06.03.2024 fixing the case for pronouncement 16.04.2024. However due to filing of additional written notes on Limitation by M/s. Goyal MG Gases, judgement was not pronounced and is now fixed for pronouncement on 07.05.2024. The Id. Court on the said date set aside the award by arbitration tribunal on the above claims.

In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹7.54 crore as on 31<sup>st</sup> March, 2024 (previous year: ₹6.56 crore) including interest, has been shown under Contingent Liability in Note No. 47.1(i)(b) above.

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

(₹ crore)

| Particulars         | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------------------|------------------------------------|------------------------------------|
| Capital commitments | <b>7397.48</b>                     | 4821.58                            |
| Other commitments   | <b>10878.60</b>                    | 6365.38                            |

**(B) The Title Deeds/Lease Agreements of the following Immovable Properties (included under the line item 'Property Plant and Equipment' and 'Right of use asset') are not held in the name of the Company:**
**As at 31<sup>st</sup> March, 2024**

| S. No. | Line Item in Balance Sheet    | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                                  | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/ Year since property held | Reason for not being held in name of company                                       |
|--------|-------------------------------|--------------------|-----------------------|---|--|--------------------------------------|--|
| 1      | Right of use Assets           | Lease Hold Land    | 16.80                 | Kolkata Port Trust  | N  | 07-05-2014                           | Pending Registration   |
| 2      | Right of use Assets           | Lease Hold Land    | 11.97                 | Vizag Seaport Pvt Limited                                       | N  | 27-07-2004                           | Pending Renewal  |
| 3      | Right of use Assets           | Lease Hold Land    | 0.91                  | Jammu & Kashmir Govt  | N  | 05-07-1968                           | Pending Registration   |
| 4      | Property, Plant & Equipment   | Free Hold Land     | 0.13                  | Triveni Structural Limited                                      | N  | 25-02-1970                           | Pending Registration   |
| 5      | Right of use Assets           | Lease Hold Land    | 0.67                  | Kanpur Development Authority                                    | N  | 1986                                 | Pending Registration   |
| 6      | Property, Plant & Equipment   | Free Hold Land     | 0.06                  | Southern Railway  | N  | 31-03-1984                           | Pending Registration   |
| 7      | Right of use Assets           | Lease Hold Land    | 23.04                 | Kolkata Metropolitan Development Authority                      | N  | 09-10-2009                           | Pending Registration   |
| 8      | Property, Plant & Equipment   | Building           | 0.28                  | ASHOK SANKAR BHATNAGAR (HUF)                                    | N  | 01-08-2019                           | Pending Registration   |
| 9      | Right of use Assets           | Lease Hold Land    | 0.38                  | Paradip Port Turst  | N  | 17-08-2019                           | Pending Registration   |
| 10     | Right of use Assets           | Leasehold Land     | 0.20                  | Mecon Ltd   | N  | 1979-1980                            | Held by Mecon Ltd (As per Act No. 16 of 1978)                                      |
| 11     | Property, plant and Equipment | Freehold Land      | 0.01                  | Asian Refractories  | N  | 05-04-63                             | Rehabilitation on behalf of Deptt of Industries, Govt of Bihar                     |
| 12     | Property, plant and Equipment | Freehold Land      | 0.12                  | Assam Siliminities & Bharat Refractories Ltd                    | N  | 11-02-1976 & 30-04-1978              | Rehabilitation on behalf of Deptt of Industries                                    |
| 13     | Property, plant and Equipment | Freehold Land      | 0.13                  | India Firebricks & Insulation Company Ltd.                      | N  | 15-09-60                             | Rehabilitation on behalf of Deptt of Industries                                    |
| 14     | Property, Plant & Equipment   | Freehold Land      | 0.08                  | State Govt  | N  | 1956-57                              | Pending receipt of Records of Rights (ROR)   |
| 15     | Right of use Assets           | Leasehold Land     | 147.81                | Uttar Pradesh State Industrial Development Corporation (UPSIDC) | N  | 01-02-2009                           | Litigation with UPSIDC, U.P  |
| 16     | Right of use Assets           | Leasehold Land     | 3.28                  | Odisha Govt   | N  | 01-10-1959                           | Absence of lease agreement with Govt of Odisha                                     |
| 17     | Right of use Assets           | Leasehold Land     | 75.26                 | Odisha Govt   | N  | 01-10-1959                           | Absence of lease agreement with Govt of Odisha                                     |
| 18     | Right of use Assets           | Leasehold Land     | 0.10                  | Odisha Govt   | N  | 01-10-1959                           | Absence of lease agreement with Govt of Odisha                                     |
| 19     | Right of use Assets           | Leasehold Land     | 15.81                 | Odisha Govt   | N  | 29-11-1997                           | Absence of lease agreement with Govt of Odisha                                     |
| 20     | Property, Plant & Equipment   | Freehold Land      | 126.24                | Jharkhand State Government                                      | N  | From 1960                            | MOU signing formalities awaited between Jharkhand Govt and SAIL/Bokaro Steel Plant |
| 21     | Property, Plant & Equipment   | Freehold Land      | 10.29                 | Various Parties   | N  | 1986 to 2008                         | Mutation is pending  |



**As at 31<sup>st</sup> March, 2024**

| S. No. | Line Item in Balance Sheet  | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                                     | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/ Year since property held | Reason for not being held in name of company     |
|--------|-----------------------------|--------------------|-----------------------|--|--|--------------------------------------|--|
| 22     | Property, Plant & Equipment | Freehold Land      | 0.09                  | Various Parties  | N  | 1954-1974                            | Mutation is pending                              |
| 23     | Property, Plant & Equipment | Freehold Land      | 0.02                  | Govt of W.B.   | N  | 1963                                 | Pending Registration for 20.05 acres             |
| 24     | Property, Plant & Equipment | Freehold Land      | 7.55                  | Title Deed not executed for land acquired by Tamil Nadu State Govt | N  | 1972 TO 1980                         | Land was Acquired by Tamil Nadu State Government |

**As at 31<sup>st</sup> March, 2023**

| S. No. | Line Item in Balance Sheet    | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                                  | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/ Year since property held | Reason for not being held in name of company                                       |
|--------|-------------------------------|--------------------|-----------------------|---|--|--------------------------------------|--|
| 1      | Right of use Assets           | Leasehold Land     | 15.07                 | CG government   | N  | 01-03-2013                           | Taken up with the concerned authorities  |
| 2      | Right of use Assets           | Lease Hold Land    | 16.80                 | Kolkata Port Trust  | N  | 07-05-2014                           | Pending Registration   |
| 3      | Right of use Assets           | Lease Hold Land    | 11.97                 | Vizag Seaport Pvt Limited                                       | N  | 27-07-2004                           | Pending Registration   |
| 4      | Right of use Assets           | Lease Hold Land    | 0.91                  | Jammu & Kashmir Govt  | N  | 05-07-1968                           | Pending Registration   |
| 5      | Property, Plant & Equipment   | Free Hold Land     | 0.13                  | Triveni Structural Limited                                      | N  | 25-02-1970                           | Pending Registration   |
| 6      | Right of use Assets           | Lease Hold Land    | 0.67                  | Kanpur Development Authority                                    | N  | 1986                                 | Pending Registration   |
| 7      | Property, Plant & Equipment   | Free Hold Land     | 0.06                  | Southern Railway  | N  | 31.03.1984                           | Pending Registration   |
| 8      | Right of use Assets           | Lease Hold Land    | 23.04                 | Kolkata Metropolitan Development Authority                      | N  | 09.10.2009                           | Pending Registration   |
| 9      | Property, Plant & Equipment   | Building           | 0.28                  | ASHOK SANKAR BHATNAGAR (HUF)                                    | N  | 01.08.2019                           | Pending Registration   |
| 10     | Right of use Assets           | Leasehold Land     | 0.20                  | Mecon Ltd   | N  | 1979-1980                            | Held by Mecon Ltd (As per Act No. 16 of 1978)                                      |
| 11     | Property, plant and Equipment | Freehold Land      | 0.01                  | Asian Refractories  | N  | 05-04-1963                           | Rehabilitation on behalf of Deptt of Industries, Govt of Bihar                     |
| 12     | Property, plant and Equipment | Freehold Land      | 0.12                  | Assam Siliminities & Bharat Refractories Ltd                    | N  | 11-02-1976 & 30-04-1978              | Rehabilitation on behalf of Deptt of Industries                                    |
| 13     | Property, plant and Equipment | Freehold Land      | 0.13                  | India Firebricks & Insulation Company Ltd.                      | N  | 15-09-1960                           | Rehabilitation on behalf of Deptt of Industries                                    |
| 14     | Property, Plant & Equipment   | Freehold Land      | 0.10                  | State Govt  | N  | Sept'1958                            | Pending receipt of Records of Rights (ROR)   |
| 15     | Right of use Assets           | Leasehold Land     | 147.81                | Uttar Pradesh State Industrial Development Corporation (UPSIDC) | N  | 01-02-2009                           | Litigation with UPSIDC, U.P  |
| 16     | Right of use Assets           | Leasehold Land     | 3.28                  | Odisha Govt   | N  | 01-10-1959                           | Absence of lease agreement with Govt of Odisha                                     |
| 17     | Property, Plant & Equipment   | Freehold Land      | 126.24                | Jharkhand State Government                                      | N  | From 1960                            | MOU signing formalities awaited between Jharkhand Govt and SAIL/Bokaro Steel Plant |

**As at 31<sup>st</sup> March, 2023**

| S. No. | Line Item in Balance Sheet  | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                         | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/Year since property held | Reason for not being held in name of company |
|--------|-----------------------------|--------------------|-----------------------|--|--|-------------------------------------|--|
| 18     | Property, Plant & Equipment | Freehold Land      | 10.29                 | Various Parties  | N  | 1986 to 2008                        | Mutation is pending                          |
| 19     | Property, Plant & Equipment | Freehold Land      | 0.09                  | Various Parties  | N  | 1954-1974                           | Mutation is pending                          |
| 20     | Property, Plant & Equipment | Freehold Land      | 0.96                  | Govt of W.B.   | N  | 1963                                | Pending Registration                         |
| 21     | Property, Plant & Equipment | Freehold Land      | 7.56                  | Title Deed not execute for land acquired by State Govt | N  | 1972 TO 1980                        | Land was Acquired by State Government        |

**48.2 (A)**
**CWIP AGEING SCHEDULE**
**Amount of CWIP as on 31<sup>st</sup> March, 2024 from initial recognition in Balance Sheet**

(₹ crore)

| S. No. | CWIP                           | 0-12 months    | 12-24 months  | 24-36 months  | More than 36 months    | Total          |
|--------|--------------------------------|----------------|---------------|---------------|------------------------|----------------|
| 1      | Projects in progress           | 1786.66        | 872.23        | 641.73        | 2795.28                | 6095.90        |
| 2      | Projects Temporarily suspended | 67.37          | 8.73          | 2.25          | 440.80                 | 519.15         |
|        | <b>Gross CWIP</b>              | <b>1854.03</b> | <b>880.96</b> | <b>643.98</b> | <b>3236.08</b>         | <b>6615.05</b> |
|        |                                |                |               |               | <b>Less: Provision</b> | <b>474.48</b>  |
|        |                                |                |               |               | <b>TOTAL</b>           | <b>6140.57</b> |

**Amount of CWIP as on 31<sup>st</sup> March, 2023 from initial recognition in Balance Sheet**

(₹ crore)

| S. No. | CWIP                           | 0-12 months    | 12-24 months  | 24-36 months  | More than 36 months    | Total          |
|--------|--------------------------------|----------------|---------------|---------------|------------------------|----------------|
| 1      | Projects in progress           | 1419.38        | 552.79        | 450.91        | 2464.40                | 4887.48        |
| 2      | Projects Temporarily suspended | 11.00          | 15.70         | 26.59         | 358.06                 | 411.35         |
|        | <b>Gross CWIP</b>              | <b>1430.38</b> | <b>568.49</b> | <b>477.50</b> | <b>2822.46</b>         | <b>5298.83</b> |
|        |                                |                |               |               | <b>Less: Provision</b> | <b>407.47</b>  |
|        |                                |                |               |               | <b>TOTAL</b>           | <b>4891.36</b> |

**(B)**
**CWIP COMPLETION SCHEDULE FOR PROJECTS OVERDUE**
**As on 31<sup>st</sup> March, 2024**

(₹ crore)

| S. No. | CWIP   | To be completed in |              |              |                     |
|--------|--|--------------------|--------------|--------------|---------------------|
|        |  | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects in progress</b>                              |                    |              |              |                     |
| 1      | Soil survey and Mapping for 11 KV Switch Board-PMD       | 0.19               | -            | -            | -                   |
| 2      | Restoration of Structure for SGP of BF-4                 | 4.01               | -            | -            | -                   |
| 3      | Installation of 4 <sup>th</sup> Stove in Blast Furnace 4 | 33.42              | -            | -            | -                   |
| 4      | Consultancy Services for EC from MoEFCC - Mecon          | 1.11               | -            | -            | -                   |
| 5      | Rebuilding of salt handling in COCC                      | 4.08               | -            | -            | -                   |
| 6      | Procurement of Railway Rolling Stock - GPWIS             | 2.06               | -            | -            | -                   |
| 7      | Installation of 3 <sup>rd</sup> BF Gas Flare at DSP      | 8.31               | -            | -            | -                   |
| 8      | Recirculation of recovery pit water at SGP of BF         | 2.03               | -            | -            | -                   |
| 9      | Modification of emergency water Tank                     | 2.32               | -            | -            | -                   |
| 10     | Revamping of Cooling Tower in COCC                       | 3.66               | -            | -            | -                   |
| 11     | Installation of 2 nos. addl. pressure PRDU in Power      | 1.82               | -            | -            | -                   |
| 12     | Stack emission control of NLCP                           | 3.80               | -            | -            | -                   |



**48.2 (B) Contd...**

| S. No. | CWIP   | To be completed in |              |              |                     |
|--------|--|--------------------|--------------|--------------|---------------------|
|        |  | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
| 13     | Procure of 1 no. Turbo Blower in power plant               | 12.77              | -            | -            | -                   |
| 14     | Power augmentation scheme in oxyzen Plant                  | 37.05              | -            | -            | -                   |
| 15     | Conventional lathe Machine in COCC                         | 0.34               | -            | -            | -                   |
| 16     | Digital map of Durgapur Steel Plant & ASP                  | 0.00               | -            | -            | -                   |
| 17     | NDT facility at WAP  | 47.71              | -            | -            | -                   |
| 18     | 11 KV VCB Based Switchboard of PMD                         | 10.32              | -            | -            | -                   |
| 19     | Face-lifting of Buildings in Ispat Bhawan Complex          | 0.39               | -            | -            | -                   |
| 20     | Renovation and Modification job in Main Hospital           | 5.47               | -            | -            | -                   |
| 21     | Replacement 25 Ton EOT Crane Sinter Fan House SP1          | 1.11               | -            | -            | -                   |
| 22     | 5 numbers Lifts/Elevators at DSP Main Hospi                | 0.01               | -            | -            | -                   |
| 23     | Fire Detection, Alarm, Suppression system PMD              | 3.78               | -            | -            | -                   |
| 24     | Upgradation Mill stand motor PLC- Merchant Mill            | 1.98               | -            | -            | -                   |
| 25     | ONH Analyser with Accessories for BOF Lab                  | 0.71               | -            | -            | -                   |
| 26     | Revamping Cell No. 2, 3 - 1.8 MT PCID. Cooling Tower       | 2.58               | -            | -            | -                   |
| 27     | Badminton Practice Hall                                    | 3.36               | -            | -            | -                   |
| 28     | Reconstruction of Drain in DSP township                    | 2.92               | -            | -            | -                   |
| 29     | Rebuilding of Houses in Cat-3 & above Houses               | 25.39              | -            | -            | -                   |
| 30     | Rebuilding of Houses - Cat-1 in Township                   | 20.38              | -            | -            | -                   |
| 31     | Rebuilding of Houses - Cat-2 in Township                   | 22.99              | -            | -            | -                   |
| 32     | Contactless Biometric System                               | 2.68               | -            | -            | -                   |
| 33     | Replacement of Primary & Secondary Screen - RMHP           | 1.27               | -            | -            | -                   |
| 34     | Replacement of Liners and Air Blasters in bunkers          | 2.64               | -            | -            | -                   |
| 35     | Consultant for preparation of PFR and DFR                  | 0.90               | -            | -            | -                   |
| 36     | Construction of Structural Shed For Open Gantry CE         | 1.29               | -            | -            | -                   |
| 37     | Re-Construction of Main Roads in DSP Township              | 0.06               | -            | -            | -                   |
| 38     | Development of Infrastructure at Project Building          | 0.00               | -            | -            | -                   |
| 39     | Consultancy for Amendment of Environment Clearance         | 0.29               | -            | -            | -                   |
| 40     | Up-gradation of CNC Siemens 802 DSL NC Controller          | 0.17               | -            | -            | -                   |
| 41     | Extension of Structural Shed in Old Bay of WRS             | 1.62               | -            | -            | -                   |
| 42     | TECHNO-COMMERCIAL ASSESSMENT OF MSM                        | 1.95               | -            | -            | -                   |
| 43     | Electro Slag Remelting Unit                                | 3.07               | -            | -            | -                   |
| 44     | Otis Elevator  | 0.43               | -            | -            | -                   |
| 45     | Bond Work Index (BWI) Measuring Ball Mill                  | 0.10               | -            | -            | -                   |
| 46     | Dip Type Temp Measurement System for Hot Metal temperature | 0.03               | -            | -            | -                   |
| 47     | Electronic Drawing & Document Management System (EDDMS)    | 0.58               |              |              |                     |
| 48     | Construction of Swimming Pool at MTI                       | 0.82               | 0.00         |              |                     |
| 49     | Construction of Flyover                                    | 37.17              |              |              |                     |
| 50     | Freight cum passenger Elevator for BOF & CCP area (E031)   | 1.73               |              |              |                     |
| 51     | Vertical Grinder GBS30 at SRU BRP                          | 0.40               |              |              |                     |
| 52     | De-dusting System- Aircon Systems at SRU IFICO             | 0.96               |              |              |                     |
| 53     | New Shed at SRU IFICO                                      | 0.70               |              |              |                     |
| 54     | Inward Road at RRP   | 0.10               |              |              |                     |
| 55     | Flooring of GC Shop North Base                             |                    | 0.37         |              |                     |



**48.2 (B) Contd...**

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects Temporarily suspended</b>                           | -                  | -            | -            | -                   |
| 1      | INST. OF SPNO.3-SURVEY WORK                                     | -                  | -            | -            | 0.01                |
| 2      | WIP-MODIFICATION 200T TEEMING CRANE-BLOOM CASTER                | -                  | -            | -            | 2.82                |
| 3      | DEPOSITION OF 2% CODAL FEES TO RAILWAYS                         | -                  | -            | -            | 4.99                |
| 4      | ENABLING JOBS-ROLLING MILLS-3.0MT EXPN.                         | -                  | -            | -            | 6.66                |
| 5      | 3 MT EXPANSION OF DSP - SURVEY WORK                             | -                  | -            | -            | 0.10                |
| 6      | 3 MT EXPAN.DSP/GEOTECHN. INVESTIGATION WORK                     | -                  | -            | -            | 0.20                |
| 7      | Construction of Power supply- 3.0 mt Expn                       | -                  | -            | -            | 5.27                |
| 8      | Upgradation of Railway/Traffic infrastructure facilities in DSP | -                  | -            | -            | 2.25                |
| 9      | Consultancy Service for Expsion Plan-MECON                      | -                  | -            | -            | 24.34               |
| 10     | New Sinter Plant-III - Dismantling Job                          | -                  | -            | -            | 4.05                |
| 11     | Infrastructural Facilities - Expansion                          | -                  | -            | -            | 1.04                |
| 12     | RECIRC WATER SUPPLY SYSTEM RIM SPRAY QUENCH WAP                 | -                  | -            | -            | 0.42                |
| 13     | Dynamic Balancing Machine for Railway Wheels in W&A of DSP      | 2.45               | -            | -            | -                   |
| 14     | Wheel Handling System for Dynamic Wheel Balancing               | 0.69               | -            | -            | -                   |
| 15     | Additional drinking Water Supply lines in DSP Town              | 6.36               | -            | -            | -                   |
| 16     | Construction of Service Culvert at Gandhi More                  | 0.04               | -            | -            | -                   |
| 17     | Construction of Road Overbridge                                 |                    |              |              | 6.17                |
| 18     | Nitrogen Gas Pumping at SMS                                     |                    |              |              | 0.56                |
| 19     | Relocation of Refractory Store                                  |                    |              |              | 1.29                |
| 20     | Pipeline from PBS 2 to COB 8 and 10                             |                    |              |              | 11.63               |
| 21     | Sewage Treatment Plant  |                    |              |              | 2.42                |
| 22     | Installation of 2 Nos. 150 T weighbridge South yard             |                    |              |              | 0.31                |
| 23     | Augmentation of power supply in township                        |                    |              |              | 0.52                |
| 24     | Installation of furnace-(Allowance)                             |                    |              |              | 0.82                |

**CWIP COMPLETION SCHEDULE FOR PROJECTS OVERDUE  
As on 31<sup>st</sup> March, 2023**

(₹ crore)

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects in progress</b>                               |                    |              |              |                     |
| 1      | Replacement of Plate Bending Machine in CEM               | 1.21               | -            | -            | -                   |
| 2      | Restoration of Structure for SGP of BF-4                  | 3.37               | -            | -            | -                   |
| 3      | Inatallation of 4 <sup>th</sup> Stove in Blast Furnance 4 | 24.85              | -            | -            | -                   |
| 4      | Rebuilding of salt handling in COCC                       | 2.63               | -            | -            | -                   |
| 5      | Procurement of Railway Rolling Stock - GPWIS              | 1.79               | -            | -            | -                   |
| 6      | Installation of 3 <sup>rd</sup> BF Gas Flare at DSP       | 5.79               | -            | -            | -                   |
| 7      | Implementation of Zero liquid discharge at Coke Oven      | 3.15               | -            | -            | -                   |
| 8      | Recirculation of recovery pit water at SGP of BF          | 1.63               | -            | -            | -                   |
| 9      | Modification of emergency water Tank                      | 1.76               | -            | -            | -                   |
| 10     | Replacement of 11KV switchboard of sub-station            | 5.92               | -            | -            | -                   |



**48.2 (B) Contd...**

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
| 11     | Installation of 2 nos. addl. pressure PRDU in Power     | 1.42               |              |              |                     |
| 12     | Replacement of 2 nos. Electric loco in coke oven        | 5.59               |              |              |                     |
| 13     | Inatlalation of land record information system          | 0.38               |              |              |                     |
| 14     | Installation of ASP Gas Booster in COCC                 | 1.01               |              |              |                     |
| 15     | Stack emission control of NLCP                          | 2.95               |              |              |                     |
| 16     | Replacement of cooling water pipelines in BOF           | 0.02               |              |              |                     |
| 17     | Upgradation of stake emission contrl system in BOF      | 2.87               |              |              |                     |
| 18     | Installation of a new Gas booster in Rolling Mills      | 9.80               |              |              |                     |
| 19     | Automation system of Conveyor control in COCC           | 6.80               |              |              |                     |
| 20     | Installation of reverse osmosis plant in power plant    | 6.21               |              |              |                     |
| 21     | Procure of 1 no. Turbo Blower in power plant            | 0.01               |              |              |                     |
| 22     | Digital map of Durgapur Steel Plant & ASP               | 0.00               |              |              |                     |
| 23     | Upgradation-PLC for Process Control- Sinter Plant 1     | 0.59               |              |              |                     |
| 24     | Emergency Power Backup - Load Lifting Magnets CCP       | 0.89               |              |              |                     |
| 25     | Tundish car Weighing System in Billet Caster            | 0.27               |              |              |                     |
| 26     | Replacement 25 Ton EOT Crane Sinter Fan House SP1       | 0.15               |              |              |                     |
| 27     | Extn of 3.3 KV Switchboard at HT-13 Substation PMD      | 0.77               |              |              |                     |
| 28     | 1 Portable Ultrasound Machine for M&HS                  | 0.00               |              |              |                     |
| 29     | Electro Slag Remelting Unit                             | 1.57               | -            | -            | -                   |
| 30     | Portable Optical Emission Spectrometer                  | 0.41               | -            | -            | -                   |
| 31     | Enterprise Procurement System                           | 0.47               | -            | -            | -                   |
| 32     | Vacuum ARC Degassing Unit                               | 1.50               | -            | -            | -                   |
| 33     | Hydrogen Atmosphere Annealing Furnace                   | 2.78               |              |              |                     |
| 34     | Electronic Drawing & Document Management System (EDDMS) | 0.58               |              |              |                     |
| 35     | Heavy Mould Handling System at SRU RRRP                 | 2.32               | -            | -            | -                   |
| 36     | De-dusting System at SRU Bhilai                         | 1.24               |              |              |                     |
| 37     | RM Shed at SRU Bhandaridah                              | 0.62               |              |              |                     |
| 38     | PGP at SRU IFICO  | 1.93               |              |              |                     |
| 39     | Recycle of waste water - Oxygen Plant (3094)            | 11.35              |              |              |                     |
| 40     | Construction of Flyover (M250)                          | 29.50              |              |              |                     |
| 41     | Recycle of waste water - BOF/BF (3095)                  | 11.30              |              |              |                     |
| 42     | Elevator (E031)   | 1.73               |              |              |                     |
| 43     | Hydraulic Laboratory (M043)                             | 1.77               |              |              |                     |
| 44     | DEVELOPMENT OF ROTARY HEARTH FURNACE TECHNOLOGY         | 1.48               |              |              |                     |

**48.2 (B) Contd...**

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects Temporarily suspended</b>                           |                    |              |              |                     |
| 1      | INST. OF SPNO. 3-SURVEY WORK                                    |                    | -            | -            | 0.01                |
| 2      | WIP-MODIFICATION 200T TEEMING CRANE-BLOOM CASTER                |                    | -            | -            | 2.82                |
| 3      | DEPOSITION OF 2% CODAL FEES TO RAILWAYS                         |                    | -            | -            | 4.99                |
| 4      | ENABLING JOBS-ROLLING MILLS-3.0 MT EXPN.                        |                    |              |              | 6.66                |
| 5      | 3 MT EXPANSION OF DSP - SURVEY WORK.                            |                    |              |              | 0.10                |
| 6      | 3 MT EXPAN.DSP/GEOTECHN. INVESTIGATION WORK                     |                    |              |              | 0.20                |
| 7      | Construction of Power supply- 3.0 mt Expn                       |                    |              |              | 5.27                |
| 8      | Upgradation of Railway/Traffic infrastructure facilities in DSP |                    |              |              | 2.25                |
| 9      | Consultancy Service for Expnsion Plan-MECON                     |                    |              |              | 24.34               |
| 10     | New Sinter Plant-III - Dismantling Job                          |                    |              |              | 4.05                |
| 11     | Infrastructural Facilities - Expansion                          |                    |              |              | 1.04                |
| 12     | RECIRC WATER SUPPLY SYSTEM RIM SPRAY QUENCH WAP                 |                    |              |              | 0.42                |
| 13     | Dynamic Balancing Machine for Railway Wheels in                 | 2.45               |              |              |                     |
| 14     | Wheel Handling System for Dynamic Wheel Balancing               | 0.66               |              |              |                     |
| 15     | Additional drinking Water Supply lines in DSP Town              | 6.36               |              |              |                     |
| 16     | M139  |                    | -            | -            | 6.17                |
| 17     | 2009  |                    | -            | -            | 0.56                |
| 18     | M024  |                    | -            | -            | 1.29                |
| 19     | 2848  |                    |              |              | 11.63               |
| 20     | M104  |                    |              |              | 2.42                |
| 21     | 1367  |                    |              |              | 0.31                |
| 22     | 1368  |                    |              |              | 0.05                |
| 23     | 1318  |                    |              |              | 0.52                |
| 24     | Others  |                    |              |              | 1.28                |

**48.3** The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) (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, Small and Medium Enterprises under Section 22 of MSMED Act, 2006 as at 31<sup>st</sup> March, 2024 are as under:

(₹ crore)

| S. No. | Description   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--------|---|------------------------------------|------------------------------------|
| i.     | The principal amount remaining unpaid to suppliers as at the end of the Year.   | <b>498.06</b>                      | 448.62                             |
| ii.    | The amount of interest accrued during the Year and remaining unpaid at the end of the Year.   | -                                  | -                                  |
| iii.   | The amount of further interest remaining due and payable even in the succeeding Year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23. | -                                  | -                                  |
| iv.    | The interest due thereon remaining unpaid to supplier as at the end of the Year.  | -                                  | -                                  |
|        |   | <b>For the Year ended</b>          |                                    |
|        |   | <b>31<sup>st</sup> March, 2024</b> | <b>31<sup>st</sup> March, 2023</b> |
| 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.  | -                                  | -                                  |



#### 48.4 (A) TRADE PAYABLE AGEING SCHEDULE

(₹ crore)

| Outstanding as on 31 <sup>st</sup> March, 2024 from due date of payment |                          |                |                |                 |               |               |                   |                 |
|---|--------------------------|----------------|----------------|-----------------|---------------|---------------|-------------------|-----------------|
| S. No.  | Particulars              | Unbilled Dues  | Not due        | 0-1 year        | 1-2 years     | 2-3 years     | More than 3 years | Total           |
| 1   | MSME - Disputed          | 0.00           | 8.69           | 0.00            | 0.00          | 0.00          | 0.00              | 8.69            |
| 2   | MSME - Undisputed        | 186.56         | 302.81         | 0.00            | 0.00          | 0.00          | 0.00              | 489.37          |
|   | <b>Subtotal - A</b>      | <b>186.56</b>  | <b>311.50</b>  | <b>0.00</b>     | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>       | <b>498.06</b>   |
| 3   | Others - Disputed        | 3.68           | 140.41         | 8.15            | 1.82          | 3.57          | 52.26             | 209.89          |
| 4   | Others - Undisputed      | 1536.23        | 1582.97        | 10939.32        | 163.13        | 115.86        | 286.93            | 14624.44        |
|   | <b>Subtotal - B</b>      | <b>1539.91</b> | <b>1723.38</b> | <b>10947.47</b> | <b>164.95</b> | <b>119.43</b> | <b>339.19</b>     | <b>14834.33</b> |
|   | <b>Grand Total (A+B)</b> | <b>1726.47</b> | <b>2034.88</b> | <b>10947.47</b> | <b>164.95</b> | <b>119.43</b> | <b>339.19</b>     | <b>15332.39</b> |

(₹ crore)

| Outstanding as on 31 <sup>st</sup> March, 2023 from due date of payment |                          |                |                |                |               |              |                   |                 |
|---|--------------------------|----------------|----------------|----------------|---------------|--------------|-------------------|-----------------|
| S. No.  | Particulars              | Unbilled Dues  | Not due        | 0-1 year       | 1-2 years     | 2-3 years    | More than 3 years | Total           |
| 1   | MSME - Disputed          | 0.00           | 10.68          | 0.00           | 0.00          | 0.00         | 0.00              | 10.68           |
| 2   | MSME - Undisputed        | 139.27         | 298.67         | 0.00           | 0.00          | 0.00         | 0.00              | 437.94          |
|   | <b>Subtotal - A</b>      | <b>139.27</b>  | <b>309.35</b>  | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>       | <b>448.62</b>   |
| 3   | Others - Disputed        | 3.52           | 129.18         | 0.78           | 0.27          | 0.29         | 44.06             | 178.10          |
| 4   | Others - Undisputed      | 1476.11        | 1645.65        | 9900.21        | 330.47        | 25.88        | 333.85            | 13712.16        |
|   | <b>Subtotal - B</b>      | <b>1479.63</b> | <b>1774.83</b> | <b>9900.99</b> | <b>330.74</b> | <b>26.17</b> | <b>377.91</b>     | <b>13890.25</b> |
|   | <b>Grand Total (A+B)</b> | <b>1618.90</b> | <b>2084.18</b> | <b>9900.99</b> | <b>330.74</b> | <b>26.17</b> | <b>377.91</b>     | <b>14338.88</b> |

#### (B) Expected credit losses

Company provides expected credit losses based on the following;

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:

#### TRADE RECEIVABLE AGEING SCHEDULE

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2024 |                |                |                |               |              |              |              |                     |                |
|--|----------------|----------------|----------------|---------------|--------------|--------------|--------------|---------------------|----------------|
| Particulars  | Unbilled       | Not Due        | 0-3 months     | 3-6 months    | 6-12 months  | 12-24 months | 24-36 months | more than 36 months | Total          |
| <b>Gross carrying amount</b>                                   |                |                |                |               |              |              |              |                     |                |
| <b>(A) Current:</b>  |                |                |                |               |              |              |              |                     |                |
| Undisputed - considered good                                   | 1575.46        | 4292.50        | 2134.58        | 138.95        | 91.52        | 33.31        | 24.07        | 18.31               | 8308.70        |
| Disputed - considered  | 0.00           | 0.00           | 0.01           | 0.01          | 0.00         | 0.00         | 0.00         | 0.00                | 0.02           |
|  | <b>1575.46</b> | <b>4292.50</b> | <b>2134.59</b> | <b>138.96</b> | <b>91.52</b> | <b>33.31</b> | <b>24.07</b> | <b>18.31</b>        | <b>8308.72</b> |
| Undisputed - credit impaired                                   | 0.00           | 0.00           | 25.73          | 1.24          | 1.25         | 0.29         | 0.09         | 204.04              | 232.64         |
| Disputed - credit impaired                                     | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 42.66               | 42.66          |
|  | <b>0.00</b>    | <b>0.00</b>    | <b>25.73</b>   | <b>1.24</b>   | <b>1.25</b>  | <b>0.29</b>  | <b>0.09</b>  | <b>246.70</b>       | <b>275.30</b>  |
| <b>Total current</b>   | <b>1575.46</b> | <b>4292.50</b> | <b>2160.32</b> | <b>140.20</b> | <b>92.77</b> | <b>33.60</b> | <b>24.16</b> | <b>265.01</b>       | <b>8584.02</b> |
| <b>(B) Non - current:</b>                                      |                |                |                |               |              |              |              |                     |                |
| Undisputed - considered good                                   | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - considered  | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
|  | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>         | <b>0.00</b>    |
| Undisputed - credit impaired                                   | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - credit impaired                                     | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 132.59              | 132.59         |
| <b>Total Non-current</b>                                       | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>132.59</b>       | <b>132.59</b>  |
| <b>Total gross</b>   | <b>1575.46</b> | <b>4292.50</b> | <b>2160.32</b> | <b>140.20</b> | <b>92.77</b> | <b>33.60</b> | <b>24.16</b> | <b>397.60</b>       | <b>8716.61</b> |
| Expected loss (%)  |                |                | 1.19%          | 0.88%         | 1.35%        | 0.86%        | 0.37%        | 95.39%              | 4.68%          |
| Credit loss allowance  | 0.00           | 0.00           | 25.73          | 1.24          | 1.25         | 0.29         | 0.09         | 379.29              | 407.89         |
| <b>Net carrying value</b>                                      | <b>1575.46</b> | <b>4292.50</b> | <b>2134.59</b> | <b>138.96</b> | <b>91.52</b> | <b>33.31</b> | <b>24.07</b> | <b>18.31</b>        | <b>8308.72</b> |

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2023 |             |                |               |               |               |              |              |                     |                |
|--|-------------|----------------|---------------|---------------|---------------|--------------|--------------|---------------------|----------------|
| Particulars  | Unbilled    | Not Due        | 0-3 months    | 3-6 months    | 6-12 months   | 12-24 months | 24-36 months | more than 36 months | Total          |
| <b>Gross carrying amount</b>                                   |             |                |               |               |               |              |              |                     |                |
| <b>(A) Current:</b>  |             |                |               |               |               |              |              |                     |                |
| Undisputed - considered good                                   | 0.00        | 4040.12        | 702.98        | 338.26        | 166.52        | 51.85        | 45.06        | 17.66               | 5362.44        |
| Disputed - considered  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.04         | 0.00         | 0.00                | 0.04           |
|  | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>17.66</b>        | <b>5362.48</b> |
| Undisputed - credit impaired                                   | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 265.15              | 265.15         |
| Disputed - credit impaired                                     | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 46.15               | 46.15          |
|  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 311.29              | 311.29         |
| <b>Total current</b>   | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>328.95</b>       | <b>5673.77</b> |
| <b>(B) Non - current:</b>                                      |             |                |               |               |               |              |              |                     |                |
| Undisputed - considered good                                   | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - considered  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00                | 0.00           |
|  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00                | 0.00           |
| Undisputed - credit impaired                                   | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - credit impaired                                     | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 7.83                | 7.83           |
|  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 7.83                | 7.83           |
| <b>Total Non-current</b>                                       | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>7.83</b>         | <b>7.83</b>    |
| <b>Total gross</b>   | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>336.78</b>       | <b>5681.60</b> |
| Expected loss (%)  | -           | -              | -             | -             | -             | -            | -            | 94.76               | 5.62           |
| <b>Credit loss allowance</b>                                   | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>319.12</b>       | <b>319.12</b>  |
| <b>Net carrying value</b>                                      | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>17.66</b>        | <b>5362.48</b> |

**Reconciliation of expected credit loss allowance**

(₹ crore)

| S. No. | Particulars                              | Amount        |
|--------|--|---------------|
|        | <b>As at 31<sup>st</sup> March, 2022</b> | <b>268.44</b> |
|        | Changes in allowance                     | 50.68         |
|        | <b>As at 31<sup>st</sup> March, 2023</b> | <b>319.12</b> |
|        | Changes in allowance                     | 88.77         |
|        | <b>As at 31<sup>st</sup> March, 2024</b> | <b>407.89</b> |

**48.5** 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.

**49.1** In accordance with Ind AS 115- Revenue from Contracts with Customers, GST amount of ₹18052.27 crore (Previous Year: ₹18071.67 crore) is not included in Revenue from Operations.

**49.2 (a)** As per the terms of sales with certain Government agencies, the invoicing to these agencies are done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under:

(₹ crore)

| Quarter ended 31 <sup>st</sup> March, 2024 | Year ended 31 <sup>st</sup> March, 2024 | Cumulative till 31 <sup>st</sup> March, 2024 | Quarter ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2023 | Cumulative till 31 <sup>st</sup> March, 2023 |
|--|---|--|--|---|--|
| 3826.88**                                  | 11162.37***                             | 25661.61***                                  | 2305.64                                    | 8688.65*                                | 29182.75*                                    |

\*includes an amount of ₹489.32 crore on account of revision of provisional rail prices made with effect from 1<sup>st</sup> April 2021.

\*\* includes an amount of ₹1714.03 crore on account of upward revision of provisional rail prices made with effect from 1<sup>st</sup> April 2022 and ₹185.16 crore provided as per the recommendation of the Joint Pricing Committee (JPC) towards rail prices for the Financial Year 2021-22 which is pending for approval of the Railway Board.

# includes ₹1749.30 crore recognized during the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September, 2023 towards rail price revision for the Financial Year 2021-22, as per the recommendation of the Office of the Chief Adviser (Cost), Ministry of Finance dated 26<sup>th</sup> October, 2023.



**49.3** As per the Department of Public Enterprises (DPE) guideline, the Company is required to contribute up to 30% of Salary (Basic Pay plus 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. 1<sup>st</sup> January, 2007 and @3% of Salary w.e.f. 1<sup>st</sup> April, 2015. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1<sup>st</sup> January, 2012 and @2% of Salary w.e.f. 1<sup>st</sup> April, 2015. Subsequent to wage revision, the pension benefit for non-executive employees has been provided @ 9% of Salary w.e.f. 1<sup>st</sup> November, 2021.

Pension Scheme was approved in the Meeting of the Board of Directors held on 9<sup>th</sup> 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 (@9% w.e.f. 1<sup>st</sup> November, 2021), 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% (@3% w.e.f. 1<sup>st</sup> November, 2021) of Basic Pay plus DA for Executive and Non-Executive employees respectively even in case of loss during a Financial Year. During the Year ended 31<sup>st</sup> March, 2024 provision for pension has been made @ 9% for all employees.

The cumulative liability towards pension for Executive and Non-executive employees, amounting to ₹714.00 crore (₹597.12 crore during the Year) and ₹61.03 crore (₹3.50 crore during the Year) has been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively. An amount of ₹630.99 crore has been transferred to Pension Fund during the Year. Further, an amount of ₹77.82 crore has been paid to retired employees during the Year and an amount of ₹Nil crore deposited by the employees for being eligible for pension.

**49.4** The research and development expenditure charged to Statement of Profit and Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the Year, amount to ₹239.47 crore (₹397.60 crore during the previous Year) and ₹67.61 crore (₹32.88 crore during the previous Year) 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                 |                                    |
|---------------------------------------|------------------------------------|------------------------------------|
|                                       | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Raw Materials                         | <b>75.72</b>                       | 217.91                             |
| Employees Benefits Expense            | <b>80.49</b>                       | 88.79                              |
| Stores & Spares Consumed              | <b>6.10</b>                        | 7.04                               |
| Power & Fuel                          | <b>6.94</b>                        | 16.30                              |
| Repairs & Maintenance                 | <b>5.06</b>                        | 6.56                               |
| Depreciation and Amortisation Expense | <b>8.22</b>                        | 11.63                              |
| Other Expenses                        | <b>55.30</b>                       | 45.40                              |
| Finance Cost                          | <b>1.64</b>                        | 3.97                               |
| <b>Total</b>                          | <b>239.47</b>                      | 397.60                             |

**49.5** The Company considers the assets of one entire plant as Cash Generating Unit (CGU). The Company internally reviews whether there are any indicators that the carrying amount of 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, by an independent expert.

As on the reporting date, based on the internal assessment done by the Company at its different CGUs, no impairment loss is required to be provided.

**Disclosure related to Corporate Social Responsibility**

- 49.6 (A)** As per Section 135 of the Companies Act, 2013, the Company is required to spend ₹158.75 crore for the year 2023-24 (previous year: ₹157.95 crore). The Company has incurred an expenditure of ₹161.93 crore on CSR activities during the year (₹162.46 crore during the previous Year) under the following heads:-

(₹ crore)

| Particulars                           | For the Year ended                 |                                    |
|---------------------------------------|------------------------------------|------------------------------------|
|                                       | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Education                             | <b>43.98</b>                       | 30.41                              |
| Healthcare                            | <b>26.40</b>                       | 30.31                              |
| Livelihood Generation                 | <b>13.63</b>                       | 12.18                              |
| Women Empowerment                     | <b>3.76</b>                        | 3.56                               |
| Drinking Water                        | <b>2.41</b>                        | 4.50                               |
| Sanitation                            | <b>2.40</b>                        | 5.39                               |
| Sports                                | <b>30.69</b>                       | 15.03                              |
| Art & Culture                         | <b>2.20</b>                        | 11.92                              |
| Rural Development                     | <b>22.75</b>                       | 15.06                              |
| Social Security                       | <b>4.72</b>                        | 6.57                               |
| Environment Sustainability            | <b>6.10</b>                        | 21.10                              |
| Disaster Relief                       | -                                  | 0.24                               |
| Project Identification and Monitoring | <b>1.01</b>                        | 0.09                               |
| Capacity Building of Personnel        | <b>1.90</b>                        | 6.11                               |
| <b>Total</b>                          | <b>161.93</b>                      | 162.46                             |

- (B)** The Company has booked an amount of ₹1.90 crore as Administrative Overheads during the year (₹6.11 crore during the previous year).
- (C)** The Company has spent an amount of ₹11.87 crore on construction/acquisition of asset during the year (₹6.74 crore during the previous year).
- (D)** Out of ₹161.93 crore (previous year- ₹162.46 crore), an amount of ₹78.26 crore (previous year- ₹51.73 crore) has been transferred to 'Unspent CSR Bank Account'. The liability for the same has been booked under Note No. 31 with expenditure booked under the following heads:

(₹ crore)

| Particulars                           | Unspent CSR 2022-23               |                      |                                    | Unspent CSR 2023-24          |
|---------------------------------------|-----------------------------------|----------------------|------------------------------------|------------------------------|
|                                       | As at 1 <sup>st</sup> April, 2023 | Spent during 2023-24 | As at 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2024 |
| Education                             | 3.41                              | 1.89                 | 1.52                               | 10.24                        |
| Healthcare                            | 10.89                             | 4.28                 | 6.62                               | 15.20                        |
| Livelihood Generation                 | 1.58                              | 0.86                 | 0.72                               | 2.76                         |
| Women Empowerment                     | 1.64                              | 0.85                 | 0.79                               | 1.59                         |
| Drinking Water                        | 2.18                              | 1.19                 | 0.99                               | 1.77                         |
| Sanitation                            | 1.08                              | 0.57                 | 0.51                               | 1.70                         |
| Sports                                | 6.39                              | 1.98                 | 4.41                               | 21.16                        |
| Art & Culture                         | 0.44                              | 0.32                 | 0.12                               | 0.90                         |
| Rural Development                     | 4.76                              | 2.97                 | 1.79                               | 16.14                        |
| Social Security                       | 3.04                              | 1.36                 | 1.68                               | 2.95                         |
| Environment Sustainability            | 16.26                             | 3.55                 | 12.71                              | 3.43                         |
| Project Identification and Monitoring | 0.04                              | 0.01                 | 0.03                               | 0.44                         |
| <b>Total</b>                          | <b>51.73</b>                      | <b>19.83</b>         | <b>31.90</b>                       | <b>78.26</b>                 |



(E) Details of Unspent CSR Bank account opened w.r.t point no. (D) above:

(₹ crore)

| S. No. | Financial Year | As at 1 <sup>st</sup> April, 2023 | Spent during 2023-24 | As at 31 <sup>st</sup> March, 2024 |
|--------|----------------|-----------------------------------|----------------------|------------------------------------|
| 1.     | FY 2022-23     | 51.73                             | 19.84                | 34.32*                             |
| 2.     | FY 2023-24     | -                                 | -                    | 78.26**                            |

\*Closing Balance includes interest earned ₹2.42 crore (previous year: ₹ Nil core)

\*\* New account opened in FY 2024-25

**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 year are as under:

(₹ crore)

| Year    | Grant Received from Central Government | Grant Utilised (from Opening Balance and Current Year) |
|---------|--|--|
| 2023-24 | 0.00                                   | 0.00   |
| 2022-23 | 0.00                                   | 0.39   |
| 2021-22 | 0.00                                   | 0.26   |

**49.8** Information on leases as per Indian Accounting Standards (Ind AS) 116 on 'Leases':

(I) The Company has leases for Land, office building, Plant & Equipment, warehouses & related facilities and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

#### Right of Use assets

Set out below are the carrying amounts of right-of-use assets (Refer note 4a) recognised and the movements during the period:

(₹ crore)

| Particulars                              | Leasehold     | Plant and equipment | Vehicles    | Buildings   | Right of Use assets Total |
|--|---------------|---------------------|-------------|-------------|---------------------------|
| As at 1 <sup>st</sup> April, 2023        | 730.60        | 4171.35             | 3.10        | 5.19        | 4910.23                   |
| Additions/Disposal                       | 90.90         | 960.96              | 7.46        | 0.26        | 1059.58                   |
| Depreciation expense                     | 62.22         | 382.63              | 2.32        | 1.49        | 448.64                    |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>759.28</b> | <b>4749.68</b>      | <b>8.24</b> | <b>3.96</b> | <b>5521.17</b>            |

#### Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

(₹ crore)

| Particulars                              | Lease liabilities |
|--|-------------------|
| As at 1 <sup>st</sup> April, 2023        | 5111.61           |
| Additions                                | 998.96            |
| Interest accrued                         | 412.14            |
| Payments                                 | 801.03            |
| Adjustments                              | 0.00              |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>5721.67</b>    |
| Current                                  | 486.41            |
| Non Current                              | 5235.24           |



**a. Lease payments not included in measurement of lease liability**

The expenses relating to payments not included in the measurement of the lease liability are as follows:

(₹ crore)

| Particulars                | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|----------------------------|------------------------------|------------------------------|
| Short-term leases          | 0.32                         | 0.36                         |
| Leases of low value assets | 0.00                         | -                            |
| Variable lease payments    | 1038.97                      | 18.76                        |
| Others                     | 0.00                         | -                            |

- b. Total cash outflow for leases for the Year ended 31<sup>st</sup> March, 2024 are ₹801.03 crore (previous year: ₹1550.79 crore).
- c. The Company has total commitment for short-term leases of ₹Nil crore as at 31<sup>st</sup> March, 2024 (previous year: ₹0.47 crore).

**d. Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

(₹ crore)

| Particulars               | Minimum lease payments due as at 31 <sup>st</sup> March 2024 |                |                   |                |
|---------------------------|--|----------------|-------------------|----------------|
|                           | Within 1 year  | 1-5 years      | More than 5 years | Total          |
| Lease payments            | 789.16   | 3007.88        | 5445.54           | 9242.58        |
| Interest expense          | 340.34   | 1334.15        | 1846.44           | 3520.93        |
| <b>Net present values</b> | <b>448.82</b>  | <b>1673.73</b> | <b>3599.10</b>    | <b>5721.65</b> |

(₹ crore)

| Particulars               | Minimum lease payments due as at 31 <sup>st</sup> March 2023 |                |                   |                |
|---------------------------|--|----------------|-------------------|----------------|
|                           | Within 1 year  | 1-5 years      | More than 5 years | Total          |
| Lease payments            | 669.62   | 2369.71        | 5365.23           | 8404.56        |
| Interest expense          | 318.50   | 1106.53        | 1867.92           | 3292.94        |
| <b>Net present values</b> | <b>351.12</b>  | <b>1263.18</b> | <b>3497.31</b>    | <b>5111.61</b> |

- e. Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31<sup>st</sup> March, 2024 is ₹ Nil crore (Previous Year: ₹ Nil crore).

**f. Information about extension and termination options :**

| Right of use assets | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases With termination option |
|---------------------|------------------|-------------------------|------------------------------|--|--|
| Leasehold Land      | 26               | 1-86                    | 23.61                        | 18                                     | 1  |
| Plant and equipment | 13               | 0-17.18                 | 5.87                         | 12                                     | 2  |
| Vehicles            | 17               | 0-4.92                  | 2.98                         | 4                                      | 4  |
| Buildings           | 14               | 0.33-45.78              | 4.81                         | 0                                      | 14                                       |

- g. The total future cash outflows as at 31<sup>st</sup> March, 2024 for leases that had not yet commenced is of ₹ 0.88 crore (previous Year ₹ Nil crore) (office premises).

**Company as a lessor**
**Operating lease as a lessor**

The Company has entered into lease agreements for spaces such as banks, housing societies, hospitals, mobile towers land plots and employee quarter/flats spaces, etc.

The period for such leases ranges from 11 months to 50 year depending upon terms and conditions of each lease arrangements.



Future minimum lease payments receivable under the operating lease is as below:

(₹ crore)

| Particulars   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| (a) Not Later than one year                           | 27.42                              | 26.04                              |
| (b) Later than one year and not later than five years | 74.10                              | 65.53                              |
| (c) Later than five years                             | 96.32                              | 93.92                              |
| <b>Total</b>  | <b>197.84</b>                      | 185.49                             |

Total operating lease rental income recognised in the statement of profit and loss during the Year ended 31<sup>st</sup> March, 2024 is ₹ 83.62 crore (previous year: ₹ 29.71 crore).

#### **Finance lease as a lessor**

The Company has freehold land which has been leased to various parties under finance lease arrangements.

**Future minimum lease payments receivable under the finance lease is as below:**

(₹ crore)

| Particulars   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| (a) Not Later than one year                           | 0.72                               | 0.73                               |
| (b) Later than one year and not later than five years | 2.27                               | 0.84                               |
| (c) Later than five years                             | 8.91                               | 8.79                               |
| <b>Total undiscounted lease payments</b>              | <b>11.90</b>                       | 10.36                              |
| Unearned finance income                               | 8.82                               | 9.27                               |
| <b>Net investment in lease</b>                        | <b>3.08</b>                        | 1.09                               |

Total finance lease rental income recognised in the statement of profit and loss during the Year ended 31<sup>st</sup> March, 2024 is ₹ 1.03 crore. (previous year: ₹ 0.54 crore).

## **(II) 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. For any new lease treatment treatment has been done in accordance with Ind AS 116 – Leases.

### **Oxygen Plant**

The Company has accounted for certain oxygen plants as finance lease (or operating lease) under Appendix-C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement. There is no change in treatment under Ind AS 116 – Leases.

### **Mining land**

The Company has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/economic compulsion for renewal. There is no change in treatment under Ind AS 116 – Leases.

**49.9** Contributions made in cash and kind for the period from the Financial Year 2006-07 to 2021-22 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 year 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 ₹ 61.90 crore (till date ₹ 311.82 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 the Management, no significant uncertainty exists regarding collectability and measurability of revenue.

**49.10** The inventory of sub-grade iron ore fines generated at the captive mines of the Company were not assigned any value in the books of accounts of the Company till the financial year ended 31<sup>st</sup> March 2019, since, the Government of India Notification dated 19<sup>th</sup> September 2012 prohibited all captive miners from selling such sub-grade fines.

Following the Government of India Order no.F.No.16/30/2019-M.VI dated 16<sup>th</sup> September 2019 allowing sale of sub-grade iron ore fines, the inventories of sub-grade fines held by the Company gained economic value. In this regard, the Company also obtained opinions from the Additional Solicitor General of India as well as the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI). Based on the aforesaid opinions, the Company recognized these inventories as by-product inventory as at 31<sup>st</sup> March 2020. Since, these inventories were generated over many year, making it impracticable to ascertain the actual valuation, the Company assigned a valuation to such inventories basis average selling price of similar sub-grade fines over the last 36 months as declared by Indian Bureau of Mines (IBM), a Government of India organisation and as adjusted for royalty and other selling costs.

The Company has obtained all clearances including environmental clearance and clearance from Director General of Mines Safety, Government of India. Further, procedural clearances have been obtained from the State Government of Odisha. With respect to the State of Jharkhand, evacuation of dumped fines from Duarguiburu lease have started in FY 2023-24 for captive use. With respect sale, the delay is procedural and the management expects to receive the clearances in due course.

The management has been able to sell off such inventories in certain locations. While, on an overall basis during the current and the previous year, there has been movement of 2.10 million tonnes in the volume of such inventories, there is significant market demand for sub-grade fines and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up beneficiation plant and pellet making facilities in future that will consume significant volume of sub-grade fines annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the substantial volume of inventories, the quantity estimated to be sold/consumed within the next one year has been recognized as current and the balance has been classified as non-current inventory.

As at 31<sup>st</sup> March 2024, the Company is carrying sub-grade iron-ore fines inventory of 40.88 MT (as at 31<sup>st</sup> March 2023: 41.55 MT) valuing ₹3932.35 crores (as at 31<sup>st</sup> March 2023 valuing ₹3995.75 crores) which includes 38.73 Mt valued at ₹3749.00 crores classified as non-current inventory at its various mines.

Likewise, the Company

- at its Barsua and Dalli Mines is carrying inventory of tailings of 10.84 MT valuing ₹513.57 crores (as at 31<sup>st</sup> March 2023: 10.27 MT valuing ₹491.98 crores) which includes 9.34 Mt valued at ₹434.21 crores classified as non-current inventory.
- at its Bhilai, and Rourkela Steel Plants is carrying inventory of extractable iron and steel scrap embedded in BF Slag and LD Slag of 0.45 MT valuing ₹ 449.84 crores (as at 31<sup>st</sup> March 2023: 0.47 MT valuing ₹460.35 crores) which includes 0.41 Mt valued at ₹406.42 crores classified as non-current inventory.
- at its Chandrapur Ferro Alloys Plant is carrying inventory of Granulated high manganese ore (HMnO) slag and slag fines of 0.59 MT valuing ₹42.35 crores (as at 31<sup>st</sup> March 2023: 0.52 valuing ₹41.56 crores) which includes 0.53 Mt valued at ₹35.66 crores classified as non-current inventory.

The Company is formulating a detailed plan for disposal/consumption of these inventories.

Considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories need not be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values of the aforementioned inventories are the best estimates basis the information available at this stage.

**49.11** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27<sup>th</sup> October, 2016 had accorded 'in-principle' approval for Strategic Disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visvesvaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), West Bengal. Subsequently, in line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9<sup>th</sup> February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary, Department of Public Assets Management (DIPAM) and co-chaired by Secretary (Steel).

Preliminary Information Memorandum (PIM)/Expression of Interest (Eoi), Requests of ASP, SSP and VISP were issued on 4<sup>th</sup> July 2019 and EOI bids were opened on 10<sup>th</sup> September 2019. EOIs were received only for Salem Steel Plant (SSP) and Visveswaraya Iron & Steel Plant (VISP), Bhadravati. The existing Expression of Interest of VISP and SSP has been annulled due to lack of interest of the shortlisted bidders in proceeding further with the transaction and Alternative Mechanism has approved.



In view of the current status and the various disinvestment processes which are underway, no adjustment in these financial statements is considered necessary at this stage.

**49.12** The net of unreconciled balances in IUCA (Inter-unit current accounts) at the end of the year are transferred to IUCA Reserve under head Other Equity (Note. No. 23). The sum of IUCA Reserve for all units of SAIL is Nil.

**49.13** Other income includes profit on sale of obsolete Plant and Machinery (SMS-1) at one of the plant location amounting to ₹ 278.82 crore in the quarter ended 30<sup>th</sup> June, 2023.

**49.14** Exceptional Items includes :

(I) For the Year ended 31<sup>st</sup> March 2024:

- a. Provision for settlement of contractual disputes amounting to ₹ 394.39 crore under Vivad se Vishwas Scheme II.
- b. Provision towards Settlement of Entry Tax dispute amounting to ₹ 446.45 Crore under Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act 2023.

(II) For the year ended 31<sup>st</sup> March, 2023:

- (i) Profit on sale of fixed assets amounting to ₹ 301.34 crore on account of sale of a portion of land to Dedicated Freight Corridor Corporation of India Limited (DFCCIL).
- (ii) An amount of ₹ 38.91 crore towards settlement of a long pending demand of electricity duty on Transmission & Transformation loss under One Time Settlement Scheme and an amount of ₹ 4.44 crore towards a dispute arising out of a contract finalized during 2000-01.

**49.15** Ministry of Steel, Government of India, vide its letters dated 19<sup>th</sup> January 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of the Company has placed certain employees and two directors of the Company on suspension with immediate effect, on the basis of a preliminary enquiry done by the Central Vigilance Officer on allegations received with respect to certain policy/pricing decisions of the Company. While the matter is currently under investigation by external investigative agencies as per directions of the Lokpal of India vide its order dated 10<sup>th</sup> January 2024, in view of the management, on the basis of their internal assessment, the matter is not likely to have a material impact on the operations of the Company and/or these financial results.

**49.16** The Company declared interim dividends @ 10% of the paid-up equity share capital (i.e. ₹ 1.00 per equity share of ₹ 10/- each) during the Financial Year 2023-24. The Board of Directors has recommended final dividend @ ₹ 1/- per equity share of ₹ 10 each i.e.10% on the paid up share capital of the Company for the Financial Year 2023-24, subject to approval of shareholders in the ensuing Annual General Meeting of the Company.

**49.17** Pursuant to SEBI Circular No. SEBI/HO/DDHS-RACPODI/P/CIR/2023/172 dated October 19, 2023, and pursuant to email communication received from NSE and BSE, details of Outstanding Qualified Borrowings and Incremental Qualified Borrowings for the financial year ended March 31, 2024 are provided below:

| S. No. | Particulars  | Amount (In Crores)  |
|--------|--|---|
| 1      | Outstanding Qualified Borrowings at the start of the financial year (₹ Crores) | 8154.10   |
| 2      | Outstanding Qualified Borrowings at the end of the financial year (₹ Crores)   | 10659.17  |
| 3      | Credit rating (highest in case of multiple ratings)                            | AA (outlook: Stable)<br>by India Ratings and CARE Ratings |
| 4      | Incremental Borrowings done during the year (Qualified Borrowings) (₹ Crores)  | 2505.07   |
| 5      | Borrowings by way of issuance of debt securities during the year (₹ Crores)    | NIL   |

**50.1 DEFINED BENEFIT SCHEMES**
**50.1.1 General Description of Defined Benefit Schemes:**

|  |  |
|--|--|
| <b>Gratuity</b>                            | : Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 year or more (for service beyond 30 year, one month's salary for every completed year of service beyond 30 year). Maximum amount of ₹20 lakhs for executives & non-executives joined on or after 1 <sup>st</sup> July, 2014. For non-executive employees joined before 1 <sup>st</sup> July, 2014, the gratuity accrued on pre revised Basic Pay and DA, as on the date of implementation of wage revision i.e. 18.10.2021 or ₹ 20 lakhs whichever is higher has been considered for actuarial valuation. |
| <b>Leave Encashment</b>                    | : 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 also allowed upto 30 days once in the Financial Year.  |
| <b>Provident Fund</b>                      | : 12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by the company.   |
| <b>Post Retirement Medical Benefits</b>    | : Available to retired employees at company's hospitals and/or under the health insurance policy.  |
| <b>Post Retirement Settlement Benefits</b> | : Payable to retiring employees for settlement at their home town.   |
| <b>Long term service Award</b>             | : Payable in kind on rendering minimum 25 year 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 | Provident Fund Trusts@ |
|---------|--|----------------------|----------------------|----------------------------------|------------------------------------|-------------------------|------------------------|
| i)      | Present Value of projected benefit obligations, as at the beginning of the year.                     | 5595.83<br>(5523.12) | 3764.05<br>(3527.05) | 1737.45<br>(1467.26)             | 152.80<br>(135.86)                 | 17.55<br>(21.18)        | 24832.99               |
| ii)     | Service Cost   | 273.53<br>(277.47)   | 524.03<br>(511.25)   | -<br>(-)                         | -<br>(-)                           | 0.87<br>(0.67)          | 746.39                 |
| iii)    | Interest Cost  | 381.46<br>(364.64)   | 247.14<br>(220.55)   | 117.08<br>(95.75)                | 10.83<br>(9.35)                    | 1.03<br>(1.40)          | 1937.97                |
| iv)     | Actuarial Gains(-) / Losses(+)   | -99.06<br>(205.34)   | 22.93<br>(347.07)    | 369.23<br>(411.55)               | 8.46<br>(15.37)                    | 1.85<br>(-2.29)         | 65.51                  |
| v)      | Settlements/Transfer In  | -                    | -                    | -                                | -                                  | -                       | 1001.54                |
| vi)     | Contribution by Plan Participants  | -                    | -                    | -                                | -                                  | -                       | 1663.05                |
| vii)    | Past Service Cost  | -<br>(-)             | -<br>(-)             | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| viii)   | Benefits Paid  | 811.25<br>(774.74)   | 803.47<br>(841.90)   | 289.10<br>(237.14)               | 10.65<br>(7.78)                    | 3.22<br>(3.38)          | 4191.50                |
| ix)     | Present Value of projected benefit obligations as at the end of the year.<br>(i+ii+iii+iv+v+vi-viii) | 5340.52<br>(5595.83) | 3754.67<br>(3764.05) | 1934.66<br>(1737.45)             | 161.44<br>(152.80)                 | 18.08<br>(17.55)        | 26055.95               |

\*Figures in brackets are previous year figures



**(b) Reconciliation of Fair Value of Assets and Obligations**

**Gratuity Trust**

The Company has funded the gratuity liability through a separate Gratuity Fund trust. The fair value of the plan assets of gratuity is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund.

**PF Trusts**

The company pays fixed contribution to Provident Fund at pre-determined rates to separate trusts, which invests the funds in permitted securities. The company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus in each trust is more than the statutory interest payment requirement for all the periods presented.

The reconciliation of fair value of assets of the Gratuity Fund/Provident Fund Trust and defined benefit gratuity/ Provident Fund obligations is as under:

(₹ crore)

| Sl. No. | Particulars  | Gratuity Trust |         | Provident Fund Trusts@ |
|---------|--|----------------|---------|------------------------|
|         |  | 2023-24        | 2022-23 | 2023-24                |
| i)      | Fair Value of plan assets as at the beginning of the year    | 5808.77        | 5936.04 | 25052.83               |
| ii)     | Actuarial Gain/Loss(-)                                       | 73.58          | -16.88  | -                      |
| iii)    | Actual Company's contribution                                | 294.90         | 242.77  | 746.39                 |
| iv)     | Expected return on plan assets                               | 426.94         | 421.45  | 2303.93                |
| v)      | Benefits payments  | 811.25         | 774.74  | 4191.50                |
| vi)     | Reallocation of Plan assets in FY 2023-24**                  | -              | -       | -                      |
| vii)    | Employee Contribution  | -              | -       | 1663.05                |
| viii)   | Settlements/Transfer In                                      | -              | -       | 1001.54                |
| ix)     | Fair value of plan assets as at the end of the year          | 5792.92        | 5808.77 | 26576.24               |
| x)      | Present value of defined benefit obligation [50.1.2)(a)(ix)] | 5340.52        | 5595.84 | 26055.95               |
| xi)     | Net liability recognised in the Balance sheet (x)-(ix) *     | -452.41        | -212.93 | -                      |

\*The Company expects/does not expect to contribute any amount towards the expenses of Gratuity Fund/ Provident Fund trusts during the year 2024-25, after considering the return on the investments.

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

\*\*Net impact Nil for SAIL

**(c) Expenses recognised in the Statement of Profit and Loss for the Year\* :**

(₹ crore)

| Sl. No. | Particulars  | Gratuity            | Leave Encashment    | Post Retirement Medical Benefits | Post Retirement Settlement Benefit | Long Term Service Award | Provident Fund Trusts@ |
|---------|--|---------------------|---------------------|----------------------------------|------------------------------------|-------------------------|------------------------|
| i)      | Service Cost   | 273.53<br>(277.47)  | 524.03<br>(511.25)  | -<br>(-)                         | -<br>(-)                           | 0.87<br>(0.67)          | 746.39                 |
| ii)     | Interest Cost  | -45.48<br>(-56.82)  | 247.14<br>(220.55)  | 117.08<br>(95.75)                | 10.83<br>(9.35)                    | 1.03<br>(1.40)          | -                      |
| iii)    | Actuarial Gains (-)/Losses                               | -99.06<br>(205.34)  | 22.93<br>(347.07)   | 369.23<br>(411.55)               | 8.46<br>(15.37)                    | 1.85<br>(-2.29)         | 300.45                 |
| iv)     | Past Service Cost  | -<br>(-)            | -<br>(-)            | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| v)      | Expected Return on Plan Assets                           | 73.58<br>(-16.88)   | -<br>(-)            | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| vi)     | Total (i+ii+iii+iv-v)                                    | 55.42<br>(442.87)   | 794.10<br>(1078.87) | 486.31<br>(507.30)               | 19.29<br>(24.72)                   | 3.75<br>(-0.21)         | 1046.84                |
| vii)    | Employees' Benefits Expenses :                           |                     |                     |                                  |                                    |                         |                        |
|         | a) Charged to Profit & Loss Account (Note 39)            | 227.62<br>(219.66)  | 791.81<br>(1075.78) | 117.08<br>(95.75)                | 10.16<br>(8.76)                    | 3.75<br>(-0.21)         | 746.39                 |
|         | b) Charged to Expenditure During Construction (Note 5.1) | 0.50<br>(0.99)      | 2.29<br>(3.09)      | (-)                              |                                    |                         | -                      |
|         | c) Charged to OCI**                                      | -172.63<br>(222.22) | -                   | 369.23<br>(411.55)               | -                                  | -                       | #                      |
|         | d) Charged to Profit & Loss Account- Other Expenses      | -0.07<br>(-)        |                     |                                  | 9.13<br>(15.96)                    |                         | -                      |
| viii)   | Actual Return on Plan Assets                             | 500.52<br>(404.60)  |                     |                                  |                                    |                         |                        |

\*Figures in brackets are previous year figures

\*\*Remeasurement gains/(losses) on Defined Benefit Plans have been reclassified and shown under Retained Earnings (Note No. 23)

# As per the provisions of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus determined through actuarial valuation. Accordingly, the company has not recognized the surplus of the assets, and the remeasurement gain/loss in 'Other Comprehensive Income', as these pertain to the Provident Fund trusts and not to the company.

@Valuation of PF trusts done for first time in FY 2023-24.

**(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                        | 157.79   | -148.57  |
| ii)     | Leave                           | 133.12   | -125.64  |
| iii)    | Post Retirement benefit         | 106.01   | -97.54   |
| iv)     | Long Term Service Award         | 0.33   | -0.32  |
| v)      | Retirement Travelling Allowance | 15.11  | -15.21   |
| vi)     | Provident fund Trusts           | 4.65   | -4.38  |

**(e) Effect of half 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    | -53.23  | 53.35   |
| ii)     | Leave       | -111.86   | 118.78  |



**(f) Effect of half percentage point change in the medical cost rate in case of valuation of benefits under post-retirement medical benefits scheme.**

(₹ crore)

| Sl. No. | Particulars                      | One percentage point decrease in salary escalation rate | One percentage point increase in salary escalation rate |
|---------|----------------------------------|---|---|
| i)      | Post-retirement medical benefits | 73.97   | -83.30  |

**(g) Investments of Gratuity Trust**

| Particulars                   | % of Investment                    |                                    |
|-------------------------------|------------------------------------|------------------------------------|
|                               | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Insurance Investments         | 97.00                              | 96.95                              |
| Central Government Securities | 1.48                               | 1.51                               |
| State Government Securities   | 0.46                               | 0.47                               |
| PSU Bonds                     | 1.00                               | 0.97                               |
| Cash at Bank                  | 0.06                               | 0.10                               |
| <b>Total</b>                  | <b>100.00</b>                      | <b>100.00</b>                      |

**(h) Actuarial assumptions**

| Sl. No. | Description                             | As at 31 <sup>st</sup> March, 2024  | As at 31 <sup>st</sup> March, 2023   |
|---------|---|---|--|
| i)      | Discount Rate (per annum)               | 7.21  | 7.35   |
| ii)     | Mortality rate                          | IALM (2012-14) Ultimate   | IALM (2012-14) Ultimate  |
| iii)    | Withdrawal Rates (per annum)            | Executives & Non-executives- 0.01% to 0.10% depending upon the age  | Executives & Non-executives- 0.01% to 0.10% 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 | 7.21%   | 7.35%  |
| vi)     | Salary Escalation                       | Executives : 6% p.a.<br>Non-Executives : 6% p.a.<br>All employees- 6% step-up after every 10 years of service starting 2017.                                  | Executives : 6% p.a.<br>Non-Executives : 6% p.a.<br>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 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| Upto 1 year   | 698.41                             | 766.47                             |
| Between 1 to 2 year                                 | 657.65                             | 689.10                             |
| Between 2 to 3 year                                 | 652.32                             | 644.82                             |
| Between 3 to 4 year                                 | 700.21                             | 642.11                             |
| Between 4 to 5 year                                 | 690.61                             | 690.53                             |
| Between 5 to 10 year                                | 2541.14                            | 2871.06                            |
| More than 10 year                                   | 2392.83                            | 2513.48                            |
| Total Undiscounted Payments related to past service | 8333.15                            | 8826.55                            |
| Less: Discount for Interest                         | 2992.61                            | 3230.74                            |
| <b>Projected Benefit Obligation</b>                 | <b>5340.54</b>                     | <b>5595.83</b>                     |



## 51. GENERAL

### 51.1 Segment Reporting

**Business Segments:** The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS 108 'Operating Segments' issued by Ministry of Corporate Affairs.

### 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: -

| <b>A. Name of the related party and nature of relationship</b>   |
|--|
| <b>Subsidiary Companies</b><br>SAIL Refractory Company Limited<br>Chhattisgarh Mega Steel Limited  |
| <b>Joint Venture Companies</b><br>NTPC-SAIL Power Company Limited<br>Bokaro Power Supply Company Private Limited<br>SAIL Bansal Service Centre Limited<br>Mjunction Services Limited<br>Bhilai Jaypee Cement Limited<br>International Coal Ventures Private Limited<br>SAIL SCL Kerala Limited<br>SAIL-RITES Bengal Wagon Industry Private Limited<br>SAIL Kobe Iron India Private Limited<br>Prime Gold-SAIL JVC Limited<br>VSL SAIL JVC Limited<br>Romelt-SAIL (India) Limited<br>Bastar Railway Private Limited<br>GEDCOL SAIL Power Corporation Limited  |
| <b>Associate Company</b><br>Almora Magnesite Limited   |
| <b>Other Companies</b><br>ICVL Mauritius<br>Riverdale Mining (PTY) Limited (RML)<br>Minas De Banga<br>ICVL Zambeze Mauritius Limited<br>Benga Power Plant (Mauritius) Limited<br>IISCO Ujjain Pipe & Foundry Co. Limited<br>UEC-SAIL Information Technology Limited  |
| <b>Post-employment Benefit Plans</b><br>HSL BSP Provident Fund, Bhilai<br>DSP Provident Fund, Durgapur<br>Hindustan Steel Ltd Contributory Provident Fund, Rourkela<br>Bokaro Steel Employees Provident Fund, Bokaro<br>IISCO Limited Provident Institution, Burnpur<br>Coal Provident Fund Trust, Collieries<br>IISCO Limited Works Provident Fund, Burnpur<br>SAIL ASP Provident Fund, Durgapur<br>Salem Steel Provident Fund, Salem<br>Visvesvaraya Iron and Steel Plant Employees Provident Fund Trust, Bhadravati<br>SAIL Provident Fund, New Delhi<br>Hindustan Steel Provident Fund, Ranchi<br>Hindustan Steel Limited, Central Purchase Organisation, Sales & Transport, Calcutta Provident Fund<br>Bharat Refractories Provident Fund, Bokaro<br>IFICO Provident Fund, Ramgarh<br>CCSO Provident Fund, Dhanbad<br>SAIL RMD Establishment and Administrative Offices Employees Provident Fund, Kolkata<br>Bolani Ores Mines Provident Fund, Bolani<br>SAIL Employees' Superannuation Benefit Fund<br>SAIL Gratuity Fund<br>SAIL Pension Fund |



**B. Key Management Personnel**

Shri Amarendu Prakash  
Smt Soma Mondal  
Smt Sukriti Likhi  
Shri Abhijit Narendra  
Shri A K Tripathy  
Shri Kanhaiya Sarda  
Smt Neelam Sonkar  
Shri J S Kuttappan  
Shri KVR Sagi  
Dr. G S Bhati  
Shri A Dasgupta  
Shri VS Chakravarthy  
Shri Atanu Bhowmick  
Shri A K Tulsiani  
Shri B P Singh  
Shri K K Singh  
Shri A K Singh  
Shri Jagdish Arora  
Shri S Subbaraj  
Shri Nirvik Banerjee  
Shri M B Balakrishnan  
Shri Subhashis Sengupta  
Shri S K Verma  
Shri Sanjeev Kumar  
Shri Asish Chakraborty  
Shri V K Pandey  
Shri A K Chakraborty  
Shri K Ramakrishnan  
Shri P K Rath  
Shri S K Das  
Shri Debrata Dutta  
Shri B L Chandwani  
Shri Tarun Mishra

**C. Details of transactions\* between the Company and the Related Parties during the Year**

(₹ crore)

| Sl. No. | Particulars                    | Subsidiary/<br>Associate/Joint<br>Ventures | Key Management<br>Personnel | Total                | Note No. and<br>account head      |
|---------|--------------------------------|--|-----------------------------|----------------------|-----------------------------------|
| i)      | Investments                    | -  |                             | -                    | 8 : Investments                   |
| ii)     | Advance for purchase of shares | -<br>(-3.52)                               |                             | -<br>(-3.52)         | 11/19 : Other<br>Financial Assets |
| iii)    | Services rendered              | 13.53<br>(18.98)                           |                             | 13.53<br>(18.98)     | 36: Other income                  |
| iv)     | Rental Income                  | 0.13<br>(0.06)                             |                             | 0.13<br>(0.06)       |                                   |
| v)      | Dividend Received              | 163.29<br>(414.79)                         |                             | 163.29<br>(414.79)   |                                   |
| vi)     | Sale of Goods                  | 62.74<br>(37.59)                           |                             | 62.74<br>(37.59)     | 35 : Revenue from<br>Operations   |
| vii)    | Other Operating Revenues       | 22.99<br>(18.37)                           |                             | 22.99<br>(18.37)     | 35 : Revenue from<br>Operations   |
| viii)   | Purchase of Goods              | 1437.24<br>(2075.54)                       |                             | 1437.24<br>(2075.54) | 25/30 : Trade<br>Payables         |
| ix)     | Purchase of Power              | 3065.83<br>(3085.72)                       |                             | 3065.83<br>(3085.72) | 41 : Other<br>Expenses            |
| x)      | Services received              | 63.93<br>(56.25)                           |                             | 63.93<br>(56.25)     | 41: Other Expenses                |
|         |                                | 2.54<br>(1.88)                             |                             | 2.54<br>(1.88)       | 5 : Capital WIP                   |

| Sl. No. | Particulars               | Subsidiary/ Associate/Joint Ventures | Key Management Personnel | Total               | Note No. and account head         |
|---------|---------------------------|--------------------------------------|--------------------------|---------------------|-----------------------------------|
| xi)     | Conversion Charges        | 15.33                                |                          | 15.33               |                                   |
| xii)    | Contribution to PF Trusts | 746.39<br>(1024.53)                  |                          | 746.39<br>(1024.53) | 39 : Employees' Benefits Expenses |
| xiii)   | Managerial remuneration** |                                      | 18.49<br>(15.84)         | 18.49<br>(15.84)    | 39 : Employees' Benefits Expenses |

\*Transactions with related parties are carried out on arm's length basis.

\*\* includes post-employment and termination benefits

**D. Balances with Related Parties as at the end of the Year**

(₹ crore)

| Sl. No. | Particulars                      | Total                | Note No. and account head           |
|---------|----------------------------------|----------------------|-------------------------------------|
| i)      | Investments                      | 1459.72<br>(1459.72) | 8 : Investments                     |
| ii)     | Provision for investments        | 76.28<br>(23.77)     |                                     |
| iii)    | Other Loans and Advances         | 99.19<br>(107.40)    | 11/18/19: Loans                     |
| iv)     | Provision for Loans and Advances | 23.11<br>(15.95)     |                                     |
| v)      | Advance for Purchase of shares   | -<br>(-)             | 11/19 : Other Financial Assets      |
| vi)     | Trade Receivable                 | 115.54<br>(8.41)     | 9/16 : Trade Receivables            |
| vii)    | Trade Payable                    | 537.58<br>(591.67)   | 25/30 : Trade Payables              |
| viii)   | Security Deposit                 | 0.06<br>(0.37)       | 26/31 : Other financial liabilities |

**E. Disclosure of Material Transactions\* with Related Parties**

(₹ crore)

| Name of the Company                   | For the Year ended 31 <sup>st</sup> March, 2024 | For the Year ended 31 <sup>st</sup> March, 2023 | Note No. and account head      |
|---------------------------------------|---|---|--------------------------------|
| <b>Dividend Income</b>                |   |   |                                |
| SAIL Refractory Co. Ltd               | 6.08  | 12.52   | 36: Other Income               |
| Bokaro Power Supply Co. Pvt. Ltd.     | 31.00   | 66.97   |                                |
| NTPC-SAIL Power Supply Co. Ltd.       | 75.00   | 325.00  |                                |
| Mjunction Services Limited            | 50.00   | 10.00   |                                |
| SAIL Rites Bengal Wagon I Pvt Ltd     | 1.20  |   |                                |
| <b>Investments</b>                    |   |   |                                |
| ICVL                                  |   |   | 8 : Investments                |
| S&T Mining Co Ltd                     |   |   |                                |
| <b>Advance for Purchase of Shares</b> |   |   |                                |
| ICVL                                  |   |   | 11/19 : Other Financial Assets |
| SAIL SCL Kerala Ltd                   |   | -3.52   |                                |
| S&T Mining Co Ltd                     |   |   |                                |
| <b>Sale of Goods</b>                  |   |   |                                |
| BhilaiJaypee Cement Limited           | 0.06  | 0.06  | 35: Revenue from Operations    |
| SAIL Refractory Co. Ltd               | 3.26  | 2.35  |                                |
| SAIL Rites Bengal Wagon I Pvt Ltd     | 73.73   | 30.69   |                                |
| NTPC-SAIL Power Supply Co. Ltd        | 4.79  | 4.49  |                                |
| <b>Other Operating Revenues</b>       |   |   |                                |
| NTPC-SAIL Power Supply Co. Ltd.       | 22.81   | 18.37   | 35: Revenue from Operations    |
| ICVL                                  | 0.06  |   |                                |
| SAIL Rites Bengal Wagon I Pvt Ltd     | 0.12  |   |                                |
| <b>Purchase of Goods</b>              |   |   |                                |
| SAIL Refractory Co. Ltd.              | 163.12  | 197.15  | 25/30 : Trade Payables         |
| Almora Magnesite Ltd                  | 6.60  | 6.11  |                                |
| Minas De Banga                        | 1267.09   | 1872.28   |                                |



| Name of the Company   | For the Year ended<br>31 <sup>st</sup> March, 2024   | For the Year ended<br>31 <sup>st</sup> March, 2023 | Note No. and<br>account head           |
|---|--|--|--|
| <b>Purchase of Power</b><br>Bokaro Power Supply Co. Pvt. Ltd.<br>NTPC-SAIL Power Supply Co. Ltd.  | <b>942.51</b><br><b>2123.32</b>  | 1022.55<br>2063.17                                 | 41 : Other Expenses                    |
| <b>Services Rendered</b><br>BhilaiJaypee Cement Limited<br>Mjunction Services Limited<br>SAIL-Bansal Services Centre Ltd.<br>Bokaro Power Supply Co. Pvt. Ltd<br>NTPC SAIL Power Supply Co. Ltd.<br>SAIL Refractory Co. Ltd.<br>ICVL<br>SAIL Rites Bengal Wagon I Pvt Ltd | <b>0.73</b><br><b>0.33</b><br><b>0.07</b><br><b>0.19</b><br><b>7.87</b><br><b>1.21</b><br><b>0.07</b><br><b>3.13</b> | 3.21<br>0.09<br>0.08<br>0.29<br>10.87<br>1.48      | 36 : Other income                      |
| <b>Auction services</b><br>Mjunction Services Limited   | <b>63.10</b><br><b>2.54</b>  | 56.25<br>1.88                                      | 41 : Other Expenses<br>5 : Capital WIP |
| <b>PF Trusts</b>  | <b>746.39</b>  | 1024.53  | 39: Employee<br>Benefit Expense        |

**\*Transactions with related parties are carried out on arm's length basis.**

**F.** During the Year, Sales and Trade Receivables include ₹ 10941.93 crore (previous Year ₹ 10739.35 crore) and ₹ 3192.83 crore (previous Year ₹ 1429.92 crore) for transactions with the Central Government (including Indian Railways).

**G. Details of Loans and Advances granted that are:**

**(i) Repayable on demand, or**

**(ii) without specifying any terms or period of repayment**

(₹ crore)

| Sl. No. | Type of Borrower          | As on 31-03-2024   |            | As on 31-03-2023   |            |
|---------|---------------------------|--------------------|------------|--------------------|------------|
|         |                           | Amount Outstanding | % of Total | Amount Outstanding | % of Total |
| 1       | PROMOTER                  | NIL                |            |                    |            |
| 2       | DIRECTORS (SPECIFY NAMES) |                    |            |                    |            |
| 3       | KMPS (SPECIFY NAMES)      |                    |            |                    |            |
| 4       | RELATED PARTIES           |                    |            |                    |            |
|         | (partywise)               |                    |            |                    |            |
|         | <b>TOTAL</b>              |                    |            |                    |            |

**H. RELATION WITH STRUCK OFF COMPANIES**

(₹ crore)

| Sl. No. | Name of Struck Off Company          | Nature of Transaction | Relationship  | Balance as on |            |
|---------|-------------------------------------|-----------------------|---------------|---------------|------------|
|         |                                     |                       |               | 31-03-2024    | 31-03-2023 |
| 1       | META INDUSTRIES LIMITED             | Job Work Service      | Vendor        | <b>0.00</b>   | 0.01       |
| 2       | HYWELL FORGINGS PRIVATE LIMITED     | Receivable            | CUSTOMER      | <b>0.00</b>   | 0.00       |
| 3       | VISMAYA METALS PRIVATE LIMITED      | Receivable            | CUSTOMER      | <b>0.40</b>   | 0.40       |
| 4       | MADRAS AUTHO COUPLINGS P.LTD        | Receivable            | CUSTOMER      | <b>0.00</b>   | 0.00       |
| 5       | AUTO FIELD ENGINEERS P.LTD          | Receivable            | CUSTOMER      | <b>0.00</b>   | 0.00       |
| 6       | ROYAL TYRES PVT LTD                 | Payable               | Vendor        | <b>0.00</b>   | 0.00       |
| 7       | SAIL JAGDISHPUR POWER PLANT LIMITED | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |
| 8       | SAIL SINDRI PROJECTS LIMITED        | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |
| 9       | NORTH BENGAL DOLOMITE LIMITED       | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |
| 10      | NMDC SAIL LIMITED                   | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |
| 11      | SAIL MOIL FERRO ALLOYS PVT LIMITED  | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |
| 12      | SAIL BENGAL ALLOY CAST (P) LTD      | Investment            | Joint Venture | <b>0.00</b>   | 0.00       |

| Sl. No. | Name of Struck Off Company                    | Nature of Transaction | Relationship  | Balance as on |            |
|---------|---|-----------------------|---------------|---------------|------------|
|         |   |                       |               | 31-03-2024    | 31-03-2023 |
| 13      | SAIL SCI SHIPPING PVT LIMITED                 | Investment            | Joint Venture | 0.00          | 0.00       |
| 14      | S & T MINING CO PVT LIMITED                   | Investment            | Joint Venture | 0.00          | 0.00       |
| 15      | SPRAYING SYSTEMS (INDIA) PVT. LTD.            | Payable               | Vendor        | 0.00          | 0.00       |
| 16      | DECCAN SMITHS PRIVATE LIMITED                 | Payable               | Customer      | 0.11          | 0.11       |
| 17      | SCHWING STETTER (INDIA) PRIVATE LIMITED       | Payable               | Customer      | 0.22          | 0.05       |
| 18      | BHARAT WAGON AND ENGINEERING CO LTD           | Payable               | Customer      | 0.01          | 0.01       |
| 19      | BURN STANDARD CO LTD                          | Payable               | Customer      | 0.72          | 0.59       |
| 20      | PRAKASH INDUSTRIES LIMITED                    | Payable               | Customer      | 0.05          | 0.05       |
| 21      | AKASH ISPAT PVT LTD                           | Payable               | Customer      | 0.00          | 0.11       |
| 22      | PRAKASH INDUSTRIES LTD                        | Payable               | Customer      | 0.02          | 0.02       |
| 23      | APARNA MEDITRONICS PVT LTD                    | Payable               | Vendor        | 0.00          | 0.00       |
| 24      | PANACEA NUTRITION WORKS INDIA PVT LTD         | Payable               | Vendor        | 0.00          | 0.00       |
| 25      | PRAKASH INDUSTRIES LIMITED                    | Payable               | Vendor        | 0.00          | 0.00       |
| 26      | SAPHONIX SOLUTIONS PVT LTD                    | Payable               | Vendor        | 0.00          | 0.00       |
| 27      | SPRAYING SYTEMS (INDIA) PVT. LTD.             | Payable               | Vendor        | 0.00          | 0.00       |
| 28      | BURN STANDARD CO. LTD.                        | Payable               | Vendor        | 0.00          | 0.00       |
| 29      | PRIME FORGE PRIVATE LIMITED                   | Receivable            | Customer      | 0.00          | 0.00       |
| 30      | AGATE ELECTRO INSULANTS (p) LTD               | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 31      | CLARIPACK (I) PVT LTD                         | RECEIVABLE            | CUSTOMER      | 0.00          | 0.00       |
| 32      | HUNTING HAWKS SECURITY & FACILITY SERVICE LTD | PAYABLE               | VENDOR        | 0.59          | 0.01       |
| 33      | JAMSHEDPUR ALLOYS (P) LTD                     | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 34      | PREDICT TECHNOLOGIES INDIA (P) LTD            | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 35      | SANGNEAL (OPC) PVT LIMITED                    | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 36      | SWAMUKT ENVIRON PVT LTD                       | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 37      | YIANS POWER SOLUTIONS PVT LTD                 | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 38      | SAPHONIX SOLUTIONS PVT LTD                    | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 39      | SPRAYING SYSTEMS (INDIA) PVT LTD.             | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 40      | SPRAYING SYSTEMS (INDIA) PVT LTD.             | PAYABLE               | VENDOR        | 0.00          | 0.00       |
| 41      | Titan Biotech Limited                         | PAYABLE               | VENDOR        | 0.00          | 0.00       |

\* Figures rounded off to ₹crore

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

#### Brief Description of Provisions :

|   |  |
|---|--|
| <b>Mines afforestation costs</b>        | 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. |
| <b>Mines closure costs</b>              | Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.  |
| <b>Overburden backlog removal costs</b> | To be incurred towards removal of overburden backlog at mines over the future year.  |



(₹ crore)

| Movement of provisions                           | Mines afforestation costs | Mines closure costs | Over burden removal Costs | Total         |
|--|---------------------------|---------------------|---------------------------|---------------|
| Balance as at 1 <sup>st</sup> April, 2023        | 35.95                     | 162.02              | 133.42                    | 331.39        |
| Additions during the Year                        | -                         | 86.78               | 16.16                     | 102.94        |
| Amounts utilised during the Year                 | 10.47                     | 22.66               | 13.89                     | 47.02         |
| Unused amount reversed during the Year           | -                         | -                   | -                         | -             |
| <b>Balance as at 31<sup>st</sup> March, 2024</b> | <b>25.48</b>              | <b>226.15</b>       | <b>135.69</b>             | <b>387.32</b> |

**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:

| 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*<br>(2.53)*  | 2.53<br>(2.53)  |

\* ₹ 2.53 crore (₹ 2.53 crore), being doubtful of recovery has been provided for in the books of accounts.

ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven year; and

There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested

**51.5 Reconciliation of Yearly Stock/Receivable statement filed**

(₹ crore)

| Year ended | Name of Bank | Particulars of Securities Provided | Amount as reported in the Yearly return | Amount as per books of accounts | Amount of Difference | Reasons for material discrepancies     |
|------------|--------------|------------------------------------|---|---------------------------------|----------------------|--|
| Mar-24     | SBI          | Inventory                          | 32997                                   | 32646                           | 351                  | Provisional data as on date of filing  |
| Mar-24     | SBI          | Trade Receivables                  | 7275                                    | 8309                            | -1034                | Provisional data as on date of filing. |
| Dec-23     | SBI          | Inventory                          | 29394                                   | 29187                           | 207                  | Provisional data as on date of filing. |
| Dec-23     | SBI          | Trade Receivables                  | 5166                                    | 6886                            | -1720                | Provisional data as on date of filing. |
| Sep-23     | SBI          | Inventory                          | 27955                                   | 24846                           | 3109                 | Provisional data as on date of filing. |
| Sep-23     | SBI          | Trade Receivables                  | 5053                                    | 6675                            | -1622                | Provisional data as on date of filing. |
| Jun-23     | SBI          | Inventory                          | 32017                                   | 28658                           | 3359                 | Provisional data as on date of filing. |
| Jun-23     | SBI          | Trade Receivables                  | 5569                                    | 5136                            | 433                  | Provisional data as on date of filing. |

**51.6 Financial Ratios**

| S. No. | Particulars  | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 | Variance (%) | Reasons             |
|--------|--|------------------------------|------------------------------|--------------|---------------------|
| 1.     | Current ratio<br>(Current Assets/ Current Liabilities)   | 0.90:1                       | 0.77:1                       | +17%         |                     |
| 2.     | Debt-Equity Ratio<br>(Total Borrowings/ Total Equity)  | 0.67:1                       | 0.59:1                       | -14%         |                     |
| 3.     | Debt Service coverage Ratio (number of times)<br>(Earning available for debt service/ Debt Service Cost)     | 2.08                         | 2.66                         | -22%         |                     |
| 4.     | Return on Equity (%)<br>(Net profit after tax/ Average Net Worth)  | 5.14                         | 3.65                         | +41%         | Increase in profits |
| 5.     | Inventory Turnover ratio (number of days)<br>(Average Inventories/ Revenue from operations)*365              | 121                          | 99                           | -22%         |                     |
| 6.     | Trade Receivable Turnover ratio (number of days)<br>(Average Trade Receivables/ Revenue from operations)*365 | 24                           | 18                           | -33%         | Increase in Debtors |

| S. No. | Particulars   | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 | Variance (%) | Reasons                        |
|--------|---|------------------------------|------------------------------|--------------|--------------------------------|
| 7.     | Trade Payable Turnover ratio (number of days)<br><i>(Average trade payable/purchase of goods)*365</i> | 80                           | 76                           | +5%          |                                |
| 8.     | Net Capital Turnover ratio<br><i>(Revenue from Operations/Working Capital)</i>                        | *                            | *                            |              |                                |
| 9.     | Net profit ratio (%)<br><i>(Net profit after tax/ Revenue from operations)</i>                        | 2.59                         | 1.82                         | +42%         | Increase in profits            |
| 10.    | Return on Capital Employed (%)<br><i>(Earning before Interest and Tax/Capital Employed)</i>           | 7.25                         | 4.98                         | +46%         | Increase in profits            |
| 11.    | Return on Investment (%)<br><i>(Income generated from invested funds/<br/>Average invested funds)</i> | 10.03                        | 25.45                        | -61%         | Decrease in Dividend<br>Income |

\*Working Capital is negative

**51.7 (a)** No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

**(b)** No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Ratios as per Amended Schedule III.

**51.8 During the Financial Year:**

**(a)** The company does not hold any Benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

**(b)** The company has not been declared wilful defaulter by any bank or financial institution or other lender.

**(c)** The company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.

**(d)** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.

**(e)** The company has not entered into any Scheme of Arrangement under section 230 to 237 of the Companies Act, 2013.

**(f)** The company does not have any undisclosed income in the tax assessments under the Income tax Act, 1961.

**(g)** The company has not traded in crypto currency or virtual currency.



**52: OPERATING SEGMENT INFORMATION**

(₹ crore)

| Particulars   | BSP      | DSP      | RSP      | BSL      | ISP      | ASP      | SSP      | VISL    | Others   | Inter Segment Sales | Total            |
|---|----------|----------|----------|----------|----------|----------|----------|---------|----------|---------------------|------------------|
| <b>REVENUE</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- External sales</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 30702.12 | 11486.84 | 24534.09 | 22091.69 | 12390.21 | 889.51   | 2371.51  | 54.63   | 24.49    | -                   | 104545.09        |
| Previous Year ended 31 <sup>st</sup> March 2023   | 28667.66 | 12126.00 | 24077.71 | 23146.14 | 12995.31 | 731.60   | 1798.55  | 144.00  | 41.66    | -                   | 103728.63        |
| <b>- Inter segment sales</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 2417.64  | 883.25   | 1546.34  | 3403.64  | 267.76   | 294.06   | 23.87    | 102.34  | 1344.03  | (10282.93)          | -                |
| Previous Year ended 31 <sup>st</sup> March 2023   | 1693.79  | 1062.64  | 1380.61  | 2938.16  | 494.31   | 258.54   | 76.36    | 161.36  | 1356.57  | (9422.34)           | -                |
| <b>- Total Revenue from sale of products</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 33119.76 | 12370.09 | 26080.43 | 25495.33 | 12657.97 | 1183.57  | 2395.38  | 156.97  | 1368.52  | (10282.93)          | 104545.09        |
| Previous Year ended 31 <sup>st</sup> March 2023   | 30363.82 | 13195.85 | 25471.07 | 26094.06 | 13496.44 | 990.14   | 1874.91  | 305.36  | 1398.23  | (9422.34)           | 103728.63        |
| <b>RESULTS</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- Operating Profit / (Loss) before interest and exceptional items</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 3548.54  | 564.60   | 1415.53  | 1365.89  | 295.25   | (71.55)  | (227.36) | (48.57) | 159.99   | -                   | 7002.32          |
| Previous Year ended 31 <sup>st</sup> March 2023   | 954.33   | 502.49   | 1191.23  | 1218.79  | 558.03   | (121.79) | (203.06) | (50.57) | 366.94   | -                   | 4416.39          |
| <b>- Finance costs</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  |          |          |          |          |          |          |          |         |          |                     | 2473.81          |
| Previous Year ended 31 <sup>st</sup> March 2023   |          |          |          |          |          |          |          |         |          |                     | 2037.47          |
| <b>- Exceptional items</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  |          |          |          |          |          |          |          |         |          |                     | 840.84           |
| Previous Year ended 31 <sup>st</sup> March 2023   |          |          |          |          |          |          |          |         |          |                     | (257.99)         |
| <b>- Tax expenses</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  |          |          |          |          |          |          |          |         |          |                     | 954.56           |
| Previous Year ended 31 <sup>st</sup> March 2023   |          |          |          |          |          |          |          |         |          |                     | 733.84           |
| <b>- Profit for the year</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  |          |          |          |          |          |          |          |         |          |                     | 2733.11          |
| Previous Year ended 31 <sup>st</sup> March 2023   |          |          |          |          |          |          |          |         |          |                     | 1903.07          |
| <b>OTHER INFORMATION</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- Segment assets - non current</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 26545.18 | 6084.35  | 21951.33 | 16713.50 | 13415.63 | 108.48   | 1437.05  | 97.94   | 3296.85  |                     | 89650.31         |
| Previous Year ended 31 <sup>st</sup> March 2023   | 26924.78 | 5546.81  | 22194.62 | 16424.09 | 13875.27 | 113.77   | 1532.88  | 107.11  | 3232.39  |                     | 89951.72         |
| <b>- Segment assets - current</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 9398.77  | 2783.29  | 7598.61  | 6484.55  | 2567.99  | 585.69   | 1361.07  | 126.91  | 16960.15 |                     | 47867.03         |
| Previous Year ended 31 <sup>st</sup> March 2023   | 7269.86  | 1890.14  | 5997.69  | 5762.73  | 1991.41  | 504.51   | 982.96   | 131.15  | 13203.54 |                     | 37733.99         |
| <b>- Assets classified as held for sale</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 0.24     | 1.20     | 10.65    | 1.04     | 1.19     | 0.79     | -        | -       | -        |                     | 15.11            |
| Previous Year ended 31 <sup>st</sup> March 2023   | 8.45     | 3.16     | 12.02    | 3.62     | 1.16     | 0.87     | -        | -       | -        |                     | 29.28            |
| <b>- Segment Liabilities - non current</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 2931.50  | 1703.16  | 4763.89  | 2167.07  | 249.35   | 141.10   | 107.10   | 56.30   | 17856.96 |                     | 29976.43         |
| Previous Year ended 31 <sup>st</sup> March 2023   | 4260.76  | 1779.95  | 4972.95  | 1408.34  | (22.35)  | 93.46    | 113.10   | (21.21) | 13685.34 |                     | 26270.34         |
| <b>- Segment Liabilities - current</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 5473.42  | 1610.84  | 4786.11  | 3766.86  | 1335.61  | 179.85   | 515.34   | 68.95   | 35688.50 |                     | 53425.48         |
| Previous Year ended 31 <sup>st</sup> March 2023   | 5039.85  | 1767.13  | 4230.51  | 4657.33  | 1625.05  | 164.57   | 388.36   | 81.66   | 31351.01 |                     | 49305.47         |
| <b>- Capital expenditure</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 1482.72  | 869.84   | 1472.08  | 1483.16  | 389.40   | 3.91     | 10.74    | 0.65    | 70.85    |                     | 5783.35          |
| Previous Year ended 31 <sup>st</sup> March 2023   | 1030.31  | 865.13   | 2011.35  | 1047.64  | 338.94   | 1.45     | 12.58    | 3.45    | 58.80    |                     | 5369.65          |
| <b>- Depreciation</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 1333.67  | 327.15   | 1567.81  | 1078.96  | 806.28   | 8.73     | 97.90    | 6.49    | 50.46    |                     | 5277.45          |
| Previous Year ended 31 <sup>st</sup> March 2023   | 1242.26  | 292.98   | 1528.47  | 923.53   | 810.93   | 8.56     | 96.68    | 6.42    | 52.69    |                     | 4962.52          |
| <b>- Non cash expenses other than Depreciation</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024  | 29.39    | 17.28    | 51.48    | 42.81    | 21.51    | 2.14     | 0.34     | 0.03    | 46.59    |                     | 211.57           |
| Previous Year ended 31 <sup>st</sup> March 2023   | 124.97   | 33.26    | 31.44    | 23.78    | 14.19    | 17.19    | 8.34     | 3.97    | 95.66    |                     | 352.80           |
| There is no customer contributing more than 10% of revenue. 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. |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>Primary Geographical Markets</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Within India  |          |          |          |          |          |          |          |         |          |                     | 102857.85        |
| Outside India   |          |          |          |          |          |          |          |         |          |                     | 1687.24          |
| <b>Total</b>  |          |          |          |          |          |          |          |         |          |                     | <b>104545.09</b> |



53. The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current periods classification.

The impact of any re-grouping/reclassification on the financial statements is immaterial.

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

*In terms of our report of even date*

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered  
Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No.  
005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024



**Annexure-I to the Board's Report**

|   |   |   |  |
|---|---|---|--|
| 1. <b>Walker Chandiok &amp; Co LLP</b><br>L-41, Connaught Circus,<br>New Delhi-110001 | 2. <b>J N Gupta &amp; Co LLP</b><br>202 Prasad Residency,<br>South of Bariatu Housing<br>Colony, Rani Bagan,<br>Ranchi-834009 | 3. <b>S P A R K &amp; Associates<br/>Chartered Accountants<br/>LLP</b><br>403A 4 <sup>th</sup> Floor, Ravi Bhawan,<br>Jay Stambh Square,<br>Near Gandhi Chowk,<br>Raipur-446143 | 4. <b>Vinod Singhal &amp; Co LLP</b><br>A-301 Shree Nand Rani<br>Niwas, Opp Ara mills,<br>Veer Kunwar Singh<br>Colony, Airport Road,<br>Hinoo, Ranchi-834002 |
|---|---|---|--|

**INDEPENDENT AUDITORS' REPORT**

To the Members of Steel Authority of India Limited

| Comments   | Management's Replies  |
|--|---|
| <p><b>Report on the Audit of Standalone Financial Statements</b></p> <p><b>Qualified opinion</b></p>   |   |
| <p>1. We have audited the accompanying standalone financial statements of <b>STEEL AUTHORITY OF INDIA LIMITED ('the Company')</b>, which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches/units/marketing regions as listed in Appendix 1.</p>   |   |
| <p>2. 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 reports of the branch auditors as referred to in paragraph 17 below, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.</p>  |   |
| <p><b>Basis for Qualified Opinion</b></p> <p>3. As referred in note 47.2(a)(i) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court/Jurisdictional High Courts/Commercial Tax Department /assigned authorities. Pending decision by the other aforesaid Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax demand in various states amounting to ₹ 724.02 crore (net of ₹ 137.72 crore recognised as a liability basis ongoing settlement proceedings as explained in the said note) as on 31 March 2024. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.</p> | <p>The Nine Judge Bench of the Hon'ble Supreme court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹ 762.91 crore on iron Ore and Coking Coal in Bhilai-Durg area @ 6% as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh, Entry tax amounting to ₹98.83 crore on goods entering into the local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. During the year, in the State of Chhattisgarh, applications were filed under settlement scheme (Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act, 2023) for settlement of Entry Tax dispute pertaining to rate discrimination. The disputed amount are ₹ 762.91 Crore for which the settlement amount of ₹137.72 crore as per scheme has been provided as on 31<sup>st</sup> March, 2024. Accordingly, various matters raised by SAIL are pending with Jurisdictional High Courts/assigned authorities/ Commercial Tax Department. Pending decision by the Courts, the disputed Entry Tax liabilities of ₹724.02 crore have been treated by the Company as Contingent Liability.</p> |

| Comments   | Management's Replies   |  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
|--|--|--|--|-------------------|--|--------------|-----------|-----------|------------------------|----------|----------|----------------------|----------|----------|---------------------------|----------|----------|--|
| <p>4. As referred in note 47.2(b) to the accompanying standalone financial Statements, current assets include advance of ₹ 587.72 crore paid under protest to Damodar Valley Corporation against the bills raised for supply of power for the period 2010-11 to 2016-2017. The matter is under litigation and currently pending before Jharkhand State Electricity Regulatory Commission (JSERC) for finalization of tariff. The management is of the view that the amount paid under protest is fully recoverable and thus, no adjustment is required in the accompanying standalone financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the accompanying standalone financial statements.</p>  | <p>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 3<sup>rd</sup> 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. DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission (JSERC) for the period 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC. JSERC finalised the Category-wise Retail Supply Tariff of DVC for the period from FY 2006-07 to FY 2011-12 vide order dated 31<sup>st</sup> October, 2023. However, DVC has preferred an appeal before Hon'ble APTEL against the order of the JSERC regarding the consideration of non-tariff income in totality in the tariff order. APTEL vide its order dated 5<sup>th</sup> February, 2024 allowed the appeal of DVC with request to the commission to pass an order afresh at the earliest. The above disputed demands stated at (3) and (4), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2024. Therefore, there is no adverse impact on Profit for the year.</p> |  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| <p>5. Impact of all the above qualifications on the accompanying standalone financial statements for the year ended 31 March 2024 is as under:<br/>(Amounts in INR crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #4F81BD; color: white;">Particulars</th> <th colspan="2" style="background-color: #4F81BD; color: white;">As at 31<sup>st</sup> March 2024</th> </tr> <tr> <th style="background-color: #4F81BD; color: white;">Reported balances</th> <th style="background-color: #4F81BD; color: white;">Balances after impact of all the qualifications which are quantified</th> </tr> </thead> <tbody> <tr> <td>Other equity</td> <td style="text-align: right;">50,000.01</td> <td style="text-align: right;">49,018.41</td> </tr> <tr> <td>Deferred tax liability</td> <td style="text-align: right;">6,178.20</td> <td style="text-align: right;">5,848.06</td> </tr> <tr> <td>Other current assets</td> <td style="text-align: right;">4,541.05</td> <td style="text-align: right;">3,953.33</td> </tr> <tr> <td>Other current liabilities</td> <td style="text-align: right;">4,565.19</td> <td style="text-align: right;">5,289.21</td> </tr> </tbody> </table> <p>Our audit report on the standalone financial statements of the company for the year ended 31 March 2023 was also modified in respect of above matters.</p> | Particulars  | As at 31 <sup>st</sup> March 2024                                    |  | Reported balances | Balances after impact of all the qualifications which are quantified | Other equity | 50,000.01 | 49,018.41 | Deferred tax liability | 6,178.20 | 5,848.06 | Other current assets | 4,541.05 | 3,953.33 | Other current liabilities | 4,565.19 | 5,289.21 |  |
| Particulars  |  | As at 31 <sup>st</sup> March 2024                                    |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
|  | Reported balances  | Balances after impact of all the qualifications which are quantified |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other equity   | 50,000.01  | 49,018.41  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Deferred tax liability   | 6,178.20   | 5,848.06   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other current assets   | 4,541.05   | 3,953.33   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other current liabilities  | 4,565.19   | 5,289.21   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| <p>6. We conducted our audit in accordance with the Standards on Auditing 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 standalone 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the branch auditors, in terms of their reports referred to in paragraph 17 of the Other Matter section below is sufficient and appropriate to provide a basis for our qualified opinion.</p>   |  |  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| <p><b>Emphasis of matter</b></p> <p>7. We draw your attention to the following matter:</p> <ol style="list-style-type: none"> <li>a. Note 49.2 to the accompanying standalone financial statements, which describes that the revenue from operations include sales to government agencies aggregating to ₹ 11,162.37 crore for the year ended 31 March 2024 (cumulative upto 31 March 2024 of ₹ 25,661.61 crore) which is recognized on the basis of provisional prices as per the terms if sales with such Government agencies.</li> <li>b. Note 49.15 to the accompanying standalone financial statements, regarding suspension of certain officers and employees of the Company basis directions from the Ministry of Steel, Government of India and related investigation to be conducted by external investigative agencies on certain matters relating to policy/pricing decisions of the Company. In view of the management, basis their internal assessment, the matter is not likely to have a material impact on the operations of the Company and/or these standalone financial statements.</li> </ol> <p>Our opinion is not modified in respect of these matters.</p>  |  |  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |



| Comments   |  | Management's Replies   |                  |  |    |  |  |  |
|--|--|--|------------------|--|----|--|--|--|
| <p><b>Key Audit Matters</b></p> <p>8. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the branch auditors as referred to paragraph 17 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.</p>  |  |  |                  |  |    |  |  |  |
| <p>9. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Key audit matter</th> <th>How our audit addressed the key audit matter</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td> <p><b>Provision and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in note 47.1 to the Company's Standalone Financial Statements. Refer note 3.15 for related material accounting policy information adopted by the Company.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the standalone financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation and uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p> </td> <td> <p>Our audit procedures included, but were not limited to the following:</p> <p>Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management, through various discussions held with Company's legal and finance personnel.</p> <p>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</p> <p>Inspected the summary of litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel.</p> <p>Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Company. Obtained direct confirmations from the dealing lawyers for certain material ongoing litigations.</p> <p>Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognised and contingent liabilities disclosed in the standalone financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</p> <p>Evaluated the adequacy of disclosures made in the Company's standalone financial statements in accordance with the applicable accounting standards.</p> </td> </tr> </tbody> </table> |  | Sl. No.  | Key audit matter | How our audit addressed the key audit matter | 1. | <p><b>Provision and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in note 47.1 to the Company's Standalone Financial Statements. Refer note 3.15 for related material accounting policy information adopted by the Company.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the standalone financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation and uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <p>Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management, through various discussions held with Company's legal and finance personnel.</p> <p>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</p> <p>Inspected the summary of litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel.</p> <p>Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Company. Obtained direct confirmations from the dealing lawyers for certain material ongoing litigations.</p> <p>Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognised and contingent liabilities disclosed in the standalone financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</p> <p>Evaluated the adequacy of disclosures made in the Company's standalone financial statements in accordance with the applicable accounting standards.</p> |  |
| Sl. No.  | Key audit matter   | How our audit addressed the key audit matter   |                  |  |    |  |  |  |
| 1.   | <p><b>Provision and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in note 47.1 to the Company's Standalone Financial Statements. Refer note 3.15 for related material accounting policy information adopted by the Company.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the standalone financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation and uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <p>Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management, through various discussions held with Company's legal and finance personnel.</p> <p>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</p> <p>Inspected the summary of litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel.</p> <p>Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Company. Obtained direct confirmations from the dealing lawyers for certain material ongoing litigations.</p> <p>Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognised and contingent liabilities disclosed in the standalone financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</p> <p>Evaluated the adequacy of disclosures made in the Company's standalone financial statements in accordance with the applicable accounting standards.</p> |                  |  |    |  |  |  |

| Comments |   |   | Management's Replies |
|----------|---|---|----------------------|
| Sl. No.  | Key audit matter  | How our audit addressed the key audit matter  |                      |
| 2.       | <p><b>Property, plant and equipment and intangible assets (including capital work in progress)</b></p> <p>As at 31<sup>st</sup> March 2024 the Company has Property, Plant and Equipment ('PPE'), Intangible Asset ('IA') and Capital Work-in-Progress ('CWIP') with carrying value of ₹ 65,396.59 crore, ₹ 1488.84 crore, ₹ 6140.57 crore, respectively, as disclosed in note 4, note 7 and note 5 of the accompanying Standalone Financial Statements. Refer note 3.1 for the material accounting policy information adopted by the Company for recognition and measurement of such non-current assets.</p> <p>Determination of carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment ('Ind AS 16') and Ind AS 38 – Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long-term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of amounts involved 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 in the current year audit.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <p>Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the company and evaluated the accounting policies adopted by the company in accordance with the requirements of Ind AS 16 and Ind AS 38.</p> <p>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to the above process.</p> <p>Tested the amounts capitalized during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalized satisfied the recognition criteria and were recognized accurately in the correct periods and with correct amounts.</p> <p>Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects.</p> <p>Evaluated the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.</p> |                      |



| Comments   |  | Management's Replies |
|--|--|----------------------|
| <p>3. <b>By-products inventory</b></p> <p>Refer to note 3.7 of summary of material accounting policy information and other explanatory information for valuation of by-products amounting to ₹ 4938.11 crore as at 31<sup>st</sup> March 2024 and significant accounting judgements, estimates and assumptions related thereto and the note 3.21.4 of the standalone financial statements.</p> <p>Inventories of by-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles.</p> <p>Further, as explained in notes 49.10, pursuant to the order of Ministry of Mines, Government of India dated 16th September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous years.</p> <p>The management of the Company also sought the opinion of Expert Advisory Committee of the ICAI ('EAC Opinions') on recognition and measurement of by-product inventories.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>Further, basis the expected future salability and plans for captive consumption of such by-product inventories, the management has classified inventory expected to be sold / consumed after 12 months from the date of balance sheet, being the operating cycle of the Company, as non-current inventory.</p> <p>Owing to the insignificant movement in sales/consumption of such by-products inventory, the materiality of the carrying value thereof and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p> <p>Further, the management's assessment of classification and valuation of aforesaid inventory as described in note 49.10 is considered fundamental to the understanding of the users of the standalone financial statements.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <p>Obtained an understanding of the processes and procedures, including controls relating to identification of sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</p> <p>Evaluated the accounting policy adopted by the Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</p> <p>In assessing management's assessment of the value of byproducts, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by-products considered for valuation.</p> <p>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by- products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</p> <p>Obtained management's working of estimated future sales / consumption used for classification of the by-product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</p> <p>Evaluated the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.</p> |                      |
| <p><b>Information other than the financial statements and auditors' report thereon</b></p> <p>10. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p>   |  |                      |

| Comments  | Management's Replies |
|---|----------------------|
| <p><b>Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements</b></p> <p>11. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>12. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>13. The Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>   |                      |
| <p><b>Auditors' responsibilities for the audit of the Standalone financial statements</b></p> <p>14. Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 financial statements.</p>   |                      |
| <p>15. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> <li>• Identify and assess the risks of material misstatement of the 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;</li> <li>• 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;</li> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;</li> <li>• Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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;</li> <li>• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and</li> </ul> |                      |



| Comments  | Management's Replies |
|---|----------------------|
| <ul style="list-style-type: none"> <li>• Obtain sufficient appropriate audit evidence regarding the financial statements/ financial information of the Company and its branches/units/marketing regions or the business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company and such branches/units/marketing regions included in the financial statements, of which we are the independent auditors. For the other branches/units/marketing regions included in the financial statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.</li> </ul> <p>16. 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.</p> <p>17. 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.</p>   |                      |
| <p>18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.</p>  |                      |
| <p><b>Other Matters</b></p> <p>19. We did not audit the annual financial statements/financial information of 11 branches/units/marketing regions included in the standalone financial statements of the Company whose annual financial statements/financial information reflects total assets of ₹ 64,560.81 crore as at 31 March 2024, and the total revenues of ₹ 40,094.16 crore, total net loss after tax of ₹ 49.65 crore, total comprehensive loss of ₹ 109.03 crore, and cash flows (net) of ₹ 4.29 crore respectively for the year ended on that date, as considered in the standalone financial statements. These annual financial statements/financial information have been audited by the branch auditors whose reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branches, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.</p> <p>Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the branch auditors.</p>   |                      |
| <p>20. The standalone financial statements of the Company for the year ended 31 March 2023 were audited jointly by the predecessor auditors, M/s Tej Raj &amp; Pal, M/s S. Jaykishan, M/s Walker Chandiook &amp; Co. LLP and M/s K A S G &amp; Co., who have expressed a qualified opinion on those standalone financial statements vide their audit report dated 25<sup>th</sup> May 2023.</p> <p><b>Report on Other legal and Regulatory Requirements</b></p> <p>21. Based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 17 above, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is a Government company as defined under section 2(45) of the Act. Accordingly, reporting under section 197(16) is not applicable.</p> <p>22. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p> <p>23. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 17 above, we report, to the extent applicable, that:</p> <ul style="list-style-type: none"> <li>(a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;</li> <li>(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us, except for the effects of the matters described in the Basis for Qualified Opinion section and except for the matters stated in paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).</li> <li>(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;</li> </ul> |                      |



| Comments   | Management's Replies   |
|--|--|
| <p>(d) The standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;</p> <p>(e) Except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;</p> <p>(f) The provisions of section 164(2) of the Act are not applicable to the Company since the Company is a Government company as defined under section 2(45) of the Act;</p> <p>(g) The qualification/modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 21(b) above on reporting under section 143(3)(b) of the Act and paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);</p> <p>(h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and</p> <p>(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 and based on the consideration of the reports of the branch auditors as referred to in paragraph 17 above:</p> <p>i. Except for the effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section, the Company, as detailed in note 47.1 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;</p> <p>ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;</p> <p>iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024 except ₹ 1.00 crore pertaining to unclaimed matured deposits which was required to be deposited in the Investor Education and Protection Fund during the year ended 31<sup>st</sup> March 2018 and which has not been deposited till 31<sup>st</sup> March 2024;</p> <p>iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 51.7(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;</p> <p>(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 51.7(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and</p> <p>(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.</p> | <p>The matured deposit have already been claimed by the successors/relatives of the individuals but is pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the matured deposit to the legal heirs.</p> |
| <p>v. The interim/final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend .</p> <p>As stated in note 49.16 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.</p>  |  |



| Comments   | Management's Replies  |                      |   |   |  |   |   |
|--|---|----------------------|---|---|--|---|---|
| vi. Based on our examination which included test checks except for the instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.  |   |                      |   |   |  |   |   |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #2c4e64; color: white;">Nature of exception noted</th> <th style="background-color: #2c4e64; color: white;">Details of Exception</th> </tr> </thead> <tbody> <tr> <td>Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility</td> <td>The audit trail feature of certain accounting software used for maintaining books of accounts of two plants does not have a feature of recording audit trail (edit log) facility.</td> </tr> <tr> <td>Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software</td> <td>The audit trail feature was not enabled at the database level for certain accounting software for corporate office, one unit, five marketing regions and seven plants to log any direct data changes, used for maintenance of all accounting records by these corporate office/unit/marketing regions/plants.</td> </tr> </tbody> </table> | Nature of exception noted   | Details of Exception | Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility | The audit trail feature of certain accounting software used for maintaining books of accounts of two plants does not have a feature of recording audit trail (edit log) facility. | Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software | The audit trail feature was not enabled at the database level for certain accounting software for corporate office, one unit, five marketing regions and seven plants to log any direct data changes, used for maintenance of all accounting records by these corporate office/unit/marketing regions/plants. | <p>Audit trail facility is implemented in one of the Plants in Q1 2024-25 and will be implemented shortly in the 2<sup>nd</sup> Plant also.</p> <p>The matter is under review for necessary action in the current year.</p> |
| Nature of exception noted  | Details of Exception  |                      |   |   |  |   |   |
| Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility  | The audit trail feature of certain accounting software used for maintaining books of accounts of two plants does not have a feature of recording audit trail (edit log) facility.   |                      |   |   |  |   |   |
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software   | The audit trail feature was not enabled at the database level for certain accounting software for corporate office, one unit, five marketing regions and seven plants to log any direct data changes, used for maintenance of all accounting records by these corporate office/unit/marketing regions/plants. |                      |   |   |  |   |   |
| 24. As required by section 143(5) of the Act, we give in 'Annexure III', a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the Company.  |   |                      |   |   |  |   |   |

**For Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N/N500013

**CA. Nalin Jain**

Partner  
M.No. 503498  
UDIN: 23503498BGRGBX1676

**For S P A R K & Associates Chartered**

Accountants LLP  
Chartered Accountants  
Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**

Partner  
M.No. 406020  
UDIN: 24406020BKFTTO1496

**For J N Gupta & Co LLP**

Chartered Accountants  
Firm Registration No. 006569C/  
W100892

**CA. Devendra Upadhyay**

Partner  
M.No. 076727  
UDIN: 24076727BKFUCN4486

**For Vinod Singhal & Co LLP**

Chartered Accountants  
Firm Registration No. 005826C/  
C400276

**CA. Vinod Kumar Singhal**

Partner  
M.No. 074391  
UDIN: 24074391BKJRYG8434

For and on behalf of Board of Directors

Sd/-

**(Amarendu Prakash)**  
**Chairman**

**Date: 20<sup>th</sup> May 2024**

**Place: New Delhi**

**Date: 08<sup>th</sup> August, 2024**

**Place: New Delhi**

**Appendix 1**

**List of branches/units/marketing regions audited by branch auditors**

1. Central Marketing Organisation – Southern Region
2. Central Marketing Organisation – Western Region
3. Central Marketing Organisation – Eastern Region
4. Central Marketing Organisation – Transportation & Shipping
5. R&D Centre, Ranchi
6. Rourkela Steel Plant
7. IISCO Steel Plant, Burnpur
8. Salem Steel Plant
9. Vishweswaraya Iron and Steel Plant
10. SAIL Refractories Unit
11. Chandrapur Ferro Alloy Plant

## Annexure 1 referred to in Paragraph 20 of the Independent Auditors' Report of even date to the members of Steel Authority of India Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

| Comments   |                                |  |  |                         |  | Management's Replies  |
|--|--------------------------------|--|--|-------------------------|--|---|
| <p>In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and based on the consideration of the reports of the branch auditors, and to the best of our knowledge and belief, we report that:</p>   |                                |  |  |                         |  | <p>Necessary action is being taken to update location and extent of area in respective plants in fixed assets register. This is a continuous process.</p> |
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets except in respect of certain lands where area and location needs to be updated in the fixed assets register. Further, the area in respect of these lands need to be reconciled with the records of the authorities in the respective States and wherein, as informed to us by the management, the delay is due to procedural matters involved.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p>   |                                |  |  |                         |  |   |
| <p>(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification/ material discrepancies were noticed on such verification which have been properly dealt with in the books of account. However, there are certain land and buildings which are under encroachment / unauthorised occupation and hence, were not subjected to physical verification.</p> |                                |  |  |                         |  | <p>Necessary action is being taken to evict the occupants from land and building under encroachment/unauthorized occupation.</p>                          |
| <p>(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4,4a and 48.1(B) to the standalone financial statements, are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:</p>   |                                |  |  |                         |  |   |
| Description of property  | Gross carrying value (₹ in Cr) | Held in name of                            | Whether promoter, director or their relative or employee | Period since held       | Reason for not being held in name of company   |   |
| Freehold land  | 0.11                           | Asam Silimnaite & Bharat Refractories Ltd. | No   | 11-02-1976 & 30-04-1978 | NA   |   |
| Freehold land  | 0.01                           | Asian Refractories                         | No   | 05-04-1963              | Rehabilitation on behalf of Dept. of Industries. Govt. of Bihar  |   |
| Freehold land  | 0.02                           | Government of West Bengal                  | No   | 1963                    | Pending registration   |   |
| Freehold land  | 0.08                           | Government of West Bengal                  | No   | 1956-57                 | Pending receipt "Record of Rights" (ROR) from State Government. As informed matter taken up with the said Government |   |
| Freehold land  | 0.13                           | India Firebricks & Insulation Company Ltd. | No   | 15.09.1960              | NA   |   |



| Comments  |                          |                                      |   |                              |  | Management's Replies |
|---|--------------------------|--------------------------------------|---|------------------------------|--|----------------------|
| Freehold Land   | 126.24                   | Jharkhand State Government           | No  | From 1960                    | MOU signing formalities awaited between Jharkhand state Government and SAIL/Bokaro Steel Plant.  |                      |
| Freehold land   | 7.55                     | Tamil Nadu State Government          | Not Applicable  | 1972-1980                    | Land was acquired by private land owners by Tamil Nadu State Government and land owned by State Government was also transferred to Salem Steel Plant. Title Deed has not been executed for the land acquired but Land Records of State Government, these land are registered in the name of Salem Steel Plant. |                      |
| Freehold Land   | 0.06                     | South Western Railways               | No  | 31.03.1984 to reporting date | The specified land belongs to Railways. Now the lane is jointly used by TATA, KSIDC and SAIL The matter jointly taken up with railways for demarcation and registration.   |                      |
| Freehold Land   | 10.29                    | Various parties                      | No  | 1986-2008                    | Mutation is pending, Disputed  |                      |
| Freehold Land   | 0.09                     | Various parties                      | No  | 1954-1974                    | Mutation is pending, Disputed  |                      |
| Freehold Land   | 0.13                     | Triveni Structural Limited-Allahabad | No  | 25-02-1970                   | Pending registration   |                      |
| Building  | 0.28                     | Ashok Sankat Bhatnagar (HUF)         | No  | 01-08-2019                   | Pending registration   |                      |
| <p>For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following cases:</p> |                          |                                      |   |                              |  |                      |
| Description of property   | Right-of-Use Asset Value | Location                             | Details of Lessor   | Period held                  |  |                      |
| Leasehold Land  | 0.20                     | Ranchi                               | Mecon Ltd.  | Since 1979-80                |  |                      |
| Leasehold Land  | 147.81                   | Rourkela                             | Uttar Pradesh State Industrial Development Corporation (UPSIDC) | 01-02-2009                   |  |                      |
| Leasehold Land  | 75.26                    | Rourkela                             | Government of Odisha  | 01-10-1959                   |  |                      |
| Leasehold Land  | 0.10                     | Rourkela                             | Government of Odisha  | 01-10-1959                   |  |                      |
| Leasehold Land  | 15.81                    | Rourkela                             | Government of Odisha  | 29-11-1957                   |  |                      |
| Leasehold Land  | 16.80                    | Kolkata                              | Kolkata Port Trust  | 07-05-2014                   |  |                      |
| Leasehold Land  | 11.97                    | Vishakhapatnam                       | Vizag Seaport Pvt Limited                                       | 27-07-2004                   |  |                      |

| Comments  |                                  |  |  |                                     | Management's Replies                 |  |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
|---|----------------------------------|--|--|-------------------------------------|--------------------------------------|--|---|--|---------|-------------------------------------|--------------------------------------|------------|---------|--|--------|-----------------------------|----------------------------|--------|--------|-------|---|---------------------------------|--------|--------|------|--------------------------------|--------|--------|--------|-----------------------------|--------|--------|-------|
| Leasehold Land  | 0.91                             | Jammu  | Jammu & Kashmir Govt                       | 05-07-1968                          |                                      |  |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
| Leasehold Land  | 0.67                             | Kanpur                                       | Kanpur Development Authority               | 1986                                |                                      |  |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
| Leasehold Land  | 23.04                            | Kolkata                                      | Kolkata Metropolitan Development Authority | 09-10-2009                          |                                      |  |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
| Leasehold Land  | 0.38                             | Kolkata                                      | Paradip Port Trust                         | 17-08-2019                          |                                      |  |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
| <p>(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.</p> <p>(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.</p> <p>(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.</p> <p>(b) As disclosed in Note 51.5 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to review, except for the following:</p> <p style="text-align: right;">(₹ crore)</p> <table border="1"> <thead> <tr> <th>Name of the Bank / financial institution</th> <th>Working capital limit sanctioned</th> <th>Nature of current assets offered as security</th> <th>Quarter</th> <th>Information disclosed as per return</th> <th>Information as per books of accounts</th> <th>Difference</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Consortium of banks led by State Bank of India</td> <td rowspan="4">10,000</td> <td rowspan="4">Stock and Trade Receivables</td> <td>30<sup>th</sup> June 2023</td> <td>37,586</td> <td>33,794</td> <td>3,792</td> <td rowspan="4">As informed to us by the management, the information to the banks was provided based on provisional numbers</td> </tr> <tr> <td>30<sup>th</sup> September 2023</td> <td>33,008</td> <td>31,521</td> <td>1487</td> </tr> <tr> <td>31<sup>st</sup> December 2023</td> <td>34,560</td> <td>36,073</td> <td>(1513)</td> </tr> <tr> <td>31<sup>st</sup> March 2024</td> <td>40,272</td> <td>40,955</td> <td>(683)</td> </tr> </tbody> </table> <p>(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.</p> <p>(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.</p> |                                  |  |  |                                     |                                      | Name of the Bank / financial institution | Working capital limit sanctioned  | Nature of current assets offered as security | Quarter | Information disclosed as per return | Information as per books of accounts | Difference | Remarks | Consortium of banks led by State Bank of India | 10,000 | Stock and Trade Receivables | 30 <sup>th</sup> June 2023 | 37,586 | 33,794 | 3,792 | As informed to us by the management, the information to the banks was provided based on provisional numbers | 30 <sup>th</sup> September 2023 | 33,008 | 31,521 | 1487 | 31 <sup>st</sup> December 2023 | 34,560 | 36,073 | (1513) | 31 <sup>st</sup> March 2024 | 40,272 | 40,955 | (683) |
| Name of the Bank / financial institution  | Working capital limit sanctioned | Nature of current assets offered as security | Quarter                                    | Information disclosed as per return | Information as per books of accounts | Difference                               | Remarks   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
| Consortium of banks led by State Bank of India  | 10,000                           | Stock and Trade Receivables                  | 30 <sup>th</sup> June 2023                 | 37,586                              | 33,794                               | 3,792                                    | As informed to us by the management, the information to the banks was provided based on provisional numbers |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
|   |                                  |  | 30 <sup>th</sup> September 2023            | 33,008                              | 31,521                               | 1487                                     |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
|   |                                  |  | 31 <sup>st</sup> December 2023             | 34,560                              | 36,073                               | (1513)                                   |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |
|   |                                  |  | 31 <sup>st</sup> March 2024                | 40,272                              | 40,955                               | (683)                                    |   |  |         |                                     |                                      |            |         |  |        |                             |                            |        |        |       |   |                                 |        |        |      |                                |        |        |        |                             |        |        |       |



| Comments  |                            | Management's Replies |                           |                                     |                                  |
|---|----------------------------|----------------------|---------------------------|-------------------------------------|----------------------------------|
| <p>(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.</p> <p>(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:</p> |                            |                      |                           |                                     |                                  |
| (₹ crore)   |                            |                      |                           |                                     |                                  |
| Name of the statute   | Nature of Dues             | Gross Amount         | Amount Paid under protest | Period to which the amount relates  | Forum where dispute is pending   |
| Central Excise Act 1944   | Excise Duty                | 250.39               | 1.5                       | 2000-2002<br>2011-2016<br>2019-2020 | Supreme Court                    |
|   |                            | 38.43                | -                         | 1997-1998<br>2000-2012              | High Court                       |
|   |                            | 2,601.75             | 43.50                     | 1999-2019                           | Tribunal                         |
|   |                            | 52.00                | 0.59                      | 1988-2018                           | Commissioner (Appeal)            |
|   |                            | 2,761.91             | 1.19                      | 1993-1994<br>2004-2018              | Commissioner                     |
|   |                            | 1.56                 | -                         | 2001-04                             | Assistant Commissioner           |
| CG Municipal Corporation Act, 1956  | Consolidated tax           | 0.72                 | 0.72                      | 2001-2010                           | High Court                       |
| Chattisgarh Upkar (San-sodhan) Adhiniyam, 2004  | Consolidated tax           | 2.77                 | 0.15                      | 2021-2022                           | High Court                       |
|   | Entry development Cess     | 254.45               | -                         | 2006-2007                           | Supreme Court                    |
|   |                            | 235.71               | 235.71                    | 2006-2023                           | High Court                       |
| Employee provided fund act  | Employees' Provident Fund  | 2.3                  | -                         | 1966-2019                           | Tribunal                         |
| Employee State Insurance  | Employees' State Insurance | 67.85                | -                         | 1990<br>1999-2007                   | Employees' State Insurance Court |
| Entry Tax Laws  | Entry tax                  | 2,653.85             | 1,538.81                  | 2008-2018                           | High Court                       |
|   |                            | 164.92               | 108.16                    | 2004-2017                           | Tribunal                         |

| Comments                                |             |         |       |                                 |  | Management's Replies |
|---|-------------|---------|-------|---------------------------------|--|----------------------|
|   |             | 99.79   | -     | 2010-11<br>2014-15              | Additional<br>Commis-<br>sioner<br>Appeals |                      |
|   |             | 115.02  | 21.35 | 2006-2008<br>2010<br>2013-14    | Additional<br>commis-<br>sioner            |                      |
| Finance<br>Act                          | Service tax | 19.94   | -     | 2004-2005                       | High Court                                 |                      |
|   |             | 92.90   | 1.41  | 2011-2022                       | Tribunal                                   |                      |
|   |             | 18.31   | 0.21  | 2002-2023                       | Commis-<br>sioner<br>(Appeal)              |                      |
|   |             | 0.25    | -     | 2014-2018                       | Commis-<br>sioner                          |                      |
| Forest<br>Conserva-<br>tion Act<br>1980 | Royalty     | 96.28   | 96.28 | 2017-18                         | High Court                                 |                      |
|   |             | 36.77   | 0.95  | 2017-2018                       | High Court                                 |                      |
|   |             | 32.26   | 1.49  | 2017-2022                       | Commis-<br>sioner(Ap-<br>peal)             |                      |
|   |             | 0.72    | -     | 2017-2018                       | Commis-<br>sioner                          |                      |
|   |             | 5.48    | -     | 2017-2023                       | Additional<br>commis-<br>sioner            |                      |
|   |             | 4.68    | -     | 2017-2018                       | Assistant<br>Commis-<br>sioner             |                      |
|   |             | 0.04    | -     | 2022-23                         | AO   |                      |
|   |             | 4.64    | -     | 2019-20                         | To be filed                                |                      |
| HP Entry<br>Tax Act,<br>2010            | Entry tax   | 2.47    | 0.25  | 2010-11                         | Commis-<br>sioner<br>(Appeal)              |                      |
| Income<br>tax Act,<br>1961              | Income tax  | 1,45.92 | -     | 1988-2012                       | High<br>Court                              |                      |
|   |             | 7,24.31 | 38.35 | 2010-2013                       | ITAT                                       |                      |
|   |             | 9,73.23 | -     | 2014-2021                       | Commis-<br>sioner<br>(Appeal)              |                      |
|   |             | 60.81   | -     | 2013-14                         | CIT  |                      |
|   |             | 40.94   | -     | 2005-06,<br>2013-14,<br>2017-18 | AO   |                      |
| Jharkand<br>Entry Tax                   | Entry tax   | 98.83   | -     | 2001-2002,<br>2012-2018         | High<br>Court                              |                      |
| Odhis<br>Entry tax,<br>1999             | Entry tax   | 18.97   | -     | 2005-2010                       | Commis-<br>sioner of<br>Sales tax          |                      |
| Others                                  | Arbitration | 0.26    | -     | 2013                            | Civil<br>Court                             |                      |
|   | Civil case  | 9.41    | -     | 2009-2010                       | High<br>Court                              |                      |
|   |             | 2.39    | -     | 2001-2016                       | Department                                 |                      |



| Comments             |   |          |        |   |                                 | Management's Replies |
|----------------------|---|----------|--------|---|---------------------------------|----------------------|
|                      | Chennai Metropolitan Development Authority dues | 1.17     | -      | 1986-2018   | High Court                      |                      |
|                      | Employee perks                                  | 6.01     | -      | 2007-2008   | High Court                      |                      |
|                      | Forest Development tax                          | 5.01     | -      | 2010-2011   | Supreme Court                   |                      |
|                      |   | 2.5      | -      | 2003-2004   | Tribunal                        |                      |
|                      | Municipal corporation                           | 2.20     | -      | 2008  | High Court                      |                      |
|                      | Octroi  | 21.77    | -      | F.Y. 1992-93 to 1999-2000                             | High Court                      |                      |
|                      | Miscellaneous                                   | 3.14     | -      | Various   | Civil Court                     |                      |
|                      | Royalty   | 0.17     | -      | 2003  | Civil Court                     |                      |
|                      | Stamp Duty                                      | 2,320.4  | -      | 1990-2013   | High Court                      |                      |
|                      | Terminal tax                                    | 1.99     | -      | 2001-02   | High Court                      |                      |
|                      | Transit Pass                                    | 154.15   | 128.52 | 2001-02, 2022-23                                      | High Court                      |                      |
| Property tax         | Property tax                                    | 1,289.97 | -      | 2015-2023   | High Court                      |                      |
| Sales tax laws       | Sales tax and VAT                               | 3.09     | -      | 1989-1992   | Supreme Court                   |                      |
|                      |   | 338.01   | 13.13  | 1989-1993, 1996-1998, 2008-2016                       | High Court                      |                      |
|                      |   | 624.97   | 56.00  | 1987-2017   | Tribunal                        |                      |
|                      |   | 114.05   | 53.88  | 1984-1985, 1987-1994, 1998-1999, 2000-2001, 2005-2014 | Commissioner (Appeal)           |                      |
|                      |   | 3.82     | 2.46   | 1994-1996, 2005-2007, 2009-2013, 2016-2018            | Additional Commissioner Appeals |                      |
|                      |   | 10.44    | 1.40   | 1987-1988, 2008-2020                                  | Commissioner                    |                      |
|                      |   | 11.94    | 1.64   | Various Years   | Joint commissioner              |                      |
|                      |   | 1.62     | 0.22   | 1998-2000   | Additional commissioner         |                      |
|                      |   | 0.08     | -      | 2017-2018   | Assessing officer               |                      |
| The Customs Act 1962 | Custom Duty                                     | 1.65     | -      | 2008  | High Court                      |                      |
|                      |   | 8.89     | -      | 2009-2010, 2017-2021                                  | Tribunal                        |                      |
|                      |   | 11.18    | -      | 2023-2024   | Commissioner (Appeal)           |                      |



| Comments  |           |       |   |           |                       | Management's Replies |
|---|-----------|-------|---|-----------|-----------------------|----------------------|
| Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007  | Entry tax | 0.71  | - | 2008-2014 | High Court            |                      |
|   |           | 10.31 | - | 2009-2013 | Tribunal              |                      |
|   |           | 0.83  | - | 2013-2014 | Commissioner (Appeal) |                      |
| <p>(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.</p> <p>(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.</p> <p>(b) According to the information and explanations given to us including confirmations received from banks/financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.</p> <p>(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.</p> <p>(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.</p> <p>(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.</p> <p>(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.</p> <p>(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.</p> <p>(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.</p> <p>(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.</p> <p>(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.</p> <p>(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.</p> <p>(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act except that the documentation of the testing performed by the internal audit function needs to be enhanced.</p> <p>(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.</p> <p>(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly,</p> |           |       |   |           |                       |                      |



| Comments   | Management's Replies |
|--|----------------------|
| <p>reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.</p> <p>(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.</p> <p>(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.</p> <p>(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.</p> <p>(xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.</p> <p>(b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act,</p> <p>(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.</p> |                      |

**For Walker Chandiook & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N/N500013

**CA. Nalin Jain**

Partner  
M.No. 503498  
UDIN: 23503498BGRGBX1676

**For S P A R K & Associates Chartered**

Accountants LLP  
Chartered Accountants  
Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**

Partner  
M.No. 406020  
UDIN: 24406020BKFTTO1496

**For J N Gupta & Co LLP**

Chartered Accountants  
Firm Registration No. 006569C/  
W100892

**CA. Devendra Upadhyay**

Partner  
M.No. 076727  
UDIN: 24076727BKFUCN4486

**For Vinod Singhal & Co LLP**

Chartered Accountants  
Firm Registration No. 005826C/  
C400276

**CA. Vinod Kumar Singhal**

Partner  
M.No. 074391  
UDIN: 24074391BKJRYG8434

For and on behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Date: 20<sup>th</sup> May 2024**  
**Place: New Delhi**

**Date: 08<sup>th</sup> August, 2024**  
**Place: New Delhi**

## Annexure 2 to the Independent Auditors' Report on Standalone Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024

| Comments  | Management's Replies |
|---|----------------------|
| <p><b>Independent auditors' report on the internal financial controls with reference to the financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')</b></p> <p>1. In conjunction with our audit of the standalone financial statements of Steel Authority of India Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.</p> <p><b>Responsibilities of management and those charged with governance for internal financial controls</b></p> <p>2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p> <p><b>Auditors' responsibility for the audit of the internal financial controls with reference to financial statements</b></p> <p>3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.</p> <p>4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>5. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .</p> <p><b>Meaning of internal financial controls with reference to financial statements</b></p> <p>6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p> <p><b>Inherent limitations of internal financial controls with reference to financial statements</b></p> <p>7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p> <p><b>Opinion</b></p> <p>8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.</p> |                      |



| Comments  | Management's Replies |
|---|----------------------|
| <p><b>Other matter</b></p> <p>9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 11(eleven) branches/units/marketing regions whose financial statements/financial information reflect total assets of ₹ 64,560.81 crore as at 31 March 2024, and total revenues of ₹ 40,094.16 crore, total net loss after tax of ₹ 49.65 crore, and total comprehensive loss of ₹ 109.03 crore and cash flows(net) of ₹ 4.29 crore for the year then ended, as considered in the standalone financial statements. The internal financial controls with reference to financial statements in so far as it relates to such branches/ units/ marketing regions have been audited by the branch auditors, whose reports have been furnished to us by the management, and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Company under section 143(3)(i) of the Act, in so far as it relates to these branches/units/marketing regions, is based solely on the audit report of such branch auditors.</p> <p>Our opinion is not modified in respect of the this matter with respect to our reliance on the work done by and the reports of the branch auditors.</p> |                      |

**For Walker Chandiook & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N/N500013

**CA. Nalin Jain**

Partner  
M.No. 503498  
UDIN: 23503498BGRGBX1676

**For S P A R K & Associates Chartered  
Accountants LLP**

Chartered Accountants  
Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**

Partner  
M.No. 406020  
UDIN: 24406020BKFTTO1496

**For J N Gupta & Co LLP**

Chartered Accountants  
Firm Registration No. 006569C/  
W100892

**CA. Devendra Upadhyay**

Partner  
M.No. 076727  
UDIN: 24076727BKFUCN4486

**For Vinod Singhal & Co LLP**

Chartered Accountants  
Firm Registration No. 005826C/  
C400276

**CA. Vinod Kumar Singhal**

Partner  
M.No. 074391  
UDIN: 24074391BKJRYG8434

For and on behalf of Board of Directors

Sd/-

**(Amarendu Prakash)**  
**Chairman**

**Date: 20<sup>th</sup> May 2024**

**Place: New Delhi**

**Date: 08<sup>th</sup> August, 2024**

**Place: New Delhi**

### Annexure 3 to the Independent Auditors' Report On Standalone Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024

| Comments  |  |   | Management's Replies |
|---|--|---|----------------------|
| <b>Matters as required to be reported as per the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013.</b> |  |   |                      |
| Based on the verification of records of the company and information and explanations given to us by the branch auditors, we report that:  |  |   |                      |
| <b>Direction under section 143(5) of the Companies Act 2013</b>   |  |   |                      |
| Sl. No.   | Matters  | Auditor's Comment   |                      |
| 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. | <p>The Company has installed SAP software for processing accounting transactions at five integrated plants, Central marketing Organization and Corporate office. In respect of other plants/units/mines etc, the company uses legacy software systems.</p> <p>Further, based on our audit and on audit reports received from the auditors of branch offices, wherever the accounting transactions are processed through IT systems based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted/ reported.</p> |                      |
| 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 given to us by the management, there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the company due to the Company's inability to repay the loan.   |                      |
| 3.  | Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilised as per its terms and conditions? List the cases of deviation.   | No funds were received or are receivable for specific schemes from the Central/State agencies during the year.  |                      |

**For Walker Chandiok & Co LLP**

 Chartered Accountants  
 Firm Registration No. 001076N/N500013

**CA. Nalin Jain**

 Partner  
 M.No. 503498  
 UDIN: 23503498BGRGBX1676

**For S P A R K & Associates Chartered**

 Accountants LLP  
 Chartered Accountants  
 Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**

 Partner  
 M.No. 406020  
 UDIN: 24406020BKFTTO1496

**For J N Gupta & Co LLP**

 Chartered Accountants  
 Firm Registration No. 006569C/  
 W100892

**CA. Devendra Upadhyay**

 Partner  
 M.No. 076727  
 UDIN: 24076727BKFUCN4486

**For Vinod Singhal & Co LLP**

 Chartered Accountants  
 Firm Registration No. 005826C/  
 C400276

**CA. Vinod Kumar Singhal**

 Partner  
 M.No. 074391  
 UDIN: 24074391BKJRYG8434

For and on behalf of Board of Directors

Sd/-

**(Amarendu Prakash)**  
**Chairman**
**Date: 20<sup>th</sup> May 2024**
**Place: New Delhi**
**Date: 08<sup>th</sup> August, 2024**
**Place: New Delhi**



**COMMENTS OF C&AG**

**MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024.**

| Comments  | Management's Replies  |
|---|---|
| <p>The preparation of Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024 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 20<sup>th</sup> May 2024.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024. 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. After the audit, comments of C&amp;AG were issued on 24 July 2024. Subsequently, revised replies were furnished by the Company and on the basis of revised replies the comments of C&amp;AG have been revised. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.</p> |   |
| <p><b>A. COMMENTS ON PROFITABILITY</b></p> <p><b>i. Statement of Profit &amp; Loss</b></p> <p><b>Note-39 Employee Benefit Expenses: ₹11747.92 crore</b></p> <p>Above does not include ₹ 309.34 crore relating to perks and allowances payable to the company's employees from 26 November 2008 to 4 October 2009 (11 months).</p> <p>As per DPE Office Memorandum dated 26 November 2008 on revision of pay scales of CPSEs effective from 1 January 2007. Perks and allowances were payable from 5 October 2009 i.e. from the date of Presidential directives.</p> <p>Steel Executives Federation of India filed a petition in CAT in 2014 for payment of perks and allowances to executives of SAIL for the period 26 November 2008 to 4 October 2009. CAT, Kolkata had directed (February 2016) Ministry of Steel to reconsider the issue of payment of arrears of revised perks and allowances and take appropriate decision for payment of revised perks and allowances to the executives for the said period. Calcutta High Court dismissed (13 September 2023) the writ petition filed by SAIL on 22 December 2016 against the CAT Order in favour of the employees. Pending administrative decision on the matter, the amount has been disclosed as Contingent Liability of ₹ 309.34 crore.</p> <p>SAIL has not filed any appeal in higher legal forum. Therefore, the company should have created firm liability for the above amount payable to the executive employees of the Company instead of disclosing under contingent liabilities.</p> <p>This has resulted in understatement of current liabilities and employee expenses and overstatement of profit of ₹ 309.34 crore.</p>   | <p>DPE OM dated 02.04.2009 had been issued in this regard on the basis of Cabinet approval after recommendation of the Committee of Ministers, wherein it was mentioned that "If Presidential Directives are issued by the respective Ministries/Departments within one month from the date of issue of this OM, the effective date for revising allowances may be taken as 26.11.2008, being the date of issue of first OM by DPE. However, where presidential Directives are not issued within one month from the date of issue of this OM, the revised allowances shall be effective only from the date of issue of Presidential Directives. The effective date of allowances can in no case be prior to 26.11.2008. (Para 17 of OM dated 26.11.2008 refers)".</p> <p>Ministry of Steel while issuing Presidential Directives vide letter dated 5.10.2009, indicated date of effect of perks and allowances as 05.10.2009. Therefore, payment of revised perks &amp; allowances were made in SAIL w.e.f. 05.10.2009. Against this, SAIL Executives Federation of India (SEFI) filed case in Hon'ble Central Administrative Tribunal (CAT) for payment of Perks and allowances to the executives from 26.11.2008 to 04.10.2009. CAT vide order dated 15.02.2016 directed Ministry of Steel for considering the above matter. Ministry vide letter dated 07.12.2016 directed SAIL to challenge the CAT order in High Court. Hon'ble Kolkata High Court vide order dated 13.09.2023 dismissed the writ petition of the Company. The Company vide letter dated 20.12.2023 had requested Ministry of Steel to issue necessary direction in this regard.</p> <p>The reply from the Ministry was awaited as on the date of issue of final comments. Subsequently, necessary instructions have been received from the Ministry and accordingly accounting has been done in Q1 of FY 2024-25.</p> |

| Comments   | Management's Replies  |
|--|---|
| <p><b>ii.a. Note no.41: Other Expenses: ₹ 28229.04 crore</b></p> <p>The above does not include ₹ 28.18 crore payable to M/s Shapoorji Pallonji &amp; Co. Ltd. (SPCPL) and Heavy Engineering Corporation Ltd. (HEC) relating to work executed for Augmentation of Ore Bedding &amp; Blending Plant at Rourkela Steel Plant which was completed in March 2015. A two-Tier closure committee constituted to settle the dispute amicably recommended (May 2022) for payment of ₹ 144.47 crore. Out of above, ₹ 26.17 crore was already paid to SPCPL till January 2021.</p> <p>SAIL entered into two settlement agreement in March 2024 for closure of contract with SPCPL and HEC separately. The net payable amount was ₹ 118.30 crore. RSP paid ₹ 90.12 crore to the parties during 2023-24. However, the remaining ₹ 28.18 crore payable from revenue head was neither paid nor provided for in the accounts, rather was disclosed under Contingent Liabilities.</p> <p>This has resulted in understatement of other expenses and overstatement of contingent liabilities and profit by ₹ 28.18 crore.</p> | <p>Rourkela Steel Plant (RSP) management is not the Competent Authority to accept the settlement amount.</p> <p>The settlement committee constituted to settle the dispute between RSP and M/s Shapoorji Pallonji &amp; Co Ltd. &amp; HEC had recommended for payment of ₹ 144.47 crore in May 2022. At that point of time also the amount was being treated as Contingent Liability. Out of above, ₹ 26.17 crore was already paid to SPCPL till January 2021. For balance payment of balance ₹ 118.30 crore, the recommendations of the Settlement Committee were forwarded to Corporate Office (CO) on 05.06.2023 for approval of Competent Authority. CO returned back the proposal stating that whatever contractually payable may be settled at local level. Accordingly, an amount of ₹ 90.12 crore was paid to the consortium members towards contractual claims. Balance amount of ₹ 28.18 crore, which is beyond contractual terms, has been referred to Corporate Office on 13.06.2024 for approval of competent authority. It has also been mentioned in the Settlement Agreement with M/s Shapoorji Pallonji &amp; Co. Ltd that the balance payment shall be released by the Employer to the Contractor subject to approval of Competent Authority of SAIL. As the payment of ₹ 28.18 Crore is conditional &amp; subject to approval, the same has been shown under Contingent Liability.</p> |
| <p><b>ii.b</b></p> <p>The above does not include ₹ 37.39 crore incurred towards confidence building measures at Rowghat mines. The activities under confidence building measures includes running of schools, Ramkrishna Mission Ashram, conducting Khel mela etc.</p> <p>As per para 16 of Ind AS 16, the cost of an item of property, plant and equipment comprises any costs directly attributable to bringing the asset to the location.</p> <p>The expenditure incurred above are only welfare measures and the expenditure incurred are not related to extraction of ore in the Rowghat mines area. Therefore, the same should have been charged in the Statement of Profit and Loss.</p> <p>This has resulted in understatement of other expenses and overstatement of Capital Work in Progress and profit by ₹ 37.39 crore</p>   | <p>The expenditure on Confidence Building Measures at Rowghat mines is being incurred since 2010 and treated as Capital Work in Progress and not charged to Statement of Profit &amp; Loss.</p> <p>Out of the total Budget of ₹ 125 Crore approved, part of the Budget was earmarked for Confidence Building Measures in villages around Rowghat area. The expenditure on confidence building is long term measures and enablers for opening the mines.</p>   |
| <p><b>ii.c.</b></p> <p>The above does not include ₹ 9 crore towards differential property and consolidated tax for the year 2022-23 and 2023-24 payable by SAIL/Bhilai Steel Plant.</p> <p>Bhilai Steel Plant and Bhilai Nagar Nigam mutually agreed (17 May 2022) that Bhilai Steel Plant would pay ₹13.75 crore per year towards property tax including educational cess &amp; consolidated tax from 2016-17 onwards. Bhilai Steel Plant paid only ₹ 9.25 crore per year on self-assessment basis for the years 2022-23 and 2023-24 which was less than the agreed amount. Liability for the balance amount of ₹ 9 crore (₹ 13.75 crore - ₹ 9.25 crore x 2) was however not provided.</p> <p>This has resulted in understatement of other current liabilities and over statement of Profit by ₹ 9 crore.</p>   | <p>The matter of Property Tax is sub judice in Hon'ble High Court.</p> <p>Bhilai Steel Plant (BSP) and Bhilai Nagar Nigam (BNN) mutually agreed that an amount of ₹ 13.75 crore per year will be payable by BSP to BNN from FY2020-21 onwards till FY 2026-27 subject to signing of MOU and withdrawal of court case. This has the approval of competent authority. But no communication was received from BNN even after lapse of more than 2 years. Thus, payment of Property tax continued to be based on self-assessment @ ₹ 9.25 crore during FY 22-23 &amp; 23-24.</p> <p>However, the Management has booked a liability of Rs. 9 crore in Q1 of FY 2024-25.</p>  |



|                                  |   |   |
|----------------------------------|---|---|
| <p><b>iii.</b></p>               | <p><b>Other Comprehensive Income</b></p> <p>As per para 61A of Ind AS 12 "Current tax and deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period: in other comprehensive income, shall be recognised in Other Comprehensive Income."</p> <p>The company has accounted for ₹ (-) 196.621 crore under 'Items that will not be reclassified to profit or loss'- 'Remeasurement of defined benefit plan'. Income tax on the above has been accounted for ₹ 17.45 crore considering tax rate of 8.88 per cent (considering rate for deferred tax). As per the above provision of Ind AS 12, calculation of tax for 'Remeasurement of defined benefit plans' should be ₹ 49.48 crore @ 25.168 per cent comprising of current tax and deferred tax in the Other Comprehensive Income. The management however has not considered 16.29 per cent i.e. ₹ (-) 32.03 crore pertaining to the Other Comprehensive Income in the Statement of Profit &amp; Loss.</p> <p>This has resulted in understatement of Other Comprehensive loss by ₹ 32.03 crore and thereby understatement of 'Other Equity' and overstatement of 'Deferred tax liabilities' by the same amount.</p> | <p>Other Equity and Deferred Tax Liabilities have been adjusted in FY 2024-25.</p>  |
| <p><b>B</b></p> <p><b>i.</b></p> | <p><b>COMMENTS ON DISCLOSURE</b></p> <p><b>Notes to Accounts</b></p> <p><b>Note no. 49.10</b></p> <p>The note discloses the details of Sub Grade iron ore fines amounting to ₹ 3932.35 crore being the value of 40.88 million tonne (mt) of such fines lying at the captive mines of SAIL located in Jharkhand (Gua mines-32.92 mt valuing ₹ 3189.02 crore), Orissa (Taldih, Kalta &amp; Bolani mines- 6.34 mt valuing ₹ 554.02 crore) and Chhattisgarh (Rajhara-1.62 mt valuing ₹ 189.31 crore) as on 31 March 2024.</p> <p>As per Government of India order dated 16 September 2019, the State Governments concerned were to allow sale of Sub Grade fines lying in the mines of SAIL. The Company has valued the inventory of Sub Grade fines at Net Realisable Value by disclosing the same as a separate line item in the Financial Statements since the year ended 31 March 2020.</p> <p>Permission to sell the Sub Grade fines was yet to be accorded by the Government of Jharkhand. There was no sale of the material from the mines located in Jharkhand, only 0.50 million tonne was sold from the Orissa mines and 0.11 million tonne was used from the Chhattisgarh mines during 2023-24.</p> <p>The note given by the Management in this regard is not adequate</p>   | <p>The note on Sub Grade Fines (SGF) is disclosed at Note No. 49.10 of Standalone Financial Statement (SFS). The note covers the following :</p> <ul style="list-style-type: none"> <li>• Basis of valuation.</li> <li>• Movement of Inventories.</li> <li>• Accounting treatment.</li> <li>• Concerns and measures to Obliviate the same.</li> </ul> <p>The Company is of the opinion that the disclosure is adequate. However, the same will be discussed with Audit during FY 2024-25.</p>   |
| <p><b>ii.a</b></p>               | <p><b>Note no. 47.1 Contingent Liability</b></p> <p>Above does not include ₹ 160.55 crore towards various claims for escalation, prolongation cost, delay in payment and interest made by Bhilai Engineering Corporation against the work for Sinter Plant II Package. The case has been referred by SAIL to the Outside Expert Committee constituted in November 2022. Since the claim has been contested and lying in a dispute resolution forum, the disputed amount should have been included in Contingent Liability.</p> <p>Non-inclusion of above has resulted into understatement of Contingent Liabilities by ₹ 160.55 crore.</p>  | <p>M/s BEC has made a claim of ₹160.55 crore of which ₹ 123.05 Crores pertains to amount of work yet to be executed by the party &amp; balance ₹ 37.00 crore for Additional work done as claimed by the party.</p> <p>The Party had referred the matter to <i>Outside Expert Committee (OEC) through SAIL's scheme for Settlement of Contractual/Commercial Disputes</i> as a part of alternate dispute resolution, which is not a legal process &amp; considering the claim as Contingent Liability on the basis of same, is not required.</p> |
| <p><b>ii.b</b></p>               | <p>The Divisional Forest Officer, Saranda raised a demand (30 October 2023) for ₹ 19.50 crore towards afforestation scheme of 38710 trees and ₹ 4.29 crore towards afforestation scheme of 8520 trees. Against the above demand, management filed a writ petition in Hon'ble High Court, Ranchi. Since the demand raised by DFO, Saranda is sub-judice, the same was required to be disclosed under contingent liability.</p>   | <p>The Divisional Forest Officer, Saranda raised a demand (30-10-2023) for ₹ 19.50 crore towards afforestation scheme of 38710 number of trees and ₹ 4.29 crore towards afforestation scheme of 8520 trees.</p> <p>Since the instant case is sub-judice, the same is being considered for disclosure in contingent liability during Q1 of FY 2024-25.</p>   |



|      |  |   |
|------|--|---|
| ii.c | <p>The above does not include ₹ 759.55 crore, being claim by the Consortium of M/s Mitsubishi Corporation, Japan (Leader) and M/s Larsen &amp; Toubro Limited, Kolkata towards additional costs incurred by the parties due to delay in completion of Hot Strip Mill-II of Rourkela Steel Plant. The consortium invoked conciliation (November 2020) and the matter was under amicable settlement. Therefore, the claim amount of ₹ 759.55 crore should have been disclosed under the Contingent liability.</p> <p>Non-disclosure of above has resulted in understatement of Contingent liability by ₹ 759.55 crore.</p>   | <p>Contract was awarded to consortium of M/s L&amp;T and M/s Mitsubishi for the work of "Installation of new Hot Strip Mill" on a turnkey basis.</p> <p>In the course of execution of the contract, certain differences and disputes arose with respect to Delay Analysis, Imposition of Liquidated Damages, execution of extra items etc.</p> <p>Both the parties resorted to conciliation but conciliation failed on 10-11-2022 as the claimant had terminated the conciliation proceedings. Subsequently, the consortium has written a letter on 18-11-2022 claiming an amount of ₹ 759.55 crore.</p> <p>Since the consortium has not yet filed any case in the Arbitration Council/other legal forum, the same has not been disclosed under Contingent Liability.</p> <p>Now, both the parties are in the process of settling the dispute. Subsequent to the discussions held with the contractors from 18<sup>th</sup> June to 21<sup>st</sup> June 2024, the consortium has reduced their claim substantially and are still in the process of finalising the claim amount. Once the mutual consensus of the claim amount is arrived, the same shall be put up for approval of competent authority and necessary accounting adjustment will be made.</p> |
| C    | <p><b>COMMENTS ON AUDITORS REPORT</b></p> <p><b>Independent Auditors Report</b></p> <p><b>i. Report on other Legal and Regulatory Requirements:</b></p> <p><b>Companies Auditor Report Order (CARO)-2020 Annexure-I (vii)</b></p> <p>Reference invited to Annexure-I (vii) (b) of the reporting of the Statutory Auditor under Companies (Auditors Report) Order, 2020 (in case of Durgapur Steel Plant, Alloy Steels Plant and Central Marketing Organisation) wherein it is reported that as on 31 March 2024, certain statutory dues have not been deposited with the appropriate authorities as dispute is pending. It is reported that, in respect of Tax Deducted at Source (TDS) on House Perquisites of ₹ 43.62 crore, as per Income Tax Act, 1961, pertaining to the period 2001-02 to 2009-10, the dispute is pending in Calcutta High Court.</p> <p>The reporting of SA under CARO, 2020 is incorrect because Calcutta High Court has already dismissed this case on 18 February 2015. The reporting requires to be modified. Further, the reporting under Companies (Auditors Report) Order, 2020 made at Annexure I (vii)(a) also needs modification accordingly.</p> | <p>The reported status was communicated to the auditors by the management. However, the same will be taken care of while giving the details to auditors in FY 2024-25.</p>  |

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

Sd/-  
**(Jitendra Sudhakar Karape)**  
Director General of Audit (Steel), Ranchi

For and on the behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place:** Ranchi  
**Date:** 30<sup>th</sup> August 2024

**Place:** New Delhi  
**Date:** 2<sup>nd</sup> September, 2024



**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024**

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

**To,  
The Members,  
Steel Authority of India Limited**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Steel Authority of India Limited (hereinafter called as 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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 of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (e) 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;

- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Compliances/processes/systems under following specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of the 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
  - (e) Environment (Protection) Act, 1986
  - (f) Air (Prevention and Control of Pollution) Act, 1981
  - (g) Water (Prevention and Control of Pollution) Act, 1974
  - (h) Wildlife (Protection) Act, 1972
  - (i) Forest (Conservation) Act, 1980

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:

- I. *In pursuance to the Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Non-Executive Directors on the Board were less than fifty percent during the period from 01.04.2023 to 30.04.2023.*
- II. *In pursuance to the Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the number of Independent Directors*

on the Board were less than fifty percent of Board Members during the period from 01.04.2023 to 31.03.2024.

- iii. In pursuance to the Clause 3.1.2 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the number of Functional Directors on the Board of the Company were exceeding 50% of the actual strength of the Board during the period from 01.04.2023 to 30.04.2023 only, and thereafter from 01.05.2023 onwards the said limit was complied with.

**We further report that** 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 notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 respective 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** the National Stock Exchange of India Limited (NSE) and BSE Limited have levied monetary fines for non-compliance under Regulation 17(1) amounting to INR 5,31,000/- each for the quarter ended March, 2023 and further fine of INR 5,36,900/- each for the quarter ended June, 2023 and further fine of INR 5,42,800/- each for the quarter ended December, 2023 and the BSE Limited levied fines under regulation 23(9) amounting to INR 70,800/- for the quarter ended March, 2023, and under regulation 17(1) INR 5,42,800/- and under regulation 54(2) INR 38,940/- for the quarter ended September, 2023, of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted replies along with the request to waive off fines imposed on the Company and not to take any action on the Company.

**We further report that** during the audit period, following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- i. During the period under review, the Company took approval of shareholders for issue of Secured Non-Convertible Bonds/Debentures to raise funds through Private Placement of up to INR 2,500 crore during one year from the date of Annual General Meeting (AGM) dated 27<sup>th</sup> September, 2023.
- ii. During the period under review, a decision was taken by the members in pursuance to section 180 of the Companies Act, 2013, i.e. 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 where

so ever 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 or such other authority as may be approved by the Board, thereof, may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of 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. However, as there was no issue of Secured Non-Convertible Bonds/ Debentures through Private Placement, no charge, hypothecation, mortgage, pledge in addition to existing charges, mortgages and hypothecations created by the Company on any movable and/or immovable properties of the Company, were created.

- iii. Ministry of Steel, Government of India vide its letter dated 19<sup>th</sup> January, 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of Steel Authority of India Limited, has placed Shri V.S. Chakravarthy, Director (Commercial) and Shri A.K. Tulsiani, (Director) finance on suspension with immediate effect. Further, complying with the Ministry of Steel, Government of India, letter dated 19<sup>th</sup> January, 2024, the Company has placed some Below Board Level Officials of the Company which include Shri S.K. Sharma, ED (F&A), CMO; Shri Vinod Gupta, ED (Commercial); Shri Atul Mathur, ED (Sales & ITD) and Shri R.M. Suresh, ED (Marketing Services) on suspension with immediate effect. Subsequently, Ministry of Steel, Government of India vide Orders dated 28<sup>th</sup> June, 2024, has revoked the suspension of Shri V.S. Chakravarthy, Director (Commercial) and Shri A.K. Tulsiani, Director (Finance) with immediate effect. Further, the Company has revoked the suspension of Below Board Level Officials of the Company which include Shri S.K. Sharma, ED (F&A), CMO; Shri Vinod Gupta, ED (Commercial); Shri Atul Mathur, ED (Sales & ITD) and Shri R.M. Suresh, ED (Marketing Services) with immediate effect.

For **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

Sd/-

**Sachin Agarwal**  
Partner  
FCS No. : 5774  
CP No. : 5910

**Place: New Delhi**  
**Date: 18.07.2024**

UDIN: F005774F000774355

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



## "Annexure A" to Secretarial Audit Report

To,  
The Members,  
**Steel Authority of India Limited**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis

and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

Sd/-  
**Sachin Agarwal**  
Partner  
FCS No. : 5774  
CP No. : 5910

**Place: New Delhi**  
**Date: 18.07.2024**

## Annexure-IV to the Board's Report

## CORPORATE GOVERNANCE REPORT

Corporate Governance is the system of Policies, Rules, Procedures, Processes and Practices by which a company is administered, directed or controlled with the ultimate objective of maximising the value for the all the stakeholders viz. Government, Investors, Shareholders, Customers, Vendors, Employees, Environment and the Society at large. As good governance measure being integral to a company, the concerned officers of the Company are accountable to its Stakeholders in terms of transparency, fairness, ethics and professional approach followed in the decisions taken by them.

**(a) Company's Philosophy**

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that confirms fully to laws, regulations, guidelines including DPE guidelines and robust policies formulated over the years and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. Your Company is committed to confirming 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**

The Board of Directors being at the core of our corporate governance is entrusted with the responsibility of management, direction performance of the Company and ensuring that the long term interest of the stakeholders is protected and stakeholders' value enhanced. The Board reviews and approves management's strategic plans and business objectives and monitors the Company's strategic direction. The Board of Directors functions in accordance with the powers delegated under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Guidelines issued by DPE and other guidelines issued by the Government of India from time to time, as applicable to the Company.

Steel Authority of India Limited (SAIL) is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. In terms of the provisions of the

Articles of Association of the Company, the strength of the Board shall not be less than six Directors or more than twenty four Directors. As per the Articles of Association, the power to appoint Directors vests with the President of India. Consequent to restructuring of the Board, vide letter no.3(4)/2007-SAIL (PC)(Pt) dated 25<sup>th</sup> September, 2020, Government of India (GoI), Ministry of Steel (MoS) has conveyed the sanctioned strength of the Board of Directors as under:

- (i) Nine Functional Directors including the Chairman & Managing Director and four Director In-charges for Integrated Steel Plants;
- (ii) Two Government Nominee Directors; and
- (iii) Eleven Independent Directors as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Size and Composition of the Board:** As on 31<sup>st</sup> March, 2024, the Board of Directors comprised of a full time Chairman, 7 Whole Time Directors (i.e. Executive Directors) and 8 Non-Executive Directors (consisting of 2 Government Nominee Directors and 6 Independent Directors). During the year, 12 Board meetings were held on 17<sup>th</sup> April, 2023, 28<sup>th</sup> April, 2023, 25<sup>th</sup> May, 2023, 14<sup>th</sup> June, 2023, 21<sup>st</sup> July, 2023, 10<sup>th</sup> August, 2023, 25<sup>th</sup> September, 2023, 10<sup>th</sup> November, 2023, 28<sup>th</sup> December, 2023, 8<sup>th</sup> January, 2024, 12<sup>th</sup> February, 2024 and 20<sup>th</sup> March, 2024. The gap between any two board meetings did not exceed 120 days and the requisite quorum was present in all the meetings held during the Financial Year 2023-24.

During the FY 2023-24, none of the Directors were Members in more than 10 committees or Chairperson in more than 5 committees in all the listed entities where they were Directors. Further, during the year under review, there was no instance where the Board had not accepted any recommendation of any Board Sub-committee. Further, there are no inter-se relationships among the Directors on the Board.

**Board Meetings during the year:** The names of Director(s), their attendance at the Board meeting(s) held during 2023-24 as also at the last Annual General Meeting and number of other directorships held by each of them, as disclosed, are as under:



| Name of the Director  | Category of Directorship   | No. of Board Meetings in 2023-24 |          | Attendance at last AGM | No. of other Directorships* |                | No. of Board Committee(s) as Chairman/Member** |
|---|--|----------------------------------|----------|------------------------|-----------------------------|----------------|--|
|   |  | Held during tenure               | Attended |                        | Total                       | In Listed Cos. |  |
| 1. Smt. Soma Mondal (upto 30 <sup>th</sup> April, 2023)     | Executive Chairman   | 2                                | 2        | Not Applicable         | -                           | -              | -  |
| 2. Shri Amarendu Prakash (from 31 <sup>st</sup> May, 2023)# | Executive Chairman   | 12                               | 12       | Yes                    | 1                           | -              | -  |
| 3. Smt. Sukriti Likhi                                       | Non-Executive Director (Gol. Nominee)  | 12                               | 9        | No                     | 5                           | 3              | -  |
| 4. Shri Abhijit Narendra                                    | Non-Executive Director (Gol. Nominee)  | 12                               | 11       | No                     | 2                           | 2              | -  |
| 5. Shri Anirban Dasgupta                                    | Executive Director   | 12                               | 12       | Yes                    | 3                           | -              | M-2  |
| 6. Shri Ashok Kumar Tripathy                                | Independent Director   | 12                               | 12       | Yes                    | -                           | -              | M-1  |
| 7. Shri Kanhaiya Sarda                                      | Independent Director   | 12                               | 12       | Yes                    | 2                           | -              | M-1  |
| 8. Smt. Neelam Sonker                                       | Independent Director   | 12                               | 12       | Yes                    | -                           | -              | C-1<br>M-1                                     |
| 9. Shri Sagi Kasi Viswanatha Raju                           | Independent Director   | 12                               | 12       | Yes                    | 3                           | -              | C-1<br>M-1                                     |
| 10. Dr. Gopal Singh Bhati                                   | Independent Director   | 12                               | 12       | Yes                    | -                           | -              | -  |
| 11. Shri Vejendra Srinivasa Chakravarthy §                  | Director (Commercial)  | 10                               | 9        | Yes                    | -                           | -              | -  |
| 12. Shri Atanu Bhowmick                                     | Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL) | 12                               | 11       | Yes                    | 1                           | -              | -  |
| 13. Shri Brijendra Pratap Singh                             | Director (In-charge-ISP and DSP & ASP)   | 12                               | 12       | Yes                    | -                           | -              | -  |
| 14. Prof. (Dr.) K. Jayaprasad                               | Independent Director   | 12                               | 12       | Yes                    | -                           | -              | M-1  |
| 15. Shri Anil Kumar Tulsiani §                              | Director (Finance)   | 10                               | 10       | Yes                    | 1                           | -              | C-1<br>M-1                                     |
| 16. Shri Krishna Kumar Singh                                | Director (Personnel) & LOFD  | 12                               | 12       | Yes                    | -                           | -              | M-1  |
| 17. Shri Arvind Kumar Singh                                 | Director (Technical, Projects & Raw Materials) & LOCD                          | 12                               | 12       | Yes                    | -                           | -              | -  |

\* The status is as on 31<sup>st</sup> March, 2024 and includes directorship in Private companies also.

\*\* The status is as on 31<sup>st</sup> March, 2024 and only Audit Committee and Stakeholders' Relationship Committee have been considered for this purpose.

M = Member, C = Chairman.

#Prior to appointment as Executive Chairman w.e.f. 31<sup>st</sup> May, 2023, Shri Amarendu Prakash was Director (In-charge-BSL).

§ As Ministry of Steel, Government of India, vide its letters dated 19<sup>th</sup> January, 2024 placed Shri V.S. Chakravarthy, Director (Commercial) and Shri A.K. Tulsiani, Director (Finance) under suspension, Shri K.K. Singh, Director (Personnel) and Shri A.K. Singh, Director (Technical, Projects & Raw Materials) were the Link Officers for Finance Directorate and Commercial Directorate respectively till further orders. Subsequently, pursuant to Ministry of Steel, Government of India orders dated 28<sup>th</sup> June, 2024, the suspension of Shri V.S. Chakravarthy and Shri A. K. Tulsiani has been revoked.

None of the above Directors, other than Smt. Sukriti Likhi and Shri Abhijit Narendra were on the Board of any listed entity during 2023-24 other than SAIL. Smt. Sukriti Likhi was on the Board of NMDC Limited, NMDC Steel Limited and KIOCL Limited as Government Nominee Director. Shri Abhijit Narendra was on the Board of NMDC Limited and NMDC Steel Limited as Government Nominee Director.

The information, as required under Regulation 17(7) read with Part-A of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 is placed before the Board. The Agenda, including compliance reports of all the laws applicable to the Company, along with Explanatory Notes is provided to the Board Members in advance. The Board Members take active part in the

deliberations in the Board and Board Sub-committee meetings by providing valuable suggestions, advice and guidance on various areas of the Company's Business, thus adding value to the decision making process. Additional information as sought is provided to the members. The recommendations of the Board Sub-committee meetings are placed before the Board for necessary approval. As an effective post meeting follow-up system, action taken on its decisions is appraised to the Board.

In pursuance to the Regulation 17 (1)(a) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 Regulations, the number of Non-Executive Directors on the Board was less than 50% during the period from 1<sup>st</sup> April, 2023 to 30<sup>th</sup> April, 2023. Consequently, in terms of Clause 3.1.2 of DPE

Guidelines on Corporate Governance for Central Public Sector Enterprises, the number of Functional Directors on the Board of the Company was exceeding 50% of the actual strength of the Board during the period 1<sup>st</sup> April, 2023 to 30<sup>th</sup> April, 2023.

In terms of Regulation 17(1)(b) of SEBI(Listing Obligations and Disclosure Requirements), 2015 Regulations and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Enterprises, the number of Independent Directors on the Board was less than 50% of the Board members during the financial year 2023-24.

**(c) Audit Committee:**

**(i) Terms of Reference:**

The terms of reference of Audit Committee of SAIL Board in line with the Regulation 18(3) read with Part C of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, include: the primary function to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Financial Reports; the Company's systems of internal financial controls and Risk management systems, Accounting and Legal compliance that Management and the Board have established; review Related Party Transactions in accordance with the Related Party Transaction Policy of the Company; and the Company's Auditing, Accounting and Financial Reporting process generally.

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory Auditors and Cost Auditors, reviews the Auditors' independence, performance and effectiveness of the audit process, discusses their findings, suggestions and other related matters and reviews Accounting Policies followed by the Company. The Audit Committee reviews with the Management, the Quarterly and Annual Standalone and Consolidated Financial Statements and the Auditors' Report thereon, before their submission to the Board.

The minutes of the Audit Committee meetings are submitted 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 31<sup>st</sup> March, 2024, the Audit Committee comprised of Shri Sagi Kasi Viswanatha Raju, Independent Director (Chairman); Shri Ashok Kumar Tripathy, Independent Director; Smt. Neelam Sonker, Independent Director; Shri Kanhaiya Sarda, Independent Director and Director (In-charge-BSP). During the FY 2023-24, the Committee met 8 times on 25<sup>th</sup> May, 2023,

20<sup>th</sup> July, 2023, 10<sup>th</sup> August, 2023, 21<sup>st</sup> September, 2023, 19<sup>th</sup> October, 2023, 9<sup>th</sup> November, 2023, 12<sup>th</sup> February, 2024 and 19<sup>th</sup> March, 2024 and attendance of the Members at the meetings is given below:

| Name of the Director   | Status   | Meetings held during tenure | Meetings attended |
|--|----------|-----------------------------|-------------------|
| Shri Sagi Kasi Viswanatha Raju, Independent Director, Chairman | Chairman | 8                           | 8                 |
| Shri Ashok Kumar Tripathy, Independent Director                | Member   | 8                           | 8                 |
| Shri Kanhaiya Sarda, Independent Director                      | Member   | 8                           | 8                 |
| Smt. Neelam Sonker, Independent Director                       | Member   | 8                           | 8                 |
| Shri Anirban Dasgupta, Director (In-charge-BSP)                | Member   | 8                           | 7                 |

**(d) Nomination & Remuneration Committee**

(i) SAIL, being a Government Company, the nomination and fixation of terms & conditions for appointment of its Directors, are made by the Government of India. However, the Company has constituted a Nomination & Remuneration Committee (NRC), the terms of reference of which, inter-alia, include to look into various HR issues, matters prescribed under the Companies Act, 2013 and SEBI Regulations; to finalise 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 31<sup>st</sup> March, 2024, the Nomination & Remuneration Committee comprised of Shri Ashok Kumar Tripathy, Independent Director (Chairman); Shri Amarendu Prakash, Chairman, SAIL; Shri Abhijit Narendra, Joint Secretary, Ministry of Steel (Government Nominee Director); Shri Sagi Kasi Viswanatha Raju; Dr. Gopal Singh Bhati and Prof.(Dr.) K. Jayaprasad, Independent Directors, as Members. During the FY 2023-24, the attendance of the Members in the 2 meetings of NRC held on 9<sup>th</sup> June, 2023 and 9<sup>th</sup> November, 2023 is as under:

| Name of the Director  | Status   | Meetings held during tenure | Meetings attended |
|---|----------|-----------------------------|-------------------|
| Shri Ashok Kumar Tripathy, Independent Director                   | Chairman | 2                           | 2                 |
| Smt. Soma Mondal, Chairman (upto 30 <sup>th</sup> April, 2023)    | Member   | -                           | -                 |
| Shri Amarendu Prakash, Chairman (from 31 <sup>st</sup> May, 2023) | Member   | 2                           | 2                 |
| Shri Abhijit Narendra, Joint Secretary, Ministry of Steel         | Member   | 2                           | 2                 |
| Shri Sagi Kasi Viswanatha Raju, Independent Director              | Member   | 2                           | 2                 |
| Dr. Gopal Singh Bhati, Independent Director                       | Member   | 2                           | 2                 |
| Prof. (Dr. K. Jayaprasad), Independent Director                   | Member   | 2                           | 2                 |



As per Section 178(2) of the Companies Act, 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 5<sup>th</sup> June, 2015 notified exemptions to Government Companies from certain provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The appointment of Functional Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made based on nomination/appointment by Government of India (GOI). The terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry. Further, the Ministry of Corporate Affairs vide Notification dated 5<sup>th</sup> July, 2017 has notified amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors, wherein, the clauses relating to evaluation of performance of Non- Independent Directors, Chairperson and Board have been exempted for Government Companies.

(ii) **Remuneration of Directors:** The details of remuneration to Whole Time Directors for FY 2023-24 are given below:

| Name of the Director                                 | Salary             | Perquisites        | Total (₹)          |
|--|--------------------|--------------------|--------------------|
| Smt. Soma Mondal (upto 30 <sup>th</sup> April, 2023) | 83,37,628          | 8,22,397           | 91,60,025          |
| Shri Amarendu Prakash                                | 67,31,024          | 15,78,554          | 83,09,578          |
| Shri Anirban Dasgupta                                | 75,11,030          | 23,73,685          | 98,84,715          |
| Shri Vejendra Srinivasa Chakravarthy                 | 60,63,750          | 17,76,487          | 78,40,237          |
| Shri Atanu Bhowmick                                  | 78,86,673          | 14,09,059          | 92,95,732          |
| Shri Brijendra Pratap Singh                          | 76,09,213          | 17,87,544          | 93,96,757          |
| Shri Anil Kumar Tulsiani                             | 61,74,494          | 18,20,313          | 79,94,807          |
| Shri Krishna Kumar Singh                             | 73,18,916          | 18,19,949          | 91,38,865          |
| Shri Arvind Kumar Singh                              | 73,51,312          | 21,16,798          | 94,68,110          |
| <b>Total</b>   | <b>6,49,84,040</b> | <b>1,55,04,786</b> | <b>8,04,88,826</b> |

(iii) The Non-Executive Directors (other than Government Nominee Directors) are paid only sitting fee for each Board/Board Sub-Committee/ Meeting attended by them. The sitting fee of ₹ 30,000/- for each Board Meeting attended and ₹ 25,000/- for each Board Sub-committee Meeting and Independent Directors Meeting attended is paid, as approved by the Board of Directors in its 485<sup>th</sup> meeting held on 31<sup>st</sup> January, 2022.

(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, severance fees and Stock Options were paid during the FY 2023- 24.

(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 next Annual General Meeting in terms of the provisions of the Companies Act, 2013.

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

(e) **Stakeholders' Relationship Committee**

(i) A Stakeholders' Relationship Committee comprising Smt. Neelam Sonker, Independent Director, Chairman; Shri Sagi Kasi Viswanatha Raju, Independent Director; Prof. (Dr.) K. Jayaprasad, Independent Director and two Whole Time Directors, i.e. Director (Finance) and Director (Personnel), is functioning to consider and resolve the grievances of the security holders of the Company including complaints related to non-receipt of balance sheet, non-receipt of dividend, transfer/transmission of shares, etc. During the year, one meeting of Stakeholders' Relationship Committee was held on 27<sup>th</sup> March, 2024 and the attendance of the Members is as under:

| Name of the Director  | Status   | Meetings held during tenure | Meetings attended |
|---|----------|-----------------------------|-------------------|
| Smt. Neelam Sonker, Independent Director  | Chairman | 1                           | 1                 |
| Prof. (Dr.) K. Jayaprasad, Independent Director                                       | Member   | 1                           | 1                 |
| Shri Sagi Kasi Viswanatha Raju, Independent Director                                  | Member   | 1                           | 1                 |
| Shri Anil Kumar Tulsiani, Director (Finance)  | Member   | -                           | -                 |
| Shri Krishna Kumar Singh, Director (Personnel) & Link Officer for Finance Directorate | Member   | 1                           | 1                 |
| Shri Anirban Dasgupta, Director (In-charge-BSP)                                       | Member   | 1                           | 1                 |



- (ii) **Name of Compliance Officer:** Shri M.B. Balakrishnan, Executive Director (F&A) & Company Secretary.
- (iii) **Investor Grievances:** There was no complaint pending for redressal as on 31<sup>st</sup> March, 2024. Number of shareholders' complaints received during the year from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 was 28. All the 28 complaints were resolved and no complaint was pending for redressal as on 31<sup>st</sup> March, 2024. The details of the complaints received and resolved are as under:

| Complaints Received from | No. of Complaints |
|--------------------------|-------------------|
| SEBI                     | 7                 |
| BSE                      | 0                 |
| NSE                      | 19                |
| CPGRAMS                  | 1                 |
| CVO                      | 1                 |
| <b>Total</b>             | <b>28</b>         |

- (f) **Risk Management Committee:** The Company has constituted the SAIL Risk Management Committee (SRMC) in line with the Regulations of SEBI and the Chief Risk Officer of the Company is acting as the Secretary to the Committee. Chairman, Audit Committee, is the Chairman of the SRMC and 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. The Policy is available on the website of the Company-[www.sail.co.in](http://www.sail.co.in). 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. The Terms of Reference of the Committee mainly includes establishment of a risk management system; formulation, adoption and implementation of the Risk Management Policy; setting standards for risk documentation; to review the Enterprise Risk Management framework to assess its continuing effectiveness; to monitor emerging issues and oversee the risk management. As on 31<sup>st</sup> March, 2024, the SRMC comprised of Shri Sagi Kasi Viswanatha Raju, Independent Director, Chairman; Shri Ashok Kumar Tripathy, Independent Director; Director (Technical, Projects & Raw Materials); Director (Finance); Director (Commercial); and Director (Personnel) as Members. During the year, three meetings of the Risk Management Committee were held on 19<sup>th</sup> April, 2023, 6<sup>th</sup> October, 2023 and 24<sup>th</sup> November, 2023. The attendance of the members of the Committee during the meetings held in FY 2023-24 is as under:

| Name of the Director  | Status   | Meetings held during tenure | Meetings attended |
|---|----------|-----------------------------|-------------------|
| Shri Sagi Kasi Viswanatha Raju, Independent Director                    | Chairman | 3                           | 3                 |
| Shri Ashok Kumar Tripathy, Independent Director                         | Member   | 2                           | 2                 |
| Shri Vejendra Srinivasa Chakravarthy, Director (Commercial)             | Member   | 3                           | 1                 |
| Shri Anil Kumar Tulsiani, Director (Finance)                            | Member   | 3                           | 3                 |
| Shri Krishna Kumar Singh, Director (Personnel)                          | Member   | 3                           | 3                 |
| Shri Arvind Kumar Singh, Director (Technical, Projects & Raw Materials) | Member   | 3                           | 2                 |

- (g) **Corporate Social Responsibility Committee:** Corporate Social Responsibility (CSR) is the Company's vision to strive for excellence in promoting innovative CSR Initiatives and Improvement in quality of life of communities through ethical, transparent, accountable and sound governance practices and be known as a Corporate Leader in sustainable CSR initiatives. It 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 the Corporate Social Responsibility Committee in line with the provisions of Section 135 of Companies Act, 2013 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](http://www.sail.co.in). As on 31<sup>st</sup> March, 2024, Prof. (Dr.) K. Jayaprasad, Independent Director, was Chairman of the Committee. The other Members included Dr. Gopal Singh Bhati, Independent Director; Shri Kanhaiya Sarda, Independent Director; Shri Krishna Kumar Singh, Director (Personnel) & Link Officer for Finance Directorate\* and Shri Atanu Bhowmick, Director (In-charge-RSP). During the year, three meetings of CSR Committee were held on 13<sup>th</sup> June, 2023, 20<sup>th</sup> July, 2023 and 16<sup>th</sup> March, 2024 and the attendance of the Members is as under:

| Name of the Director  | Status   | Meetings held during tenure | Meetings attended |
|---|----------|-----------------------------|-------------------|
| Prof. (Dr.) K. Jayaprasad, Independent Director   | Chairman | 3                           | 3                 |
| Dr. Gopal Singh Bhati, Independent Director   | Member   | 3                           | 3                 |
| Shri Kanhaiya Sarda, Independent Director   | Member   | 3                           | 3                 |
| Shri Anil Kumar Tulsiani, Director (Finance)  | Member   | 2                           | 2                 |
| Shri Krishna Kumar Singh, Director (Personnel) & LOFD   | Member   | 3                           | 3                 |
| Shri Atanu Bhowmick, Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL) (from 3 <sup>rd</sup> February, 2024) | Member   | 1                           | 1                 |



(h) **Other Committees of the Board of Directors:** During the year, constitution of the 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 important issues are examined in detail before the same are considered by the Board. The objective and composition of these BSCs as on 31<sup>st</sup> March, 2024 are given below:

| S. No. | Board Sub-committee                                    | Objective of BSC in Brief   | Composition of BSC as on 31 <sup>st</sup> March, 2024   |
|--------|--|---|---|
| 1.     | <b>Strategic Issues &amp; Joint Ventures Committee</b> | 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.                   | <ul style="list-style-type: none"> <li>• Shri Kanhaiya Sarda, Independent Director (Chairman)</li> <li>• Shri Abhijit Narendra, Joint Secretary, MOS &amp; Director, SAIL</li> <li>• Shri Sagi Kasi Viswanatha Raju, Independent Director</li> <li>• Smt. Neelam Sonker, Independent Director</li> <li>• Dr. Gopal Singh Bhati, Independent Director</li> <li>• Prof. (Dr.) K. Jayaprasad, Independent Director</li> <li>• Shri Krishna Kumar Singh, Director (Personnel) &amp; Link Officer for Finance Directorate</li> <li>• Shri Anirban Dasgupta, Director (In-charge-BSP)</li> <li>• Shri Atanu Bhowmick, Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL)</li> </ul> |
| 2.     | <b>Projects Committee</b>                              | 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.          | <ul style="list-style-type: none"> <li>• Shri Ashok Kumar Tripathy, Independent Director (Chairman)</li> <li>• Shri Abhijit Narendra, Joint Secretary, MOS &amp; Director, SAIL</li> <li>• Dr. Gopal Singh Bhati, Independent Director</li> <li>• Shri Kanhaiya Sarda, Independent Director</li> <li>• Prof.(Dr.) K. Jayaprasad, Independent Director</li> <li>• Shri Arvind Kumar Singh, Director (Technical, Projects &amp; Raw Materials)</li> <li>• Shri Krishna Kumar Singh, Director (Personnel) &amp; Link Officer for Finance Directorate</li> <li>• Shri Atanu Bhowmick, Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL)</li> </ul>                               |
| 3.     | <b>Health, Safety &amp; Environment Committee</b>      | To review the policy, procedures & systems and their compliance on Health, Safety and Environmental matters in respect of Plants & Mines.   | <ul style="list-style-type: none"> <li>• Dr. Gopal Singh Bhati, Independent Director (Chairman)</li> <li>• Shri Ashok Kumar Tripathy, Independent Director</li> <li>• Smt. Neelam Sonker, Independent Director</li> <li>• Shri Sagi Kasi Viswanatha Raju, Independent Director</li> <li>• Shri Arvind Kumar Singh, Director (Technical, Projects &amp; Raw Materials) &amp; Link Officer for Commercial Directorate</li> <li>• Shri Krishna Kumar Singh, Director (Personnel) &amp; Link Officer for Finance Directorate</li> <li>• Shri Atanu Bhowmick, Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL)</li> </ul>  |
| 4.     | <b>Share Transfer Committee</b>                        | To consider transmission, rejection, issue of duplicate share certificate and split share certificates.   | <ul style="list-style-type: none"> <li>• Shri Arvind Kumar Singh, Director (Technical, Projects &amp; Raw Materials) &amp; Link Officer for Commercial Directorate</li> <li>• Shri Krishna Kumar Singh, Director (Personnel) &amp; Link Officer for Finance Directorate</li> </ul>  |
| 5.     | <b>Operational Issues Committee</b>                    | To periodically review performance in the areas of Production, Sales & Marketing, Mines and Collieries. To review coordination amongst Plants and Central Marketing Organisation. | <ul style="list-style-type: none"> <li>• Prof.(Dr.) K. Jayaprasad, Independent Director (Chairman)</li> <li>• Shri Abhijit Narendra, Joint Secretary, MOS &amp; Director, SAIL</li> <li>• Shri Ashok Kumar Tripathy, Independent Director</li> <li>• Shri Kanhaiya Sarda, Independent Director</li> <li>• Smt. Neelam Sonker, Independent Director</li> <li>• Shri Sagi Kasi Viswanatha Raju, Independent Director</li> <li>• Director (Technical, Projects &amp; Raw Materials) &amp; Link Officer for Commercial Directorate</li> <li>• Shri B.P. Singh, Director (In-charge-ISP &amp; DSP)</li> </ul>  |

(i) **Details of Meetings of various Board Sub-Committees held during the FY 2023-24 and Directors' attendance therein are as under:**

| Board Sub-Committee  | Audit Committee Meetings |          | Project Committee Meetings |          | Strategic Issues & Joint Ventures Committee Meetings |          | Nomination & Remuneration Committee Meetings |          | Corporate Social Responsibility Committee Meetings |          | Health, Safety & Environment Committee Meetings |          | Stakeholders Relationship Committee Meetings |          | Operational Issues Committee Meetings |          | Share Transfer Committee Meetings |          |
|--|--------------------------|----------|----------------------------|----------|--|----------|--|----------|--|----------|---|----------|--|----------|---------------------------------------|----------|-----------------------------------|----------|
|  | Held during Tenure       | Attended | Held during Tenure         | Attended | Held during Tenure                                   | Attended | Held during Tenure                           | Attended | Held during Tenure                                 | Attended | Held during Tenure                              | Attended | Held during Tenure                           | Attended | Held during Tenure                    | Attended | Held during Tenure                | Attended |
| 1  | 2                        |          | 3                          |          | 4  |          | 5  |          | 6  |          | 7   |          | 8  |          | 9                                     |          | 10                                |          |
| <b>Meetings held in 2023-24</b>                                    | <b>8</b>                 |          | <b>11</b>                  |          | <b>2</b>   |          | <b>2</b>                                     |          | <b>3</b>   |          | <b>4</b>  |          | <b>1</b>                                     |          | <b>4</b>                              |          | <b>11</b>                         |          |
| <b>Directors Attendance</b>  |                          |          |                            |          |  |          |  |          |  |          |   |          |  |          |                                       |          |                                   |          |
| Smt. Soma Mondal (upto 30 <sup>th</sup> April, 2023)               | -                        | -        | -                          | -        | -  | -        | -  | -        | -  | -        | -   | -        | -  | -        | -                                     | -        | -                                 | -        |
| Shri Amarendu Prakash (Chairman w.e.f. 31 <sup>st</sup> May, 2024) | -                        | -        | 1                          | 1        | 1  | 1        | 2  | 2        | -  | -        | 1   | 1        | -  | -        | -                                     | -        | -                                 | -        |
| Smt. Sukriti Likhi   | -                        | -        | -                          | -        | -  | -        | -  | -        | -  | -        | -   | -        | -  | -        | -                                     | -        | -                                 | -        |
| Shri Abhijit Narendra  | -                        | -        | 12                         | 12       | 2  | 2        | 2  | 2        | -  | -        | -   | -        | -  | -        | 4                                     | 4        | -                                 | -        |
| Shri Anirban Dasgupta  | 8                        | 7        | -                          | -        | 2  | 2        | -  | -        | -  | -        | 4   | 3        | 1  | 1        | -                                     | -        | -                                 | -        |
| Shri Ashok Kumar Tripathy  | 8                        | 8        | 12                         | 12       | -  | -        | 2  | 2        | -  | -        | 4   | 4        | -  | -        | 4                                     | 4        | -                                 | -        |
| Shri Kanhaiya Sarada   | 8                        | 8        | 12                         | 12       | 2  | 2        | -  | -        | 3  | 3        | -   | -        | -  | -        | 4                                     | 4        | -                                 | -        |
| Smt. Neelam Sonker   | 8                        | 8        | -                          | -        | 2  | 1        | -  | -        | -  | -        | 4   | 4        | 1  | 1        | 4                                     | 3        | -                                 | -        |
| Shri Sagi Kasi Viswanatha Raju                                     | 8                        | 8        | -                          | -        | 2  | 2        | 2  | 2        | -  | -        | 4   | 4        | 1  | 1        | 4                                     | 4        | -                                 | -        |
| Dr. Gopal Singh Bhati  | -                        | 1*       | 12                         | 12       | 2  | 2        | 2  | 2        | 3  | 3        | 4   | 4        | -  | -        | -                                     | -        | -                                 | -        |
| Shri Vejendra Srinivasa Chakravarthy                               | -                        | -        | -                          | -        | -  | -        | -  | -        | -  | -        | -   | -        | -  | -        | 3                                     | 3        | 8                                 | 7        |
| Shri Atanu Bhowmick  | -                        | -        | 11                         | 11       | 1  | 0        | -  | -        | 1  | 1        | 3   | 2        | -  | -        | -                                     | -        | -                                 | -        |
| Shri Brijendra Pratap Singh  | -                        | -        | -                          | -        | -  | -        | -  | -        | -  | -        | -   | -        | -  | -        | 1                                     | 1        | -                                 | -        |
| Prof. (Dr.) K. Jayaprasad  | -                        | -        | 12                         | 12       | 2  | 2        | 2  | 2        | 3  | 3        | -   | -        | 1  | 1        | 4                                     | 4        | -                                 | -        |
| Shri Anil Kumar Tulsiani   | -                        | -        | 10                         | 10       | 2  | 2        | -  | -        | 2  | 2        | -   | -        | -  | -        | 3                                     | 3        | 8                                 | 7        |
| Shri Krishna Kumar Singh   | -                        | -        | 2                          | 2        | -  | -        | -  | -        | 3  | 3        | 4   | 4        | 1  | 1        | -                                     | -        | 11                                | 11       |
| Shri Arvind Kumar Singh  | -                        | -        | 12                         | 12       | -  | -        | -  | -        | -  | -        | 4   | 4        | -  | -        | 4                                     | 4        | 11                                | 10       |

Note: Functional Directors attending the meetings as "Invitee" has not been considered in the attendance.

\*Dr. Gopal Singh Bhati attended the Audit Committee meeting as "Invitee".

(j) In addition to above, 1 meeting of Independent Directors was held during the FY 2023-24 on 29<sup>th</sup> June, 2023.

(k) **General Body Meetings:**

(i) Location and time where last three AGMs held:

| Financial Year | Date       | Time       | Location  |
|----------------|------------|------------|---|
| 2022-23        | 27.09.2023 | 10.30 A.M. | Through Video Conferencing/Other Audio Visual Means |
| 2021-22        | 28.09.2022 | 10.30 A.M. | Through Video Conferencing/Other Audio Visual Means |
| 2020-21        | 28.09.2021 | 10.30 A.M. | Through Video Conferencing/Other Audio Visual Means |

(ii) In the last 3 years, Six Special Resolutions were passed through Postal Ballot and One in the Annual General Meeting, as detailed below:

| Financial Year | No. of Special Resolutions Passed |
|----------------|-----------------------------------|
| 2022-23        | 1                                 |
| 2021-22        | 6                                 |
| 2020-21        | NIL                               |

iii) **Postal Ballot**

During the Financial Year 2023-24, no business was transacted through Postal Ballot and as on 31<sup>st</sup> March, 2024, no resolution is proposed to be conducted through Postal Ballot.



**(I) 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/Independent Directors. None of the Non-Executive Directors held any share/convertible instrument of the Company except Shri Kanhaiya Sarda, Independent Director, who holds 2500 number of equity shares.
- (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 the 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. The letter of appointment intimating the roles, duties, responsibilities, is issued to the Independent Director based on the Terms and Conditions mentioned by the Government of India while nominating the Independent Director. The Independent Director(s) are intimated of their roles, duties and responsibilities and provided the copies of Code of Conduct for Directors. However, during the FY 2023-24, no Independent Director was nominated by the Government of India on the Board of the Company.
- (iv) **Familiarization programme for Independent Directors:** An induction cum familiarization programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product Portfolio, Financial and Operational Performance, Modernization and Expansion Programme, etc. The Company also organizes visits of the Directors to various Plants/Units of the Company for first-hand knowledge of the operations. Further, the Directors are nominated to the training programmes organised by various institutions such as DPE, SCOPE, IOD and other institutions on issues related to Corporate Governance, etc. The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (v) **Whistle Blower Policy:** 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](http://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](http://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 FY 2023-24. However, there was shortfall between four to five Independent Directors during the Financial Year 2023-24. 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 One Non-executive Government Nominee Woman Director and One Independent Woman Director on the Board of the Company as on 31<sup>st</sup> March, 2024.
- (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 letter dated 18<sup>th</sup> November, 2021 w.e.f. 1<sup>st</sup> January, 2017. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC. In case of Non-executive employees, the wages were finalized/ revised in bipartite forum of National Joint Committee for Steel Industry (NJCS) with the approval of Ministry of Steel on 18<sup>th</sup> November, 2021. Subsequently, revised Pay Scales and

- Cafeteria Approach for Perks/Allowances were also implemented on 3<sup>rd</sup> August, 2022 for Non-executive employees.
- (ix) No items of expenditure have been debited in the books of accounts which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and Top Management.
- (x) The administrative and office expenses were 0.43% of the total expenses during 2023-24 as against 0.39% during the previous year.
- (xi) **Declaration of Independence:** The Independent Directors have submitted the declaration of independence, as required under Regulation 25(8) of the SEBI Listing Regulations read with Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Regulation 16(1) (b) of the SEBI Listing regulations read with sub-section (6) of Section 149 of the Companies Act, 2013 and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The same has been taken on record by the Board.
- (xii) **Code of Conduct:** The Company has laid down a Code of Conduct for Directors and Senior Management Personnel with a view to enhance ethical and transparent process in managing the affairs of the Company. This code is applicable to all the Board Members including Government Nominee(s) and Independent Directors and the Senior Management Personnel of the Company. An affirmation of compliance with the Code has been received from the Board Members & Senior Management Personnel for the financial year ended 31<sup>st</sup> March, 2024. The Code of Conduct has been placed on the website of the Company- [www.sail.co.in](http://www.sail.co.in).
- (xiii) **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](http://www.sail.co.in). There was no related party transaction that may have any potential conflict with the interests of the Company.
- (xiv) **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](http://www.sail.co.in). The Company did not have any Material Subsidiary during 2023-24.
- (xv) **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 and the same is uploaded on the website of the Company- [www.sail.co.in](http://www.sail.co.in).
- (xvi) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company. The Financial Statements for the period ended 31<sup>st</sup> March, 2024 were signed by Chairman, who was holding the charge of the post of Director (Finance).
- (xvii) **Core Competence of Directors:** Steel Authority of India Limited (SAIL) being a Government Company under the control of its administrative Ministry viz. Ministry of Steel, all the Directors of the Company viz. Whole-time, Independent Directors, Nominee Directors are appointed/nominated by the Ministry of Steel. The skills/expertise/competencies as required in the context of business and areas pertaining to the Company are identified by Government of India. Further, selection of Directors on the Board of SAIL is made by Government of India/Ministry of Steel as per their defined procedures and rules in vogue. In this regard, skills/expertise/competence of the Directors on the Board of SAIL as on 31<sup>st</sup> March, 2024 are mentioned below:

| Sl. No. | Name of the Director      | Designation              | Existing Skills/Expertise/Competence   |
|---------|---------------------------|--------------------------|--|
| 1       | Shri Amarendu Prakash     | Chairman                 | BE/B.Tech. (Metallurgy);<br>Project Implementation; Strategic Planning; Operations;  |
| 2       | Smt. Sukriti Likhi        | Govt. Nominee Director   | IAS; B.A. Honours-Economics;<br>M.A.-Sociology; Administration; Finance;   |
| 3       | Shri Abhijit Narendra     | Govt. Nominee Director   | IRTS; B.Sc.; LL.B; Infrastructure Development;<br>Logistics; Production; Sales;  |
| 4       | Shri Anirban Dasgupta     | Director (In-charge-BSP) | B.Tech (Metallurgy);<br>Technology; Operations; Project Management;<br>Corporate Planning;   |
| 5       | Shri Ashok Kumar Tripathy | Independent Director     | IAS; B.Sc.-Physics Honours; M.Sc.-Physics;<br>LL.B-Law; Administration;  |
| 6       | Shri Kanhaiya Sarda       | Independent Director     | PGDBM (Finance, Business Laws, Sales & Marketing, Business<br>Administration, Research, Corporate Governance,<br>Technical Operations); Finance; |
| 7       | Smt. Neelam Sonker        | Independent Director     | BA; MA;<br>Administration;   |



| Sl. No. | Name of the Director                 | Designation  | Existing Skills/Expertise/Competence  |
|---------|--------------------------------------|--|---|
| 8       | Shri Sagi Kasi Viswanatha Raju       | Independent Director   | BA in Public Admin., Politics, Sociology; MBA in Finance & HR; Administration; Finance; Management; |
| 9       | Dr. Gopal Singh Bhati                | Independent Director   | MBBS; DMRD in Radiology; Medical & Health; Management; Administration;                              |
| 10      | Shri Vejendra Srinivasa Chakravarthy | Director (Commercial)  | B.Tech. (Chemical); Marketing;  |
| 11      | Shri Atanu Bhowmick                  | Director In-charge-RSP holding additional charge of Director (In-charge-BSL) | BE/B.Tech (Metallurgy); MBA (HR); Projects; Operations;   |
| 12      | Shri Brijendra Pratap Singh          | Director (In-charge(ISP and DSP &ASP)  | B.Tech (Mining Engineering); Operations; Mining & Minerals;   |
| 13      | Prof. (Dr.) K. Jayaprasad            | Independent Director   | M.A. Political Science; Ph.D Political Science; Administration;                                     |
| 14      | Shri Anil Kumar Tulsiani             | Director (Finance)   | B.Com; CMA; MBA(Finance); Budget; Funds Management; Project Finance; Accounts;                      |
| 15      | Shri Krishna Kumar Singh             | Director (Personnel)   | BE/B.Tech.(Elect.); PGD(HRM); Human Resource Development  |
| 16      | Shri Arvind Kumar Singh              | Director (T,P & RM)  | BE (Metallurgy); Technical Management; Conflict Management; Business Negotiation;                   |

(xviii) During the FY 2023-24, no funds have been raised through preferential allotment or qualified institutions placement.

(xix) **Certificate of Non-Disqualification of Directors:** 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 as on 31<sup>st</sup> March, 2024 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. M/s. Agarwal S. & Associates has also stated that the Ministry of Steel, Government of India vide its letter dated 19<sup>th</sup> January, 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of Steel Authority of India Limited, has placed Shri V.S. Chakravarthy, Director (Commercial) having DIN 09370715 and Shri A.K. Tulsiani, Director (Finance) having DIN 08742907 on suspension with immediate effect. A copy of the Certificate of Non-Disqualification of Directors is enclosed herewith.

(xx) **Total Fees to Statutory Auditors:** An amount of ₹ 5.93 crore is paid/payable 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.

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

The Company has set up Internal Complaints Committees in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed off during the year 2023-24 are as under:

| Particulars   | No. of Complaints |
|---|-------------------|
| Number of complaints pending as on 1 <sup>st</sup> April, 2023  | 2                 |
| Number of complaints filed during the FY                        | 3                 |
| Number of complaints disposed off during the FY                 | 3                 |
| Number of complaints pending as on 31 <sup>st</sup> March, 2024 | 2                 |

(xxii) During the FY 2023-24, no independent director has resigned before completion of their respective tenure.

(xxiii) Shri Kanhaiya Sarda, Independent Director; Shri Anirban Dasgupta, Director (In-charge-BSP); and Shri Atanu Bhowmick, Director (In-charge-RSP) are holding 2500, 100 and 148 equity shares of SAIL respectively as on 31<sup>st</sup> March, 2024.

(xxiv) Credit Ratings obtained along with any revision thereto during the Financial Year 2023-24 are as under:

| A. India Ratings                        | ₹ in crore        | Current Rating |                         | Previous Rating                 |                         |
|---|-------------------|----------------|-------------------------|---------------------------------|-------------------------|
|   |                   | Particulars    | Rated amount            | 5 <sup>th</sup> September, 2023 | Status                  |
| Long Term Bonds                         | 1547 <sup>^</sup> |                | IND AA Stable Outlook   | Affirmed                        | IND AA Stable Outlook   |
| Short Term (CPs)                        | 8000              |                | IND A1+                 | Affirmed                        | IND A1+                 |
| Fund-Based Working Capital based limits | 10000             |                | IND AA Stable / IND A1+ | Affirmed                        | IND AA Stable / IND A1+ |
| Non-Fund-Based Working Capital limits   | 5000              |                | IND A1+                 | Affirmed                        | IND A1+                 |
| Non-Fund-Based limits                   | 5000              |                | IND AA Stable Outlook   | Affirmed                        | IND AA Stable Outlook   |
| Proposed Bank Loan #                    | 2000              |                | IND AA Stable Outlook   | Affirmed                        | IND AA Stable Outlook   |
| Public Deposits                         | 1000              |                | IND AA Stable Outlook   | Affirmed                        | IND AA Stable Outlook   |

<sup>^</sup> Outstanding at the time of Rating

# Unallocated

| B. CARE Ratings                        | ₹ in crore                              | Current Rating |                                | Previous Rating              |                             |
|--|---|----------------|--------------------------------|------------------------------|-----------------------------|
|  |   | Particulars    | Rated amount                   | 3 <sup>rd</sup> August, 2023 | Status                      |
| Long Term Bonds Programme              | 1092*                                   |                | CARE AA Outlook Stable         | Reaffirmed                   | CARE AA Outlook Stable      |
| Long Term Public Deposits              | 1000                                    |                | CARE AA Outlook Stable         | Reaffirmed                   | CARE AA Outlook Stable      |
| Short Term CP/ICD Programme            | 8000                                    |                | CARE A1+                       | Reaffirmed                   | CARE A1+                    |
| Long Term Bank Facilities (Term Loans) | 10,500.00*<br>(Enhanced from 8,500.00)  |                | CARE AA Outlook Stable         | Reaffirmed                   | CARE AA Outlook Stable      |
| Fund-Based-ST- Working Capital Limits  | 35,000.00*<br>(Enhanced from 30,000.00) |                | CARE A1+                       | Reaffirmed                   | CARE A1+                    |
| Additional Rating                      |   |                | 27 <sup>th</sup> October, 2023 |                              | 6 <sup>th</sup> April, 2023 |

\*Outstanding at the time of additional rating as on 19.10.2023

(xxv) **Risk w.r.t. Commodities:** Pursuance to Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> 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. However, in case of imported coking coal, there is a risk of interruption in supply as there are limited number of vendors and bulk supply from one geographical area. Action is being taken to increase vendor base through EOI route and increase coal basket by exploring new coal producing countries from different geographies like Russia, Mongolia, etc. 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.

(xxvi) In the FY 2023-24, both BSE and NSE have imposed fine of ₹ 5,31,000/- for the quarter ended 31<sup>st</sup> March, 2023 for non-compliance in respect of Regulation 17(1). In respect of quarters ended 30<sup>th</sup> June, 2023, and 31<sup>st</sup> December, 2023, both NSE and BSE have levied a fine of ₹ 5,36,900/- and ₹ 5,42,800/- respectively for non-compliance of Regulation 17(1). Regarding the quarter ended 30<sup>th</sup> September, 2023, BSE has imposed a fine of ₹ 5,42,800/-. A representation has been made to BSE and NSE to waive of the fines as the Board level

appointments are not within the purview of SAIL Board and Directors on the Board of the Company are appointed by Government of India, Ministry of Steel.

Further, BSE have imposed a fine of ₹ 38,940/- for the quarter ended 30<sup>th</sup> September, 2023 for non-compliance of Regulation 54(2). It has been replied to BSE that the information on the security cover was submitted as a part of financial results.

For the quarter ended 31<sup>st</sup> March, 2023, BSE has imposed a fine of ₹ 70,800/- for non-compliance of Regulations 23(9). It was replied to BSE that details in respect of Related Party Transactions of the Company were submitted in the PDF format along with the financial results for the FY ended 31<sup>st</sup> March, 2023.

(xxvii) **Loans and Advances in the nature of Loans to Firm/Companies:** During the financial year 2023-24, no loan or advances in the nature of loan has been given to firms/companies in which directors are interested.

(m) **Means of Communication:**

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



| Quarter Ending                                 | 30 <sup>th</sup> June, 2023           | 30 <sup>th</sup> September, 2023                                    | 31 <sup>st</sup> December, 2023   | 31 <sup>st</sup> March, 2024   |
|--|---------------------------------------|---|---|--|
| <b>Date of Publication</b>                     | <b>11<sup>th</sup> August, 2023</b>   | <b>11<sup>th</sup> November, 2023</b>                               | <b>13<sup>th</sup> February, 2024</b>   | <b>21<sup>st</sup> May, 2024</b>   |
| Name of the Newspapers<br>E-English<br>H-Hindi | Financial Express (E)<br>Jansatta (H) | Business Standard (E)<br>The Statesman (E)<br>Business Standard (H) | Financial Express (E)<br>Business Standard (E)<br>Jansatta (H)<br>Business Standard (H) | Hindustan Times (E)<br>The Statesman (E)<br>Danik Uttam Hindu (H)<br>Hindustan (H) |

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

The Company organizes Conference Calls in respect of Quarterly/Annual Financial Performance. Further, presentations are made to institutional investors or to the analysts and the same are available at the website of the Company-[www.sail.co.in](http://www.sail.co.in)

**(n) General Shareholders Information:**

- i. In terms of Applicable Circulars issued by the Ministry of Corporate Affairs (MCA), Annual General Meeting (AGM) is scheduled to be held on 26<sup>th</sup> September, 2024 at 1030 Hours at Registered Office through Video Conferencing or Other Audio Visual Means. Necessary public notices have been issue pursuant to the Applicable Circulars of MCA.
- ii. Financial Year: 1<sup>st</sup> April, 2023 – 31<sup>st</sup> March, 2024.
- iii. **Date of Book Closure:** 20<sup>th</sup> September, 2024 to 26<sup>th</sup> September, 2024 (Both days inclusive) for the purpose of AGM. The Cut-off date has been fixed as 19<sup>th</sup> September, 2024 (end of business hours) for determining the eligibility of the shareholders to cast their vote during the E-voting process on the Resolutions as set-out in the Notice of the AGM and attend the AGM.
- (iv) **Payment of Dividend:** The Final Dividend, if approved by the Members at the AGM, will be paid subject to deduction of Income Tax at Source (TDS) within the stipulated period of 30 days from the date of approval by the Shareholders. Final Dividend will be paid through electronic mode only. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s)

do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. An intimation shall be sent by the Listed Company to the security holder that such payment is due and shall be made electronically only upon complying with the aforesaid requirements The interim dividend declared by the Board of Directors on 12<sup>th</sup> February, 2024 was paid to the eligible shareholders in February/March, 2024.

- (v) **Listing on Stock Exchange:** The Shares of the Company are actively traded and are listed at the following stock exchanges:

BSE 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 2023-24 has been paid to each of the Stock Exchange(s).

During the FY 2023-24, the securities of the Company were not suspended from trading.

- (vi) **Market Price Data:** The monthly high and low quotes of the Company's shares during each month in the FY 2023-24 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are indicated below:



| Month & Year    | SENSEX   |          | SAIL at BSE (₹) |        | NIFTY    |          | SAIL at NSE (₹) |        |
|-----------------|----------|----------|-----------------|--------|----------|----------|-----------------|--------|
|                 | High     | Low      | High            | Low    | High     | Low      | High            | Low    |
| April, 2023     | 61209.46 | 58793.08 | 84.30           | 80.75  | 18089.15 | 17312.75 | 84.35           | 80.75  |
| May, 2023       | 63036.12 | 61002.17 | 86.59           | 80.50  | 18662.45 | 18042.40 | 86.60           | 80.45  |
| June, 2023      | 64768.58 | 62359.14 | 87.05           | 81.85  | 19201.70 | 18464.55 | 87.05           | 81.80  |
| July, 2023      | 67619.17 | 64836.16 | 95.09           | 85.60  | 19991.85 | 19234.40 | 95.10           | 85.60  |
| August, 2023    | 66658.12 | 64723.63 | 96.14           | 83.90  | 19795.60 | 19223.65 | 96.15           | 83.90  |
| September, 2023 | 67927.23 | 64818.37 | 103.59          | 90.90  | 20222.45 | 19255.70 | 103.65          | 90.85  |
| October, 2023   | 66592.16 | 63092.98 | 94.05           | 81.85  | 19849.75 | 18837.85 | 94.00           | 81.80  |
| November, 2023  | 67069.89 | 63550.46 | 92.45           | 82.60  | 20158.70 | 18973.70 | 92.50           | 82.60  |
| December, 2023  | 72484.34 | 67149.07 | 125.74          | 92.20  | 21801.45 | 20183.70 | 125.75          | 92.20  |
| January, 2024   | 73427.59 | 70001.6  | 126.90          | 107.50 | 22124.15 | 21137.20 | 126.90          | 107.50 |
| February, 2024  | 73413.93 | 70809.84 | 150             | 116.15 | 22297.50 | 21530.20 | 150             | 116    |
| March, 2024     | 74245.17 | 71674.42 | 145             | 117.05 | 22526.60 | 21710.20 | 145             | 117.35 |

(vii) **Registrar and Share Transfer Agent:** M/s. MCS Share Transfer Agent Limited, F-65, 1<sup>st</sup> Floor, Okhla Industrial Area Phase-I, New Delhi-110020.  
Phone No. 011-41406149

(viii) **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 consider requests for transmission, rejection, issue of duplicate share certificate and split share certificates. During the year, the Share Transfer Committee met 11 times on 17<sup>th</sup> April, 2023, 30<sup>th</sup> June, 2023, 21<sup>st</sup> July, 2023, 6<sup>th</sup> September, 2023, 25<sup>th</sup> October, 2023, 28<sup>th</sup> November, 2023, 13<sup>th</sup> December, 2023, 8<sup>th</sup> January, 2024, 12<sup>th</sup> February, 2024, 19<sup>th</sup> February, 2024 and 4<sup>th</sup> March, 2024.

(ix) **Distribution of Shareholdings as on 31<sup>st</sup> March, 2024:**

| Shareholding   | Shareholders   |               | Amount             |               |
|----------------|----------------|---------------|--------------------|---------------|
|                | Number         | % to Total    | In Rupees          | % of Total    |
| (1)            | (2)            | (3)           | (4)                | (5)           |
| Upto 500       | 1482758        | 90.24         | 1305168840         | 3.16          |
| 501 - 1000     | 81468          | 4.90          | 648042350          | 1.56          |
| 1001 - 2000    | 40540          | 2.47          | 61016288           | 1.48          |
| 2001 - 3000    | 13377          | 0.81          | 34300873           | 0.83          |
| 3001 - 4000    | 6123           | 0.37          | 22076855           | 0.53          |
| 4001 - 5000    | 5132           | 0.31          | 24388272           | 0.59          |
| 5001 - 10000   | 7802           | 0.47          | 57954372           | 1.40          |
| 10001 - 50000  | 5873           | 0.36          | 3735467510         | 90.43         |
| 50001 - 100000 | 1482758        | 90.24         | 1305168840         | 3.16          |
| Above 100000   | 81468          | 4.90          | 648042350          | 1.56          |
| <b>Total</b>   | <b>1643073</b> | <b>100.00</b> | <b>41305252890</b> | <b>100.00</b> |

(x) **Shareholding Pattern as on 31<sup>st</sup> March 2024:**

| S. No.                         | Category                                    | No. of Shares held | % age of Shareholding |
|--------------------------------|---|--------------------|-----------------------|
| <b>A. Promoters' holding</b>   |   |                    |                       |
| 1                              | Promoters                                   |                    |                       |
|                                | - Indian Promoters Viz., the Govt. of India | 2684714550         | 65.00                 |
|                                | - Foreign Promoters                         | -                  | -                     |
| 2                              | Persons acting in Concert                   | -                  | -                     |
|                                | <b>Sub-Total</b>                            | <b>2684714550</b>  | <b>65.00</b>          |
| <b>B Non-Promoters Holding</b> |   |                    |                       |
| 3                              | Institutional Investors                     |                    |                       |
| a                              | Mutual Funds and UTI                        | 259975047          | 6.29                  |
| b                              | Banks & Financial Institutions              | 398166             | 0.01                  |
| c                              | Insurance Companies                         | 388954866          | 9.42                  |
| d                              | Foreign Institutional Investors (FIIs)      | 131272665          | 3.18                  |
|                                | <b>Sub-Total</b>                            | <b>780600744</b>   | <b>18.90</b>          |
| 4                              | Others                                      |                    |                       |
| a                              | Private Corporate Bodies                    | 75174207           | 1.82                  |
| b                              | Indian Public                               | 557626916          | 13.50                 |
| c                              | Trusts and Societies, etc.                  | 2900363            | 0.07                  |
| d                              | NRIs/OCBs                                   | 25210297           | 0.61                  |
| e                              | GDR   | 110990             | 0.00                  |
| f                              | IEPF  | 4187222            | 0.10                  |
|                                | <b>Sub-Total</b>                            | <b>665209995</b>   | <b>16.10</b>          |
|                                | <b>GRAND TOTAL</b>                          | <b>4130525289</b>  | <b>100.00</b>         |

(xi) **Status of dematerialization as on 31<sup>st</sup> March, 2024**

| Particulars                 | No. of Shares     | % of Capital  | No. of Accounts |
|-----------------------------|-------------------|---------------|-----------------|
| NSDL                        | 3784781080        | 91.63         | 434973          |
| CDSL                        | 343331946         | 8.31          | 1234410         |
| <b>Total Dematerialised</b> | <b>4128113026</b> | <b>99.94</b>  | <b>1669383</b>  |
| Physical                    | 2412263           | 0.06          | 13369           |
| <b>Total</b>                | <b>4130525289</b> | <b>100.00</b> | <b>1682752</b>  |

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

(xii) 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 Marketing Organisation, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700 071, West Bengal.
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand.
- Environment Management Division, SAIL House, 3<sup>rd</sup> Floor, 50, Jawaharlal Nehru Road, Kolkata-700071, West Bengal.
- SAIL Growth Works, Kulti, Distt. Burdwan, West Bengal.
- Management Training Institute, Ranchi-834002, Jharkhand.
- Logistics and Infrastructure Department, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700071.
- Collieries Division, SAIL Officers' Colony, Chasnalla, Dhanbad, Jharkhand-828135.
- Research & Development Centre for Iron & Steel,

Ranchi-834002, Jharkhand.

- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar District Centre, Delhi-110092.
- SAIL Safety Organisation, Ranchi-834002, Jharkhand.
- SAIL Refractory Unit, Bokaro-827004, Jharkhand.
- SAIL Digital Transformation Division, Ranchi.

**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 (Strike Off)
- SAIL Sindri Projects Limited, Chasnalla-828135, Jharkhand (Strike Off)

(xiii) **Address for correspondence from shareholders for queries/complaints, if any:**

M/s. MCS Share Transfer Agent Limited,  
F-65, 1<sup>st</sup> 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 Board of Directors

Sd/-

**(Amarendu Prakash)**  
Chairman

Place: New Delhi

Date: 3<sup>rd</sup> September, 2024



**AGARWAL S. & ASSOCIATES**  
Company Secretaries

D-427, 2<sup>nd</sup> Floor, Palam Extn., Ramphal Chowk,  
Sector 7, Dwarka, New Delhi-110075  
Email Id: [asacs2022@gmail.com](mailto:asacs2022@gmail.com)  
Phone: 011-45052182

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Steel Authority of India Limited,  
Ispat Bhawan, Lodhi Road, New Delhi-110003

We have examined the relevant registers, records, forms, returns maintained by the Company and disclosures received from the Directors of **Steel Authority of India Limited** having CIN: **L27109DL1973GOI006454** and having registered office at **Ispat Bhawan, Lodhi Road, New Delhi-110003** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, We hereby certify that Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have not been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director     | DIN      | Date of appointment in Company |
|---------|----------------------|----------|--------------------------------|
| 1       | Amarendu Prakash     | 08896653 | 28/09/2020                     |
| 2       | Sukriti Likhi        | 01825997 | 23/04/2021                     |
| 3       | Abhijit Narendra     | 07851224 | 27/04/2022                     |
| 4       | Anirban Dasgupta     | 06832261 | 01/02/2020                     |
| 5       | Ashok Kumar Tripathy | 02485365 | 08/11/2021                     |
| 6       | Kanhaiya Sarada      | 06792668 | 12/11/2021                     |
| 7       | Neelam Sonker        | 03111659 | 15/11/2021                     |



|    |                           |          |            |
|----|---------------------------|----------|------------|
| 8  | Sagi Kasi Viswanatha Raju | 00434856 | 16/11/2021 |
| 9  | Gopal Singh Bhati         | 09406763 | 18/11/2021 |
| 10 | Atanu Bhowmick            | 08891338 | 11/02/2022 |
| 11 | Brijendra Pratap Singh    | 08665585 | 19/04/2022 |
| 12 | Jayaprasad Kuttappan      | 09585722 | 26/04/2022 |
| 13 | Krishna Kumar Singh       | 09310667 | 25/08/2022 |
| 14 | Arvind Kumar Singh        | 09725842 | 02/09/2022 |

We further state that the Ministry of Steel, Government of India vide its letter dated 19<sup>th</sup> January, 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of Steel Authority of India Limited, has placed Shri V.S. Chakravarthy, Director (Commercial) having DIN 09370715 and Shri. A.K. Tulsiani, Director (Finance) having DIN 08742907 on suspension with immediate effect.

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
*Peer Review Cert. No. 2725/2022*

**GARIMA** Digitally signed by  
**GROVER** GARIMA GROVER  
Date: 2024.06.21  
10:56:58 +05'30'

Garima Grover  
Partner  
ACS No.: 27100  
CP No.: 23626

Place: New Delhi  
Date: 21.06.2024  
UDIN: A027100F000598385

|   |  |   |   |
|---|--|---|---|
| 1. <b>Walker Chandiook &amp; Co LLP</b><br>Chartered Accountants<br>L-41, Connaught Circus,<br>New Delhi-110001 | 2. <b>J N Gupta &amp; Co LLP</b><br>Chartered Accountants<br>202 Prasad Residency,<br>South of Bariatu<br>Housing Colony, Rani<br>Bagan, Ranchi- 834009<br>(Jharkhand) | 3. <b>SPARK &amp; Associates Chartered Accountants LLP</b><br>Chartered Accountants<br>403A 4 <sup>th</sup> Floor,<br>Ravi Bhawan, Jay Stambh<br>Square, Near Gandhi Chowk,<br>Raipur- 446143 | 4. <b>Vinod Singhal &amp; Co LLP</b><br>Chartered Accountants<br>A-301 Shre Nand Rani<br>Niwas, Opp Ara Mills,<br>Veer Kunwar Singh<br>Colony, Airport Road,<br>Hinoo, Ranchi – 834002<br>(Jharkhand) |
|---|--|---|---|

### Independent Auditor's Certificate on Corporate Governance

To,

#### The Members of Steel Authority of India Limited

- This certificate is issued in accordance with the terms of our engagement letter dated November 3, 2023.
- We have examined the compliance of conditions of Corporate Governance by Steel Authority of India Limited ('the Company') for the year ended on 31<sup>st</sup> March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India ('the DPE Guidelines').

#### Management's Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations and DPE Guidelines.

#### Auditor's Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Qualified opinion

- Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March 2024, subject to the following:
  - Regulation 17(1)(a):** The requirement of minimum number of Non-Executive Directors in the composition of Board of Directors from 1<sup>st</sup> April, 2023 to 30<sup>th</sup> April, 2023.
  - Regulation 17(1)(b):** The requirement of minimum number of Independent Directors in the composition of Board of Directors during the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

We 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.

#### Restriction on use

- This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration no:  
001076N/N50001

Sd/-  
**CA. Nalin Jain**  
Partner  
M. No. 503498  
UDIN: 24503498BKFCQW8974  
Place: New Delhi

**For J N Gupta & CO LLP**  
Chartered Accountants  
Firm Registration no:  
006569C/W100892

Sd/-  
**CA. Akansh Gupta**  
Partner  
M. No. 456312  
UDIN: 24456312BKASNP6346  
Place: New Delhi

**For SPARK & Associates Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration no:  
005313C/400311

Sd/-  
**CA. Rohit Khandelwal**  
Partner  
M. No. 417967  
UDIN: 24417967BKBFWM8483  
Place: New Delhi

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration no:  
005826C/C400276

Sd/-  
**CA. Shivani Gupta**  
Partner  
M. No. 078389  
UDIN: 24078389BKGRCL1930  
Place: New Delhi

Date : 22<sup>nd</sup> August, 2024



## Business Responsibility & Sustainability Report (BRSR)

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity:

|     |  |  |
|-----|--|--|
| 1.  | <b>Corporate Identity Number (CIN) of the Company</b>  | L27109DL1973GOI 006454   |
| 2.  | <b>Name of the Company</b>   | Steel Authority of India Limited   |
| 3.  | <b>Year of Incorporation</b>   | 1973   |
| 4.  | <b>Registered office address</b>   | Ispat Bhawan, Lodhi Road, New Delhi – 110003   |
| 5.  | <b>Corporate office address</b>  |  |
| 6.  | <b>E-mail</b>  | investor.relation@sail.in  |
| 7.  | <b>Telephone</b>   | 011-24367481   |
| 8.  | <b>Website</b>   | <a href="https://sail.co.in">https://sail.co.in</a>  |
| 9.  | <b>Financial year for which reporting is being done</b>  | 2023-24  |
| 10. | <b>Name of the Stock Exchange(s) where shares are listed</b>   | National Stock Exchange of India Limited ('NSE'), Bombay Stock Exchange Limited ('BSE') and London Stock Exchange ('LSE')  |
| 11. | <b>Paid-up capital</b>   | ₹ 41,30,52,52,890  |
| 12. | <b>Name and contact details of the person who may be contacted in case of any queries on the BRSR report</b> | Shri M.B. Balakrishnan<br>Executive Director (F&A) & Company Secretary,<br>Corporate Office<br>Steel Authority of India Limited<br>secy.sail@sail.in<br>011-24300237   |
| 13. | <b>Reporting Boundary</b>  | The data related to Business Responsibility is on a standalone basis. This includes SAIL entity as a whole excluding Subsidiaries, Associates and Joint Ventures.<br><br>The Reporting boundary includes the following:<br><br>a. <b>Integrated Steel Plants:</b> Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant, IISCO Steel Plant<br><br>b. <b>Special Steel Plants:</b> Alloy Steels Plant, Salem Steel Plant, Visvesvaraya Iron and Steel Plant<br><br>c. <b>Units:</b> Chandrapur Ferro Alloy Plant, Central Marketing Organization, Research and Development Centre for Iron & Steel, SAIL Refractory Unit, SAIL Safety Organization, SAIL Growth Works Kulti, Environment Management Division, Centre for Engineering and Technology<br><br>d. <b>Mines (Operating)</b> <ul style="list-style-type: none"> <li>• Jharkhand Group of Mines: Kiriburu Iron Ore Mines, Meghahatuburu Iron Ore Mines, Gua Iron Ore Mines, Manoharpur Iron Ore Mines</li> <li>• Odisha Group of Mines: Bolani Ore Mines, Barsua Iron Mine, Taldih Iron Mine, Kalta Iron Mine</li> <li>• BSP Group of Mines: Iron Ore Complex, Rajhara, Rowghat Deposit-F, Nandni Limestone Mines, Kuteshwar Limestone Mines, Hirri Dolomite Mines</li> </ul> |
| 14. | <b>Name of assurance provider</b>  | M/s. SR Asia   |
| 15. | <b>Type of assurance provided</b>  | Reasonable   |

#### II. Products/services

##### 16. Details of business activities:

| S.No. | Description of Main Activity  | Description of Business Activity | % of Turnover of the entity |
|-------|-------------------------------|----------------------------------|-----------------------------|
| 1.    | Manufacturing of Iron & Steel | Manufacturing of Iron & Steel    | 100%                        |

##### 17. Products/Services sold by the entity

| S.No. | Product/Service             | NIC Code | % of Total Turnover contributed |
|-------|-----------------------------|----------|---------------------------------|
| 1.    | Manufacture of Iron & Steel | 241      | 100%                            |

#### III. Operations

##### 18. Number of locations where plants and/or operations/offices of the entity are situated

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 9                | 103               | 112   |
| International | 0                | 1                 | 1     |

The Company's businesses and operations are spread across the country. Details of Plant locations are provided below:

**Plants Locations:**

- Five Integrated Steel Plants at Bhilai, Durgapur, Rourkela, Bokaro & Burnpur
- Three Special Steel Plants at Durgapur, Salem and Bhadravati.

**No. of Offices:** The Company has offices located at different locations spread across pan-India.

**19. Markets served by the entity**

**a. Number of locations**

| Location                         | Number                             |
|----------------------------------|------------------------------------|
| National (No. of States)         | States - 28, Union Territories - 8 |
| International (No. of Countries) | 6                                  |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Exports contributed 1.61% of the total turnover of the entity in FY 2023-24.

**c. A brief on types of customers**

Steel Authority of India Limited (SAIL) is one of the largest steel-making companies in India meeting the demands of various kinds of customers. The customers range from various Government Organizations, PSUs and Private Companies, Distributors, Resellers etc.

**IV. Employees**

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No.            | Particulars                   | Total (A)     | Male         |            | Female      |           |
|-------------------|-------------------------------|---------------|--------------|------------|-------------|-----------|
|                   |                               |               | No. (B)      | % (B/A)    | No. (C)     | % (C/A)   |
| <b>EMPLOYEES*</b> |                               |               |              |            |             |           |
| 1.                | Permanent (D)                 | 55989         | 52466        | 94%        | 3523        | 6%        |
| 2.                | Other than Permanent (E)      |               | Nil          |            |             |           |
| 3.                | <b>Total employees (D+ E)</b> | <b>55989</b>  | <b>52466</b> | <b>94%</b> | <b>3523</b> | <b>6%</b> |
| <b>WORKERS#</b>   |                               |               |              |            |             |           |
| 4.                | Permanent (F)                 |               | Nil          |            |             |           |
| 5.                | Other than Permanent (G)      | 72141*        | 67021        | 93%        | 5120        | 7%        |
| 6.                | <b>Total workers (F+G)</b>    | <b>72141*</b> | <b>67021</b> | <b>93%</b> | <b>5120</b> | <b>7%</b> |

\*Employees include Executive and Non-Executive Personnel

# Workers include contract labour engaged under various job contracts by Plants/Units

**b. Differently abled Employees and workers:**

During FY 2023-24, the Company has 772 differently abled employees spanning across different departments.

| S. No.                             | Particulars                    | Total (A)  | Male       |            | Female    |           |
|------------------------------------|--------------------------------|------------|------------|------------|-----------|-----------|
|                                    |                                |            | No. (B)    | % (B/A)    | No. (C)   | % (C/A)   |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |                                |            |            |            |           |           |
| 1.                                 | Permanent (D)                  | 772        | 713        | 92%        | 59        | 8%        |
| 2.                                 | Other than Permanent (E)       |            | Nil        |            |           |           |
| 3.                                 | <b>Total employees (D + E)</b> | <b>772</b> | <b>713</b> | <b>92%</b> | <b>59</b> | <b>8%</b> |
| <b>DIFFERENTLY ABLED WORKERS</b>   |                                |            |            |            |           |           |
| 4.                                 | Permanent (F)                  |            | Nil        |            |           |           |
| 5.                                 | Other than Permanent (G)       |            | N/A #      |            |           |           |
| 6.                                 | <b>Total workers (F + G)</b>   |            |            |            |           |           |

\* Workers include contract labour engaged under various job contracts by Plants/Units

# Not Available

**21. Participation/Inclusion/Representation of women**

| S. No. | Particulars              | Total (A) | No. and percentage of Females |         |
|--------|--------------------------|-----------|-------------------------------|---------|
|        |                          |           | No. (B)                       | % (B/A) |
| 1.     | Board of Directors       | 16        | 2                             | 12.5%   |
| 2.     | Key Managerial Personnel | 14        | 0                             | 0%      |



## 22. Turnover rate for permanent employees and workers

| Particulars                | FY 2023-24 |        |       | FY 2022-23 |        |       | FY 2021-22 |        |       |
|----------------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
|                            | Male       | Female | Total | Male       | Female | Total | Male       | Female | Total |
| <b>Permanent Employees</b> | 7%         | 0.4%   | 6.9%  | 6.3%       | 0.4%   | 6.7%  | 6.3%       | 0.3%   | 6.7%  |
| <b>Permanent Workers</b>   | N/A#       |        |       |            |        |       |            |        |       |

#Not Applicable

### I. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 23. (a) Names of holding/subsidiary/associate companies/joint ventures

| S. No. | Name of the Holding/Subsidiary/Associate Companies/Joint Ventures (A) | Indicate Whether Holding/ Subsidiary/Associate/ Joint Venture | % of Shares Held by Listed Entity | Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No) |
|--------|---|---|-----------------------------------|--|
| 1.     | SAIL Refractory Company Limited                                       | Subsidiary  | 100.00                            | Yes  |
| 2.     | Chhattisgarh Mega Steel Limited                                       | Subsidiary  | 74.00                             | No   |
| 3.     | Almora Magnesite Limited  | Associate   | 20.00                             | No   |
| 4.     | NTPC- SAIL Power Company  | Joint Venture   | 50.00                             | No   |
| 5.     | Bokaro Power supply Company   | Joint Venture   | 50.00                             | No   |
| 6.     | Bastar Railway Private Limited  | Joint Venture   | 12.00                             | No   |
| 7.     | Romelt -SAIL India Limited  | Joint Venture   | 15.00                             | No   |
| 8.     | Mjunction Services Limited  | Joint Venture   | 50.00                             | No   |
| 9.     | SAIL Bansal Service Centre  | Joint Venture   | 40.00                             | No   |
| 10.    | Bhilai Jaypee Cement Limited  | Joint Venture   | 26.00                             | No   |
| 11.    | GEDCOL SAIL Power Corporation   | Joint Venture   | 26.00                             | No   |
| 12.    | International Coal Venture  | Joint Venture   | 47.82                             | No   |
| 13.    | SAIL-SCL Kerala Limited   | Joint Venture   | 49.26                             | No   |
| 14.    | SAIL-RITES Bengal Wagon Industries                                    | Joint Venture   | 50.00                             | No   |
| 15.    | SAIL-KOBE Iron India Private Limited                                  | Joint Venture   | 50.00                             | No   |
| 16.    | VSL SAIL JVC Limited  | Joint Venture   | 20.58                             | No   |
| 17.    | Abhinav-SAIL JVC Limited  | Joint Venture   | 26.00                             | No   |
| 18.    | Prime Gold-SAIL JVC Limited   | Joint Venture   | 26.00                             | No   |

### V. CSR Details

#### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No).

Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

(ii) **Turnover of the Company for the year ended 31<sup>st</sup> March 2024** – ₹ 1,04,545.09 crores

(iii) **Net worth of the Company as on 31<sup>st</sup> March 2024** – ₹ 54,130.54 crores

### VI. Transparency and Disclosures Compliances

#### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC).

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br>(If Yes, then provide web-link for grievance redress policy)   | FY 2023-24                                 |  |  | FY 2022-23                                 |  |  |
|---|---|--|--|--|--|--|--|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks  |
| Communities                                       | Yes. Public Grievances are being received through CPGRAMS PORTAL. The portal is developed by Govt. of India. Link is <a href="http://pgportal.gov.in">pgportal.gov.in</a> | 577  | 36   | These are total grievances received and disposed. The figure includes the grievances related to subjects as mentioned. | 432  | 8  | These are total grievances received and disposed. The figure includes the grievances related to subjects as mentioned. |



| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br>(If Yes, then provide web-link for grievance redress policy)  | FY 2023-24                                 |  |  | FY 2022-23                                 |  |  |
|---|--|--|--|--|--|--|--|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks  |
| Investors (other than shareholders)*              |  | NA   | NA   |  | NA   | NA   |  |
| Shareholders                                      | Details of investor complaints received by the Company are filed on a quarterly basis on SCORES platform with the SEBI on a half-yearly basis.   | 28   | 0  |  | 62   | 0  |  |
| Employees and workers                             | Yes, the grievance redressal mechanism exists at the plant/unit level, and it is decentralized. Most of the grievances are handled in offline mode.  | 273  | 32   | Most of the grievances are related to service matter | 126  | 11   | Most of the grievances are related to service matter |
| Customers   | Yes. Robust systems have been put in place to address the grievances of the customers across SAIL. SAIL continuously engages with consumers for gathering feedback and address their concerns, if any, in a timely manner. The customers can lodge Quality complaint (QC) following which the material under QC is inspected by the branch executive. SAIL extends help of regional AE (Application Engineer) or respective Plant to the branch executive to aid and expedite the process, if required.<br>Based on the genuineness of complaint, return order and subsequent refund is issued to the customer to ensure the trust of the customers. | 1871                                       | 26   |  | 1793                                       | 9  |  |
| Value Chain Partners                              | Value chain partners can file their grievances on the Government's CHAMPIONS portal. Link- <a href="https://champions.gov.in/Ministry-%20MSME/industry,enterprise,unit/bharat-sarkar-kendra/grievance-redressal/official_Portal.htm">https://champions.gov.in/Ministry-%20MSME/industry,enterprise,unit/bharat-sarkar-kendra/grievance-redressal/official_Portal.htm</a>   | 5  | 0  |  | 10   | 0  |  |

\*Not applicable

#### b. Overview of the entity's material responsible business conduct issues

SAIL conducted a Survey on Material topics for its Employees at Plant and Corporate Office. The following are some Material Issues identified from Economic, Environmental, Social and Sustainability aspects.

| S. No.             | Material issue identified                   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------------------|---|--|---|--|--|
| <b>Environment</b> |   |  |   |  |  |
| 1                  | Conserving water recycling and reusing      | R  | Production processes at SAIL involve consumption of water from different sources and to ensure that there is proper usage and no non-compliance with respect to regulatory requirements, we identify this as an important material issue. | Across all SAIL Plants, substantial investments are being made to achieve the long-term goal of "Zero Liquid Discharge" through adequate treatment and recycling of effluent being discharged through the outfalls at the Plant boundary | Negative   |
| 2                  | Greenhouse gas emissions & carbon footprint | R  | Transition to low carbon steelmaking is an important factor for the long-term success of the Company. Hence this is identified as an important material issue.  | SAIL is taking concrete steps to substantially reduce CO <sub>2</sub> emission and increase the share of renewable/nonconventional energy by 2030 as well as to achieve net zero emission by 2070.                                       | Negative   |



| S. No.            | Material issue identified  | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-------------------|--|--|---|--|--|
| <b>Social</b>     |  |  |   |  |  |
| 3                 | Human rights in operations and supply chain  | R  | As a steel manufacturing company with plants operational in multiple locations, SAIL has a vast pool of human resources to cater to. As a result of this, it becomes important to address all human rights related concerns across all locations in compliance with norms under ILO. Any form of non-compliance can lead to reputational damage for the company and hence is an important material issue. | -  | Negative   |
| 4                 | Fair and equal wages   | O  | Employees at SAIL are treated equally irrespective of caste, creed, colour or gender. Fair and equal treatment is critical for all our employees at SAIL and hence it is identified as an important material issue.   | -  | Positive   |
| 5                 | Employee's health and safety during catastrophic situations viz. Natural calamities, medical emergencies (COVID-19) etc. | R  | SAIL plants are operational in multiple locations. Investing in employee's health and well being is crucial for operational efficiency of the plant. Increase in safety incidents can create a negative impact hence it has been identified as an important material issue.   | SAIL has implemented Occupational Health and Safety management system i.e ISO 45001:2018 certification. The Company makes constant efforts to avert all illnesses and accidents related to the workplace. Internal and surveillance audits and evaluations are conducted on a regular basis, which leads to continuous improvement in safety systems, standards, and performance. All of the above is monitored by the Board Sub-Committee on Health, Safety & Environment on a quarterly basis. More details are given later in the report. | Negative   |
| <b>Governance</b> |  |  |   |  |  |
| 6                 | Ethics / Code of Conduct   | R  | Ensuring that all business operations function in an ethical manner is crucial for the development of the company. Any unethical behavior can create a negative impact on profitability of the business.  | SAIL has a policy on Code of Conduct for all its Directors, KMP's, Employees and Workers. It serves as a guiding path for an ethical and transparent conduct in managing the operations of the company.  | Negative   |
| 7                 | Data Privacy and Cyber Security  | R  | Cybersecurity is a critical factor in ensuring trust and protecting data. Presence of an Information Security Policy by which the company is governed on data privacy, information protection and cyber security is important for business from a governance point of view.   | SAIL has a policy on Information Technology Security by which the company ensures data privacy, information protection and cyber security. It has helped SAIL prevent any sort of data breaches and strengthens data privacy & management.   | Negative   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

|           |   |
|-----------|---|
| <b>P1</b> | Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable        |
| <b>P2</b> | Businesses should provide goods and services in a manner that is sustainable and safe   |
| <b>P3</b> | Businesses should respect and promote the well-being of all employees, including those in their value chains                        |
| <b>P4</b> | Businesses should respect the interests of and be responsive to all its stakeholders  |
| <b>P5</b> | Businesses should respect and promote human rights  |
| <b>P6</b> | Businesses should respect and make efforts to protect and restore the environment   |
| <b>P7</b> | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| <b>P8</b> | Businesses should promote inclusive growth and equitable development  |
| <b>P9</b> | Businesses should engage with and provide value to their consumers in a responsible manner  |

| Disclosure Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |  |    |    |    |    |    |    |    |    |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| <b>Policy and management processes</b>   |   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 1. a. Whether your entity's policies cover each principle and its core elements of the NGRBCs. (Y/N)   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |  |    |    |    |    |    |    |    |    |
| b. Has the policy been approved by the Board? (Yes/No)   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |  |    |    |    |    |    |    |    |    |
| c. Web Link of the Policies, if available  | Web link to the policies: <a href="https://www.sail.co.in">https://www.sail.co.in</a>   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 2. Whether the entity has translated the policy into procedures. (Y/N)   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |  |    |    |    |    |    |    |    |    |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |  |    |    |    |    |    |    |    |    |
| 4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | SAIL's manufacturing facilities have well-defined Environment, Health and Safety (EHS) and quality management systems in place and are aligned with International Standards like ISO 14001 for EMS, ISO 9000 for Quality Management Systems, OHSAS 18001 for Occupational Health Safety, SA 8000 for Social Accountability and ISO 37001 for Anti Bribery Management Systems.   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 5. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met.  | 1. P6: In line with the Government of India's enhanced ambitions at COP26, SAIL has reaffirmed its commitment to substantially reduce CO <sub>2</sub> emission and increase the share of renewable / nonconventional energy by 2030 as well as to achieve net zero emission by 2070.<br>2. P6: Achieve "Zero Liquid Discharge" across all SAIL plants through adequate treatment and recycling of effluent being discharged through the outfalls at the Plant boundary.   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 6. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met.  | 1. As a responsible corporate citizen, SAIL has drawn its environmental vision in consonance with the Corporate Environmental Policy, which not only addresses the need for compliance with stipulated norms but also emphasizes striving to go beyond. While the SAIL Plants and Mines operate their processes without disturbing the ecological balance, SAIL has also been taking all appropriate measures to restore and rehabilitate the degraded ecosystem and maintain and enhance biodiversity. These include ecological restoration of mined-out areas, fresh plantation, bio-sequestration of CO <sub>2</sub> , enhancing utilization of wastes, utilization of renewable energy sources, etc. Structured plantation programmes are being carried out every year in the SAIL plants and mines. SAIL Plants and Mines are efficiently operating the pollution control devices/facilities and maintaining them regularly through revamping/refurbishing/revitalization and upgrading them. As a result of these efforts, all the sustainability parameters like Solid Waste utilization, Specific Water Consumption, Specific PM Emission Load, Specific Effluent Discharge, Specific Effluent Load, etc. have showed improvement with respect to previous year.<br>2. SAIL is on track and has implemented its water treatment process designed to remove all the liquid waste from a system |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| <b>Governance, leadership, and oversight</b>   |   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).                                     | Please refer to Chairman's letter to Shareholders of the report.  |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).  | The Board is at the Apex of the Governance Framework at SAIL. The management of issues pertaining to economic, environmental and social areas are taken up by various Plants/ Units regularly. The Plant/Unit heads review and monitor the status reports in conjunction with the agenda papers. These reports are prepared with the valuable inputs provided by the respective departments/divisions, on the economic, environment and social performances including legal compliance and are regularly and methodically put up to the Board Sub Committees for examination, comments and recommendations. The input and observations of the Board Sub Committees are examined and analyzed by the top management. The Board is informed about these observations which subsequently helps in business decision making.  |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.   | <ul style="list-style-type: none"> <li>• Yes. The following Committees of the Board with their specific terms of reference are in place to ensure decision making/oversight on sustainability related issues –</li> <li>• Corporate Social Responsibility Committee</li> <li>• Health, Safety &amp; Environment Committee</li> <li>• Stakeholders Relationship Committee</li> <li>• Operational Issues Committee</li> <li>• Project Committee</li> <li>• SAIL Risk Management Committee</li> </ul>  |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| <b>10. Details of Review of NGRBCs by the Company:</b>   |   |    |    |    |    |    |    |    |    |  |    |    |    |    |    |    |    |    |
| Subject for Review   | Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee  |    |    |    |    |    |    |    |    | Frequency (Annually/Half yearly/Quarterly/ Any other – please specify) |    |    |    |    |    |    |    |    |
|  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action  | Y   | Y  | Y  | Y  | Y  | Y  | N  | Y  | Y  | Need basis   |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and certification of any non-compliances  | Y   | Y  | Y  | Y  | Y  | Y  | N  | Y  | Y  | Need basis   |    |    |    |    |    |    |    |    |



**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

| P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|----|----|----|----|----|----|----|
| No, SAIL has not conducted any independent assessment/evaluation of the working of its policies by any external agency. SAIL, being a government company, is subject to review & audit by C&AG of India across various areas/functions of the organization which encompasses various policies as per the NGRBC guidelines. The processes and compliances are reviewed by internal auditors and regulatory compliances, as applicable. Further, SAIL has rich technical expertise in its domain of operations and accordingly peer review is being done by their other plants. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated. An internal assessment of the workings of the policies is being done at regular intervals. Additionally, SAIL has engaged Safety Management Consultant for safety culture transformation at its plants in Bhilai, Rourkela & Bokaro and is in the process of being followed up in other Steel plants. |    |    |    |    |    |    |    |    |

**12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

| Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|-----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No)   | N/A |    |    |    |    |    |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |     |    |    |    |    |    |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |     |    |    |    |    |    |    |    |    |
| It is planned to be done in the next financial year (Yes/No)  |     |    |    |    |    |    |    |    |    |
| Any other reason (please specify)   |     |    |    |    |    |    |    |    |    |

N/A - Not Applicable

**Principle-Wise Policies**

| P1  | P2   | P3  | P4   | P5  | P6                             | P7                                    | P8                                     | P9                                     |
|---|--|---|--|---|--------------------------------|---------------------------------------|--|--|
| Code of conduct for Board members & Senior Management Personnel   | Sustainable Development Policy               | Safety Policy                               | Grievance Redressal Mechanism  | Code of conduct for Board members & Senior Management Personnel | Corporate Environment Policy   | Citizen Charter                       | Corporate Social Responsibility Policy | Quality Policy                         |
| Anti-Bribery Management Policy  | Corporate Environment Policy                 | SAIL Mediclaim Scheme for Retired Employees | Code of Conduct Corporate Fair Disclosure Practices for Prevention of Insider Trading          | Recruitment & Remuneration Policy                               | Sustainable Development Policy | Environment and Sustainability Policy |  | Information Technology Security Policy |
| Internal code of conduct for prevention of insider trading in dealing with securities of Steel Authority of India Limited | Interplant Standardization in Steel Industry | Human Resource Policy                       | Policy for Determining Materiality of Events / Information for Disclosure to Stock Exchange(s) | Human Resource Policy   |                                | Code of Conduct                       |  |  |
| Terms & Conditions For the appointment of Independent Director  |  | HIV/AIDS policy                             |  | SAIL Equal Opportunity Policy                                   |                                |                                       |  |  |
| Whistle Blower Policy   |  | SAIL Equal Opportunity Policy               |  | Prevention of Sexual Harassment                                 |                                |                                       |  |  |
| Policy for Determining Materiality of Events/ Information for Disclosure to Stock Exchange(s)                             |  | Prevention of Sexual Harassment             |  | Human Rights Policy   |                                |                                       |  |  |

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment                  | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programmes |
|--------------------------|--|--|--|
| Board of Directors       | 01   | ESG & BRSR   | 88%  |
| Key Managerial Personnel | 02   | Topics-1. Decarbonization in India's Steel Industry: The Challenges, the Tools and the Solutions<br>2. BRSR & ESG<br>Principles- 1,2,3,4 | Covered 244 KMPs as participants   |

| Segment                                  | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programmes |
|--|--|--|--|
| <b>Employees other than BoD and KMPs</b> | 34   | Topics- Customer orientation, Preventive Vigilance, ESG, Carbon reduction, ABMS, Climate Change and Reducing Carbon Footprint, Environment Protection and Innovation for Carbon Reduction etc. | Covered 819 participants   |
|  |  | Principles- 1,2,3,4,5,9  |  |
| <b>Workers#</b>                          | -  | RPL is Recognition of Prior Learning for safety management which is done for workers (Principle 3 and Principle 5)   | -  |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

Data pertaining to program on Preventive Vigilance conducted for employees of SAIL has been given in the table above. Further, structured inputs on Discipline Management and Organizational Systems & Procedures are provided in all the mandatory and competency-based training programmes imparted by MTI.

\*In FY 2023-24, as a part of training and awareness program 5559 employees (other than BoD and KMPs) were covered in various communication exercise.

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format.**

Nil

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. Steel Authority of India Limited (SAIL) has achieved the distinction of becoming the first Maharatna Public Sector Unit to have implemented the Anti-Bribery Management System (ABMS) across all its Plants/Units. ABMS is a Management System that is designed in line with ISO 37001:2016 to help an organization prevent, detect and respond to bribery.

Web-link: [https://sail.co.in/sites/default/files/Comp\\_policies/2022-04/ABMS.pdf](https://sail.co.in/sites/default/files/Comp_policies/2022-04/ABMS.pdf)

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

Note: SAIL Vigilance maintains data related to CBI only and has considered CBI as law enforcement agency for reporting the data i.e., sanction granted for prosecution

|                                      | FY 2023-24<br>Current Financial Year | FY 2022-23<br>Previous Financial Year |
|--------------------------------------|--------------------------------------|---------------------------------------|
| Directors                            | 0                                    | 0                                     |
| KMPs                                 | 0                                    | 0                                     |
| Employees (all executives up to E-9) | 1                                    | 0                                     |
| Workers (non-executives)             | 0                                    | 0                                     |

**6. Details of complaints with regard to conflict of interest:**

|  | FY 2023-24 |         | FY 2022-23 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the Directors | Nil        | -       | Nil        | -       |
| Number of complaints received in relation to issues of conflict of interest of the KMPs      | Nil        | -       | Nil        | -       |

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Since there were no fines/penalties/actions taken by regulators/law enforcement agencies/judicial institutions on cases of corruption and conflict of interest, hence no corrective action was required.



**8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:**

|                                     | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 80.32      | 75.97      |

**9. Open-ness of Business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter                  | Metrics   | FY 2023-24     | FY 2022-23     |
|----------------------------|---|----------------|----------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                              | Nil            | Nil            |
|                            | b. Number of trading houses where purchases are made from                             | Not applicable | Not applicable |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses   | Not applicable | Not applicable |
| Concentration of Sales     | a. Sales to dealers/distributors as % of total sales                                  | 13.26%         | 7.82%          |
|                            | b. Number of dealers/distributors to whom sales are made                              | 194            | 201            |
|                            | c. Sales to top 10 dealers/distributors as % of total sales from dealers/distributors | 28.67%         | 38.14%         |
| Share of RPTs in           | a. Purchases (Purchases with related parties/Total purchases)                         | 6.66%          | 6.87%          |
|                            | b. Sales (Sales to related parties/Total sales)                                       | 0.06%          | 0.04%          |
|                            | c. Loans & Advances (Loans & advances given to related parties/Total loans/advances)  | 1.15%          | 1.81%          |
|                            | d. Investments (Investments in related parties/Total investments made)                | 81.66%         | 85.85%         |

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

| Total number of awareness programmes held  | Topics/principles covered under the training  | % of value chain partners covered (by value of business done with such partners) under the awareness programmes  |
|--|---|--|
| Vendor Development Programmes for MSEs - 20<br>Special Vendor Development Programmes for SC/ST and Women MSEs – 18 | <b>Principle Covered: Principle 8 -</b><br>Businesses should promote inclusive growth and equitable development.<br>Vendor Development Programmes (VDP) and Special Vendor Development Programmes (SVDP) are conducted for MSE vendors and SC/ST & Women MSE vendors in collaboration with District Industries Centre/Khadi Industries Centre & Regional National SC/ST Hub offices to encourage their participation in SAIL's procurement. | FY 2023-24:<br>MSE Procurement: ₹ 2919.87 Cr (29.28% of total procurement)<br>Procurement from SC/ST MSEs: ₹ 7.65 Cr (0.08%)<br>Procurement from women MSEs: ₹ 120.21 Cr (1.21%) |

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes. SAIL has a policy on Related Party Transaction which governs the transparency of approval process and disclosures requirements to ensure fairness in the conduct and reporting of the 'Related Party Transactions', as per the applicable laws. The policy is applicable to the Director and all the KMPs and they are responsible for providing notice to the Company, of any potential 'Related Party Transaction' involving him/her or Relative(s), including any additional information about the transaction. The policy establishes procedure to avoid/manage cases of conflict of interest.

[Link of the policy - Related Party Transaction Policy](#)

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**
**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | Current Financial Year (2023-2024) | Previous Financial Year (2022-2023) | Details of improvements in environmental and social impacts  |
|-------|------------------------------------|-------------------------------------|--|
| R & D | 10.63 %                            | 9.02 %                              | To minimize its environmental and social impact, SAIL is advancing research in several key areas: optimizing coal blending, enhancing sinter quality, boosting productivity and quality across all processes, and developing strategic products. The company is also focusing on increasing energy efficiency in re-heating furnaces and coke oven batteries, improving waste recycling, maximizing pellet utilization, refining effluent treatment, and upgrading refractory linings. |
| Capex | 5646 crores                        | 5474 crores                         | The capex includes amount spent on social and environment initiatives/projects, which is not separately ascertained.   |

For more details, refer to **Annexure XI** to the Board Report titled “Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo”, Annual Report FY 2023-24.

2. **a. Does the entity have procedures in place for sustainable sourcing?**

**b. If yes, what percentage of inputs were sourced sustainably?**

Yes. SAIL has been a pioneer in the establishment of the Environment Management Systems (EMS) in the steel industry in the Country. All the integrated steel plants, major mines/units and warehouses of SAIL are compliant with EMS ISO: 14001 Standard. Further, all mines are accredited with Integrated Management Systems (IMS) combining all aspects under ISO-9001, ISO-14001 & ISO-18001. The mines are also having IBM star rating. The procurement of majority of coal is done from the international market of the advanced economies which are compliant with the global sustainable standards. Other inputs like Iron Ore, Limestone etc. are all sourced from organizations having robust ESG practices.

All these practices described above have enabled us to establish procedures for sustainable sourcing.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR applies to SAIL’s activities. All the steel plants of SAIL have registered on the CPCB portal and have obtained the EPR registration certificate as per the amended Schedule-II Rule of the Plastic Waste Management (Amendment), Rules-2022.

According to the EPR regime, it is the responsibility of Producers, Importers, and Brand-owners (PIBOs) to ensure the processing of their plastic packaging waste through recycling, re-use or end-of-life disposal (such as co-processing/Waste-to-energy/Plastic-to-oil/roadmaking/industrial-composting).

SAIL plants receive most of the imported items wrapped in plastic packaging to restrict ingress of moisture and/or prevent damage, for which the plant is required to upload its EPR registration certificate in the Customs Portal, without which clearance of the goods is not permitted.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/Service   | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted   | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|---|---------------------------------|---|---|--|
| 24105    | 1. BOF slab of BSP<br>2. RSP & BSL, Plates from BSP<br>3. Wire rods from BSP<br>4. Hot rolled and Cold Rolled Coil from RSP<br>5. HDG<br>6. FCRC & PHRC from BSL<br>7. HR coil from BSL | -                               | From Raw material handling to finished products including transportation. | Yes   |  |



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product/ Service  | Description of the risk/ concern   | Action Taken |
|---|--|--------------|
| a) BOF slab of BSP<br>b) RSP & BSL, Plates from BSP<br>c) Wire rods from BSP<br>d) Hot rolled and Cold Rolled Coil from RSP<br>e) HDG<br>f) FCRC & PHRC from BSL<br>g) HR coil from BSL | No significant social or environmental concerns and risk were identified | -            |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material   | Recycled or re-used input material to total material |            |
|---|--|------------|
|   | FY 2023-24   | FY 2022-23 |
| BOF Slag, BF Flue Dust, BOF Sludge, Lime/Dolo fines, Mill Scale, ESP (RMP) Dust, Sinter Plant dust, Coke Breeze and Scrap | 6%   | 8%         |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric -tonnes) reused, recycled, and safely disposed, as per the following format:

|                                | FY 23-24<br>Current Financial Year |          |                 | FY 22-23<br>Previous Financial Year |          |                 |
|--------------------------------|------------------------------------|----------|-----------------|-------------------------------------|----------|-----------------|
|                                | Re-Used                            | Recycled | Safely Disposed | Re-used                             | Recycled | Safely Disposed |
| Plastics (including packaging) | N/A*                               |          |                 |                                     |          |                 |
| E-waste                        |                                    |          |                 |                                     |          |                 |
| Hazardous waste                |                                    |          |                 |                                     |          |                 |
| Other waste                    |                                    |          |                 |                                     |          |                 |

\*Not applicable: SAIL does not have any procedures to reclaim products. Still, the company ensures that all byproducts are handled with care and disposed-off without harming the environment.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
|                           | N/A*  |

\*Not applicable. Being a steel producer, we do not consider steel scrap as a waste but used as raw material for manufacturing new steel. Steel is a bulky material, so there is minimal packaging of end-product. Hence, reclaiming of packaging materials is Not Applicable.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

| Category                    | % of Employees Covered by |                     |            |                    |            |                    |            |                    |            |                     |            |
|-----------------------------|---------------------------|---------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                             | Total<br>(A)              | Health Insurance \$ |            | Accident Insurance |            | Maternity Benefits |            | Paternity Benefits |            | Day Care Facilities |            |
|                             |                           | Number<br>(B)       | %<br>(B/A) | Number<br>(C)      | %<br>(C/A) | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A) | Number<br>(F)       | %<br>(F/A) |
| <b>Permanent Employees*</b> |                           |                     |            |                    |            |                    |            |                    |            |                     |            |
| Male                        | 52466                     | 52466               | 100%       | 52466              | 100%       | N/A**              | 52466      | 100%               | -          | -                   | -          |
| Female                      | 3523                      | 3523                | 100%       | 3523               | 100%       | 3523               | 100%       | N/A**              | -          | -                   | -          |
| Total                       | 55989                     | 55989               | 100%       | 55989              | 100%       | 3523               | 100%       | 52466              | 100%       | -                   | -          |

The employees of the company in addition to the above are covered under the Employee Family Benefit Scheme.

\$ Health Insurance includes free treatment in Company's hospitals and reimbursement of Hospitalization expenses incurred by employees.

\*Employees include Executive and Non-executive personnel

\*\* Not Applicable



**b. Details of measures for the well-being of workers:**

| Category                                     | % of Workers Covered by |                  |         |                    |         |                    |         |                    |         |                     |         |
|--|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|  | Total (A)               | Health Insurance |         | Accident Insurance |         | Maternity Benefits |         | Paternity Benefits |         | Day Care Facilities |         |
|  |                         | Number (B)       | % (B/A) | Number (C)         | % (C/A) | Number (D)         | % (D/A) | Number (E)         | % (E/A) | Number (F)          | % (F/A) |
| <b>Permanent Workers #</b>                   |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| Male   | N/A**                   |                  |         |                    |         |                    |         |                    |         |                     |         |
| Female                                       |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| <b>Total</b>                                 |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| <b>Other than Permanent Workers#</b>         |                         |                  |         |                    |         |                    |         |                    |         |                     |         |
| All the benefits are extended as per statute |                         |                  |         |                    |         |                    |         |                    |         |                     |         |

# Workers include contract labour engaged under various job contracts by Plants/Units

\*\*Not Applicable

Reply a & b): In SAIL there is no common Group Accident insurance scheme (GPAIS). However, Plants/Units are running GPAIS at local level based on the number of regular employees, location and security concerns. The schemes are voluntarily in nature and concerned employees pays premium for the insurance.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

|   | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Cost incurred on well-being measures as % of total revenue of the company | 1.46%      | 1.49%      |

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

| Benefits                                   | FY 2023-24  |   |  | FY 2022-23  |  |  |
|--|---|---|--|---|--|--|
|  | No. of Employees* Covered as a % of Total Employees | No. of Workers# Covered as a % of Total Workers | Deducted and Deposited with the Authority (Y/N/N.A.) | No. of Employees* Covered as a % of Total Employees | No. of Workers Covered as a % of Total Workers | Deducted and Deposited with the Authority (Y/N/N.A.) |
| <b>PF</b>                                  | 100%  | -   | Yes, in SAIL PF Trust at each Plant/Unit             | 100%  | -  | Yes, in SAIL PF Trust                                |
| <b>Gratuity</b>                            | 100%  | -   | NA**   | 100%  | -  | NA**   |
| <b>ESI</b>                                 | NIL   |   |  |   |  |  |
| <b>Leave Encashment</b>                    | 100%  | -   | NA**   | 100%  | -  | NA**   |
| <b>Post-Retirement Medical Benefits</b>    | 100%  | -   | NA**   | 100%  | -  | NA**   |
| <b>Post Retirement Settlement Benefits</b> | 100%  | -   | NA**   | 100%  | -  | NA**   |

\* Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

\*\*Not Available

**3. Accessibility of workplaces**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, all our office premises are accessible to the differently abled employees. SAIL is continuously working towards improving accessibility of infrastructure to the differently abled person.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, SAIL has an Equal Opportunity Policy in place. For more details, please refer to the link SAIL-Equal-Opportunity-Policy.pdf.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**



| Gender       | Permanent Employees* |                | Permanent Workers   |                |
|--------------|----------------------|----------------|---------------------|----------------|
|              | Return to Work Rate  | Retention Rate | Return to Work Rate | Retention Rate |
| Male         | 100%                 | 100%           | N/A**               |                |
| Female       | 100%                 | 100%           |                     |                |
| <b>Total</b> | <b>100%</b>          | <b>100%</b>    |                     |                |

\*Employees include Executive and Non-executive personnel

\*\*Not Applicable

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

|                                | Yes/No<br>(If yes, then give details of the mechanism in brief)  |
|--------------------------------|--|
| Permanent Workers              | Not Applicable   |
| Other than Permanent workers   | Yes, Effective internal grievances redressal machinery has been evolved and established in SAIL plants and units for employees. The grievances are being received through CPGRAMS portal.<br><br>SAIL Plants/Units are maintaining grievance handling system and employees are given an opportunity at every stage to raise grievances relating to service matters like 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. |
| Permanent Employees*           | Separate Grievance Committee exists at Plants/units for handling the grievances related to employees belonging to SC/ST/OBC category.  |
| Other than Permanent Employees | Not Applicable   |

\*Employees include Executive and Non-executive personnel

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

| Category                               | FY 2023-24  |  |             | FY 2022-23   |  |             |
|--|---|--|-------------|--|--|-------------|
|  | Total Employee*/workers# in Respective Category (A) | No. of Employees*/Workers# in Respective Category, who are part of Association(s) or Union (B) | % (B/A)     | Total Employees*/Workers# in Respective Category (C) | No. of Employees*/Workers# in Respective Category, who are part of Association(s) or Union (D) | % (D/C)     |
| <b>Permanent Employees and Workers</b> |   |  |             |  |  |             |
| Male                                   | 52,466  | 52,466   | 100%        | 55,568   | 55,568   | 100%        |
| Female                                 | 3,523   | 3,523  | 100%        | 3,618  | 3,618  | 100%        |
| <b>Total</b>                           | <b>55,989</b>                                       | <b>55,989</b>  | <b>100%</b> | <b>59,186</b>  | <b>59,186</b>  | <b>100%</b> |

**Note:** Trade Unions are recognized by respective Plants/Units. Almost all employees of SAIL are members of either Trade Unions or Officers' Associations.

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

**8. Details of training given to employees and workers:**

| Category         | FY 2023-24<br>Current Financial Year |                               |              |                      |              | FY 2022-23<br>Previous Financial Year |                               |             |                      |            |
|------------------|--------------------------------------|-------------------------------|--------------|----------------------|--------------|---------------------------------------|-------------------------------|-------------|----------------------|------------|
|                  | Total (A)                            | On Health and Safety Measures |              | On Skill Upgradation |              | Total (D)                             | On Health and Safety Measures |             | On Skill Upgradation |            |
|                  |                                      | No. (B)                       | % (B/A)      | No. (C)              | % (C/A)      |                                       | No. (E)                       | % (E / D)   | No. (F)              | % (F / D)  |
| <b>Employees</b> |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| Male             |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| Female           |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| <b>Total</b>     | <b>45314</b>                         | <b>18397</b>                  | <b>40.6%</b> | <b>15716</b>         | <b>34.7%</b> | <b>46818</b>                          | <b>18011</b>                  | <b>38%</b>  | <b>19301</b>         | <b>41%</b> |
| <b>Workers</b>   |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| Male             |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| Female           |                                      |                               |              |                      |              |                                       |                               |             |                      |            |
| <b>Total</b>     | <b>72141</b>                         | <b>72141</b>                  | <b>100%</b>  | <b>NA*</b>           | <b>NA*</b>   | <b>65938</b>                          | <b>65938</b>                  | <b>100%</b> | <b>NA*</b>           | <b>NA*</b> |

\*NA - Not Available

**9. Details of performance and career development reviews of employees and worker:**

| Category         | FY 2023-24    |               |             | FY 2022-23    |               |             |
|------------------|---------------|---------------|-------------|---------------|---------------|-------------|
|                  | Total (A)     | No. (B)       | % (B / A)   | Total (C)     | No. (D)       | % (D / C)   |
| <b>Employees</b> |               |               |             |               |               |             |
| Male             | 52,466        | 52,466        | 100%        | 55,568        | 55,568        | 100%        |
| Female           | 3,523         | 3,523         | 100%        | 3,618         | 3,618         | 100%        |
| <b>Total</b>     | <b>55,989</b> | <b>55,989</b> | <b>100%</b> | <b>59,186</b> | <b>59,186</b> | <b>100%</b> |
| <b>Workers</b>   |               |               |             |               |               |             |
| Male             | NA**          |               |             |               |               |             |
| Female           |               |               |             |               |               |             |
| <b>Total</b>     |               |               |             |               |               |             |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

\*\* Not Available

**10. Health and safety management system:**
**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

YES. SAIL has implemented Occupational Health and Safety management system. SAIL aims to establish the highest standards necessary to meet and surpass any regulatory requirements for health and safety. Majority of SAIL Plants & Units have ISO 45001:2018 certification, and the coverage is as required by the system. In line with the statutory requirements/regulations/guidelines/policies, SAIL makes constant efforts to avert all illnesses and accidents related to the workplace. Accordingly, health and safety are crucial components of all its operations. It aids in risk assessment and offers safeguards against health and safety issues in operations and activities. Internal and surveillance audits and evaluations are conducted on a regular basis, which leads to continuous improvement in safety systems, standards and performance.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes. A well-defined Hazard Identification and Risk Assessment (HIRA) procedure is in place. In addition, other tools & techniques used for Hazard Identification & Risk assessment are as follows:

- a. Quantitative Risk Assessment & HAZOP Studies
- b. Inspections
- c. Audits
- d. Safety Observation & Behavioral Intervention rounds
- e. ROKO-TOKO drives & campaigns

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. The Company has an established Hazard Identification and Risk Assessment (HIRA) process for both routine and non-routine jobs, based upon which SOPs & SMPs have been prepared at department level and people are sensitized on salient safety aspects through training. These procedures are reviewed & updated from time to time & especially after any incident.

The process of incident reporting and investigation is in place to identify root cause and recommendations are deployed uniformly across all plants to prevent recurrence. Motivational schemes for reporting incidents (Near Miss Cases) are also in place both at Plant as well as Corporate level to prevent serious injuries. Use of digital tools like safety portal, WhatsApp group, mobile apps etc. is taken to promptly report workplace hazards/ incidents. Further, 'ZERO TOLERANCE RULES' & 'LIFE SAVING RULES' have been/are being framed under the ongoing safety management consulting assignment to deter all employees/ contract workers to violate safety norms.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, all Plants & Units have access to non-occupational medical and healthcare services either on-site or through tie-ups with reputed medical entities in proximity. Also, employees/workers have access to company run Hospitals/ Health Centres to take care of their Health care services.



**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number   | Category  | FY 2023-24 | FY 2022-23 |
|--|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person-hours worked)* | Employees | 0.02       | 0.02       |
|  | Workers   | 0.12       | 0.13       |
| Total recordable work-related injuries**                                       | Employees | 33         | 28         |
|  | Workers   | 42         | 35         |
| No. of fatalities  | Employees | 1          | 1          |
|  | Workers   | 7          | 10         |
| High consequence work-related injury or ill-health (excluding fatalities)      | Employees | NA***      | NA***      |
|  | Workers   | NA***      | NA***      |

\**RLTIFR (Reportable Lost Time Injury Frequency Rate)*

\*\**Includes Reportable & Non reportable accidents*

\*\*\**Not available*

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

SAIL has adopted "Safety Policy" which ensures safety of its employees and the people associated with it, including those living in the neighbourhood of Plants/Units/Mines. A dedicated Board Sub-Committee on Health, Safety & Environment (BSC on HSE) is in place to review the policy, procedures and systems on Health, Safety and Environment matters. At the corporate level, SAIL Safety Organisation (SSO) centrally monitors and guides the plants & units in safety efforts. Performance on safety parameters is reviewed at the highest level at each Plant/Unit every Monday. In line with this commitment, systematic approach to safety is adopted and workplace hazards have been identified, risks assessed and accordingly, control measures are taken on continuous basis to bring the risk to an acceptable level. Good Safety Practices (G-SaPs) are identified from the steel industry and are implemented at different levels. Various kinds of initiatives & drives/campaigns are undertaken on regular basis in all the Plants, Units & Mines to ensure safe working and bring continual improvement in the safety performance. Some of the initiatives are as follows:

- a. OHS Policy
- b. Safety performance monitoring & review at different levels (Board/Board Sub-Committee on HSE, Corporate & Plant levels)
- c. Safety Committees
- d. Statutory compliances
- e. Safety Induction, On-the job, refresher training and LEO (Learning from Each Other) workshops
- f. Standard Operating & Maintenance Procedures (SOPs & SMPs)
- g. Safety Talk & Toolbox Talks
- h. Adherence to Permit to Work & Protocol system.
- i. Implementation of High-risk standards & MoS Safety guidelines (Work at height, PTW, Confined space, Electrical safety, Gas safety, conveyor belt safety, Rail & road safety, etc.)
- j. Safe Management of High Hazardous Processes (HAZOP, Bow Tie, etc.)
- k. OHS Audits & Inspections
- l. Theme based drives & campaigns.
- m. Tools, tackles & equipment's inspection/certification
- n. Incident reporting, investigation & analysis
- o. Emergency Plan & Procedure and rehearsal through periodic mock drills
- p. Extensive usage of web portals, mobile applications and latest technology tools
- q. Safety promotional & motivational programs
- r. Speed monitoring & checking of vehicles inside plant premises to ensure Road safety
- s. Industrial Hygiene Survey (Noise, dust, illumination, etc.), Initial & periodical medical examination

Giving utmost priority to safety, SAIL has engaged Safety Management Consultants of repute for Safety Culture Transformation, at its Bhilai, Rourkela, Bokaro & ISP, Burnpur Steel Plants and Durgapur Steel Plant, which will provide further impetus to existing safety improvement efforts.

**13. Number of Complaints on the following made by employees and workers.**

|                    | FY 2023-24            |                                       |         | FY 2022-23            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NA                    | NA                                    | -       | NA                    | NA                                    | -       |
| Health & Safety    | NA                    | NA                                    | -       | NA                    | NA                                    | -       |

\*NA: Not available

**14. Assessments for the year:**

|                             | % of your Plants and Offices that were Assessed (by entity or Statutory Authorities or Third Parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Some of the corrective measures taken to address safety-related incidents are as follows:

- All safety related incidents are investigated and learnings from investigation are shared across organization for deployment of corrective actions to prevent recurrence of such incidents. Effectiveness of Corrective actions deployment are checked during Safety Audits.
- SOPs & SMP's, Safety Manuals are reviewed/revisited of the concerned area or function where the incident has taken place.
- Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through following risk control hierarchy i.e. elimination, substitution, engineering controls (use of Technology tools, Digitization etc.), administrative controls (Safety Capability Building, Monitoring and supervision, visual displays etc.) and usage of PPEs.

**Leadership Indicators**
**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

|   |            |     |
|---|------------|-----|
| A | Employees* | Yes |
| B | Worker#    | Yes |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc -on work related death inside the plant premises

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company is compliant to statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time. The value chain partners are also responsible for complying with the same as per the contract.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment.**

|            | Total no. of Affected Employees*/Workers# |            | No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or whose Family Members have been Placed in Suitable Employment |            |
|------------|---|------------|---|------------|
|            | FY 2023-24                                | FY 2022-23 | FY 2023-24  | FY 2022-23 |
| Employees* | Not Applicable                            |            |   |            |
| Workers #  |   |            |   |            |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Most of the employees superannuate after completion of their service period in SAIL. Though there are no such assistance programs for ensuring their continued employability, there is assistance program for managing and taking care of the medical issues during their retired life. However, the voluntarily retired employees of SAIL are extended the CRR (Counselling, Retraining and Redeployment) scheme of Govt. of India. The objective and scope of the CRR scheme is to provide opportunities of Counselling, retraining and redeployment to the rationalized employees of CPSEs rendered redundant as a result of modernization, technology up-gradation and manpower restructuring.



**5. Details on assessment of value chain partners:**

|                                    | % of value chain partners (by value of business done with such partners) that were assessed |
|------------------------------------|---|
| <b>Health and safety practices</b> | 0%  |
| <b>Working Conditions</b>          | 0%  |

The Company expects its value chain partners to follow extant regulations, including health & safety practices and working conditions, which are specified in the contract document. Safety requirements of the job are defined in the terms & conditions of contract which are assessed through periodic site inspections. A well-defined Consequence Management system to deal with safety violations & lost time incidents is also in place.

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

As a system strengthening measure, a structured 'Contractor Safety Management Standard' is underway at Plants under the expert guidance of the safety management consultants deployed. Corrective actions are taken immediately, in case any significant hazard/risk is observed during site inspections.

SAIL follows several guidelines to address significant risks/concerns arising from assessment of health and safety practices of value chain partners. Some of them are:

1. The Company organizes a Safety Awareness Programmes including Film Shows on Safety, conducting Safety Competition/Quiz—once in 3 months.
2. The company has a framework of providing ratings to value chain partners on health and safety practices. The value chain partners who are rated higher are provided certain benefits while signing contracts.
3. Physical demonstrations on Safe Handling Procedures at Plant level like- Dos & Dont's with photographs is being displayed at strategic points within Warehouses. Physical display is also being carried out every six months.
4. Organizing Health Checkup camps & Eye Testing camps, regularly.
5. There is an installation of Fire Extinguishers and Live demonstration on MockDrills to ensure Fire Safety

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

1. Stakeholders are an integral part of the company's growth strategy. Engagement with stakeholders is crucial to identify risks and develop a management plan for integration into the company's business model. At SAIL, a rigorous Stakeholder Engagement approach is being followed, which entails identifying and capturing stakeholders; assessing and evaluating their views; prioritizing key material issues; identifying sustainability indicators; preparing action plans; implementation and communication.
2. The identification of the various stakeholders is largely based on their material influence on the business strategy and sustainability vision of the company. Additionally, desk research (documentary analyses), community need assessment, benchmarking against peers, and interviews with key personnel within the organization are also done to identify the vulnerable and marginalized stakeholders.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as vulnerable & Marginalized Group (Yes/No) | Channels of communication   | Frequency of engagement with each stakeholder group | Purpose and scope of engagement including key topics and concerns raised during such engagements  |
|-------------------|--|---|---|---|
| Shareholders      | No   | <ol style="list-style-type: none"> <li>1. Annual General Meetings</li> <li>2. Quarterly and half-quarterly reports to shareholders</li> <li>3. Shareholder relation meets</li> <li>4. Investor surveys</li> </ol>   | Annually/ Quarterly/ Half quarterly                 | <ol style="list-style-type: none"> <li>1. Profitability of the Company</li> <li>2. Creation of wealth</li> <li>3. Stock Price</li> <li>4. Grievances and Complaints</li> </ol>  |
| Employees         | Yes  | <ol style="list-style-type: none"> <li>1. Labor Unions, Bipartite &amp; Tripartite Meetings</li> <li>2. Departmental &amp; Zonal Committee Meetings</li> <li>3. Various Platforms for Dialogues &amp; Communication</li> <li>4. CEO Interactions,</li> <li>5. Employee Satisfaction Surveys,</li> <li>6. Annual Appraisals,</li> <li>7. Internal newsletters etc</li> </ol> | Daily   | <ol style="list-style-type: none"> <li>1. Safety and Healthy working conditions</li> <li>2. Good remuneration package</li> <li>3. Professional Growth</li> <li>4. Quality of life</li> <li>5. Welfare Measures</li> <li>6. Training and</li> <li>7. Career Development</li> </ol> |

| Stakeholder Group          | Whether identified as vulnerable & Marginalized Group (Yes/No) | Channels of communication  | Frequency of engagement with each stakeholder group | Purpose and scope of engagement including key topics and concerns raised during such engagements  |
|----------------------------|--|--|---|---|
| Suppliers                  | Yes  | 1. Vendor meetings<br>2. Meetings with suppliers<br>3. Ancillary Association Meetings<br>4. Supplier Relationship Management   | Quarterly & as and when required                    | 1. Partnership with Value creation<br>2. Timely Payment<br>3. Engaging more local suppliers<br>4. Supplier Satisfaction                               |
| Customers                  | No   | 1. Regional Customer meets<br>2. Plant visits, Director's conference with customer groups<br>3. Visits to customers and customer satisfaction surveys<br>4. Virtual Meetings, visit by customers<br>5. Telephonic conversation emails<br>6. AI ChatBot | Continuous basis                                    | 1. Partnership with Value creation<br>2. Product Quality<br>3. Delivery<br>4. Compliance, Customer<br>5. Satisfaction<br>6. Resolution of complaints. |
| Community                  | Yes  | 1. Community meetings<br>2. Interaction with municipalities<br>3. Town administrative committee<br>4. Involvement in local society functions   | As and when required                                | 1. Quality of life<br>2. Job opportunities<br>3. Education<br>4. Welfare Measures<br>5. Medical Facilities<br>6. Sustainable Livelihood               |
| NGOs                       | No   | 1. Visit to plants<br>2. Seminars<br>3. Conferences<br>4. Interactions, etc  | Quarterly and as and when required                  | 1. Environment Quality<br>2. Human Rights<br>3. Freedom of association<br>4. Compliance to regulations  |
| Regulators                 | No   | 1. Meetings with Central and state Govt./Steel Ministry/Trade Bodies<br>2. Industry Associations<br>3. Ministry of Environment, Forests & Climate Change<br>4. Other Statutory bodies, etc   | Annually/<br>As and when required                   | 1. Economic, Environmental and Social Compliance<br>2. Human Rights<br>3. Safety<br>4. Compliance to ILO Conventions                                  |
| Competitors                | No   | 1. Knowledge sharing, Partnership with value creation, Anticompetitive behavior<br>2. Consumer privacy   | As and when required                                | 1. Fair Business<br>2. Partnership<br>3. Public policy Advocacy   |
| Industry Associations      | No   | 1. Conferences<br>2. Workshops<br>3. Seminars  | Annually/ As and when required                      | 4. Industry Policy, Regulations<br>5. Technology<br>6. Environment<br>7. CSR<br>8. Business Excellence  |
| Academic Bodies            | No   | 1. Conferences<br>2. Workshops<br>3. Seminars  | As and when required                                | 1. Knowledge Management Activities<br>2. Partnership for value Creation   |
| Professionals/ Consultants | No   | 1. Visit to Plants<br>2. Seminars<br>3. Conferences, Interactions  | As and when required                                | 1. Partnership with Value creation<br>2. Training and Development   |
| Media                      | No   | 1. Press Meets, Interactions with Plants & Corporate Communications  | As and when required                                | 1. Economic, Environmental and Social Performance Achievements  |

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

SAIL believes that effective stakeholder engagement is essential for inclusive growth. The company aims to strengthen its relationships with key stakeholders, such as government, shareholders, employees, customers, suppliers, communities, NGOs, academics, consultants, competitors, and financial institutions.

SAIL engages with stakeholders through a variety of channels, from daily interaction with employees to annual general meetings (AGMs). The company also has dedicated board subcommittees to deal with economic, environmental, and social topics. These subcommittees meet regularly to discuss and address identified issues. Recommendations from the subcommittee meetings are presented to the board for approval, and an effective follow-up mechanism keeps the board apprised of the actions taken.

An effective engagement mechanism is incorporated in the Stakeholder Engagement Matrix. This matrix anchors stakeholder engagement on the following principles:



**Completeness:** Understanding key concerns of stakeholders and their expectations, and transparent and balanced reporting.

**Materiality:** Prioritized consideration of the economic, environmental, and social impacts identified to be important to the stakeholders as well as the organization.

**Responsiveness:** Responding coherently and transparently to such issues and concerns.

In addition to these principles, SAIL uses numerous modes to engage with its both internal and external stakeholders in a constructive manner and consciously captures their expectations. Frequent interaction with stakeholders, especially suppliers, allows the company to recognize focus areas and strengthen relationships with them. The company has adopted Customer Satisfaction Index and Employee Satisfaction as a few of the metrics and methodologies to gauge and quantify the stakeholders' feedback. The outcomes of the feedback received are integrated into the organization's medium- and long-term strategy and planning. The company strives to meet the identified goals for the shared growth of the company and society.

Customer feedback also goes into forming the basis for product improvement, product, and services development necessary for customer retention, market penetration, and growth.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics. At SAIL we have conducted Stakeholder Engagement and Materiality Assessment for employees. Stakeholder engagement is an essential element for the sustainability strategy that helps the company to learn from its stakeholders to identify and manage risks, to build trust and strong relationships and to identify ways to improve its performance. We try to understand where business interests overlap with the sustainability priorities of a company's stakeholders. Basis the surveys we have highlighted materiality topics and are taking into consideration.

We are also in the process of incorporating these into our policies and activities. This includes developing new policies and procedures, training employees, and reporting on our progress.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

SAIL Plants have continuously been making efforts for development of MSE vendors by organising Vendor Development Programs (VDPs). Further, Special Vendor Development Programs targeted towards developing a supportive ecosystem to SC/ST entrepreneurs were conducted in collaboration with National SC ST Hub Office (NSSHO) along with participation from Dalit Indian Chamber of Commerce & Industries and TICCI (Tribal Indian Chamber of Commerce & Industries where procurement procedure and vendor registration procedures were explained to intended beneficiaries.

During these meets, the vendors are also informed about the requirements of SAIL, items reserved for SC ST/Women vendors, registration procedures, benefits available to SC/ST and Women MSEs etc. SAIL has also been actively participating in conclaves organized by NSSHO for SC ST entrepreneurs.

Officials of Invoice Mart are also invited to some SVDPs to inform the participants regarding benefits of bill discounting through TReDS. SAIL has in FY 2023-24 organized 20 VDPs and 18 SVDPS. SAIL Plants also provide support to local MSEs by mentoring, training, handholding and by providing technical support. SAIL is also incentivizing the local MSMEs (located in the same district as our 5 ISPs) by making steel available to them at affordable & competitive prices with suitable commercial terms to accelerate industrial growth of the region.

**Principle 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category                    | FY 2023-24   |  |            | FY 2022-23   |                                       |            |
|-----------------------------|--------------|--|------------|--------------|---------------------------------------|------------|
|                             | Total (A)    | No. of employees / workers covered (B) | % (B/A)    | Total (C)    | No. of employees/ workers covered (D) | %(D/C)     |
| <b>Employees*</b>           |              |  |            |              |                                       |            |
| Permanent                   |              |  |            |              |                                       |            |
| Other than permanent        |              |  |            |              |                                       |            |
| <b>Total Employees</b>      | <b>55989</b> | <b>18799</b>                           | <b>34%</b> | <b>46818</b> | <b>18676</b>                          | <b>40%</b> |
| <b>Workers#</b>             |              |  |            |              |                                       |            |
| Permanent                   |              |  |            |              |                                       |            |
| <b>Other than permanent</b> | 72141        | 3635                                   | 5%         | 65938        | 1389                                  | 2%         |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.



RPL is Recognition of Prior Learning. It was noticed that contract workers suffer most injuries due to their inadequate training. To build competence and skill development of contract workers before they enter the plant RPL came into shape. It's a training and skill development center outside the plant premises run jointly by skill development mission and concerned plant where workers were trained on different skills. Contractors are supposed to take RPL certified workers, which is run by plant HRD department. It is a step to strengthen Contractor Safety Management (CSM) system in SAIL.

All employees and workers are provided training on various aspects of human rights, as well as other key areas such as prevention of sexual harassment, vigil mechanism, code of conduct, and code of business ethics. This is to keep them apprised of changing regulations and to help them make ethical decisions and understand the consequences of any wrongdoing. SAIL strives to keep its employees and workers updated by regularly providing such training.

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category                       | FY 2023-24 |                       |         |                        |         | Total (A) | FY 2022-23            |         |                        |         |
|--------------------------------|------------|-----------------------|---------|------------------------|---------|-----------|-----------------------|---------|------------------------|---------|
|                                | Total (A)  | Equal to Minimum Wage |         | More than Minimum Wage |         |           | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                                |            | No. (B)               | % (B/A) | No. (C)                | % (C/A) |           | No. (B)               | % (B/A) | No. (C)                | % (C/A) |
| <b>Employees*</b>              |            |                       |         |                        |         |           |                       |         |                        |         |
| <b>Permanent</b>               |            |                       |         |                        |         |           |                       |         |                        |         |
| Male                           | 52,466     | Nil                   | Nil     | 52,466                 | 100%    | 55,568    | Nil                   | Nil     | 55,568                 | 100%    |
| Female                         | 3,523      | Nil                   | Nil     | 3,523                  | 100%    | 3,618     | Nil                   | Nil     | 3,618                  | 100%    |
| <b>Other than Permanent</b>    |            |                       |         |                        |         |           |                       |         |                        |         |
|                                | NA**       |                       |         |                        |         |           |                       |         |                        |         |
| Male                           | -          | -                     | -       | -                      | -       | -         | -                     | -       | -                      | -       |
| Female                         | -          | -                     | -       | -                      | -       | -         | -                     | -       | -                      | -       |
| <b>Workers#</b>                |            |                       |         |                        |         |           |                       |         |                        |         |
| <b>Permanent</b>               |            |                       |         |                        |         |           |                       |         |                        |         |
| Male                           | NA**       |                       |         |                        |         |           |                       |         |                        |         |
| Female                         |            |                       |         |                        |         |           |                       |         |                        |         |
| <b>Other than Permanent ##</b> |            |                       |         |                        |         |           |                       |         |                        |         |
| Male                           | 67,021     | NIL                   |         | 67,021                 | 100%    | 62,641    | NIL                   |         | 62,641                 | 100%    |
| Female                         | 5,120      |                       |         | 5,120                  | 100%    | 3,296     |                       |         | 3,296                  | 100%    |

\*Employees include Executive and Non-executive personnel

#Workers include Contractual Workers etc.

\*\*Not Applicable

**3. a. Details of remuneration/salary/wages, in the following format:**

|   | Male   |   | Female |   |
|---|--------|---|--------|---|
|   | Number | Median remuneration/salary/wages of the respective category | Number | Median remuneration/salary/wages of the respective category |
| <b>Board of Directors (BoD)</b>   |        | 71.32 Lakhs   |        | 22.72 Lakhs   |
| <b>Key Managerial Personnel</b>   |        | 67.80 Lakhs   |        | 0   |
| <b>Employees (Executive) other than the Board of Directors and Key Management Personnel</b> |        | 14.74 Lakhs   |        | 36.07 Lakhs   |
| <b>Workers</b>  | NA     |   |        |   |

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

|   | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 6.37%      | 6.24%      |

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

There are no Human rights issues caused or contributed by the business of SAIL. As a Central Public Sector Enterprise (CPSE), SAIL strictly adheres to government regulations and policies, ensuring our business practices uphold the highest human rights standards. We are committed to ethical operations that respect and protect all individuals involved in or affected by our activities, with robust mechanisms to address any concerns promptly. Our compliance with labor laws, health and safety regulations, and environmental standards ensures we do not contribute to human rights violations. We provide fair wages, safe working conditions, and equal opportunities, fostering a culture of respect and dignity. Additionally, our social responsibility initiatives support community development, reinforcing our commitment to human rights and ethical conduct. The various Commissions such as NHRC, NCSC, NCST, NCBC, NCSK and Parliamentary Committees on various issues continuously monitor SAIL on the issues of human Rights.



**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At SAIL, we have established comprehensive internal mechanisms to redress grievances related to human rights issues, ensuring prompt and effective resolution. These mechanisms include dedicated grievance redressal cells and committees at various levels, where employees can confidentially report concerns. Regular training and awareness programs are conducted to educate employees about their rights and the available channels for grievance redressal. Additionally, we maintain confidentiality and protection against retaliation for those reporting grievances. This structured approach ensures that all human rights concerns are addressed fairly and transparently, upholding our commitment to ethical practices and employee welfare.

**6. Number of Complaints on the following made by employees and workers:**

|  | FY 2023-24             |                                       |         | FY 2022-23              |                                       |         |
|--|------------------------|---------------------------------------|---------|-------------------------|---------------------------------------|---------|
|  | Current Financial Year |                                       |         | Previous Financial Year |                                       |         |
|  | Filed during the year  | Pending resolution at the end of year | Remarks | Filed during the year   | Pending resolution at the end of year | Remarks |
| <b>Sexual Harassment</b>                 | 3                      | 2                                     |         | 7                       | 2                                     | -       |
| <b>Discrimination at workplace</b>       | 0                      | 0                                     | -       | 0                       | 0                                     | -       |
| <b>Child Labour</b>                      | 0                      | 0                                     | -       | 0                       | 0                                     | -       |
| <b>Forced Labour/Involuntary Labour</b>  | 0                      | 0                                     | -       | 0                       | 0                                     | -       |
| <b>Wages</b>                             | 13                     | 0                                     |         | 3                       | 0                                     |         |
| <b>Other human rights related issues</b> | 0                      | 0                                     | -       | 0                       | 0                                     | -       |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Protection and Redressal) Act, 2013, in the following format**

|  | FY 2023-24<br>Current Financial Year | FY 2022-23<br>Previous Financial Year |
|--|--------------------------------------|---------------------------------------|
| <b>Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)</b> | 3                                    | 7                                     |
| <b>Complaints on POSH as a % of female employees/workers</b>   | 0.085%                               | 0.19%                                 |
| <b>Complaints on POSH upheld</b>   | 0                                    | 3                                     |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

To prevent adverse consequences to the complainant in cases of discrimination and harassment, SAIL has implemented several robust mechanisms. We ensure confidentiality of the complainant's identity and case details to protect their privacy and prevent retaliation. We provide support services, including counseling and legal advice, to help complainants cope with the situation. All complaints are investigated fairly, thoroughly, and promptly. Regular training sessions and awareness programs are conducted to foster a respectful workplace culture and educate employees about their rights and responsibilities. Whistleblower protection mechanisms are in place to ensure safe reporting without fear of reprisal. Through these measures, SAIL strives to maintain a safe, respectful, and supportive work environment for all employees. The mechanism is well laid in the Policy. For more details, refer to the Policy link (<https://sail.co.in/sites/default/files/upload/2023-06/Policy-for-Prohibition-Prevention-Redressal-of-Sexual-Harassment-of-Women-at-Workplace.pdf>)

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

SAIL follows the Company's Code of Business Conduct and Ethics, which outlines the principles that all employees are expected to adhere to. These principles include respect for human rights, such as the prohibition of child labor, forced or compulsory labor, and health and safety standards. SAIL also expects employees to uphold the principles of freedom of association, non-discrimination, disciplinary practices, security practices, working hours, compensation practices, supply chain practices, and management systems. In addition to the Code of Business Conduct and Ethics, SAIL also follows the guidelines included in service orders as per the GEM portal.

Recently, SAIL P1 policy has been updated and are available on SAIL Tenders website.

General Terms and Conditions of Contract for Purchase ( SAIL P1 ) was updated on October 2023 and is available at SAIL Tenders website at <https://sailtenders.co.in/STDocs/DynamicPages/FileSDPchild9827711.pdf>. Point 38 of SAIL P1 relates to Business Responsibility & Sustainability which is reproduced below:

38. Business Responsibility and Sustainability: At SAIL, we deeply value the vital role that companies can play in safeguarding and promoting human rights in the long term. We recognize our responsibility to uphold the spirit of human rights, as outlined in existing international standards, such as the Universal Declaration and the Fundamental Human Rights

Conventions of the International Labour Organization. SAIL expects its suppliers to develop and implement policies and procedures to ensure all human rights in their business and to encourage their suppliers to do likewise. Our Human Rights Charter is available at <https://sail.co.in/sites/default/files/2023-09/Human-Rights-Charter.pdf>.

**10. Assessments for the year:**

Although no formal assessment has been conducted of our plants and offices, the Plant Heads and HR department of the Corporate Office ensure that there are no violations of any human rights aspects. Any grievance received on a violation of human rights is taken seriously, and serious action is taken against the accused, if found guilty.

|                              | <b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>                      |
|------------------------------|---|
| Child labour                 | SAIL being a PSU is governed by Government Directives.  |
| Forced/involuntary labour    |   |
| Sexual harassment            | Committee for POSH carries out enquiries for addressing the grievances pertaining to harassment.                                  |
| Discrimination at work place | SAIL being a Central Public Sector Undertaking is governed by various regulations and guidelines pertaining to equal opportunity. |
| Wages                        | Government guidelines for payment of minimum wages w.r.t. contract labour are strictly adhered to.                                |
| Others—please specify        | -   |

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

There were no significant risks or concerns (considering Q10)

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints**

Necessary modifications in policies and systems are carried out as per requirement for addressing the human rights issues/grievances, if any, e.g. SAIL Human Rights Charter has been formulated and issued.

**2. Details of the scope and coverage of any Human rights due diligence conducted**

Although no due diligence has been conducted yet, SAIL has developed a comprehensive and effective policy that will protect the human rights of all its stakeholders addressing the Scope, Coverage, Governance and Redressal mechanism of Human Rights aspects.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. The office and plant premises are accessible to differently abled visitors.

**4. Details on assessment of value chain partners:**

|                             | <b>% of value chain partners (by value of business done with such partners) that were assessed</b> |
|-----------------------------|--|
| Child Labour                | 0%   |
| Forced/ Involuntary Labour  | 0%   |
| Sexual Harassment           | 0%   |
| Discrimination at Workplace | 0%   |
| Wages                       | 0%   |
| Others – please specify     | 0%   |

Although there is no formal assessment of our value chain partners, we have a declaration on human rights aspects from all of our value chain partners regarding various human rights aspects. Any violation leads to the cancellation of business transaction with the value chain partner. Additionally, our major suppliers, being global coal companies, already have high standards of adherence to human rights aspects.

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Since assessments have not been conducted, no corrective actions have been taken.



**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:**

| Parameter  | Unit   | FY 2023-24 | FY 2022-23 |
|--|--|------------|------------|
| <b>From renewable sources#</b>   |  |            |            |
| Total electricity consumption (A)  | TJ   | 266        | 230        |
| Total fuel consumption (B)   | TJ   |            |            |
| Energy consumption through other sources (C)   | TJ   |            |            |
| Total energy consumed from renewable sources (A+B+C)*  | TJ   | 266        | 230        |
| <b>From non-renewable sources#</b>   |  |            |            |
| Total fuel consumption (E)   | TJ   | 469,777    | 449,756    |
| Energy consumption through other sources (F)   | TJ   | 678.5      | 916        |
| Total energy consumed from non-renewable sources (D+E+F)   |  | 613,900    | 590,917    |
| Total energy consumed (A+B+C+D+E+F)  | TJ   | 614,166    | 591,147    |
| Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)   | GJ/₹   | 0.560      | 0.570      |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)** | GJ/₹ of revenue from operations adjusted for PPP | 11.32      | 11.78      |
| Energy intensity in terms of physical output   | TJ/TCS   | 0.0320     | 0.0323     |
| Energy intensity (optional) – the relevant metric may be selected by the entity  |  |            |            |

# Includes the energy consumption in SAIL's integrated steel plants, special steel plants, SRU and mines.

\* Includes purchased renewable power also.

\*\*Revenue adjusted for PPP based on World Bank guidelines.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**2. Does the entity have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

All our 5 Integrated Steel Plants have been identified as Designated Consumer by Bureau of Energy Efficiency, Govt of India.

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter   | Unit  | FY 2024         | FY 2023         |
|---|---|-----------------|-----------------|
| <b>Water withdrawal by source (in kilolitres)</b>   |   |                 |                 |
| (i) Surface water   | KL  | 57396487        | 55285451        |
| (ii) Groundwater  |   | -               | -               |
| (iii) Third party water   |   | -               | -               |
| (iv) Seawater/desalinated water   |   | -               | -               |
| (v) Others  |   | -               | -               |
| <b>Total volume of water withdrawal (In kilolitres) (i + ii + iii + iv + v)</b>   | <b>KL</b>                                       | <b>57396487</b> | <b>55285451</b> |
| <b>Total volume of water consumption (In kilolitres)</b>  | <b>KL</b>                                       | <b>57396487</b> | <b>55285451</b> |
| <b>Water intensity per rupee of turnover</b><br>(Total water consumption/Revenue from operations)<br>(KI/INR Crores)  | <b>L/₹</b>                                      | <b>0.05</b>     | <b>0.05</b>     |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total water consumption/Revenue from operations adjusted for PPP) | L/₹ of revenue from operations adjusted for PPP | <b>1.058</b>    | <b>1.094</b>    |

| Parameter  | Unit                     | FY 2024 | FY 2023 |
|--|--------------------------|---------|---------|
| <b>Water withdrawal by source (in kilolitres)</b>  |                          |         |         |
| Water intensity in terms of physical Output  |                          | -       | -       |
| Water intensity (optional) – the relevant metric may be selected by the Entity (m <sup>3</sup> /tcs) |                          |         |         |
| Water intensity (optional) – the relevant metric may be selected by the Entity (m <sup>3</sup> /tcs) | <b>m<sup>3</sup>/tcs</b> | 3.02    | 3.06    |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**4. Provide the following details related to water discharged:**

| Parameter   | Unit      | FY 2024         | FY 2023         |
|---|-----------|-----------------|-----------------|
| <b>Water Discharge by destination and levels of Treatment</b> |           |                 |                 |
| (i) To Surface water  | KL        | 22985600        | 22363784        |
| - No treatment  |           |                 |                 |
| - With treatment – please specify level of treatment          |           |                 |                 |
| (ii) To Groundwater   |           |                 |                 |
| - No treatment  |           |                 |                 |
| - With treatment – please specify level of treatment          |           |                 |                 |
| (iii) To Seawater   |           |                 |                 |
| - No treatment  |           |                 |                 |
| - With treatment – please specify level of treatment          |           |                 |                 |
| (iv) Sent to third parties                                    |           |                 |                 |
| - No treatment  |           |                 |                 |
| - With treatment – please specify level of treatment          |           |                 |                 |
| (v) Others  |           |                 |                 |
| - No treatment  |           |                 |                 |
| - With treatment – please specify level of treatment          |           |                 |                 |
| <b>Total water discharged (in kilolitres)</b>                 | <b>KL</b> | <b>22985600</b> | <b>22363784</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

SAIL has envisioned a goal of 'Zero Liquid Discharge (ZLD)' for its steel plants. In order to achieve this goal, special drives have been undertaken to utilize the industrial effluent after suitable treatment in the Effluent Treatment Plants.

A total of around 123 million m<sup>3</sup>/year wastewater across SAIL plants is being treated and recirculated for further use. Several schemes have been adopted for achieving ZLD and are presently under various stages of implementation. During 2023-24, effluent treatment facilities with a total capacity of 2235 m<sup>3</sup>/hr have been installed and are under operation. Apart from the above, capacity of lagoon at RSP has been enhanced by 3 lakh m<sup>3</sup> through de-silting.

Going forward, all the upcoming units in SAIL plants have been envisaged on ZLD concept.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter  | Specify unit | FY 2023-24 | FY 2022-23 |
|--|--------------|------------|------------|
| NOx (NO <sub>2</sub> )                               | kg/tcs       | 0.76       | -          |
| SOx (SO <sub>2</sub> )                               | kg/tcs       | 1.10       | -          |
| Particulate matter (PM) (PM10)                       | kg/tcs       | 0.58       | 0.57       |
| Persistent organic pollutants (POP) (Benzo-a-Pyrene) |              | -          | -          |
| Volatile organic compounds (VOC)                     |              | -          | -          |
| Hazardous air pollutants (HAP)                       |              | -          | -          |
| Others – please specify                              |              | -          | -          |



Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

| Parameter   | Unit  | FY 2023-24 | FY 2022-23 |
|---|---|------------|------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                            | Tonnes of CO <sub>2</sub>                             | 52622079   | 47603938   |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                            | Tonnes of CO <sub>2</sub>                             | 2446630    | 3020822    |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)   | Tonnes /₹in Crs                                       | 502        | 488        |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | Tonnes /₹ of revenue from operations adjusted for PPP | 0.001      | 0.001      |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>   |   |            |            |
| <b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity – <b>Crude Steel Production</b>  | Tonnes/Tonne of Crude Steel                           | 2.90       | 2.80       |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

| Details of project  |
|---|
| Refer to Chapter on "PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO" from Annual Report FY 2023-24 |

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter  | FY 2023-24<br>Current Financial Year | FY 2022-23<br>Previous Financial Year |
|--|--------------------------------------|---------------------------------------|
| <b>Total Waste generated (in metric tonnes)</b>  |                                      |                                       |
| (i) Plastic Waste (A)  | 0.42                                 | 2260                                  |
| (ii) E-waste (B)   | 37                                   | 33                                    |
| (iii) Biomedical waste (C)   | 0                                    | 141                                   |
| (iv) Construction and demolition waste (D)   | 9063                                 | Insignificant Quantity                |
| (v) Battery waste (E)  | 228                                  |                                       |
| (vi) Radioactive waste (F)   | 0                                    | Not applicable                        |
| (vii) Other hazardous waste (G)  | 162006                               | 172388                                |
| (viii) Other non-hazardous waste (H)   | 13833695                             | 12549470                              |
| <b>Total (A+B+C+D+E+F+G+H)</b>   | <b>14005029.42</b>                   | <b>12724292</b>                       |
| <b>Waste intensity per rupee of turnover in T/₹</b> (Total waste generated/Revenue from operations)  | 128                                  | 122                                   |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) in Tonnes/₹ of revenue from operations adjusted for PPP</b> (Total waste generated/Revenue from operations adjusted for PPP) | 0.00025                              | 0.00025                               |
| <b>Waste intensity in terms of physical output</b>   | -                                    | -                                     |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity (t/tcs)  | 0.74                                 | 0.71                                  |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>   |                                      |                                       |
| <b>Category of Waste</b>   |                                      |                                       |
| (i) Recycled   | 3144716                              | 3140793                               |
| (ii) Reused  | 8673                                 |                                       |
| (iii) Other recovery options (Sold)  | 11216850                             | 9765888                               |
| <b>Total</b>   | <b>14370239</b>                      | <b>12906681</b>                       |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>  |                                      |                                       |
| <b>Category of Waste</b>   |                                      |                                       |
| (i) Incineration   | 0                                    | 35                                    |
| (ii) Landfilling   | 2358                                 | 3529                                  |
| (iii) Other disposal options   | 0                                    | 107                                   |
| <b>Total</b>   | <b>2358</b>                          | <b>3671</b>                           |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

SAIL is committed in its Corporate Environment Policy to minimize source-wise solid waste generation and maximize its utilization to the tune of 100%. SAIL has adopted the "4Rs Policy" (Reduce, Recover, Recycle, and Reuse) across all its processes to foster circularity as well as the sustainability of the industry.

Iron slag and steel slag are the two major contributors to solid waste generation. 100% utilization of iron slag is being achieved through its granulation and utilization in the cement industries. On the other hand, steel slag is used mainly internally through recycling it in blast furnaces & steel melting shops as a partial replacement of limestone and in sinter making as base-mix. Solid wastes like mill scale and lime/Dolo fines are recycled entirely through the sinter-making process. Waste refractory bricks are fully utilized by either selling to external agencies or reusing internally.

Various R&D-based studies have been/are being taken up by SAIL either through its in-house research wing or in association with other eminent research centers or academic institutions of national repute to explore potential avenues for enhancing steel slag utilization.

The wastes, which are hazardous by reasons of their physical and/or chemical characteristics, are safely disposed of as per the rules of the "Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016", either in captive Secured Landfill Facility (SLF) or through the authorized recyclers dealing with Treatment, Storage, and Disposal of hazardous wastes. Some hazardous wastes are reused/co-processed.

E-waste is being recycled/disposed of through authorized e-waste recyclers.

Battery wastes are recycled through registered vendors.

A negligible quantity of construction & demolition waste is generated sometimes at some of the plants, which is internally utilized. During the demolition/dismantling of specifically old structures/buildings, a significant quantity of waste is generated which is disposed of through external agencies.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format: (FY 2023-24, Current Financial Year)**

None of the SAIL plants are near ecologically sensitive areas.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current FY 2023-24**

| Name and brief details of project   | EIA Notification No. (EC Identification No) | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|---|------|---|--|-------------------|
| SAIL did not undertake any new project requiring environmental impact assessments during 2023-24. |   |      |   |  |                   |

**13. Is the company compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Mention Yes/No). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/ regulation/ guidelines which was not complied with                                   | Provide details of the non-compliance  | Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any   |
|--------|---|--|--|---|
| 1      | The Water (Prevention and Control of Pollution) Act and Air (Prevention and Control of Pollution) Act | Non-compliance of the environmental standards at IISCO Steel Plant               | Show Cause Notice issued by West Bengal Pollution Control Board.                                       | Corrective measures have been taken and subsequently implemented for compliance. Moreover, a time-bound action plan is in place to improve upon the environmental footprint further.            |
| 2      | The Water (Prevention and Control of Pollution) Act and Air (Prevention and Control of Pollution) Act | Non-compliance of the environmental standards at Visvesvaraya Iron & Steel Plant | Show Cause Notices issued by Karnataka State Pollution Control Board                                   | Corrective measures have been taken and subsequently implemented for compliance. Moreover, a time-bound action plan has also been drawn up to improve upon the environmental footprint further. |



| S. No. | Specify the law/ regulation/ guidelines which was not complied with                                   | Provide details of the non-compliance  | Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any   |
|--------|---|--|--|---|
| 3      | The Water (Prevention and Control of Pollution) Act and Air (Prevention and Control of Pollution) Act | Non-compliance of the environmental standards at Chandrapur Ferroalloy Plant | Show cause notice issued by Maharashtra Pollution Control Board.                                       | Corrective measures have been taken and subsequently implemented for compliance. Moreover, a time-bound action plan has also been drawn up to improve upon the environmental footprint further. |

**Leadership Indicators**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

| Parameter  | FY 2023 - 24   | FY 2022 - 23 |
|--|----------------|--------------|
| <b>Water withdrawal by source (in kiloliters)</b>                                    |                |              |
| (i) Surface water  | Not Applicable |              |
| (ii) Groundwater   |                |              |
| (iii) Third party water  |                |              |
| (iv) Seawater/desalinated water  |                |              |
| (v) Others   |                |              |
| <b>Total volume of water withdrawal (In kilolitres)</b>                              |                |              |
| <b>Total volume of water consumption (In kilolitres)</b>                             |                |              |
| <b>Water intensity per rupee of turnover</b> (Water consumed/turnover)               |                |              |
| <b>Water intensity</b> (optional) –the relevant metric may be selected by the entity |                |              |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>         |                |              |
| (i) Into Surface water   |                |              |
| - No treatment   |                |              |
| - With treatment – please specify level of treatment                                 |                |              |
| (ii) Into Groundwater  |                |              |
| - No treatment   |                |              |
| - With treatment –please specify level of treatment                                  |                |              |
| (iii) Into Seawater  |                |              |
| - No treatment   |                |              |
| - With treatment – please specify level of treatment                                 |                |              |
| (iv) Sent to third parties   |                |              |
| - No treatment   |                |              |
| - With treatment – please specify level of treatment                                 |                |              |
| (v) Others   |                |              |
| - No treatment   |                |              |
| - With treatment – please specify level of treatment                                 |                |              |
| <b>Total water discharged (in kilolitres)</b>  |                |              |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No



**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter  | Unit                                 | FY 2023 - 24 | FY 2022 - 23 |
|--|--------------------------------------|--------------|--------------|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Tonnes of CO <sub>2</sub> equivalent | -5300064     | -5620400     |
| <b>Total Scope 3 emissions per rupee of turnover</b>   | Tonnes/₹ in Crs                      | 48.3         | 54.2         |
| <b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity   | Tonnes/₹ in Crs                      |              |              |

Note: Scope 3 emission is partially covered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No. However, the data is being calculated as per the World Steel Association (WSA) Methodology.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sl. No | Initiative undertaken   | Details of the initiative (Web-link, if any, may be provided along-with summary)  | Outcome of the initiative  |  |
|--------|---|---|--|--|
| 1      | 'SAIL Green Tiles Plant' installed at Bhilai Steel Plant (BSP)  | With an aim to achieve 100% solid waste utilization and also to reduce CO <sub>2</sub> emissions, BSP took a greener initiative and established 'SAIL Green Tiles Plant' with a capacity for manufacturing 1000 nos. of paver blocks/ tiles per day using steel slag. | Enhancement of steel slag utilization, thereby increasing solid waste utilization. |  |
| 2      | Installation of Effluent Treatment Plant (ETP)  | Rourkela Steel Plant  | Treatment and recirculation of 1800 m <sup>3</sup> /hr of wastewater               | Prevention of surface water pollution and conservation of water. |
|        |   | Durgapur Steel Plant  | Treatment and recirculation of 230 m <sup>3</sup> /hr of wastewater                |  |
|        |   | IISCO Steel Plant   | Treatment and recirculation of 205 m <sup>3</sup> /hr of wastewater                |  |
| 3      | Installation of Air Pollution Control (APC) equipment at Durgapur Steel Plant to meet PM Emission below 30 mg/Nm <sub>3</sub> | - Installation of new Bag Filters for all Kilns of New Lime Calcination Plant.<br>- Installation of APC system at Ladle Furnace- 1 & 2 of SMS<br>- Upgradation of ESPs in Sinter Plant-2  | Improvement in environmental footprint   |  |

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

SAIL units adhere to all applicable safety and regulatory laws, ensuring a robust business continuity and disaster management plan. SAIL, at its corporate level and unit level, has a Business Continuity and Disaster Management Plan to manage any eventuality concerning business uncertainties and ensure the safety & health of workmen and society at large.

The Disaster Management and Emergency Preparedness Plans have been prepared by external experts and have been approved subsequently by the Chief Inspector of Factories.

Objective of Disaster Management Plan:

To enumerate Organisational actions enabling it to take fast and effective steps: -

- To protect Personnel inside and Public outside the Plant
- To effect rescue and treatment of Casualties
- To safeguard the Plant, machinery, equipment, and other properties.
- To bring the incident under control and ensure a rapid return to normal operation after an emergency.

All the "On-Site" and "Off-Site" emergencies are covered in the manual. Regular mock drills are conducted to ascertain the efficacy of measures to mitigate Risks. A list of emergency resources/equipment along with a minimum buffer stock of essential raw materials is always maintained. Regular training and awareness programs are conducted throughout the year to prepare, manage as well as effectively mitigate impact of any disaster/emergency.



Regular audits are undertaken by the National Safety Council, the premier body set up by the central government to develop and lead the efforts for making the workplace safer, healthier, and environment-friendly. These audits validate our commitment to safety. Our plan includes comprehensive risk assessments, emergency response strategies, and continuous training for employees. We maintain a resilient supply chain, effective communication protocols, and redundant systems to minimize disruptions. By fostering a culture of safety and preparedness, we ensure that our operations remain stable and can quickly recover from any unforeseen events.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

We have not identified any significant impact arising to the environment, arising from the value chain of SAIL.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

We have not conducted assessments for our value chain partners for their environmental impact.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/associations.**

SAIL is associated with various Government and Regulatory Authorities that support the Company to abide by its values and operate with integrity and transparency. Our stakeholders are valuable to us, and we engage ourselves with matters relating to public good for our stakeholders through these associations. During FY 2023-2024, the Company has 19 active affiliations with trade and industry chamber associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

| S. No. | Name of the trade and industry chambers/associations                 | Reach of trade and industry chambers/associations (State/National) |
|--------|--|--|
| 1      | Federation of Indian Chambers for Commerce and Industry (FICCI)      | National   |
| 2      | Standing Conference of Public Enterprises(SCOPE)                     | National   |
| 3      | Indian Steel Association (ISA)                                       | National   |
| 4      | World Steel Association & International Stainless Steel Forum (ISSF) | International  |
| 5      | Indian Iron and Steel Sector Skill Council (IISSSC)                  | National   |
| 6      | All India Management Association (AIMA)                              | National   |
| 7      | Forum of Women in Public Sector (WIPS)                               | National   |
| 8      | World Confederation of Productivity Science (WCPS)                   | National   |
| 9      | Centre for Organisation Development (COD)                            | National   |
| 10     | Indian Institute of Metals, Kolkata (IIMK)                           | National   |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

SAIL has not engaged in any anti-competitive conduct. Hence, no corrective action was taken.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity**

| S. No. | Policy advocated  | Method for such advocacy  | Whether information is in public domain (Y/N) | Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others – please specify)  | Web Link if Available |
|--------|---|---|---|--|-----------------------|
| 1.     | Comments provided on the OM dated 04.05.2023 issued by Lok Sabha Secretariat for Forest (Conservation) Amendment Bill, 2023 specifically on Section 2(iii) of the FC Act.   | Through email to JCFCAB Cell, Lok Sabha Secretariat Gol on 15.05.2023 | N   | Board reviews the status of the compliance of Environment (Protection) ACT, 1986, AIR (Prevention and Control of Pollution) ACT, 1981, Water (Prevention and Control of Pollution) ACT, 1974, Wildlife (Protection) ACT 1972 and Forest (Conservation) ACT, 1980, in respect of SAIL Mines and Collieries on Quarterly basis | NA                    |
| 2.     | Comments/Suggestions provided on the OM dated 18.05.2023 issued by Ministry of Mines, Gol for Amendment of the Second Schedules of the MMDR Act for specifying rate of royalty in respect of Rare Earth Elements (REEs) and Lithium.  | Through email to Ministry of Mines, Gol on 26.05.2023                 | N   |  | NA                    |
| 3.     | Comments provided on the OM dated 02.06.2023 issued by Ministry of Mines, Gol for Amendment of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 on the issue of double incidence of royalty due to inclusion of royalty in the calculation of ASP. | Through email to Ministry of Mines, Gol on 19.06.2023                 | N   |  | NA                    |
| 4.     | Comments provided on the OM dated 12.12.2023 issued by Ministry of Mines, Gol for Amendment of the rules under the Mines and Minerals (Development and Regulation) Act, 1957 to remove cascading impact of inclusion of royalty in the calculation of Average Sale Price.                   | Through email to Ministry of Mines, Gol on 26.12.2023                 | N   |  | NA                    |
| 5.     | Comments provided on the draft report dated 03.01.2024 issued by Ministry of Mines, Gol to suggest alternative mechanisms for computation of ASP of iron ore in the country.  | Through email to Ministry of Mines, Gol on 04.01.2024                 | N   |  | NA                    |

### Principle 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Y/N) | Results communicated in public domain (Y/N) | Relevant Web Link |
|---------------------------|----------------------|----------------------|--|---|-------------------|
|                           |                      |                      |  |   |                   |

Not applicable for the current financial year

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

| S. No. | Name of project for R&R | State | District | No. of project affected families (PAFs) | % of PAFs covered under R&R | Amounts paid to PAFs | Year |
|--------|-------------------------|-------|----------|---|-----------------------------|----------------------|------|
| 1      | Nil                     | Nil   | Nil      | Nil                                     | Nil                         | Nil                  | Nil  |

No land acquired in 2023-24, hence no fresh PAFs & No payment made to PAF.

#### 3. Describe the mechanisms to receive and redress grievances of the community.

SAIL has a diverse and multi-dimensional approach to get feedback from the communities via holding regular community meetings, periodic interaction with municipalities and Town administrative committees and active engagement with the local society so as to understand if they have any views, issues, complaints and grievances related to the interventions. Centralised Public Grievance Redress and Monitoring System (CPGRAMS) is an online platform available to the citizens 24x7 to lodge their grievances to the public authorities on any subject related to service delivery. CPGRAMS is also accessible to the citizens through standalone mobile application downloadable through Google Play store and mobile application integrated with UMANG.

The status of the grievance filed in CPGRAMS can be tracked with the unique registration ID provided at the time of registration of the complainant. CPGRAMS also provides appeal facility to the citizens if they are not satisfied with the resolution by the Grievance Officer. After closure of grievance if the complainant is not satisfied with the resolution, he/she can provide feedback. If the rating is 'Poor' the option to file an appeal is enabled. The status of the Appeal can also be tracked by the petitioner with the grievance registration number.

Issues which are not taken up for redress:

- RTI Matters
- Court related/Subjudice matters
- Religious matters
- Suggestions
- Grievances of Government employees concerning their service matters including disciplinary proceedings etc.



**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

|   | FY 2023-24<br>Current Financial Year   | FY 2022-23<br>Previous Financial Year                          |
|---|--|--|
| Directly sourced from MSMEs/small producers                         | MSE Procurement: ₹ 2919.87 Cr<br>(29.28% of total procurement)   | MSE Procurement: ₹ 3110.30 Cr<br>(32.71% of total procurement) |
| Sourced directly from within the district and neighboring districts | The Company has always given priority towards development of peripheral areas. SAIL's Steel Plants and Units operating since 1950s have seen obscure villages turn into large industrial hubs. In this regard, procurement has been prioritized from the local suppliers subject to availability and feasibility |  |

**5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

| Location     | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural        | 5.76       | 5.64       |
| Semi-urban   | 0.15       | 0.16       |
| Urban        | 88.84      | 89.13      |
| Metropolitan | 5.26       | 5.07       |

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above)**

Not Applicable.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: FY 2023-24**

SAIL has its CSR interventions in 7 aspirational districts in Jharkhand, Chhattisgarh, and Bihar. The districts include naxal affected areas and districts including Rajnandgaon, Narayanpur, Kanker, Bokaro, West Singhbhum, Ranchi, and Banka.

| S N | State        | Aspirational District           | SAIL CSR Amount spent<br>(INR/Crores) |
|-----|--------------|---------------------------------|---------------------------------------|
| 1   | Chhattisgarh | Rajnandgaon, Narayanpur, Kanker | 21.31 crores                          |
| 2   | Jharkhand    | Bokaro, West Singhbhum, Ranchi  | 27.35 crores                          |
| 3   | Bihar        | Banka                           | 0.148 crores                          |

**3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No):**

Yes. SAIL promotes inclusive growth and equitable development through procurement from MSE vendors, SC/ST and women entrepreneurs. Procurement from such means has increased from ₹ 2233.72 Cr in FY 2021-22 to ₹ 2919.87 Cr in FY 2023-24. SAIL is committed to collaborating with multiple stakeholders and help them build capacity for the emerging markets.

**b. From which marginalized/vulnerable groups do you procure?**

MSE including SC/ST and Women MSE.

**c. What percentage of total procurement (by value) does it constitute for FY 2023-24?**

FY 2023-24:

MSE Procurement: ₹ 2919.87 Cr (29.28 % of total procurement)

Procurement from SC/ST MSEs: ₹ 7.65 Cr (0.08%)

Procurement from women MSEs: ₹ 120.21 Cr (1.21%)

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

| S.No. | Intellectual Property based on traditional knowledge | Owned/Acquired<br>(Yes or No) | Benefit shared<br>(Yes or No) | Basis of calculating benefit share |
|-------|--|-------------------------------|-------------------------------|------------------------------------|
| None  |  |                               |                               |                                    |

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the authority | Corrective Action Taken |
|-------------------|------------------------|-------------------------|
| None              |                        |                         |

## 6. Details of beneficiaries of CSR Projects:

For details, please refer to section on "Corporate Social Responsibility" of Board Report (Annual Report), FY 2023-24.

| Sl. No. | CSR Project   | No. of persons benefitted from CSR Projects  | % of beneficiaries from vulnerable and marginalized groups |
|---------|---|--|--|
| 1       | Distributed assistive devices like Tricycle, Motorized Vehicles, Calipers, Hearing Aids, Smart Phones, Smart Canes etc. to Divyangjans across the country. This priority programme of SAIL has been implemented across several locations in the country under "Azadi Ka Amrit Mahotsav".  | Approx <b>3,000</b> Divyangjans have been benefitted with assistive devices  | Not Available  |
| 2       | Health Camps and Mobile Medical Units have benefitted villagers at their doorsteps and patients were provided free medical care and medicines at SAIL Primary Health centers at Plants.   | Benefitted about 1.80 Lakh villagers and above 84,000 patients   |  |
| 3       | SAIL is assisting 600 schools in Bhilai and Rourkela by providing Mid-day meals and dry ration kits in association with <b>Akshay Patra Foundation</b> .  | Around <b>60,000</b> students  |  |
| 4       | 22 Special Schools (Kalyan, Mukul & DAV Vidyalayas) benefitting BPL category students at integrated steel plant locations with facilities like free education, mid-day meals, uniform including shoes, text books, stationary items, school bags and water bottles, etc., running under CSR.  | Around <b>12026</b> BPL category students  |  |
| 5       | Children from Tribal and Naxal-affected/Aspirational Districts are getting free of cost comprehensive educational facilities viz. Schooling, Meals, Uniforms, Textbooks, Accommodation and infrastructure, etc. at Saranda Suvan Chhatravas and Central School, Kiriburu; Gyanodaya Chhatravas, BSP School Rajhara, Bhilai; Gyanjyoti Yojna, Bokaro DAV schools-Nandini & Kuteshwar Mines, and other schools  | More than <b>450</b> children from Tribal and Naxal-affected/Aspirational Districts  |  |
| 6       | <b>Gyan Jyoti Yojana:</b> Bokaro Steel Plant is providing education and facilitating holistic development for the 15 children of Birhor tribe, which is at the verge of extinction. Children were facilitated with free Education along with boarding, healthy meals, clothing, medical treatment, sports and cultural opportunities in a conducive atmosphere. They are the first Matriculates and 12 <sup>th</sup> pass from their community. For Skill Development and better employability, 9 Matriculate Birhor Boys adopted under Gyan Jyoti Yojana had been sponsored for ITI training in "Welder trade" alongwith stipend, accommodation and meals at Bokaro Pvt ITI. | 15 Birhor children successfully completed 12 <sup>th</sup> standard education and underwent ITI Trainings. Inspired from their achievements, 2 <sup>nd</sup> batch of 15 Birhors have completed their education and ITI trainings. 3 <sup>rd</sup> batch of 12 Birhor children has been adopted. |  |
| 7       | <b>Women Empowerment and Sustainable Income Generation:</b> Women & youths have undergone skills trainings, in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter and Electrician Training Improved agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Achar/Pappad/Agarbati/Candle making, Screen printing, Handlooms, Sericulture, Yarn Weaving, Tailoring, Sewing and embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Bans/Jute Shilp, Smokeless chullah making etc.  | <b>2369 women and 1578 youths</b> have undergone Vocational and specialised skill development training targeted towards sustainable income generation.   |  |
| 8       | <b>ITI trainings:</b> ITI trainings have been supported for youths in peripherals at ITCs Bolani, Bargaon, Baliapur, Bokaro Pvt ITI and Rourkela etc. The ITIs at Bolani and Bursua have been adopted for upgradation and operation by SAIL/RSP mines. Also, at Bokaro Pvt. ITI youths from the periphery are being trained in streams of Electrician, Welder and Fitter.   | Approximately <b>490</b> youths have been supported for ITI training at ITCs   |  |
| 9       | Bokaro Steel Plant organised <b>Special Olympics Bharat (SOB)</b> under National sports Preparatory Training Camps and also supported participation expenditure to the selected/trained Divyang athletes for Special Olympics Summer World Games 2023 (SOSWG 2023) at Berlin.   | <b>Approx 596</b> Divyang athletes underwent Preparatory Sports Training Camps at Bokaro.  |  |

### Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

**For Consumer Complaints:** Robust systems have been put in place to address the grievances of the customers across



SAIL. The customers can lodge Quality complaint (QC) following which the material under QC is inspected by the Branch Executive. SAIL extends help of regional AE (Application Engineer) or respective Plant to the Branch Executive to aid and expedite the process, if required. Based on the genuineness of complaint, return order and subsequent refund is issued to the customer to ensure the trust of the customers.

**For Feedback:** AI based Chatbot '**SAIL SARATHI**' has been introduced for facilitating easier navigation & information accessibility for customers and visitors. SAIL has opened a verified business account on WhatsApp. The WhatsApp account is integrated with SAIL SARATHI APP.

A customer contact app with the name "SAIL Grahak Sampark" has been launched by CMO to streamline, organize and maximize Customer Meetings by CMO Executives.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal:**

The company provides prescribed information for all the products as required under the applicable statute.

**3. Number of consumer complaints in respect of the following:**

|   | FY 2023-24               |                                   | Remarks  | FY 2022-23               |                                   | Remarks  |
|---|--------------------------|-----------------------------------|--|--------------------------|-----------------------------------|--|
|   | Received during the year | Pending resolution at end of year |  | Received during the year | Pending resolution at end of year |  |
| Data privacy  | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Advertising   | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Cyber-security  | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Delivery of essential services                          | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Restrictive Trade Practices                             | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Unfair Trade Practices                                  | 0                        | 0                                 |  | 0                        | 0                                 |  |
| Others (Settlement of Quality Complaint from Customers) | 1871                     | 26                                | Out of 1871, 1845 have been settled during same FY. Rest settled in following FY | 1793                     | 9                                 | Out of 1793, 1784 have been settled during same FY. Rest settled in following FY |

**4. Details of instances of product recalls on account of safety issues:**

|                 | Number   | Reasons for recall |
|-----------------|--|--------------------|
| Voluntary calls | Nil. There have not been any instances of product recalls. |                    |
| Forced calls    |  |                    |

**5. Does the company/entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Information Technology Policy at SAIL has a robust approach towards matters relating to IT. It includes matters concerning Information sensitivity, Acceptable use policy, Server security policy, Network infrastructure security policy, Database password Policy, Extranet Policy, Acceptable encryption policy, Dial-in access security policy, and Anti-virus policy.

For more details, please refer to the policy link: IT Security Policy.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Since there were no complaints for issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services, no corrective actions were taken for the same.

**7. Provide the following information related to data breaches**

- a. Number of instances of data breaches: No data breaches
- b. Percentage of data breaches involving personally identifiable information of customers: NA
- c. Impact, if any of the data breaches: NA

\*NA: Not applicable. Since there are no data breaches, b and c are not applicable.

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Platforms where information on products and services of the entity can be accessed are:

- 1) Website- [www.sail.co.in](http://www.sail.co.in)
- 2) Facebook- [www.facebook.com/SAILsteelofficial](https://www.facebook.com/SAILsteelofficial)
- 3) Twitter- [www.twitter.com/SAILSteel](https://www.twitter.com/SAILSteel)
- 4) Instagram- [www.instagram.com/steelaauthority](https://www.instagram.com/steelaauthority)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not applicable

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

In case of a disruption of essential service, SAIL informs its consumers via its Website, Stock Exchange notifications and or other social media channels. Besides that, our Marketing and customer management team regularly interacts with all our customers and dealers and gives intimation about any discontinuation of service.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regards to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes: In case of TMT bars, SAIL has introduced QR coding on stud welded tags in each bundles. It gives information about the product and also in case of one plant links it to the chemical and physical properties on scanning through an app. Also in products like PM Plate information regarding size grade and technical delivery condition is provided on the product. Moreover, SAIL has successfully rolled out implementation of the Made in India branding and labeling scheme on 4<sup>th</sup> November 2023. Accordingly, in addition to the standard labeling on its products, SAIL also places a QR code which, when scanned, authenticates the particular item on a secure third party server maintained by the Quality Council of India. This not only confirms the authenticity of the material but also verifies the product details such as producing plant, size, grade, heat number, etc., adding an additional level of assurance for customers and other stakeholders

Yes. Monthly Customer Satisfaction report is taken from all Key Account Customer. In addition service performance feedback is taken at servicing points like warehouses on monthly basis. In addition to this, customer Feedback Form is also available at SAIL's website: [https://www.sail-steel.com/cust\\_eng/feedback.jsp](https://www.sail-steel.com/cust_eng/feedback.jsp). Online Feedback is taken w.r.t product (viz: quality, dimensional tolerance, surface finish and packing) and Quality of service (viz: service relating to issuance of Delivery Order, enquiry, issuance of credit notes, time taken for truck turnaround in warehouse).



## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

Unique Id: SRA/IPRAS/003/2024

### Independent Practitioners' Reasonable Assurance Statement

To the Directors and Management  
Steel Authority of India Limited,  
Ispat Bhawan, Lodhi Road,  
New Delhi-110003, India

SR Asia is an international organization working in various domains of sustainability and assurance services having a presence in many countries. We promote sustainability through Research, CSR Project Implementation, Development projects, Project Management, International and National Conferences, Integrated and Sustainability Reporting, ESG Reporting, Capacity Building, and Third-Party Assurance Services. SR Asia is licensed by Accountability UK.

#### Scope of Work

SR Asia was engaged by SAIL (the 'Company') to conduct an independent assurance of the sustainability disclosures in the Business Responsibility and Sustainability Report (BRSR) Core Annexure-I (called 'Assured Sustainability Information' (ASI-1)) as per SEBI circular (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122) dated 12<sup>th</sup> July 2023 for the reporting period from 01.04.2023 to 31.03.2024.

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the BRSR Core (Annexure-1) have been prepared in accordance with the reporting criteria (refer table below).

| Assured Sustainability Information' (ASI) subjected to assurance | Period subject to assurance | Reporting criteria  |
|--|-----------------------------|---|
| BRSR Core (refer Annexure 1)                                     | 01.04.2023 to 31.03.2024    | Guidance notes for BRSR format and BRSR Core issued by SEBI<br>Regulation 34 (2) (f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) |

The work covered understanding of reporting boundary, systems and processes by reviewing documentation and information system in the Company, Project initiation meeting, sharing

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZL

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
9810059109 Email: [srasia.india@gmail.com](mailto:srasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam





## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

assurance methodology, Maturity analysis, online review of BRSR core data, indicator wise gap analysis report and closing meeting.

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, professionals of environmental and social aspects.

We do not express an assurance opinion on information in respect of any other information included in the BRSR report for FY 2023-24 or linked from the Sustainability Information or from the Annual Report 2024, including any advertisement, claims, images, audio files or embedded videos.

### Assessment criteria and references

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised).

We have performed a reasonable assurance engagement on BRSR core parameters and issued an independent assurance statement on 03.09.2024. SR Asia applies International Quality Management System (IQMS), Quality Management Firms that Perform Audits or Reviews of non-financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We have complied with the independence and other ethical requirements of the International Code of conduct.

### Intended use or purpose

The ASI and our Reasonable assurance statement are intended for users who have reasonable knowledge of the BRSR Core attributes, the reporting criteria and related references necessarily required for preparing the report.

The management of the Company acknowledge and understand their responsibility for:

- Designing, implementing and maintaining internal controls relevant to the preparation of the BRSR report that is free from material misstatement, whether due to fraud or error.
- Selecting or establishing suitable criteria for preparing the report, taking into account applicable laws and regulations, if any, related to reporting, identification of key aspects, engagement with stakeholders, content, preparation and presentation in accordance with the reporting criteria.
- Disclosure of the applicable criteria used for preparation of the relevant report/statement.

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZI.

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
9810059109 Email: [srasia.india@gmail.com](mailto:srasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

- Preparing/properly calculating the data and figures in accordance with the reporting criteria.
- Ensuring the reporting criteria is available for the intended users with relevant explanation.
- Establishing subjective targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures.
- Responsible for providing the details of the management personnel who take ownership of the disclosures in the report.
- Ensuring compliance with law, regulation or applicable contracts.
- Making judgments and estimates that are reasonable in the circumstances.
- Identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the reporting criteria.
- Preventing and detecting fraud.
- Selecting the content of the BRSR report, including identifying and engaging with intended users to understand their information needs.
- Informing us of other information that will be included with the BRSR report.

### Inherent limitations in preparing the Assurance statement

The preparation of the company's BRSR information requires the management to establish objective targets or interpret the criteria with respect to baseline data, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

- The assurance team conducted an online review of BRSR core data of IISCO and Rourkela steel plants, corporate office Delhi and regional office Kolkata.
- While deriving carbon emissions, the Company has used the WSA emissions factor and internally derived emissions factor.
- GHG data and other than GHG emissions were reported broadly for five integrated Steel Plants (Bhilai, Bokaro, Durgapur, IISCO, Rourkela)
- GHG accounting process is not standardized as per ISO14064-1/2/3 Year 2018/19. The validity of data could not be established as GHG data were not uniformly collected in excel formats, collated and reported.
- Measurement of certain parameters or data points and BRSR Core metrics, are subject to limitations in quantification models used, assumptions, or data conversion factor used or may be present in estimation of data used to arrive at results. Obtaining sufficient appropriate evidence to support our opinion does not reduce the above limitations.

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZL

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
9810059109 Email: [srasia.india@gmail.com](mailto:srasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

### Our responsibilities

We are responsible for:

- Planning and performing the engagement to provide reasonable assurance on the sustainability disclosures in the BRSR Core. This independent statement should not be relied upon to detect all errors, omissions, or misstatements that may exist within the BRSR Core or the supporting documents.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- Reporting our reasonable assurance opinion to the Directors of SAIL.
- SR Asia expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

### Exclusions

Our assurance scope excludes the following and therefore we will not express an opinion on the same:

- Data/information (qualitative or quantitative) other than ASI-1.
- Data and information outside the defined reporting period i.e., from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

### Summary of the work we performed as the basis for our opinion

We exercised professional judgment and maintained professional skepticism throughout the engagement.

We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

### Reasonable assurance opinion

We obtained an understanding of the internal controls relevant to the information subject to reasonable assurance to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the data and disclosure by the Company in preparing reasonable assurance information.

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZI.

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
9810059109 Email: [rsasia.india@gmail.com](mailto:rsasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

- evaluated the appropriateness of reporting policies, quantification methods used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the company; and
- evaluated the overall presentation of the information subject to reasonable assurance.

### Statement of independence, impartiality, and competence

SR Asia confirms NO relationships between the assurator team and the clients that can influence their independence and impartiality to conduct the assessment and generate the Statements. The assurator team is mandated to follow a particular assurance protocol and professional ethical code of conduct to ensure their objectivity and integrity. We carried out a pre-engagement assessment before the assurance work was taken to verify the risks of engagement as well as the independence and impartiality of the team. The assurator team members have knowledge of BRSR Core, ISO 26000, ISAE3000 standards and principles, and have experience in sustainability report assessment based on various reporting regulations, standards, and principles of NVGRBC.

#### ASI-1 BRSR Core Metrics

| Assured Sustainability Information   | Type of Assurance |
|--|-------------------|
| P6 E1- Details of total energy consumption (in Joules or multiples)  | Reasonable        |
| P6 E1- Details of total energy intensity   | Reasonable        |
| P6 E3- Provide details of water withdrawal by source   | Reasonable        |
| P6 E4- Provide details of water discharged   | Reasonable        |
| P6 E3- Provide details of water consumption  | Reasonable        |
| P6 E7- Provide details of greenhouse gas emissions (Scope 1)   | Reasonable        |
| P6 E7- Provide details of greenhouse gas emissions (Scope 2)   | Reasonable        |
| P6 E7 - Provide details of greenhouse gas emissions (Scope 1 and Scope 2) intensity  | Reasonable        |
| P6 E9- Provide details related to waste generated by category of waste   | Reasonable        |
| P6 E9 - Provide details related to waste recovered through recycling, reusing or other recovery operations   | Reasonable        |
| P6 E9- Provide details related to waste disposed by nature of disposal method  | Reasonable        |
| P3 E11-Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities  | Reasonable        |
| P9 E7- Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events  | Reasonable        |
| P5 E7- Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld | Reasonable        |

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZI.

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
9810059109 Email: [srasia.india@gmail.com](mailto:srasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



## Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

|   |            |
|---|------------|
| P1 E9- Concentration of purchases & sales done with trading houses, dealers, and related parties' loans and advances & investments with related parties (share of RPTs in purchases, sales, loans & advances and investments) | Reasonable |
| P1 E8- Number of days of accounts payable   | Reasonable |
| P8 E5- Job creation in smaller towns  | Reasonable |
| P3 E1c- Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company   | Reasonable |
| P5 E3b- Gross wages paid to females as % of wages paid  | Reasonable |
| P8 E4 - Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and from within India   | Reasonable |



Birendra Raturi  
 Director /Team Lead  
 Social Responsibility Asia (SR Asia)  
 Date: 3<sup>rd</sup> September 2024  
 Place: New Delhi India

CIN No: U93000DL2012NPL231376

GST: 07AAQCS9621N1ZL

Udyam Reg. No: UDYAM-UP-29-0003108

### Social Responsibility Asia (SR Asia)

**Corp. Office:** 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),  
 Uttar Pradesh 201010, INDIA Landline/Mobile: +91-120-4103023; +91-  
 9810059109 Email: [srasia.india@gmail.com](mailto:srasia.india@gmail.com) | Website: [www.sr-asia.org](http://www.sr-asia.org)

**Regd. Office:** A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

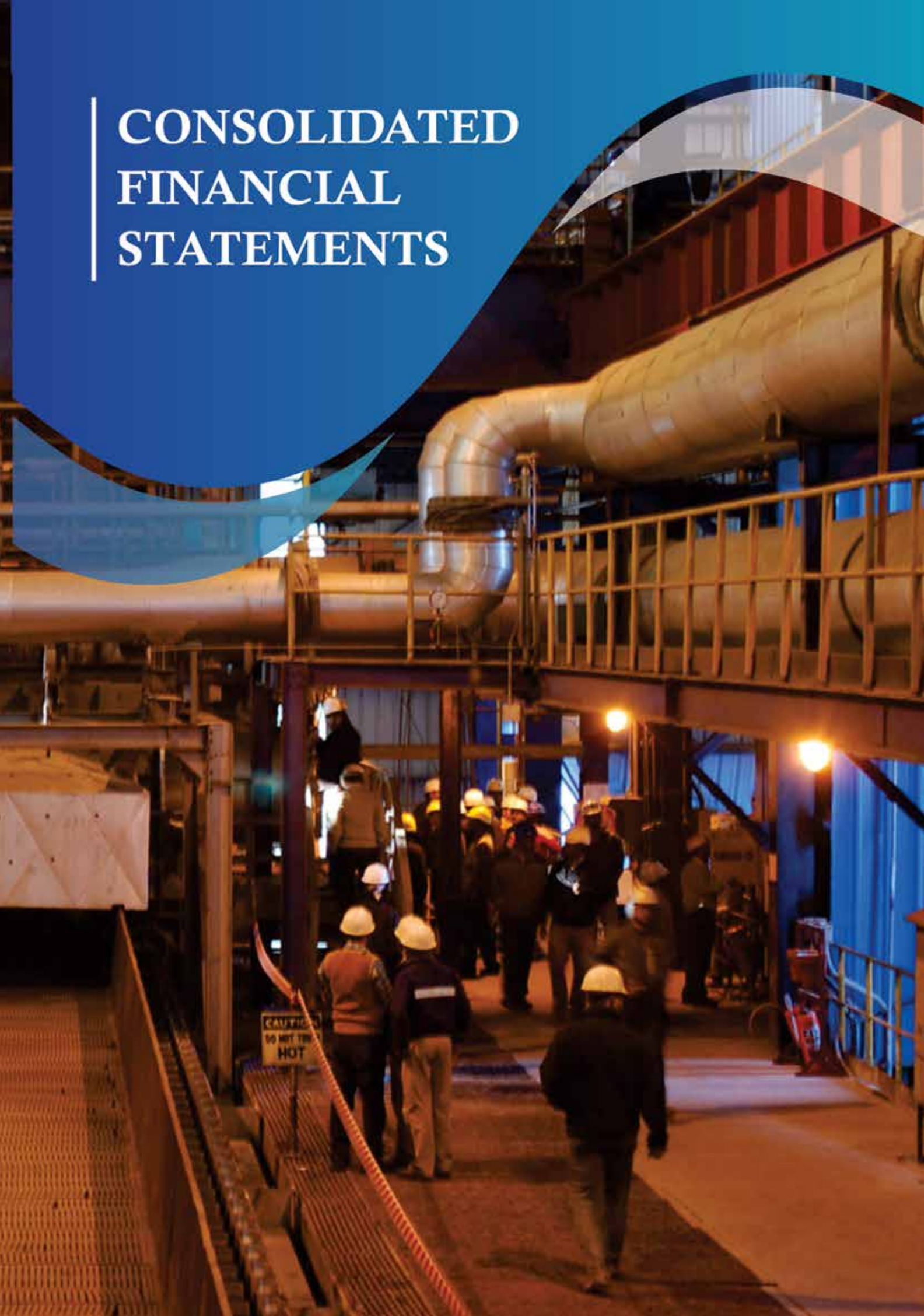
International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



CAUTION  
DO NOT TOUCH  
HOT

TRY GAS

# CONSOLIDATED FINANCIAL STATEMENTS





**STEEL AUTHORITY OF INDIA LIMITED**  
**Consolidated Balance Sheet**

As at 31<sup>st</sup> March, 2024

(₹ crore)

|  | Note No. | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |          |                                    |                                    |
| <b>Non-current assets</b>  |          |                                    |                                    |
| (a) Property, plant and equipment  | 4        | 65415.07                           | 67110.71                           |
| (b) Capital work-in-progress   | 5        | 6140.57                            | 4891.36                            |
| (c) Right of use assets  | 4a       | 5521.19                            | 4910.28                            |
| (d) Investment property  | 6        | 0.99                               | 1.03                               |
| (e) Other intangible assets  | 7        | 1488.86                            | 1521.04                            |
| (f) Investments accounted for using the equity method                                      |          | 4278.55                            | 3967.50                            |
| (g) Inventories  | 7a       | 4625.29                            | 4635.29                            |
| (h) Financial assets   |          |                                    |                                    |
| (i) Investments  | 8        | 310.47                             | 217.75                             |
| (ii) Trade receivables   | 9        | -                                  | -                                  |
| (iii) Loans  | 10       | 877.37                             | 655.26                             |
| (iv) Other financial assets  | 11       | 444.96                             | 370.73                             |
| (i) Income tax assets (net)  | 13       | 374.78                             | 595.49                             |
| (j) Other non-current assets   | 14       | 3092.79                            | 3614.01                            |
|  |          | <b>92570.89</b>                    | <b>92490.45</b>                    |
| <b>Current Assets</b>  |          |                                    |                                    |
| (a) Inventories  | 15       | 32721.45                           | 27764.90                           |
| (b) Financial assets   |          |                                    |                                    |
| (i) Trade receivables  | 16       | 8355.37                            | 5389.97                            |
| (ii) Cash and cash equivalents   | 17 (i)   | 69.38                              | 57.09                              |
| (iii) Bank balances other than (ii) above  | 17 (ii)  | 603.57                             | 493.55                             |
| (iv) Loans   | 18       | 28.31                              | 35.29                              |
| (v) Other financial assets   | 19       | 1369.07                            | 1229.83                            |
| (c) Income tax assets  |          | 433.11                             | -                                  |
| (d) Other current assets   | 20       | 4542.32                            | 2990.73                            |
|  |          | <b>48122.58</b>                    | <b>37961.36</b>                    |
| Assets classified as held for sale   | 21       | 15.11                              | 29.28                              |
|  |          | <b>140708.58</b>                   | <b>130481.09</b>                   |
| <b>TOTAL ASSETS</b>  |          |                                    |                                    |
| <b>EQUITY AND LIABILITIES</b>  |          |                                    |                                    |
| <b>Equity</b>  |          |                                    |                                    |
| (a) Equity share capital   | 22       | 4130.53                            | 4130.53                            |
| (b) Other equity   | 23       | 52970.69                           | 50616.14                           |
| (c) Non-controlling interest   |          | 0.01                               | 0.01                               |
|  |          | <b>57101.23</b>                    | <b>54746.68</b>                    |
| <b>Liabilities</b>   |          |                                    |                                    |
| <b>Non-current liabilities</b>   |          |                                    |                                    |
| (a) Financial liabilities  |          |                                    |                                    |
| (i) Borrowings   | 24       | 9568.21                            | 6112.58                            |
| (i)a) Lease liabilities  |          | 5235.25                            | 4737.13                            |
| (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 |          | 6.07                               | 3.31                               |
| (iii) Other financial liabilities  | 26       | 1449.99                            | 1429.00                            |
| (b) Provisions   | 27       | 5737.42                            | 5616.63                            |
| (c) Deferred tax liabilities (net)   | 12       | 6285.50                            | 5821.27                            |
| (d) Other non-current liabilities  | 28       | 1860.49                            | 2680.21                            |
|  |          | <b>30142.93</b>                    | <b>26400.13</b>                    |
| <b>Current liabilities</b>   |          |                                    |                                    |
| (a) Financial liabilities  |          |                                    |                                    |
| (i) Borrowings   | 29       | 21032.76                           | 19549.20                           |
| (i)a) Lease liabilities  |          | 486.43                             | 374.52                             |
| (ii) Trade payables  | 30       |                                    |                                    |
| (a) total outstanding dues of micro enterprises and small enterprises                      |          | 498.06                             | 448.62                             |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 14834.33                           | 13893.08                           |
| (iii) Other financial liabilities  | 31       | 10543.57                           | 10150.20                           |
| (b) Other current liabilities  | 32       | 4565.97                            | 3533.85                            |
| (c) Provisions   | 33       | 1294.11                            | 1381.68                            |
| (d) Current tax liabilities (net)  | 34       | 209.19                             | 3.13                               |
|  |          | <b>53464.42</b>                    | <b>49334.28</b>                    |
|  |          | <b>140708.58</b>                   | <b>130481.09</b>                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          |                                    |                                    |
| Material Accounting Policies   | 3        |                                    |                                    |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

In terms of our report of even date

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391



**STEEL AUTHORITY OF INDIA LIMITED**  
**Consolidated Statement of Profit and Loss**
**For the year ended 31<sup>st</sup> March, 2024**

(₹ crore)

|  | Note No. | Year ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2023 |
|--|----------|--|--|
| <b>Income</b>  |          |  |  |
| Revenue from operations  | 35       | <b>105378.33</b>                           | 104447.72                                  |
| Other income   | 36       | <b>1066.96</b>                             | 950.36                                     |
| <b>Total Income</b>  |          | <b>106445.29</b>                           | <b>105398.08</b>                           |
| <b>Expenses</b>  |          |  |  |
| Cost of materials consumed   | 37       | <b>57709.26</b>                            | 62179.91                                   |
| Changes in inventories of finished goods, work in progress and by-products   | 38       | <b>(3354.77)</b>                           | (5154.71)                                  |
| Employee benefits expense  | 39       | <b>11765.72</b>                            | 12071.53                                   |
| Finance costs  | 40       | <b>2473.86</b>                             | 2037.47                                    |
| Depreciation and amortisation expense  |          | <b>5278.37</b>                             | 4963.54                                    |
| Other expenses   | 41       | <b>28108.81</b>                            | 27311.56                                   |
| <b>Total expenses</b>  |          | <b>101981.25</b>                           | <b>103409.30</b>                           |
| <b>Profit before Exceptional items, share of net profits of investment accounted for using equity method and tax</b> |          | <b>4464.04</b>                             | <b>1988.78</b>                             |
| Share of Profit in investments accounted for using equity method   |          | <b>438.61</b>                              | 645.67                                     |
| <b>Profit before Exceptional items and tax</b>   |          | <b>4902.65</b>                             | <b>2634.45</b>                             |
| Add/(Less): Exceptional items  | 41a      | <b>(840.84)</b>                            | 257.99                                     |
| <b>Profit before tax</b>   |          | <b>4061.81</b>                             | <b>2892.44</b>                             |
| <b>Tax expense</b>   |          |  |  |
| Current tax  |          | <b>612.79</b>                              | 125.47                                     |
| Deferred tax   |          | <b>382.35</b>                              | 590.44                                     |
| Total tax expense  |          | <b>995.14</b>                              | 715.91                                     |
| <b>Profit for the year</b>   |          | <b>3066.67</b>                             | <b>2176.53</b>                             |
| <b>Other Comprehensive income</b>  |          |  |  |
| A (i) Items that will not be reclassified to profit or loss  |          |  |  |
| Remeasurement of defined benefit plans   |          | <b>(196.64)</b>                            | (634.43)                                   |
| Gain and losses from investments in equity instruments designated at fair value through OCI                          |          | <b>73.90</b>                               | 66.94                                      |
| Others   |          | <b>0.00</b>                                | 0.00                                       |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                    |          |  |  |
|  |          | <b>0.55</b>                                | 128.39                                     |
| 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                               |          | <b>29.65</b>                               | 139.98                                     |
| (ii) Income tax relating to items that will be reclassified to profit or loss  |          |  |  |
|  |          | <b>-</b>                                   | -  |
| <b>Other Comprehensive Income for the year</b>   |          | <b>(92.54)</b>                             | (299.12)                                   |
| <b>Total Comprehensive Income for the year</b>   |          | <b>2974.13</b>                             | <b>1877.41</b>                             |
| <b>Profit attributable to:</b>   |          |  |  |
| Owners of the parent   |          | <b>3066.67</b>                             | 2176.53                                    |
| Non-controlling interest   |          | <b>-</b>                                   | -  |
|  |          | <b>3066.67</b>                             | <b>2176.53</b>                             |
| <b>Total Comprehensive Income for the year</b>   |          |  |  |
| Owners of the parent   |          | <b>2974.13</b>                             | 1877.41                                    |
| Non-controlling interest   |          | <b>-</b>                                   | -  |
|  |          | <b>2974.13</b>                             | <b>1877.41</b>                             |
| <b>Earnings per equity share</b>   |          |  |  |
| Number of equity shares (face value ₹10/- each)  |          | <b>4130525289</b>                          | 4130525289                                 |
| Basic and diluted earnings per share (₹)   | 41b      | <b>7.42</b>                                | 5.27                                       |
| Material Accounting Policies   | 3        |  |  |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
 Company Secretary  
 M. No. A17770

**[Amarendu Prakash]**  
 Chairman  
 DIN: 08896653

*In terms of our report of even date*
**For Walker Chandio & Co LLP**  
 Chartered Accountants

Firm Registration No.001076N/N500013

**[Nalin Jain]**  
 Partner  
 M. No. 503498

**For J N Gupta & Co LLP**  
 Chartered Accountants

Firm Registration No.006569C/W100892

**[Devendra Upadhyay]**  
 Partner  
 M. No. 076727

**For S P A R K & Associates Chartered**  
 Accountants LLP

 Chartered Accountants  
 Firm Registration No.005313C/C400311

**[Nilesh Gupta]**  
 Partner  
 M. No. 406020

**For Vinod Singhal & Co LLP**  
 Chartered Accountants

 Firm Registration No.  
 005826C/C400276

**[Vinod Kumar Singhal]**  
 Partner  
 M. No. 074391

Place : New Delhi

Dated : May 20, 2024



**STEEL AUTHORITY OF INDIA LIMITED**  
**Consolidate Statement of changes in equity**

**For the year ended 31<sup>st</sup> March, 2024**

**A. Equity Share Capital**

(₹ crore)

| Particulars                         | Balance as at 1 <sup>st</sup> April, 2023 | Changes in equity share capital | Balance as at 31 <sup>st</sup> March, 2024 |
|-------------------------------------|---|---------------------------------|--|
| Equity shares with voting rights    | 4130.42                                   | -                               | 4130.42                                    |
| Equity shares without voting rights | 0.11                                      | -                               | 0.11                                       |
| <b>Total</b>                        | <b>4130.53</b>                            | <b>-</b>                        | <b>4130.53</b>                             |
| Particulars                         | Balance as at 1 <sup>st</sup> April, 2022 | Changes in equity share capital | Balance as at 31 <sup>st</sup> March, 2023 |
| Equity shares with voting rights    | 4130.42                                   | -                               | 4130.42                                    |
| Equity shares without voting rights | 0.11                                      | -                               | 0.11                                       |
| <b>Total</b>                        | <b>4130.53</b>                            | <b>-</b>                        | <b>4130.53</b>                             |

**B. Other Equity**

(₹ crore)

| Particulars   | Reserves and Surplus |                    |                 |                         |                   | Other comprehensive Income - Reserve                  |   | Total other equity | Non-controlling interest | Total           |
|---|----------------------|--------------------|-----------------|-------------------------|-------------------|---|---|--------------------|--------------------------|-----------------|
|   | Capital Reserve      | Securities Premium | General Reserve | Bond Redemption Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | Investment accounted for as equity method |                    |                          |                 |
| <b>Balance as at 1<sup>st</sup> April, 2023</b>             | 511.67               | 235.10             | 5112.67         | 373.71                  | 43863.48          | 152.48  | 367.03                                    | 50616.14           | 0.01                     | 50616.15        |
| Profit for the year   | -                    | -                  | -               | -                       | 3066.67           | -   | -   | 3066.67            | -                        | 3066.67         |
| Other comprehensive income/(loss) for the year (net of tax) | -                    | -                  | -               | -                       | (179.18)          | 56.99   | 29.65                                     | (92.54)            | -                        | (92.54)         |
| <b>Total comprehensive income for the year</b>              | <b>-</b>             | <b>-</b>           | <b>-</b>        | <b>-</b>                | <b>2887.49</b>    | <b>56.99</b>  | <b>29.65</b>                              | <b>2974.13</b>     | <b>-</b>                 | <b>2974.13</b>  |
| Transfer from bond redemption reserve                       | -                    | -                  | -               | (249.93)                | 249.93            | -   | -   | -                  | -                        | -               |
| Transfer to General Reserve                                 | -                    | -                  | 2.02            | -                       | (2.02)            | -   | -   | -                  | -                        | -               |
| <b>Transaction with owners in their capacity as owners</b>  |                      |                    |                 |                         |                   |   |   |                    |                          |                 |
| Equity dividends  | -                    | -                  | -               | -                       | (619.58)          | -   | -   | (619.58)           | -                        | (619.58)        |
| <b>Balance as at 31<sup>st</sup> March, 2024</b>            | <b>511.67</b>        | <b>235.10</b>      | <b>5114.69</b>  | <b>123.78</b>           | <b>46379.30</b>   | <b>209.47</b>   | <b>396.68</b>                             | <b>52970.69</b>    | <b>0.01</b>              | <b>52970.70</b> |
| <b>Balance as at 1<sup>st</sup> April, 2022</b>             | 511.67               | 235.10             | 5110.90         | 530.97                  | 43364.60          | 100.86  | 227.05                                    | 50081.15           | 0.01                     | 50081.16        |
| Profit for the year   | -                    | -                  | -               | -                       | 2176.53           | -   | -   | 2176.53            | -                        | 2176.53         |
| Other comprehensive income/(loss) for the year (net of tax) | -                    | -                  | -               | -                       | (490.72)          | 51.62   | 139.98                                    | (299.12)           | -                        | (299.12)        |
| <b>Total comprehensive income for the year</b>              | <b>-</b>             | <b>-</b>           | <b>-</b>        | <b>-</b>                | <b>1685.81</b>    | <b>51.62</b>  | <b>139.98</b>                             | <b>1877.41</b>     | <b>-</b>                 | <b>1877.41</b>  |
| Transfer from bond redemption reserve                       | -                    | -                  | -               | (157.26)                | 157.26            | -   | -   | -                  | -                        | -               |
| Transfer to General Reserve                                 | -                    | -                  | 1.77            | -                       | (1.77)            | -   | -   | -                  | -                        | -               |
| <b>Transaction with owners in their capacity as owners</b>  |                      |                    |                 |                         |                   |   |   |                    |                          |                 |
| Equity dividends  | -                    | -                  | -               | -                       | (1342.42)         | -   | -   | (1342.42)          | -                        | (1342.42)       |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>            | <b>511.67</b>        | <b>235.10</b>      | <b>5112.67</b>  | <b>373.71</b>           | <b>43863.48</b>   | <b>152.48</b>   | <b>367.03</b>                             | <b>50616.14</b>    | <b>0.01</b>              | <b>50616.15</b> |

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

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

In terms of our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024

## STEEL AUTHORITY OF INDIA LIMITED Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March, 2024

(₹ crore)

|  | Year ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2023 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Profit before tax  | 4061.81                                    | 2892.44                                    |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortisation expenses   | 5278.37                                    | 4963.54                                    |
| Impairment loss  | -  | 9.10                                       |
| Gain on disposal of fixed assets (net)   | (130.00)                                   | (49.50)                                    |
| Interest income  | (316.52)                                   | (290.07)                                   |
| Dividend income  | (5.52)                                     | (5.15)                                     |
| Finance costs  | 2473.86                                    | 2037.47                                    |
| Allowance for doubtful debts, loans and advances   | 63.07                                      | 116.47                                     |
| Other allowances   | 149.27                                     | 239.40                                     |
| Share of profit from joint ventures  | (438.61)                                   | (645.67)                                   |
| Unclaimed balances and excess allowances written back  | (471.71)                                   | (405.03)                                   |
| <b>Operating Profit before working capital changes</b>                                       | <b>10664.02</b>                            | <b>8863.00</b>                             |
| <b>Changes in assets and liabilities:</b>  |  |  |
| Trade receivables  | (2999.24)                                  | (718.04)                                   |
| Loans, other financial assets and other assets   | (1422.58)                                  | (797.69)                                   |
| Trade payable  | 993.45                                     | (2334.69)                                  |
| Other financial liabilities and other liabilities  | 980.98                                     | (1295.79)                                  |
| Provisions   | (163.42)                                   | (150.68)                                   |
| Inventories  | (5038.74)                                  | (8434.91)                                  |
| <b>Cash flow from operating activities post working capital changes</b>                      | <b>3014.47</b>                             | <b>(4868.80)</b>                           |
| Income tax paid (net)  | (103.59)                                   | (421.35)                                   |
| <b>Net cash generated/(used) in operating activities (A)</b>                                 | <b>2910.88</b>                             | <b>(5290.15)</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |  |
| Purchase of property, plant & equipment (including capital work-in-progress) and intangibles | (4710.69)                                  | (3921.64)                                  |
| Proceeds from sale/disposal of property, plant & equipment                                   | 503.16                                     | 399.55                                     |
| Movement in fixed deposits (net)   | (254.60)                                   | (55.90)                                    |
| Interest received  | 196.07                                     | 201.86                                     |
| Dividend received  | 5.52                                       | 5.15                                       |
| <b>Net cash used in investing activities (B)</b>   | <b>(4260.54)</b>                           | <b>(3370.98)</b>                           |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |  |
| Proceeds from long-term borrowings   | 5000.00                                    | -  |
| Repayment of long-term borrowings  | (2494.93)                                  | (1278.57)                                  |
| Proceeds/(repayment) of short-term borrowings (net)  | 2434.12                                    | 13554.70                                   |
| Lease liabilities  | (801.03)                                   | (267.07)                                   |
| Finance cost paid  | (2156.63)                                  | (2079.96)                                  |
| Dividend paid  | (619.58)                                   | (1342.42)                                  |
| <b>Net cash generated in financing activities (C)</b>  | <b>1361.95</b>                             | <b>8586.68</b>                             |
| <b>D. Net change in cash and cash equivalents (A+B+C)</b>                                    | <b>12.29</b>                               | <b>(74.45)</b>                             |
| <b>Cash and cash equivalents at the beginning of the year</b>                                | <b>57.09</b>                               | <b>131.54</b>                              |
| <b>Cash and cash equivalents at the end of the year*</b>                                     | <b>69.38</b>                               | <b>57.09</b>                               |

\* Includes balance with banks in current accounts, cheques in hand, term deposits and stamps in hand.

Borrowings include non cash item on account of foreign exchange loss of ₹ 1.72 crores (previous year - ₹ 18.71 crore).

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

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

For and on behalf of the Board of Directors

[M.B. Balakrishnan]  
Company Secretary  
M. No. A17770

[Amarendu Prakash]  
Chairman  
DIN: 08896653

In terms of our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

For J N Gupta & Co LLP  
Chartered Accountants  
Firm Registration No.006569C/W100892

For S P A R K & Associates Chartered  
Accountants LLP  
Chartered Accountants  
Firm Registration No.005313C/C400311

For Vinod Singhal & Co LLP  
Chartered Accountants  
Firm Registration No.  
005826C/C400276

[Nalin Jain]  
Partner  
M. No. 503498

[Devendra Upadhyay]  
Partner  
M. No. 076727

[Nilesh Gupta]  
Partner  
M. No. 406020

[Vinod Kumar Singhal]  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024



## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2024

### 1. Corporate Information

#### Nature of Operation

Steel Authority of India Limited ('SAIL' or the 'Parent Company'), a public sector undertaking conferred with Maharatna status by Government of India and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), its joint ventures and its associate is engaged primarily in steel manufacturing business in the country.

#### General information and statement of compliance with Ind AS

The consolidated financial statements of the Group and joint ventures & associate have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. The Group has uniformly applied the accounting policies during the periods presented.

These consolidated financial statements (the 'financial statements') for the year ended 31<sup>st</sup> March, 2024 were approved by the Board of Directors and authorised for issue in their meeting held on 20<sup>th</sup> May, 2024.

### 2. Summary of material 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 consolidated financial statements have been prepared on going concern basis under the historical cost basis except for the following assets and liabilities which have been measured at fair value in accordance with the requirements of the relevant Ind AS:

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

#### Basis of consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31<sup>st</sup> March, 2021.

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.

#### Associate and Joint ventures

#### Associate

Investment in entity in which there exists significant influence but not a controlling interest is 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 acquired assets 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 be 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, assumptions and management judgements

In preparing the financial statements in conformity with Ind AS and Group's accounting policies, management is required to make estimates, assumptions and judgements that affect reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures as at the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Actual results could differ from those estimates.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

A summary of the material 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

The Group has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as on April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment. Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties, non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

In case of constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

The excess of net sale proceeds of items produced during testing over the cost of testing, if any, shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Spares having useful life of more than one year and having value of ₹10 lakh or more in each case, are capitalised under the respective heads as and when available for use. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Capital work-in-progress comprises of assets in the course of construction for production and/or supply of goods or services or administrative purposes are carried at cost less any recognised impairment loss. At the point when an asset is operating as intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use as intended by the management.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Claims for liquidated damages are accounted for as and when these are considered recoverable by the Group.

In the event that construction is not completed by an agreed upon date, or if the asset does not meet certain performance or other requirements outlined in the contract, certain construction agreements provide for the payment of liquidated damages by the contractor to the group for the asset under construction. Liquidated damages represent compensation for a reasonable estimate of the companies cost associated with a delay or less than expected performance.

The payments received by the group from the contractor is presumed to be a reduction of the cost of the asset being constructed, to the extent liquidated damages are reimbursements of direct and incremental costs incurred by the group as a result of the contractor's breach is credited to the asset.

In cases other than above, the claim for liquidation damages are credited to statement of profit and loss.

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

#### 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 repair of ₹50 lakh or more of property, plant and equipment is recognised in the carrying amount of the respective 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.

### 3.2 Depreciation

Depreciation on property, plant and equipment 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 asset, as specified in Schedule II of the Companies Act, 2013 except in case of following category of assets, where useful life is determined by technical experts. The useful life estimated 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.

Freehold land is not depreciated.

The estimated useful lives and residual values of depreciable/ amortisable assets are reviewed at each year end, with the effect of any changes in estimates 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.

### 3.3 Intangible assets

Group has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

#### Mining Rights

Mining rights are treated as Intangible Assets and all related costs thereof are amortised using the unit of production basis over the commercially recoverable reserves. In case the mining rights are not renewed, the balance related cost paid is charged to revenue in the year of decision of non-renewal.

Acquisition Cost i.e. cost associated with acquisition of licenses, and rights to explore including related professional fees, payment towards statutory forestry

clearances, as and when incurred, are treated as addition to the Mining Rights.

#### Other Intangible Assets

Other intangible assets are amortised on straight-line method over the expected duration of benefits. Software, which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

#### Research and development

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

#### 3.3.1 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.

#### 3.3.2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

#### 3.4 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognised as a component of the mining 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 be incurred to access ore is charged to revenue, based on stripping ratio as per five-year mining plan for mines, except collieries which is based on project report.

#### 3.5 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.

An assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

### 3.6 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 and included within borrowing costs. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which these are incurred.

### 3.7 Inventories

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

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

The basis of determining cost is:

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

The sub-grade iron ore fines and Tailings generated over time at the captive mines of the Group have been considered as inventory w.e.f. 01.04.2019 and 01.04.2020 respectively and were assigned values in the books of accounts considering it as immaterial by-products.

De-silted Tailings (Slime) have been considered as inventory to the extent of % age quantity of iron ore embedded in the Tailings and valued at lower of cost minus beneficiation charges in the year of recognition and net realisable value.

The cost of Iron scrap embedded in BF Slag has been calculated at 75% of the variable cost of Hot Metal minus the cost of extraction of scrap in the year of recognition and valued at lower of cost and net realisable value of the item.

The cost of Steel scrap embedded in LD Slag has been calculated at 75% of the variable cost of Crude Steel minus the cost of extraction of scrap in the year of recognition and valued at lower of cost and net realisable value of the item.

Finished/Semi-finished products Cost of purchase, cost of conversion and other appropriate share of costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

### 3.8 Government Grants

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

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

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

### 3.9 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. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of reporting period.

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.

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 (Revised) notified by Government of India on 31<sup>st</sup> March, 2009 (as amended on 29<sup>th</sup> December, 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31<sup>st</sup> March, 2016. Accordingly, for foreign currency



loans taken before 31<sup>st</sup> March, 2016, for adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31<sup>st</sup> March 2016, exchange differences arising on settlement or translation of long term monetary items are recognised in statement of profit or loss.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the Statement of profit and loss for the period.

### 3.10 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

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

### 3.11 Revenue Recognition

The Group manufactures and sells a range of steel and other products.

#### Sale of Goods

Sales are net of Goods and Services Tax (GST), rebates and price concessions. Sales are recognised when it satisfies 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. In case of rails supplied to the Indian Railways, sales are accounted for based on the final price approved by the Railway Board. However, in absence of the same, sales are considered on the latest price available with the Group i.e. provisional price approved by the Railway Board, or fair price recommended by the Office of the Chief Advisor-Cost, or price as recommended by the Joint Pricing Committee (JPC).

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 letter of credit of respective contracts, whichever is earlier.

#### Other Operating Income

Export incentives under various schemes are recognised as "Other Operating Income" when the right to receive incentives arises and the realisation of the same is considered highly probable.

#### Other Income

##### Interest and dividend income

Interest income is accrued on a time proportion basis, by reference to the principal amount outstanding and the effective interest rate applicable.

Interest on delayed realization from customers are accounted for, when there is certainty of realisation and can be measured reliably.

Dividend income is recognised when the right to receive dividend is established.

### 3.12 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



### Group as a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of Profit & Loss on a straight-line basis over the lease term. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

### Group as a Lessor

#### Finance leases

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

### Operating leases

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

### 3.13 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.

### 3.14 Mine Closure

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

### 3.15 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions and Contingent Liabilities

A Provision is recognised when the Group has present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and 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. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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.

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 and are disclosed only where an inflow of economic benefits is probable.

### **3.16 Income Taxes**

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent that the tax relates to the items that are recognised directly in Other Comprehensive Income (OCI) or in equity in which case the related tax is recognised either directly in OCI or equity accordingly.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. The Group offsets current tax assets and current tax liabilities when the legally enforceable right to offset exists and they are intended to be settled net or realised simultaneously.

Deferred income taxes are calculated using the balance sheet liability method/approach. 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 or deductible temporary difference will be utilised against future taxable income. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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.

The Group offsets deferred income tax assets and liabilities when the legally enforceable right to offset current tax assets and liabilities exists and they are intended to be settled or realised simultaneously.

### **3.17 Financial Instruments**

#### **Recognition, initial measurement and de-recognition**

Financial assets and financial liabilities are recognised

when the Group becomes a party to the contractual provisions of the instrument and are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, except for those which are classified at Fair Value through Profit & Loss (FVTPL) at inception, are adjusted with the fair value on initial recognition.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires, or has been transferred, and the Group has transferred all substantial risks and rewards of ownership. A financial liability (or a part of financial liability) is derecognised when the obligation specified in the contract is extinguished or discharged or 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 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 receivables and most of other receivables fall into this category of financial instruments.

#### **Financial assets at FVTPL**

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognised in Statement of Profit and 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.

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 and 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 Statement of Profit and Loss. All derivative financial instruments are accounted for at FVTPL.

### Embedded Derivatives

Some hybrid financial liability contracts contain both derivative and a non-derivative component. In such cases, the derivative component is termed as embedded derivative, with a non-derivative component representing the host financial liability contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract and the contract itself is not measured at FVTPL, the embedded derivative is bifurcated and reported at fair value, with gains and losses recognised in net gains (losses) on financial assets/liabilities at fair value through profit or loss (FVTPL). The host financial liability is accounted for in accordance with the appropriate Ind AS.

### Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) **Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) **Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) **Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### 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 measured at amortised cost or at fair value through other comprehensive income.

ECL is the weighted average 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

Trade receivables are recognised initially at fair value based on amounts exchanged and subsequently at amortised cost less any impairment as per Ind AS 109.

### Offsetting of financial instruments

Financial assets and liabilities are offset, with net amount reported in the balance sheet, only 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 both in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 3.18 Investments in subsidiaries, joint ventures, associates and equity Instruments

Investment in subsidiaries, associate and joint ventures are carried at cost less accumulated impairment, if any in the Group's standalone financial statements in accordance with Ind AS- 27, 'Separate Financial Statements'.

Investments in equity instruments, where the Group has opted to classify such instruments at fair value through other comprehensive income (FVTOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

### 3.19 Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets.

The Group has eight operating segments: five integrated steel plants and three alloy steel plants, being separate manufacturing units, have been considered reportable operating 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 has different requirements in terms of technology, raw material 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 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.

### 3.20 Earnings per share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

### 3.21 Significant Judgements, Assumptions and Estimations in applying Accounting Policies

#### 3.21.1 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

#### 3.21.2 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 based on current interpretation of scientific and legal data and existing technology, in addition to assumptions about probability and future costs.

#### 3.21.3 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.

#### 3.21.4 Inventories

The Group estimates the cost of inventories taking into account the most reliable evidence, such as cost

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

#### 3.21.5 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.

#### 3.21.6 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.

#### 3.21.7 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.

#### 3.21.8 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.

#### 3.21.9 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 / IMPAIRMENT |                |                         |            |                                    | NET BLOCK                          |
|---|------------------------------------|-------------------------|-------------------------|------------------------------------|--|----------------|-------------------------|------------|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2023 | Additions /Adjust-ments | Disposals /Adjust-ments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023                   | For the Year   | Disposals /Adjust-ments | Impairment | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. PLANTS, MINES &amp; OTHERS</b>                            |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| Land  |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| - Freehold land   | 363.53                             | 3.91                    | 0.04                    | 367.40                             | 0.81   | -              | -                       | -          | 0.81                               | 366.59                             |
| Buildings and related equipments                                | 5327.98                            | 32.72                   | (24.43)                 | 5385.13                            | 2427.12  | 121.25         | 0.05                    | -          | 2548.32                            | 2836.81                            |
| Plant and machinery   |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| - Steel plant   | 102581.72                          | 2469.64                 | 537.69                  | 104513.67                          | 43117.62   | 4197.19        | 273.86                  | -          | 47040.95                           | 57472.72                           |
| - Others  | 3690.57                            | 285.55                  | 57.18                   | 3918.94                            | 2440.70  | 157.14         | 59.60                   | -          | 2538.24                            | 1380.70                            |
| Furniture and fixtures  | 151.87                             | 6.88                    | 0.68                    | 158.07                             | 127.67   | 5.38           | 0.44                    | -          | 132.61                             | 25.46                              |
| Vehicles  | 1612.20                            | 79.78                   | 10.37                   | 1681.61                            | 1119.21  | 75.98          | 5.52                    | -          | 1189.67                            | 491.94                             |
| Office equipments   | 64.44                              | 2.83                    | 2.54                    | 64.73                              | 55.51  | 2.03           | 2.34                    | -          | 55.20                              | 9.53                               |
| Miscellaneous articles  | 441.55                             | 38.72                   | 1.55                    | 478.72                             | 288.40   | 21.64          | 1.38                    | -          | 308.66                             | 170.06                             |
| Roads, bridges & culverts                                       | 554.26                             | 62.30                   | 0.01                    | 616.55                             | 406.59   | 32.22          | -                       | -          | 438.81                             | 177.74                             |
| Water supply & sewerage   | 822.37                             | 108.03                  | (5.93)                  | 936.33                             | 509.44   | 28.34          | 0.37                    | -          | 537.41                             | 398.92                             |
| EDP equipments  | 478.86                             | 59.74                   | 4.77                    | 533.83                             | 409.90   | 19.83          | 10.05                   | -          | 419.68                             | 114.15                             |
| Railway lines and sidings                                       | 1098.69                            | 21.77                   | 7.84                    | 1112.62                            | 377.07   | 34.30          | 0.11                    | -          | 411.26                             | 701.36                             |
| <b>Sub-total 'A'</b>  | <b>117188.04</b>                   | <b>3171.87</b>          | <b>592.31</b>           | <b>119767.60</b>                   | <b>51280.04</b>                                      | <b>4695.30</b> | <b>353.72</b>           | <b>-</b>   | <b>55621.62</b>                    | <b>64145.98</b>                    |
| <b>B. SOCIAL FACILITIES</b>                                     |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| Land  |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| - Freehold land   | 10.89                              | 0.01                    | -                       | 10.90                              | -  | -              | -                       | -          | -                                  | 10.90                              |
| Buildings and related equipments                                | 1150.02                            | 19.60                   | 0.09                    | 1169.53                            | 499.35   | 21.54          | 0.04                    | -          | 520.85                             | 648.68                             |
| Plant and machinery   | 261.79                             | 33.68                   | 2.87                    | 292.60                             | 140.84   | 11.26          | 2.31                    | -          | 149.79                             | 142.81                             |
| Furniture and fixtures  | 29.28                              | 3.49                    | 0.52                    | 32.25                              | 25.00  | 1.32           | 0.29                    | -          | 26.03                              | 6.22                               |
| Vehicles  | 11.93                              | 0.67                    | 0.47                    | 12.13                              | 9.79   | 0.56           | 0.52                    | -          | 9.83                               | 2.30                               |
| Office equipments   | 4.22                               | 1.60                    | 0.01                    | 5.81                               | 3.69   | 0.37           | -                       | -          | 4.06                               | 1.75                               |
| Miscellaneous articles  | 328.72                             | 30.72                   | 7.54                    | 351.90                             | 188.28   | 24.81          | 4.25                    | -          | 208.84                             | 143.06                             |
| Roads, bridges & culverts                                       | 200.09                             | 92.55                   | 7.51                    | 285.13                             | 132.76   | 24.19          | 1.58                    | -          | 155.37                             | 129.76                             |
| Water supply & sewerage   | 313.12                             | 2.90                    | 0.81                    | 315.21                             | 167.41   | 8.26           | 0.48                    | -          | 175.19                             | 140.02                             |
| EDP equipments  | 12.01                              | 0.30                    | 0.36                    | 11.95                              | 10.56  | 0.54           | 0.30                    | -          | 10.80                              | 1.15                               |
| <b>Sub-total 'B'</b>  | <b>2322.07</b>                     | <b>185.52</b>           | <b>20.18</b>            | <b>2487.41</b>                     | <b>1177.68</b>                                       | <b>92.85</b>   | <b>9.77</b>             | <b>-</b>   | <b>1260.76</b>                     | <b>1226.65</b>                     |
| <b>C. Property, plant and equipment retired from active use</b> |                                    |                         |                         |                                    |  |                |                         |            |                                    |                                    |
| Assets retired from active use                                  | <b>58.32</b>                       | <b>25.44</b>            | <b>41.32</b>            | <b>42.44</b>                       | <b>-</b>   | <b>-</b>       | <b>-</b>                | <b>-</b>   | <b>-</b>                           | <b>42.44</b>                       |
| <b>Total ('A'+ 'B'+ 'C')</b>                                    | <b>119568.43</b>                   | <b>3382.83</b>          | <b>653.81</b>           | <b>122297.45</b>                   | <b>52457.72</b>                                      | <b>4788.15</b> | <b>363.49</b>           | <b>-</b>   | <b>56882.38</b>                    | <b>65415.07</b>                    |

**4: PROPERTY, PLANT AND EQUIPMENT (Contd.)**

(₹ crore)

| Description   | GROSS BLOCK                        |                         |                         |                                    | ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT |                |                         |               | NET BLOCK                          |                                    |
|---|------------------------------------|-------------------------|-------------------------|------------------------------------|--|----------------|-------------------------|---------------|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2022 | Additions / Adjustments | Disposals / Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022                   | For the Year   | Disposals / Adjustments | Impairment    | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. PLANTS, MINES &amp; OTHERS</b>                            |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| Land  |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| - Freehold land   | 359.41                             | 4.16                    | 0.04                    | 363.53                             | 0.81   | -              | -                       | -             | 0.81                               | 362.72                             |
| - Leasehold land  | 2.16                               | -                       | 2.2                     | -                                  | 0.30   | 0.02           | 0.32                    | -             | -                                  | -                                  |
| Buildings and related equipments                                | 5261.53                            | 67.46                   | 1.01                    | 5327.98                            | 2301.26  | 122.85         | 0.81                    | (3.82)        | 2427.12                            | 2900.86                            |
| Plant and machinery   |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| - Steel plant   | 100625.13                          | 2667.15                 | 710.56                  | 102581.72                          | 39568.64   | 3963.83        | 420.13                  | (5.28)        | 43117.62                           | 59464.10                           |
| - Others  | 3470.11                            | 253.56                  | 33.10                   | 3690.57                            | 2333.09  | 137.28         | 29.67                   | -             | 2440.70                            | 1249.87                            |
| Furniture and fixtures  | 147.60                             | 6.59                    | 2.32                    | 151.87                             | 122.72   | 4.97           | 0.02                    | -             | 127.67                             | 24.20                              |
| Vehicles  | 1425.36                            | 196.72                  | 9.88                    | 1612.20                            | 1055.97  | 72.47          | 9.23                    | -             | 1119.21                            | 492.99                             |
| Office equipments   | 62.71                              | 2.08                    | 0.35                    | 64.44                              | 54.04  | 1.78           | 0.31                    | -             | 55.51                              | 8.93                               |
| Miscellaneous articles  | 419.37                             | 24.65                   | 2.47                    | 441.55                             | 273.67   | 19.13          | 4.40                    | -             | 288.40                             | 153.15                             |
| Roads, bridges & culverts                                       | 533.66                             | 20.62                   | 0.02                    | 554.26                             | 376.54   | 30.08          | 0.03                    | -             | 406.59                             | 147.67                             |
| Water supply & sewerage   | 764.61                             | 58.54                   | 0.78                    | 822.37                             | 463.98   | 45.50          | 0.04                    | -             | 509.44                             | 312.93                             |
| EDP equipments  | 452.51                             | 37.66                   | 11.31                   | 478.86                             | 406.27   | 14.09          | 10.46                   | -             | 409.90                             | 68.96                              |
| Railway lines and sidings                                       | 1048.67                            | 50.02                   | -                       | 1098.69                            | 343.75   | 33.31          | (0.01)                  | -             | 377.07                             | 721.62                             |
| <b>Sub-total 'A'</b>  | <b>114572.83</b>                   | <b>3389.21</b>          | <b>774.00</b>           | <b>117188.04</b>                   | <b>47301.04</b>                                      | <b>4445.31</b> | <b>475.41</b>           | <b>(9.10)</b> | <b>51280.04</b>                    | <b>65908.00</b>                    |
| <b>B. SOCIAL FACILITIES</b>                                     |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| Land  |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| -Freehold land  | 10.88                              | 0.01                    | -                       | 10.89                              | -  | -              | -                       | -             | -                                  | 10.89                              |
| Buildings and related equipments                                | 1144.36                            | 5.76                    | 0.10                    | 1150.02                            | 470.85   | 28.92          | 0.42                    | -             | 499.35                             | 650.67                             |
| Plant and machinery   | 200.35                             | 64.02                   | 2.58                    | 261.79                             | 131.72   | 9.31           | 0.19                    | -             | 140.84                             | 120.95                             |
| Furniture and fixtures  | 28.51                              | 0.84                    | 0.07                    | 29.28                              | 24.10  | 0.96           | 0.06                    | -             | 25.00                              | 4.28                               |
| Vehicles  | 10.87                              | 1.19                    | 0.13                    | 11.93                              | 9.68   | 0.23           | 0.12                    | -             | 9.79                               | 2.14                               |
| Office equipments   | 4.13                               | 0.10                    | 0.01                    | 4.22                               | 3.58   | 0.12           | 0.01                    | -             | 3.69                               | 0.53                               |
| Miscellaneous articles  | 272.11                             | 59.32                   | 2.71                    | 328.72                             | 177.43   | 13.36          | 2.51                    | -             | 188.28                             | 140.44                             |
| Roads, bridges & culverts                                       | 167.13                             | 33.25                   | 0.29                    | 200.09                             | 124.80   | 12.91          | 4.95                    | -             | 132.76                             | 67.33                              |
| Water supply & sewerage   | 310.49                             | 2.85                    | 0.22                    | 313.12                             | 160.43   | 7.18           | 0.20                    | -             | 167.41                             | 145.71                             |
| EDP equipments  | 12.19                              | 0.12                    | 0.30                    | 12.01                              | 10.07  | 0.78           | 0.29                    | -             | 10.56                              | 1.45                               |
| <b>Sub-total 'B'</b>  | <b>2161.02</b>                     | <b>167.46</b>           | <b>6.41</b>             | <b>2322.07</b>                     | <b>1112.66</b>                                       | <b>73.77</b>   | <b>8.75</b>             | <b>-</b>      | <b>1177.68</b>                     | <b>1144.39</b>                     |
| <b>C. Property, plant and equipment retired from active use</b> |                                    |                         |                         |                                    |  |                |                         |               |                                    |                                    |
| <b>Assets retired from active use</b>                           | <b>62.77</b>                       | <b>44.47</b>            | <b>48.92</b>            | <b>58.32</b>                       | <b>-</b>   | <b>-</b>       | <b>-</b>                | <b>-</b>      | <b>-</b>                           | <b>58.32</b>                       |
| <b>Total ('A'+ 'B'+ 'C')</b>                                    | <b>116796.62</b>                   | <b>3601.14</b>          | <b>829.33</b>           | <b>119568.43</b>                   | <b>48413.70</b>                                      | <b>4519.08</b> | <b>484.16</b>           | <b>(9.10)</b> | <b>52457.72</b>                    | <b>67110.71</b>                    |



#### 4: PROPERTY, PLANT AND EQUIPMENT (Contd.)

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

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
| (a) Charged to Profit & Loss account           | <b>5278.37</b>                        | 4963.54                               |
| (b) Charged to expenditure during construction | -                                     | -                                     |
|  | <b>5278.37</b>                        | 4963.54                               |

##### (i) Contractual obligations

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

##### (ii) Land:

- (a) Includes 61235.48 acres (55854.89 acres as on 31<sup>st</sup> March, 2023) owned/possessed/taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- (b) Includes 32082.45 acres (31397.15 acres as on 31<sup>st</sup> March, 2023) in respect of which title is under dispute.
- (c) 5052.34 acres (8873.81 acres as on 31<sup>st</sup> March, 2023) 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) 6062.72 acres (6114.59 acres as on 31<sup>st</sup> March, 2023) given on lease to various agencies/employees/ex-employees.
- (e) Includes 4896.70 acres (4435.60 acres as on 31<sup>st</sup> March, 2023) under unauthorised occupation.
- (f) 8870.84 acres (2371.10 acres as on 31<sup>st</sup> March, 2023) of land which is not in the actual possession, shown as deemed possession.
- (g) ₹ 59.23 crore is lying under deposits, in respect of land already acquired (₹ 56.72 crores as on 31<sup>st</sup> March, 2023) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.
- (h) Vide Notification of acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd. (NHAI) had acquired 34.471 acres freehold land. Also notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009. Matter is subjudice regarding valuation of the said land.
- (i) 525.43 acres land includes 500 acres land granted by Government of Maharashtra under occupancy rights subject to restrictions agreed upon by the company towards payment of unearned increment on the property transfer as per agreed terms.
- (j) Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to ₹ 13.07 crore has been considered in the accounts for the Financial Year ended 31<sup>st</sup> March, 2020. Out of ₹ 13.07, provision @50% amounting to ₹ 6.53 crore has been created for the year ended 31<sup>st</sup> March, 2023.
- (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) Includes 6536 (7207 as on 31<sup>st</sup> March, 2023), residential quarters/houses under unauthorised occupation.

(iv) Refer note 48.1 (B) for title deeds not held in the name of parent Company.

#### 4a: RIGHT OF USE ASSETS\*

(₹ crore)

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION /AMORTISATION |               |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|--|---------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023     | For the Year  | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| Right of use assets | 7093.49                            | 1111.55                | 61.37                  | 8143.67                            | 2183.21                                | 440.54        | 1.27                   | 2622.48                            | 5521.19                            |
| <b>Sub-total</b>    | <b>7093.49</b>                     | <b>1111.55</b>         | <b>61.37</b>           | <b>8143.67</b>                     | <b>2183.21</b>                         | <b>440.54</b> | <b>1.27</b>            | <b>2622.48</b>                     | <b>5521.19</b>                     |

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION /AMORTISATION |               |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|--|---------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2022 | Up to 31 <sup>st</sup> March, 2022     | For the Year  | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| Right of use assets | 5985.10                            | 1480.20                | 371.81                 | 7093.49                            | 2151.00                                | 399.14        | 366.93                 | 2183.21                            | 4910.28                            |
| <b>Sub-total</b>    | <b>5985.10</b>                     | <b>1480.20</b>         | <b>371.81</b>          | <b>7093.49</b>                     | <b>2151.00</b>                         | <b>399.14</b> | <b>366.93</b>          | <b>2183.21</b>                     | <b>4910.28</b>                     |

\* For detailed disclosures for right of use assets, refer note 49.8.



(₹ crore)

|   | As at 31 <sup>st</sup> March, 2024 |                | As at 31 <sup>st</sup> March, 2023 |                |
|---|------------------------------------|----------------|------------------------------------|----------------|
| <b>5: CAPITAL WORK-IN-PROGRESS*</b>                           |                                    |                |                                    |                |
| Steel Plants & Units  | <b>5988.82</b>                     |                | 4875.28                            |                |
| Township  | <b>342.76</b>                      |                | 186.87                             |                |
| Ore Mines and Quarries  | <b>243.30</b>                      |                | 210.73                             |                |
|   | <b>6574.88</b>                     |                | 5272.88                            |                |
| Less: Allowances  | <b>469.63</b>                      | <b>6105.25</b> | 428.54                             | 4844.34        |
| Construction stores and spares                                | <b>40.17</b>                       |                | 52.43                              |                |
| Less: Allowances for non-moving items                         | <b>4.85</b>                        | <b>35.32</b>   | 5.41                               | 47.02          |
| Expenditure during construction pending allocation (Note 5.1) |                                    | -              |                                    | -              |
|   |                                    | <b>6140.57</b> |                                    | <b>4891.36</b> |

**5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION**

|   |               |               |        |               |
|---|---------------|---------------|--------|---------------|
| Opening balance (a)   |               | -             |        | 0.22          |
| <b>Expenditure incurred during the year</b>                                       |               |               |        |               |
| <b>Employees' Remuneration &amp; Benefits</b>                                     |               |               |        |               |
| Salaries & Wages  | <b>88.20</b>  |               | 98.11  |               |
| Company's contribution to provident fund  | <b>2.22</b>   |               | 3.50   |               |
| Travel concession   | <b>0.23</b>   |               | 2.00   |               |
| Welfare expenses  | <b>0.42</b>   |               | 0.24   |               |
| Gratuity  | <b>0.50</b>   | <b>91.57</b>  | 0.99   | 104.84        |
| <b>Other expenses</b>   |               |               |        |               |
| Technical consultants' fees & know-how  | <b>6.45</b>   |               | 7.45   |               |
| Power & Fuel  | <b>25.86</b>  |               | 9.53   |               |
| <b>Other expenses</b>   | <b>5.73</b>   |               | 5.02   |               |
| Interest & Finance charges  | <b>183.38</b> | <b>221.42</b> | 211.06 | 233.06        |
|   |               | <b>312.99</b> |        | 337.90        |
| <b>Less: Recoveries</b>   |               |               |        |               |
| Sundries  | 0.17          | <b>0.17</b>   | 0.37   | 0.37          |
| <b>Net expenditure during the year (b)</b>  |               | <b>312.82</b> |        | 337.53        |
| Total (a)+(b)   |               | <b>312.82</b> |        | <b>337.75</b> |
| Less : Amount allocated to Property, plant and equipment/Capital Work-in-progress |               | 312.82        |        | 337.75        |
| <b>Balance carried forward</b>  |               | -             |        | -             |

**6: INVESTMENT PROPERTY**

(₹ crore)

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |              |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2023      | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| <b>A. BUILDINGS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Buildings           | 2.06                               | -                      | -                      | 2.06                               | 1.03                                    | 0.04         | -                      | 1.07                               | 0.99                               |
| <b>Total</b>        | <b>2.06</b>                        | -                      | -                      | <b>2.06</b>                        | <b>1.03</b>                             | <b>0.04</b>  | -                      | <b>1.07</b>                        | <b>0.99</b>                        |

| Description         | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION |              |                        |                                    | NET BLOCK                          |
|---------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                     | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022      | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. BUILDINGS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Buildings           | 2.06                               | -                      | -                      | 2.06                               | 1.00                                    | 0.03         | -                      | 1.03                               | 1.03                               |
| <b>Total</b>        | <b>2.06</b>                        | -                      | -                      | <b>2.06</b>                        | <b>1.00</b>                             | <b>0.03</b>  | -                      | <b>1.03</b>                        | <b>1.03</b>                        |

**(i) Contractual obligations**

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



## 6: INVESTMENT PROPERTY (Contd...)

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

(₹ crore)

|   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| Rental income   | 1.83                               | 1.77                               |
| Direct operating expenses that generated rental income*                 | -                                  | -                                  |
| Direct operating expenses that did not generate rental income*          | -                                  | -                                  |
| <b>Profit from leasing of investment properties before depreciation</b> | <b>1.83</b>                        | <b>1.77</b>                        |
| Depreciation  | 0.04                               | 0.03                               |
| <b>Profit from leasing of investment properties</b>                     | <b>1.79</b>                        | <b>1.74</b>                        |

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

### (iii) Leasing arrangements

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

(₹ crore)

|  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| Within one year                                | 1.22                               | 1.14                               |
| Later than one year but not later than 5 years | 0.61                               | 1.21                               |
| Later than 5 years                             | -                                  | -                                  |
|  | <b>1.83</b>                        | <b>2.35</b>                        |

### (iv) Fair value

Fair value of Investment Properties as on 31<sup>st</sup> March, 2024 is ₹ 20.60 crore (₹ 19.12 crore as on 31<sup>st</sup> March, 2023).

### (v) Estimation of fair value

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

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

## 7: OTHER INTANGIBLE ASSETS

(₹ crore)

| Description                          | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION** |              |                        |                                    | NET BLOCK                          |
|--------------------------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                                      | As at 31 <sup>st</sup> March, 2023 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2024 | Up to 31 <sup>st</sup> March, 2023        | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 |
| <b>A. PLANTS, MINES &amp; OTHERS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Computer Software*                   | 126.92                             | 9.65                   | 0.04                   | 136.53                             | 116.46                                    | 6.81         | 0.51                   | 122.76                             | 13.77                              |
| Mining Rights                        | 2015.42                            | 27.57                  | 24.36                  | 2018.63                            | 504.87                                    | 42.77        | 1.15                   | 546.49                             | 1472.14                            |
| <b>Sub-total 'A'</b>                 | <b>2142.34</b>                     | <b>37.22</b>           | <b>24.40</b>           | <b>2155.16</b>                     | <b>621.33</b>                             | <b>49.58</b> | <b>1.66</b>            | <b>669.25</b>                      | <b>1485.91</b>                     |
| <b>B. SOCIAL FACILITIES</b>          |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Computer Software*                   | 0.49                               | 3.0                    | -                      | 3.47                               | 0.46                                      | 0.06         | -                      | 0.52                               | 2.95                               |
| <b>Sub-total 'B'</b>                 | <b>0.49</b>                        | <b>3.0</b>             | <b>-</b>               | <b>3.47</b>                        | <b>0.46</b>                               | <b>0.06</b>  | <b>-</b>               | <b>0.52</b>                        | <b>2.95</b>                        |
| <b>Total ('A'+ 'B')</b>              | <b>2142.83</b>                     | <b>40.20</b>           | <b>24.40</b>           | <b>2158.63</b>                     | <b>621.79</b>                             | <b>49.64</b> | <b>1.66</b>            | <b>669.77</b>                      | <b>1488.86</b>                     |

| Description                          | GROSS BLOCK                        |                        |                        |                                    | ACCUMULATED DEPRECIATION / AMORTISATION** |              |                        |                                    | NET BLOCK                          |
|--------------------------------------|------------------------------------|------------------------|------------------------|------------------------------------|---|--------------|------------------------|------------------------------------|------------------------------------|
|                                      | As at 31 <sup>st</sup> March, 2022 | Additions/ Adjustments | Disposals/ Adjustments | As at 31 <sup>st</sup> March, 2023 | Up to 31 <sup>st</sup> March, 2022        | For the Year | Disposals/ Adjustments | Up to 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| <b>A. PLANTS, MINES &amp; OTHERS</b> |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Computer Software*                   | 122.73                             | 4.58                   | 0.39                   | 126.92                             | 111.65                                    | 5.20         | 0.39                   | 116.46                             | 10.46                              |
| Mining Rights                        | 1913.08                            | 102.34                 | -                      | 2015.42                            | 464.80                                    | 40.07        | -                      | 504.87                             | 1510.55                            |
| <b>Sub-total 'A'</b>                 | <b>2035.81</b>                     | <b>106.92</b>          | <b>0.39</b>            | <b>2142.34</b>                     | <b>576.45</b>                             | <b>45.27</b> | <b>0.39</b>            | <b>621.33</b>                      | <b>1521.01</b>                     |
| <b>B. SOCIAL FACILITIES</b>          |                                    |                        |                        |                                    |   |              |                        |                                    |                                    |
| Computer Software*                   | 0.49                               | -                      | -                      | 0.49                               | 0.44                                      | 0.02         | -                      | 0.46                               | 0.03                               |
| <b>Sub-total 'B'</b>                 | <b>0.49</b>                        | <b>-</b>               | <b>-</b>               | <b>0.49</b>                        | <b>0.44</b>                               | <b>0.02</b>  | <b>-</b>               | <b>0.46</b>                        | <b>0.03</b>                        |
| <b>Total ('A'+ 'B')</b>              | <b>2036.30</b>                     | <b>106.92</b>          | <b>0.39</b>            | <b>2142.83</b>                     | <b>576.89</b>                             | <b>45.29</b> | <b>0.39</b>            | <b>621.79</b>                      | <b>1521.04</b>                     |

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

\*\*All amortisation charges are included within depreciation and amortisation expenses.

**7a: INVENTORIES NON-CURRENT**

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 |                | As at<br>31 <sup>st</sup> March, 2023 |                |
|--|---------------------------------------|----------------|---------------------------------------|----------------|
| Stores & Spares                          | -                                     |                | -                                     |                |
| <b>Raw Material</b>                      |                                       |                |                                       |                |
| Slime                                    | 305.16                                |                | 276.39                                |                |
| Others                                   | -                                     | 305.16         | -                                     | 276.39         |
| <b>Others - By product</b>               |                                       |                |                                       |                |
| Iron ore fines (sub-grade)               | 3878.05                               |                | 3914.55                               |                |
| <b>Finished / Semi-finished products</b> |                                       |                |                                       |                |
| Slag dump (embedded scrap)*              | 442.08                                | 4320.13        | 444.35                                | 4358.90        |
|  |                                       | <b>4625.29</b> |                                       | <b>4635.29</b> |

\* Includes manganese slag of 0.53 MT (previous year-0.46 MT) valuing ₹35.66 crore (previous year - ₹34.99 crore).

**8 : INVESTMENTS - NON CURRENT**

(₹ crore)

|   | No of Shares                          |                                       | Amount                                |                                       |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
| <b>Investments carried at fair value through other comprehensive income</b>             |                                       |                                       |                                       |                                       |
| <b>Unquoted equity</b>  |                                       |                                       |                                       |                                       |
| TRL Krosaki Refractories Limited  | 2203150                               | 2203150                               | 97.32                                 | 76.87                                 |
| Indian Potash Limited   | 720000                                | 720000                                | 207.46                                | 154.24                                |
| Haridaspur Paradeep Railway Co Ltd  | 5000000                               | 5000000                               | 5.55                                  | 5.31                                  |
| 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)#                       | 3000000                               | 3000000                               | 3.00                                  | 3.00                                  |
| UEC SAIL Information Technology Limited*  | 180000                                | 180000                                | 0.18                                  | 0.18                                  |
| Bihar State Finance Corporation (Face value ₹100/share)                                 | 500                                   | 500                                   | 0.01                                  | 0.01                                  |
| <b>Total (A)</b>  |                                       |                                       | <b>313.52</b>                         | <b>239.61</b>                         |
| <b>In Co-operative society</b>  |                                       |                                       |                                       |                                       |
| Bokaro Steel Employees' Co-operative Credit Society                                     | 116500                                | 116500                                | 0.12                                  | 0.12                                  |
| Bokaro Steel City Central Consumers' Co-operative Society                               | 250                                   | 250                                   | 0.00                                  | 0.00                                  |
| NMDC Meghahatuburu Employees' Co-operative Society<br>(Face value ₹ 100/share)          | 25                                    | 25                                    | 0.00                                  | 0.00                                  |
| DSP Employees' Co-operative Society Limited (Face value ₹ 100/share)                    | 1377                                  | 1377                                  | 0.01                                  | 0.01                                  |
| Bolani Ores Employees' Consumer Co-operative society limited<br>(Face value ₹ 25/share) | 200                                   | 200                                   | -                                     | -                                     |
| IISCO Employees Primary Co-operative society (Face value ₹ 20/share)                    | 23000                                 | 23000                                 | 0.05                                  | 0.05                                  |
|   |                                       |                                       | <b>0.18</b>                           | <b>0.18</b>                           |
| <b>Grand total (A+B)</b>  |                                       |                                       | <b>313.70</b>                         | <b>239.79</b>                         |
| Allowance for impairment in the value of investments                                    |                                       |                                       | 3.23                                  | 22.04                                 |
| <b>Net investment</b>   |                                       |                                       | <b>310.47</b>                         | <b>217.75</b>                         |
| Aggregate amount of quoted investments (market value thereof)                           |                                       |                                       | -                                     | -                                     |
| Aggregate amount of unquoted investments  |                                       |                                       | 313.70                                | 239.79                                |
| Aggregate amount of impairment in value of investments                                  |                                       |                                       | 3.23                                  | 22.04                                 |
|   |                                       |                                       | <b>310.47</b>                         | <b>217.75</b>                         |

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.



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 |  | As at<br>31 <sup>st</sup> March, 2023 |  |
|--|---------------------------------------|--|---------------------------------------|--|
|--|---------------------------------------|--|---------------------------------------|--|

### 9: TRADE RECEIVABLES - NON CURRENT\*

|                                     |               |   |   |       |
|-------------------------------------|---------------|---|---|-------|
| Considered good - Secured           | -             | - | - | -     |
| Considered good - Unsecured         | -             | - | - | -     |
| Trade Receivables - credit impaired | <b>138.44</b> |   |   | 22.62 |
|                                     | <b>138.44</b> |   |   | 22.62 |
| Less: Allowance for credit losses   | <b>138.44</b> |   |   | 22.62 |
|                                     | -             |   |   | -     |

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

### 10: LOANS - NON CURRENT\*

#### Considered good - Unsecured

|                                   |               |               |        |               |
|-----------------------------------|---------------|---------------|--------|---------------|
| Loan to employees                 | <b>25.09</b>  |               | 34.05  |               |
| Loan to others**                  | <b>854.13</b> | <b>879.22</b> | 621.23 | 655.28        |
|                                   |               | <b>879.22</b> |        | 655.28        |
| Less: Allowance for credit losses |               | <b>1.85</b>   |        | 0.02          |
|                                   |               | <b>877.37</b> |        | <b>655.26</b> |

\* Receivables due from directors of the parent Company is nil (previous year nil)

\*\* Given to Indian Railways on account of construction of rowghat railway line.

The exposure to financial risks and fair value measurement related to these financial instruments is described in note 43.

### 11: OTHER FINANCIAL ASSETS - NON CURRENT

|  |              |               |       |               |
|--|--------------|---------------|-------|---------------|
| Security deposits  |              | <b>262.70</b> |       | 229.42        |
| Claims recoverable   |              | <b>10.56</b>  |       | 10.61         |
| Receivables other than trade                                     |              | <b>68.37</b>  |       | 68.14         |
| Lease equalisation reserve                                       |              | <b>1.34</b>   |       | 1.44          |
| Receivables from employees                                       |              | <b>1.33</b>   |       | 1.31          |
| Other receivables*   |              | <b>96.80</b>  |       | 94.64         |
| Loans and advances to related parties                            | <b>14.05</b> |               | 14.05 |               |
| Less: Provision for doubtful advances                            | <b>14.05</b> | -             | 14.05 | -             |
| <b>Earmarked balances</b>  |              |               |       |               |
| Fixed deposits with original maturity period more than 12 months |              | <b>51.58</b>  |       | 10.78         |
|  |              | <b>492.68</b> |       | 416.34        |
| Less: Allowance for doubtful assets                              |              | <b>47.72</b>  |       | 45.61         |
|  |              | <b>444.96</b> |       | <b>370.73</b> |

\* Deposit with electricity Company and revenue receivable from outsiders for township dues.

The exposure to financial risks and fair value measurement related to these financial instruments is described in note 43.

### 12 : DEFERRED TAX LIABILITIES (NET)

#### Tax effect of items constituting deferred tax liabilities

|   |                |                |         |         |
|---|----------------|----------------|---------|---------|
| Related to property, plant and equipment        | <b>8366.64</b> |                | 8047.67 |         |
| Fair value adjustment of investment through OCI | <b>69.51</b>   | <b>8436.15</b> | 52.61   | 8100.28 |

#### Tax effect of items constituting deferred tax assets

|                                       |                |                |         |                |
|---------------------------------------|----------------|----------------|---------|----------------|
| Amount deductible on payment basis    | <b>1268.55</b> |                | 1274.02 |                |
| Others                                | <b>882.10</b>  | <b>2150.65</b> | 1004.99 | 2279.01        |
| <b>Deferred tax liabilities (net)</b> |                | <b>6285.50</b> |         | <b>5821.27</b> |

**12 : DEFERRED TAX LIABILITIES (NET) (Contd...)**

 Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2024, are summarized as follows:

(₹ crore)

| Deferred tax liabilities (net)                                   | As at<br>31 <sup>st</sup> March, 2023 | Recognized in<br>Profit or Loss | Recognized<br>in Other<br>comprehensive<br>income | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------|---|---------------------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                       |                                 |   |                                       |
| Related to property, plant and equipment                         | 8047.67                               | 318.97                          | -   | 8366.64                               |
| Fair value adjustment of investment through OCI                  | 52.61                                 | -                               | 16.90   | 69.51                                 |
|  | <b>8100.28</b>                        | <b>318.97</b>                   | <b>16.90</b>                                      | <b>8436.15</b>                        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                       |                                 |   |                                       |
| Amount deductible on payment basis                               | 1274.02                               | (5.47)                          | -   | 1268.55                               |
| Others   | 1004.99                               | (140.47)                        | 17.45   | 882.10                                |
|  | 2279.01                               | (145.94)                        | 17.45   | 2150.65                               |
| <b>Deferred tax liabilities (net)</b>                            | <b>5821.27</b>                        | <b>464.91</b>                   | <b>(0.55)</b>                                     | <b>6285.50</b>                        |

\* This amount includes tax impact of earlier years amounting to ₹ 82.56 crore. Net amount recognised in profit and loss is ₹ 382.35 crore.

 Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2023, are summarized as follows:

(₹ crore)

| Deferred tax (assets)/liabilities (net)                          | As at<br>1 <sup>st</sup> April, 2022 | Recognized in<br>Profit or Loss | Recognized<br>in Other<br>comprehensive<br>income | As at<br>31 <sup>st</sup> March, 2023 |
|--|--------------------------------------|---------------------------------|---|---------------------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                      |                                 |   |                                       |
| Related to property, plant and equipment                         | 7473.57                              | 574.10                          | -   | 8047.67                               |
| Fair value adjustment of investment through OCI                  | 37.29                                | -                               | 15.32   | 52.61                                 |
|  | <b>7510.86</b>                       | <b>574.10</b>                   | <b>15.32</b>                                      | <b>8100.28</b>                        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                      |                                 |   |                                       |
| Amount deductible on payment basis                               | 1238.04                              | 35.98                           | -   | 1274.02                               |
| Losses available for offsetting against future taxable income    | 133.24                               | (133.24)                        | -   | -                                     |
| Others   | 781.16                               | 80.11                           | 143.71  | 1004.99                               |
|  | <b>2152.44</b>                       | <b>(17.15)</b>                  | <b>143.71</b>                                     | <b>2279.01</b>                        |
| <b>Deferred tax (assets) / liabilities (net)</b>                 | <b>5358.42</b>                       | <b>591.25</b>                   | <b>(128.39)</b>                                   | <b>5821.27</b>                        |

(₹ crore)

 As at 31<sup>st</sup> March, 2024

 As at 31<sup>st</sup> March, 2023

**13: CURRENT TAX ASSETS (NET)**
**Current tax assets**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Advance income tax (net of provision) | <b>374.78</b> | 595.49        |
|                                       | <b>374.78</b> | <b>595.49</b> |

**14: OTHER ASSETS - NON CURRENT**

|   |                |                |
|---|----------------|----------------|
| Advances to contractors & suppliers           | <b>68.10</b>   | 64.04          |
| Deposit with Government authorities*          | <b>3008.56</b> | 3570.59        |
| Prepaid expenses                              | <b>14.86</b>   | 21.48          |
| Capital advances                              | <b>242.75</b>  | 132.85         |
| Less: Allowance for doubtful capital advances | <b>5.02</b>    | 127.51         |
|   | <b>3329.25</b> | 3783.62        |
| Less: Allowance for doubtful other assets     | <b>236.46</b>  | 169.61         |
|   | <b>3092.79</b> | <b>3614.01</b> |

\* Includes entry tax and arbitration cases.



(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 |                 | As at<br>31 <sup>st</sup> March, 2023 |                 |
|---|---------------------------------------|-----------------|---------------------------------------|-----------------|
| <b>15: INVENTORIES*</b>                       |                                       |                 |                                       |                 |
| <b>Stores &amp; spares</b>                    |                                       |                 |                                       |                 |
| Production                                    | 4031.34                               |                 | 3524.55                               |                 |
| Fuel Stores                                   | 214.98                                |                 | 140.07                                |                 |
| Others  | 32.17                                 |                 | 30.74                                 |                 |
|   | <u>4278.49</u>                        |                 | <u>3695.36</u>                        |                 |
| Add: In-transit                               | 239.97                                |                 | 247.07                                |                 |
|   | <u>4518.46</u>                        |                 | <u>3942.43</u>                        |                 |
| Less: Allowance for non moving/obsolete items | 300.14                                | 4218.32         | 286.34                                | 3656.09         |
| <b>Raw Material</b>                           |                                       |                 |                                       |                 |
| Raw material**                                | 7724.50                               |                 | 7017.55                               |                 |
| Add: In-transit                               | 5056.45                               |                 | 4764.16                               |                 |
|   | <u>12780.95</u>                       |                 | <u>11781.71</u>                       |                 |
| Less: Allowance for unusable materials        | 13.49                                 | 12767.46        | 15.03                                 | 11766.68        |
| <b>Finished / Semi-finished products</b>      |                                       |                 |                                       |                 |
| Finished goods***                             | 11305.24                              |                 | 8172.54                               |                 |
| Work in progress                              | 4197.06                               | 15502.30        | 3902.14                               | 12074.68        |
| <b>Others - By-products (sub-grade fines)</b> |                                       |                 |                                       |                 |
|   |                                       | 233.37          |                                       | 267.45          |
|   |                                       | <u>32721.45</u> |                                       | <u>27764.90</u> |

\*Valued as per accounting policy No. 3.8

\*\*Includes inventories of slime of ₹ 29.34 crore (previous year - ₹ 29.34 crore).

\*\*\*Includes inventories of iron and steel scrap embedded in slag dumps of ₹ 43.42 crore (previous year - ₹ 50.99 crore).

\*\*\*Includes manganese slag of 0.06 MT (previous year-0.06 MT) valuing ₹ 6.69 crore (previous year - ₹ 6.57 crore).

**16: TRADE RECEIVABLES - CURRENT\***

|                                     |  |                |  |                |
|-------------------------------------|--|----------------|--|----------------|
| Considered good - Secured           |  | -              |  | -              |
| <b>Unsecured</b>                    |  |                |  |                |
| Considered good                     |  | 8355.37        |  | 5389.97        |
| Trade receivables - credit impaired |  | 275.30         |  | 302.18         |
|                                     |  | <u>8630.67</u> |  | <u>5692.15</u> |
| Allowance for credit losses         |  | 275.30         |  | 302.18         |
|                                     |  | <u>8355.37</u> |  | <u>5389.97</u> |

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

\* Refer note 43 and 48.4(B) - Financial instruments for assessment of expected credit losses and ageing schedule.

**17 (i): CASH AND CASH EQUIVALENTS**

|  |       |              |       |              |
|--|-------|--------------|-------|--------------|
| Cash and stamps on hand  |       | 0.11         |       | 0.26         |
| Cheques in hand  |       | 11.55        |       | 3.93         |
| <b>Balance with Banks</b>  |       |              |       |              |
| Current accounts   | 2.65  |              | 17.51 |              |
| Term deposits with original maturity upto 3 months                     | 55.07 |              | 35.12 |              |
| Term deposits as per court orders with original maturity upto 3 months | -     | 57.72        | 0.27  | 52.90        |
|  |       | <u>69.38</u> |       | <u>57.09</u> |

**17 (ii): BANK BALANCES OTHER THAN 17 (i) ABOVE**

|   |        |               |        |               |
|---|--------|---------------|--------|---------------|
| <b>Earmarked bank balances</b>  |        |               |        |               |
| Term Deposits as per court orders   | 441.34 |               | 197.56 |               |
| Term Deposits under Bank Lien/pledge against loan                           | -      |               | 7.01   |               |
| Earmarked Term Deposits   | 34.59  | 475.93        | 33.36  | 237.93        |
| Unpaid dividend accounts  |        | 17.62         |        | 9.00          |
| Dividend account  |        | -             |        | 144.58        |
| Unspent corporate social responsibility balance                             |        | 34.35         |        | -             |
| Fixed deposits with maturity for more than 3 months but less than 12 months |        | 75.67         |        | 102.04        |
|   |        | <u>603.57</u> |        | <u>493.55</u> |

(₹ crore)

 As at  
31<sup>st</sup> March, 2024

 As at  
31<sup>st</sup> March, 2023

**18: LOANS - CURRENT\***
**Considered good - Unsecured**

|                                   |              |              |       |              |
|-----------------------------------|--------------|--------------|-------|--------------|
| Loan to employees                 | <b>29.06</b> |              | 36.02 |              |
| Loan to others                    | <b>1.10</b>  | <b>30.16</b> | 1.12  | 37.14        |
|                                   |              | <b>30.16</b> |       | 37.14        |
| Less: Allowance for credit losses |              | <b>1.85</b>  |       | 1.85         |
|                                   |              | <b>28.31</b> |       | <b>35.29</b> |

\*Receivables due from directors of the parent Company is nil (previous year nil)

**19: OTHER FINANCIAL ASSETS - CURRENT**

|  |              |                |       |                |
|--|--------------|----------------|-------|----------------|
| Security deposits                      |              | <b>17.87</b>   |       | 15.84          |
| Claims recoverable                     |              | <b>787.55</b>  |       | 839.79         |
| Receivable - others*                   |              | <b>489.01</b>  |       | 473.07         |
| Receivables from employees             |              | <b>17.71</b>   |       | 18.77          |
| Amount recoverable from Gratuity Trust |              | <b>452.41</b>  |       | 212.93         |
| Advances to related parties            | <b>71.22</b> |                | 80.61 |                |
| Less: Allowance for doubtful advances  | <b>7.27</b>  | <b>63.95</b>   | 7.27  | 73.34          |
|  |              | <b>1828.50</b> |       | 1633.74        |
| Less: Allowance for doubtful assets    |              | <b>459.43</b>  |       | 403.91         |
|  |              | <b>1369.07</b> |       | <b>1229.83</b> |

\* Includes rent, electricity, hospital and water charges etc., receivable from employees and outsiders.

**20: OTHER ASSETS - CURRENT**

|   |                |                |        |                |
|---|----------------|----------------|--------|----------------|
| Gold coins in hand                        |                | <b>0.14</b>    |        | 0.14           |
| Advances to contractors & suppliers       | <b>678.06</b>  |                | 580.59 |                |
| Advance others                            | <b>2923.93</b> | <b>3601.99</b> | 1991.4 | 2571.99        |
| Deposit with Government authorities       |                | <b>57.58</b>   |        | 23.46          |
| Deposits - GST                            |                | <b>1.43</b>    |        | 1.18           |
| GST receivable-input service              |                | <b>5.16</b>    |        | 3.74           |
| GST receivable                            |                | <b>716.36</b>  |        | 337.77         |
| TDS deducted by customers on GST          |                | <b>0.16</b>    |        | 0.05           |
| Prepaid expenses                          |                | <b>75.20</b>   |        | 76.57          |
| Claims receivable                         |                | <b>75.61</b>   |        | 134.40         |
| Export incentive receivables              |                | <b>37.53</b>   |        | 42.79          |
|   |                | <b>4571.16</b> |        | 3192.09        |
| Less: Allowance for doubtful other assets |                | <b>28.84</b>   |        | 201.36         |
|   |                | <b>4542.32</b> |        | <b>2990.73</b> |

\*Includes advance to DVC, Royalty and Government Departments etc.

**21: ASSETS CLASSIFIED AS HELD FOR SALE**

|                                    |  |              |  |              |
|------------------------------------|--|--------------|--|--------------|
| Assets classified as held for sale |  | <b>15.11</b> |  | 29.28        |
|                                    |  | <b>15.11</b> |  | <b>29.28</b> |

- (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 cost 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.



## 22: EQUITY SHARE CAPITAL

(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>Authorised capital</b>   |                                       |                                       |
| Equity shares of ₹ 10 each<br>(5000000000 equity shares of ₹ 10 each) | <u>5000.00</u>                        | <u>5000.00</u>                        |
| <b>Issued and subscribed capital &amp; fully paid-up</b>              |                                       |                                       |
| (4130525289 equity shares of ₹ 10 each fully paid up)                 | <u>4130.53</u>                        | <u>4130.53</u>                        |

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

| Particulars   | As at<br>31 <sup>st</sup> March, 2024 |                  | As at<br>31 <sup>st</sup> March, 2023 |                  |
|---|---------------------------------------|------------------|---------------------------------------|------------------|
|   | Numbers                               | Amount (₹ crore) | Numbers                               | Amount (₹ crore) |
| <b>Equity shares with voting rights</b>                       |                                       |                  |                                       |                  |
| Balance at the beginning of the year                          | 4130414299                            | 4130.42          | 4130414299                            | 4130.42          |
| Shares converted to shares with voting rights during the year | -                                     | -                | -                                     | -                |
| Shares bought back during the year                            | -                                     | -                | -                                     | -                |
| <b>Balance at the end of the year#</b>                        | <u>4130414299</u>                     | <u>4130.42</u>   | <u>4130414299</u>                     | <u>4130.42</u>   |
| <b>Equity shares without voting rights *</b>                  |                                       |                  |                                       |                  |
| Balance at the beginning of the year                          | 110990                                | 0.11             | 110990                                | 0.11             |
| Shares Issued during the year                                 | -                                     | -                | -                                     | -                |
| Shares converted to shares with voting rights during the year | -                                     | -                | -                                     | -                |
| Balance at the end of the year                                | <u>110990</u>                         | <u>0.11</u>      | <u>110990</u>                         | <u>0.11</u>      |
| <b>Total Equity shares outstanding at the of the year</b>     | <u>4130525289</u>                     | <u>4130.53</u>   | <u>4130525289</u>                     | <u>4130.53</u>   |

- i) \*Represented by current holding of 110990 shares in Global Depository Receipt (GDR) issued in 1996 @ US \$ 29.55 each for an aggregate amount of US \$ 125 million.
- ii) #Includes 4187222 shares (previous year 4193693 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<br>31 <sup>st</sup> March, 2024 |              | As at<br>31 <sup>st</sup> March, 2023 |              |
|---------------------|---------------------------------------|--------------|---------------------------------------|--------------|
|                     | Number of Shares held                 | % of Holding | Number of Shares held                 | % of Holding |
| President of India  | 2684714550                            | 65.00        | 2684714550                            | 65.00        |
| LIC of India        | 350544700                             | 8.49         | 286403775                             | 6.93         |

### (v) Details of shares held by Promoters at the end of the year.

| Name of Promoter   | As at<br>31 <sup>st</sup> March, 2024 |              | As at<br>31 <sup>st</sup> March, 2023 |              | % change during the year |
|--------------------|---------------------------------------|--------------|---------------------------------------|--------------|--------------------------|
|                    | Number of Shares held                 | % of Holding | Number of Shares held                 | % of Holding |                          |
| President of India | 2684714550                            | 65.00        | 2684714550                            | 65.00        | -                        |

(vi) 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<br>31 <sup>st</sup> March, 2024 |                 | As at<br>31 <sup>st</sup> March, 2023 |                 |
|--|---------------------------------------|-----------------|---------------------------------------|-----------------|
| <b>Reserves &amp; Surplus</b>  |                                       |                 |                                       |                 |
| <b>Capital Reserve</b>   |                                       |                 |                                       |                 |
| Opening balance  | 511.67                                |                 | 511.67                                |                 |
| Less: Utilisation during the year  | -                                     | 511.67          | -                                     | 511.67          |
| <b>Securities Premium</b>  |                                       |                 |                                       |                 |
| Opening balance  | 235.10                                |                 | 235.10                                |                 |
| Changes during the year  | -                                     | 235.10          | -                                     | 235.10          |
| <b>Bond Redemption Reserve</b>   |                                       |                 |                                       |                 |
| Opening balance  | 373.71                                |                 | 530.97                                |                 |
| Transfer to retained earnings  | 249.93                                | 123.78          | 157.26                                | 373.71          |
| <b>General Reserve</b>   |                                       |                 |                                       |                 |
| Opening balance  | 5112.67                               |                 | 5110.90                               |                 |
| Additions during the year  | 2.02                                  |                 | 1.77                                  |                 |
| Less: Utilisation during the year  | -                                     | 5114.69         | -                                     | 5112.67         |
| <b>Retained Earnings</b>   |                                       |                 |                                       |                 |
| Opening balance  | 43863.48                              |                 | 43364.60                              |                 |
| Add: Net Profit for the year   | 3066.67                               |                 | 2176.53                               |                 |
| Add: Other comprehensive Income/(Loss)-<br>Remeasurement gains/(losses) of defined benefit plans | (179.18)                              |                 | (490.72)                              |                 |
| Add: Transfer from Bond Redemption Reserve   | 249.93                                |                 | 157.26                                |                 |
| Less: Final dividend   | 206.53                                |                 | 929.37                                |                 |
| Less: Interim dividend paid  | 413.05                                |                 | 413.05                                |                 |
| Less: Transfer to General Reserve  | 2.02                                  | 46379.30        | 1.77                                  | 43863.48        |
| <b>Other Comprehensive Income</b>  |                                       |                 |                                       |                 |
| <b>Equity Instruments through Other Comprehensive Income</b>                                     |                                       |                 |                                       |                 |
| Opening balance  | 152.48                                |                 | 100.86                                |                 |
| Change in fair value of FVOCI equity instruments   | 73.90                                 |                 | 66.94                                 |                 |
| Deferred tax   | (16.91)                               | 209.47          | (15.32)                               | 152.48          |
| <b>Share in Other Comprehensive Income of equity accounted investees</b>                         |                                       |                 |                                       |                 |
| Opening balance  | 367.03                                |                 | 227.05                                |                 |
| Change in fair value of FVOCI equity instruments   | 29.65                                 | 396.68          | 139.98                                | 367.03          |
| <b>Total other equity</b>  |                                       | <b>52970.69</b> |                                       | <b>50616.14</b> |

**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**

Securities premium 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.



## 24. BORROWINGS - NON CURRENT

(₹ crore)

|   |                     |                      |                    |                | As at                        | As at                        |
|---|---------------------|----------------------|--------------------|----------------|------------------------------|------------------------------|
|   |                     |                      |                    |                | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
| <b>SECURED</b>                          |                     |                      |                    |                |                              |                              |
| <b>Redeemable Non-Convertible Bonds</b> |                     |                      |                    |                |                              |                              |
| Rate of Interest                        | Maturity Date       | Call/Put option (yr) | Security reference |                |                              |                              |
| 9.35%                                   | 9-Sep-2026          | 12/nil               | (a)                | -              |                              | 455.00                       |
| 8.80%                                   | 26-Oct-2025         |                      | (a,b)              | <b>14.00</b>   |                              | 28.00                        |
| 9.00%                                   | 14-Oct-2024         |                      | (a)                | -              |                              | 1000.00                      |
| 8.75%                                   | 15-Sep-2024         |                      | (a)                | -              |                              | 50.00                        |
| <b>Total Bonds (A)</b>                  |                     |                      |                    | <b>14.00</b>   |                              | <b>1533.00</b>               |
| <b>Term Loans from banks</b>            |                     |                      |                    |                |                              |                              |
| <b>Rupee loans</b>                      |                     |                      |                    |                |                              |                              |
| 7.27%                                   | Bank of India       |                      | (f)                | <b>4100.00</b> |                              | 4100.00                      |
| 7.40%                                   | South Indian Bank   |                      | (g)                | <b>300.00</b>  |                              | -                            |
| 7.65%                                   | State Bank of India |                      | (h)                | <b>4700.00</b> |                              | -                            |
| <b>Total term loans from banks (B)</b>  |                     |                      |                    | <b>9100.00</b> |                              | <b>4100.00</b>               |
| <b>Total secured loans (A+B)</b>        |                     |                      |                    | <b>9114.00</b> |                              | <b>5633.00</b>               |
| <b>UNSECURED</b>                        |                     |                      |                    |                |                              |                              |
| <b>Foreign currency loans</b>           |                     |                      |                    |                |                              |                              |
| 1                                       | KFW, Germany        |                      | (c)                | <b>247.08</b>  |                              | 270.96                       |
| 2                                       | Natexis Banque      |                      | (d)                | <b>2.97</b>    |                              | 4.46                         |
| <b>Steel development fund</b>           |                     |                      |                    | <b>204.16</b>  |                              | 204.16                       |
|   |                     |                      |                    | <b>454.21</b>  |                              | <b>479.58</b>                |
| <b>Total Non Current Loans</b>          |                     |                      |                    | <b>9568.21</b> |                              | <b>6112.58</b>               |

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.

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

- Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Group's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).
- Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26<sup>th</sup> October, 2014. Instalment payable on 26<sup>th</sup> Oct, 2024 has been shown in current borrowings under the head 'current maturities'.
- 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. Tranche 1(c) has been fully repaid. The principal and interest amount is repayable half yearly. The loan is guaranteed by Government of India.
- The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- Terms of Repayment is to be decided by SDF management Committee.
- The interest rate is Repo rate +0.77% p.a. i.e. 7.27% (6.50%+0.77%) on the outstanding loan amount. The tenor of the loan is 10 years having moratorium period of 4 years and repayment period of 6 Years. The loan is payable in 12 half yearly equal instalments after moratorium of 4 years starting from 5<sup>th</sup> year onwards upto 10 years. The first instalment is due in April'2025.
- Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL to the extent of loan. The interest rate is Repo rate +0.90% p.a. i.e. 7.40% (6.50%+0.90%) on the outstanding loan amount. The tenor of the loan is 4 years having moratorium period of 2 and half years and repayment period of 1 and a half years. The loan is repayable in 6 quarterly equal instalments after moratorium of 2 and half years. The first instalment is due on 01.05.2026.
- Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL to the extent of loan. The interest rate is linked to 3M T-bill + 0.75%, which is reset at the last working day of every quarter. As on 31.03.2024, the rate is 7.65% p.a. (i.e 3M T-bill 6.90%+0.75%). The tenor of the loan is 4 years having moratorium period of 2 and a half years and repayment period of 1 and a half years. The loan is payable in 6 quarterly equal instalments after moratorium of 2.5 Years . The first instalment is due on 01.05.2026.

(i) Long term borrowings transferred to current borrowings under the line item 'current maturities of long term debts' are shown in the table given below.

**Statement of Current Maturities of long term debt**

(₹ crore)

| Particulars                             | Maturity date  | 2023-24        | 2022-23        |
|---|----------------|----------------|----------------|
| <b>Redeemable non-convertible bonds</b> |                |                |                |
| 8.80%                                   | 26-Oct-2023/24 | 14.00          | 14.00          |
| 9.00%                                   | 14-Oct-2024    | 1000.00        | -              |
| 8.75%                                   | 15-Sep-2024    | 50.00          | -              |
| 8.30%                                   | 3-Aug-2023     | -              | 800.00         |
| 8.30%                                   | 1-Aug-2023     | -              | 1200.00        |
| <b>Unsecured foreign currency loans</b> |                |                |                |
| KFW, Germany                            |                | 25.23          | 25.10          |
| Natexis Banque                          |                | 1.73           | 2.42           |
| <b>Total</b>                            |                | <b>1090.96</b> | <b>2041.52</b> |

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**25: TRADE PAYABLES - NON CURRENT**

Due to micro, small and medium enterprise (refer note 48.3)

-

-

Amount payable to contractors/suppliers/others

**6.07**
**3.31**
**6.07**
**3.31**
**26: OTHER FINANCIAL LIABILITIES - NON CURRENT**

Employees related dues

**738.19**

710.39

Interest Accrued but not due on borrowings

**400.12**

422.39

Other payables\*

**311.68**

296.22

**1449.99**
**1429.00**

\* Includes security deposit from shopkeepers, contractors etc.

**27: PROVISIONS - NON CURRENT**

Provision for gratuity

**1.83**

1.50

Provision for accrued leave liability

**3373.34**

3399.86

Provision for post retirement medical &amp; settlement benefits

**1807.66**

1636.31

Provision for long term service award

**15.92**

15.45

Provision for mines closure

**226.18**

162.06

Other provisions\*

**312.49**

401.45

**5737.42**
**5616.63**

\*includes provision for mines closure (refer note 50.3)

**28: OTHER LIABILITIES - NON CURRENT**

Deferred Income\*

**473.29**

424.12

Other payables\*\*

**1387.20**

2256.09

**1860.49**
**2680.21**

\* Deferred income includes:

Central Government grant of ₹ 277.33 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital. The Company has complied with all the conditions for such grants in line with Ind AS 20.

\*\* Entry tax



(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>29. BORROWINGS - CURRENT</b>   |                                       |                                       |
| <b>Secured</b>  |                                       |                                       |
| <b>Repayable on demand</b>  |                                       |                                       |
| From banks  | 3841.80                               | 3957.68                               |
| <b>Other loans and advances</b>   |                                       |                                       |
| Current maturities of long term debts (refer note 24)   | 1090.96                               | 2041.52                               |
| <b>Unsecured</b>  |                                       |                                       |
| From banks  | 16100.00                              | 13550.00                              |
|   | <u>21032.76</u>                       | <u>19549.20</u>                       |
| <b>Security disclosure for the outstanding short term borrowings as on 31<sup>st</sup> March, 2024:</b> |                                       |                                       |
| <b>Borrowings from banks are secured, in respect of respective facilities by way of :</b>               |                                       |                                       |
| (i) Hypothecation of all current assets   |                                       |                                       |
| <b>30: TRADE PAYABLES - CURRENT</b>   |                                       |                                       |
| Due to micro, small and medium enterprises (refer note 48.3)  | 498.06                                | 448.62                                |
| Amount payable to related parties   | 528.65                                | 570.78                                |
| Amount payable to contractors/suppliers/others  | 14305.68                              | 13322.30                              |
|   | <u>15332.39</u>                       | <u>14341.70</u>                       |
| <b>31: OTHER FINANCIAL LIABILITIES - CURRENT</b>  |                                       |                                       |
| Employee related dues   | 255.16                                | 265.22                                |
| Interest accrued but not due on borrowings  | 99.44                                 | 204.04                                |
| Interest accrued and due on steel development fund loans  | 344.00                                | 312.00                                |
| Other liabilities-debtors banking arrangement   | 139.94                                | 124.23                                |
| Unclaimed matured deposits and interest accrued thereon   | 1.01                                  | 1.01                                  |
| Security deposits   | 1897.60                               | 1697.92                               |
| Unpaid dividends  | 17.62                                 | 9.00                                  |
| Unspent corporate social responsibility   | 112.90                                | 51.73                                 |
| Payable for capital works   | 2066.95                               | 2053.97                               |
| Other payables*   | 5608.95                               | 5431.08                               |
|   | <u>10543.57</u>                       | <u>10150.20</u>                       |
| *Other payables include liability for salary & wages, royalty, pension and employee welfare etc.        |                                       |                                       |
| <b>32: OTHER LIABILITIES - CURRENT</b>  |                                       |                                       |
| Income received in advance from customers   | 1513.21                               | 1472.27                               |
| Income received in advance - others   | 80.42                                 | 98.11                                 |
| Deferred Income   | 22.30                                 | 22.38                                 |
| GST payable   | 1566.14                               | 1019.23                               |
| Liability for interest on GST   | 4.04                                  | 3.15                                  |
| TDS deducted from suppliers on GST  | 41.00                                 | 39.52                                 |
| Other payables*   | 1338.86                               | 879.19                                |
|   | <u>4565.97</u>                        | <u>3533.85</u>                        |
| * Includes provision for DVC, Railway related and other assets etc.                                     |                                       |                                       |

(₹ crore)

|   | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|---|---------------------------------------|---------------------------------------|
| <b>33: PROVISIONS - CURRENT</b>                             |                                       |                                       |
| Provision for accrued leave liability                       | <b>382.07</b>                         | 364.63                                |
| Provision for post retirement medical & settlement benefits | <b>288.45</b>                         | 253.94                                |
| Provision for long term service award                       | <b>2.20</b>                           | 2.10                                  |
| Provision for pollution control                             | <b>45.84</b>                          | 45.58                                 |
| Provision for foreign exchange fluctuation                  | <b>36.66</b>                          | 28.19                                 |
| Provision for wage revision                                 | <b>2.26</b>                           | 0.98                                  |
| Provision for mine afforestation/restoration etc.           | <b>161.16</b>                         | 169.37                                |
| Other provisions*   | <b>375.47</b>                         | 516.89                                |
|   | <b>1294.11</b>                        | <b>1381.68</b>                        |

\* Includes provision for DVC, railway and other assets etc.

**34: CURRENT TAX LIABILITIES (NET)**

|   |               |             |
|---|---------------|-------------|
| Opening Balance                               | <b>3.13</b>   | 0.66        |
| Add: Provision during the year                | <b>615.53</b> | 125.47      |
| Less: Amount paid/transferred during the year | <b>409.47</b> | 123.00      |
| Less: Provision written back during the year  | <b>-</b>      | -           |
|   | <b>209.19</b> | <b>3.13</b> |
|   | <b>209.19</b> | <b>3.13</b> |

(₹ crore)

|                                    | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|------------------------------------|---------------------------------------|---------------------------------------|
| <b>35: REVENUE FROM OPERATIONS</b> |                                       |                                       |
| <b>Sale of products</b>            |                                       |                                       |
| Domestic                           | <b>102860.57</b>                      | 101089.93                             |
| Exports                            | <b>1687.24</b>                        | 2638.89                               |
| Export incentives                  | <b>104547.81</b>                      | 103728.82                             |
| Sub Total (a)                      |                                       |                                       |
| <b>Sale of Services</b>            |                                       |                                       |
| Service charges                    | <b>19.93</b>                          | 20.22                                 |
| Sub Total (b)                      |                                       |                                       |
| <b>Other Operating Revenues</b>    |                                       |                                       |
| Export incentives                  | <b>25.72</b>                          | 38.91                                 |
| Social amenities-recoveries        | <b>346.36</b>                         | 322.87                                |
| Sale of empties etc.               | <b>122.66</b>                         | 86.41                                 |
| Sundries                           | <b>315.85</b>                         | 250.49                                |
| Sub Total (c)                      | <b>810.59</b>                         | 698.68                                |
| <b>Total (a+b+c)</b>               | <b>105378.33</b>                      | 104447.72                             |

There is no single customer contributing more than 10% of revenue.

The credit period on sale of goods ranges from 0 to 120 days with or without security.

Where a customer has a right to return a product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Group also recognises a right to recover the returned goods. The refund liability and the cost to recover the products are not expected to be material.



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**Desegregation of Revenue**

**Nature of Goods and Services**

The parent 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 the only reportable segment of the parent Company.

**(1) Primary Geographical Markets**

|               |                  |                  |
|---------------|------------------|------------------|
| Within India  | 102860.57        | 101089.93        |
| Outside India | 1687.24          | 2638.89          |
| <b>Total</b>  | <b>104547.81</b> | <b>103728.82</b> |

**(2) Major Products**

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Iron and steel                  | 100984.80        | 99813.35         |
| Other Secondary and by-products | 3563.01          | 3915.47          |
| <b>Total</b>                    | <b>104547.81</b> | <b>103728.82</b> |

**Reconciliation of revenue with contract price**

|   |                  |                  |
|---|------------------|------------------|
| Gross revenue                                     | 107196.13        | 106819.50        |
| Less: Rebate, consistency, turnover discount etc. | 2648.32          | 3090.68          |
| <b>Net revenue recognised</b>                     | <b>104547.81</b> | <b>103728.82</b> |

**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     | 8355.37 | 5389.97 |
| Contract liabilities* | 1513.21 | 1472.27 |

\*Contract liabilities as shown above are expected to be recognised by 31<sup>st</sup> March, 2025.

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

**36: OTHER INCOME**

**Interest income\***

|                      |               |               |
|----------------------|---------------|---------------|
| Customers            | 182.38        | 198.04        |
| Employees            | 9.83          | 5.77          |
| Bank deposits        | 13.42         | 8.46          |
| Others               | 110.89        | 77.80         |
| <b>Sub Total (a)</b> | <b>316.52</b> | <b>290.07</b> |

**Dividend income\*\***

|                           |             |             |
|---------------------------|-------------|-------------|
| Dividend from investments | 5.52        | 5.15        |
| <b>Sub Total (b)</b>      | <b>5.52</b> | <b>5.15</b> |

**Net gain on sale of investments** Sub Total (c) -

**Other non-operating Income**

|   |                |               |
|---|----------------|---------------|
| Subsidy, relief and concession                      | 0.10           | 0.10          |
| Grant-in-aid  | 5.58           | 5.77          |
| Provisions no longer required written back          | 272.64         | 54.51         |
| Write back of other liabilities                     | 127.75         | 350.52        |
| Liquidated damages                                  | 80.38          | 103.57        |
| Profit on sale of fixed assets (net)                | 130.00         | 49.50         |
| Others  | 128.89         | 92.75         |
|   | <b>745.34</b>  | <b>656.72</b> |
| Less: Expenses attributable to non-operating income | 0.42           | 1.58          |
| <b>Sub Total (d)</b>                                | <b>744.92</b>  | <b>655.14</b> |
| <b>Total (a+b+c+d)</b>                              | <b>1066.96</b> | <b>950.36</b> |

\*Interest income represents income on financial assets carried at amortised cost.

\*\*Dividend from investments carried at fair value through OCI

(₹ crore)

 As at  
31<sup>st</sup> March, 2024

 As at  
31<sup>st</sup> March, 2023

**37 : COST OF MATERIALS CONSUMED**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| Iron ore                        | <b>10324.00</b> | 8871.00         |
| Coal                            | <b>45918.51</b> | 50993.38        |
| Coke                            | <b>1328.60</b>  | 480.44          |
| Limestone                       | <b>2428.05</b>  | 2287.51         |
| Dolomite                        | <b>747.62</b>   | 768.52          |
| Ferro manganese                 | <b>362.48</b>   | 331.76          |
| Ferro silicon                   | <b>485.21</b>   | 548.94          |
| Silico manganese                | <b>1951.91</b>  | 2260.30         |
| Zinc                            | <b>107.71</b>   | 146.89          |
| Aluminium                       | <b>616.39</b>   | 584.67          |
| Others                          | <b>2798.96</b>  | 2885.00         |
|                                 | <b>67069.44</b> | 70158.41        |
| Less: Inter account adjustments | <b>9360.18</b>  | 7978.50         |
|                                 | <b>57709.26</b> | <b>62179.91</b> |

**38 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCTS**
**Opening stock**

|                            |                 |          |
|----------------------------|-----------------|----------|
| Finished goods             | <b>8616.89</b>  | 4894.85  |
| Work in progress           | <b>3902.14</b>  | 2401.51  |
| Iron ore fines (sub-grade) | <b>4182.00</b>  | 4249.96  |
|                            | <b>16701.03</b> | 11546.32 |

**Less: Closing stock**

|                            |                 |          |
|----------------------------|-----------------|----------|
| Finished goods             | <b>11747.32</b> | 8616.89  |
| Work in progress           | <b>4197.06</b>  | 3902.14  |
| Iron ore fines (sub-grade) | <b>4111.42</b>  | 4182.00  |
|                            | <b>20055.80</b> | 16701.03 |

(Accretion)/depletion to stock

**(3354.77)** (5154.71)
**39: EMPLOYEE BENEFITS EXPENSE\***

|   |                 |                 |
|---|-----------------|-----------------|
| Salaries & wages                                  | <b>8748.34</b>  | 8842.19         |
| Leave encashment                                  | <b>792.35</b>   | 1076.25         |
| Company's contribution to provident & other funds | <b>1437.21</b>  | 1286.53         |
| Travel concession                                 | -               | 103.99          |
| Welfare expenses                                  | <b>559.89</b>   | 542.65          |
| Gratuity  | <b>227.93</b>   | 219.92          |
|   | <b>11765.72</b> | <b>12071.53</b> |

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

|                                 |              |        |
|---------------------------------|--------------|--------|
| Expenditure during construction | <b>91.57</b> | 104.84 |
|---------------------------------|--------------|--------|

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



(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

#### 40: FINANCE COSTS

##### Interest Cost

|  |                |                |
|--|----------------|----------------|
| Foreign currency loans                     | 25.30          | 26.32          |
| Non convertible bonds                      | 101.49         | 243.80         |
| Bank borrowings - working capital          | 18.60          | 12.20          |
| Steel development fund loans               | 9.29           | 3.61           |
| Other bank borrowings and commercial paper | 2256.76        | 1601.80        |
| Interest under Income Tax Act              | 2.74           | -              |
| Other borrowing costs                      | <u>59.68</u>   | <u>149.74</u>  |
|  | <u>2473.86</u> | <u>2037.47</u> |

\*Including foreign exchange fluctuations loss of ₹ nil crore (as at 31<sup>st</sup> March, 2022: loss ₹ 90.96 crore).

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

|   |               |               |
|---|---------------|---------------|
| Non convertible bonds                   | 70.94         | 127.40        |
| Steel development fund loans - Interest | 0.44          | 0.99          |
| Other bank borrowings                   | <u>112.00</u> | <u>82.67</u>  |
|   | <u>183.38</u> | <u>211.06</u> |

#### 41: OTHER EXPENSES

##### Consumption of stores & spares

|  |                |               |
|--|----------------|---------------|
| Consumption  | 6335.91        | 6126.08       |
| Less: Departmentally manufactured stores                         | 634.23         | 713.73        |
| Less: Finished products internally consumed as stores and spares | <u>792.34</u>  | <u>804.73</u> |
|  | <b>4909.34</b> | 4607.62       |

##### Repairs & maintenance

|                   |                |               |
|-------------------|----------------|---------------|
| Buildings         | 311.35         | 282.91        |
| Plant & machinery | 1463.59        | 1314.73       |
| Others            | <u>508.76</u>  | <u>422.27</u> |
|                   | <b>2283.70</b> | 2019.91       |

##### Handling expenses

|                |                |               |
|----------------|----------------|---------------|
| Raw material   | 908.20         | 648.83        |
| Scrap recovery | <u>307.43</u>  | <u>312.59</u> |
|                | <b>1215.63</b> | 961.42        |

##### Remuneration to auditors

|                        |             |             |
|------------------------|-------------|-------------|
| Audit fees             | 2.74        | 3.01        |
| Tax audit fees         | 0.77        | 0.86        |
| In other services      | 1.77        | 1.77        |
| Out of pocket expenses | <u>0.65</u> | <u>1.05</u> |
|                        | <b>5.93</b> | 6.69        |

##### Allowances

|   |                |               |
|---|----------------|---------------|
| Doubtful debts, loans and advances      | 63.07          | 116.47        |
| Investments                             | 52.51          | 18.75         |
| Stores, spares and sundries             | <u>96.76</u>   | <u>220.65</u> |
| Power and fuel                          | <b>7544.59</b> | 7713.27       |
| Freight outward                         | <b>3176.80</b> | 3030.93       |
| Royalty and cess                        | <b>5577.30</b> | 4521.01       |
| Conversion charges                      | <b>204.28</b>  | 197.76        |
| Demurrage & wharfage                    | <b>88.59</b>   | 87.03         |
| Water charges & cess on water pollution | <b>179.60</b>  | 154.20        |
| Insurance                               | <b>87.39</b>   | 82.32         |
| Postage, telegram & telephone           | <b>20.37</b>   | 18.35         |
| Printing & stationery                   | <b>12.57</b>   | 11.43         |
| Rates & taxes                           | <b>49.09</b>   | 45.24         |



**41: OTHER EXPENSES (Cont...)**

(₹ crore)

|  | As at<br>31 <sup>st</sup> March, 2024 | As at<br>31 <sup>st</sup> March, 2023 |
|--|---------------------------------------|---------------------------------------|
| Rent   | 2.51                                  | 5.23                                  |
| Law charges  | 29.13                                 | 29.79                                 |
| Security expenses  | 827.72                                | 823.81                                |
| Travelling expenses  | 78.66                                 | 99.83                                 |
| Training expenses  | 91.53                                 | 81.03                                 |
| Expenditure on corporate social responsibility (refer note 49.6) | 162.45                                | 162.92                                |
| Foreign exchange fluctuations (net)                              | 181.17                                | 963.87                                |
| Cost audit fee and reimbursement of expenses                     | 0.12                                  | 0.05                                  |
| Write-offs - Miscellaneous                                       | 8.09                                  | 0.10                                  |
| Handling expenses - finished goods                               | 270.15                                | 237.70                                |
| Impairment loss  | -                                     | 9.10                                  |
| Commission to selling agents                                     | 9.62                                  | 8.24                                  |
| Export sales expenses  | 34.65                                 | 145.27                                |
| Miscellaneous  | 845.49                                | 931.57                                |
|  | <b>28108.81</b>                       | <b>27311.56</b>                       |
| <b>41a: EXCEPTIONAL ITEMS*</b>                                   |                                       |                                       |
| Contractual settlements under 'Vivad se Viswas scheme II'        | 394.39                                | -                                     |
| Provision towards settlement of Entry Tax                        | 446.45                                |                                       |
| Sale of fixed assets   | -                                     | (301.34)                              |
| Others   | -                                     | 43.35                                 |
|  | <b>840.84</b>                         | <b>(257.99)</b>                       |

\* Refer note 49.14

**41b: EARNING PER SHARE**

|   |               |               |
|---|---------------|---------------|
| Profit for the year (₹ crore)             | 3066.67       | 2176.53       |
| Number of equity shares                   | 4130525289.00 | 4130525289.00 |
| Earning per share - basic and diluted (₹) | 7.42          | 5.27          |
| Face value per equity share (₹)           | 10.00         | 10.00         |

**42. FINANCIAL INSTRUMENTS**
**i) Fair values hierarchy**

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

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

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

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

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

(₹ crore)

| As at 31 <sup>st</sup> March, 2024    | Level 1 | Level 2 | Level 3       | Total         |
|---------------------------------------|---------|---------|---------------|---------------|
| <b>Financial assets</b>               |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative financial assets           | -       | -       | -             | -             |
| <b>Investments at FVOCI</b>           |         |         |               |               |
| Equity instruments                    |         |         |               |               |
| Quoted                                | -       | -       | -             | -             |
| Unquoted                              | -       | -       | 313.70        | 313.70        |
| <b>Total financial assets</b>         | -       | -       | <b>313.70</b> | <b>313.70</b> |
| <b>Financial liabilities</b>          |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative liabilities                | -       | -       | -             | -             |
| <b>Total financial liabilities</b>    | -       | -       | -             | -             |



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

(₹ crore)

| As at 31 <sup>st</sup> March, 2023    | Level 1 | Level 2 | Level 3       | Total         |
|---------------------------------------|---------|---------|---------------|---------------|
| <b>Financial assets</b>               |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative financial assets           | -       | -       | -             | -             |
| <b>Investments at FVOCI</b>           |         |         |               |               |
| Equity instruments                    |         |         |               |               |
| Quoted                                | -       | -       | -             | -             |
| Unquoted                              | -       | -       | 239.79        | 239.79        |
| <b>Total financial assets</b>         | -       | -       | <b>239.79</b> | <b>239.79</b> |
| <b>Financial liabilities</b>          |         |         |               |               |
| <b>Financial instruments at FVTPL</b> |         |         |               |               |
| Derivative liabilities                | -       | -       | -             | -             |
| <b>Total financial liabilities</b>    | -       | -       | -             | -             |

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

(₹ crore)

|  | Level   | As at 31 <sup>st</sup> March, 2024 |                 | As at 31 <sup>st</sup> March, 2023 |                 |
|--|---------|------------------------------------|-----------------|------------------------------------|-----------------|
|  |         | Carrying value                     | Fair Value      | Carrying value                     | Fair Value      |
| <b>Financial assets</b>                |         |                                    |                 |                                    |                 |
| Loans                                  | Level-3 | 905.68                             | 1022.00         | 690.55                             | 800.78          |
| Derivative financial assets            | Level-2 | -                                  | -               | -                                  | -               |
| <b>Equity instruments</b>              |         |                                    |                 |                                    |                 |
| Quoted                                 | Level-1 | -                                  | -               | -                                  | -               |
| Unquoted*                              | Level-3 | 313.70                             | 313.70          | 239.79                             | 239.79          |
| <b>Total financial assets</b>          |         | <b>1219.38</b>                     | <b>1335.70</b>  | <b>930.34</b>                      | <b>1040.57</b>  |
| <b>Financial liabilities</b>           |         |                                    |                 |                                    |                 |
| Borrowings (including lease liability) | Level-3 | 37306.15                           | 37057.30        | 31836.09                           | 31683.52        |
| Other payables                         | Level-3 | 11010.06                           | 11073.94        | 10516.54                           | 10576.75        |
| Derivative liability                   | Level-2 | -                                  | -               | -                                  | -               |
| <b>Total financial liabilities</b>     |         | <b>48316.21</b>                    | <b>48131.24</b> | <b>42352.63</b>                    | <b>42260.27</b> |

\* Already at fair value

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

Specific valuation techniques used to value financial instruments include:

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

**(v) Unquoted investments:**

Fair value estimates of unquoted equity investments are included in level-3 and are based on latest available financial statements of investee Company. The Group expects no sensitivity in the fair value of investments. 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                            |               |
|---|---------------|
| <b>As at 31<sup>st</sup> March, 2022</b>              | <b>172.85</b> |
| Gains/losses recognised in other comprehensive income | 66.94         |
| <b>As at 31<sup>st</sup> March, 2023</b>              | <b>239.79</b> |
| Gains/losses recognised in other comprehensive income | 73.91         |
| <b>As at 31<sup>st</sup> March, 2024</b>              | <b>313.70</b> |

**43: FINANCIAL RISK MANAGEMENT**
**(i) Financial instruments by category**

(₹ crore)

| Particulars                            | As at 31 <sup>st</sup> March, 2024 |               |                 | As at 31 <sup>st</sup> March, 2023 |               |                 |
|--|------------------------------------|---------------|-----------------|------------------------------------|---------------|-----------------|
|  | FVTPL                              | FVOCI         | Amortised cost  | FVTPL                              | FVOCI         | Amortised cost  |
| <b>Financial assets</b>                |                                    |               |                 |                                    |               |                 |
| Investments                            |                                    |               |                 |                                    |               |                 |
| Equity instruments                     | -                                  | 313.70        | -               | -                                  | 239.79        | -               |
| Trade receivables                      | -                                  | -             | 8355.37         | -                                  | -             | 5389.97         |
| Cash and cash equivalents              | -                                  | -             | 69.38           | -                                  | -             | 57.09           |
| Other Bank Balances                    | -                                  | -             | 603.57          | -                                  | -             | 493.55          |
| Loans                                  | -                                  | -             | 905.68          | -                                  | -             | 690.55          |
| Derivative financial assets            | -                                  | -             | -               | -                                  | -             | -               |
| Other receivables                      | -                                  | -             | 1814.03         | -                                  | -             | 1600.56         |
| <b>Total</b>                           | -                                  | <b>313.70</b> | <b>11748.03</b> | -                                  | <b>239.79</b> | <b>8231.72</b>  |
| <b>Financial liabilities</b>           |                                    |               |                 |                                    |               |                 |
| Borrowings (including lease liability) | -                                  | -             | 37306.15        | -                                  | -             | 31836.09        |
| Trade payable                          | -                                  | -             | 15338.46        | -                                  | -             | 14345.01        |
| Derivative Liability                   | -                                  | -             | -               | -                                  | -             | -               |
| Other payables                         | -                                  | -             | 11010.06        | -                                  | -             | 10516.54        |
| <b>Total</b>                           | -                                  | -             | <b>63654.67</b> | -                                  | -             | <b>56697.64</b> |

**ii) Risk Management**

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

**A) Credit risk**

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

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

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

**a) Credit risk management**
**Cash and cash equivalent**

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

**Derivative financial instruments**

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

**Trade receivables**

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

**Other financial assets measured at amortized cost**

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



**b) Expected credit losses**

Group, its Joint Ventures and Associate provides expected credit losses based on the following:

**Trade receivables**

The Group, its Joint Ventures and Associate recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables.

For descriptive note on trade receivables ageing, refer note 48.4 (B)

**Other financial assets measured at amortized cost**

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

**B) Liquidity risk**

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

**Maturities of financial liabilities**

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

(₹ crore)

| Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2024 | Less than 1 year | 1-2 year       | 2-3 year       | More than 3 years | Total           |
|--|------------------|----------------|----------------|-------------------|-----------------|
| <b>Non-derivatives</b>   |                  |                |                |                   |                 |
| Borrowings   | 21474.30         | 1320.89        | 4521.17        | 5386.14           | 32702.50        |
| Trade payables   | 15061.59         | 58.74          | 49.77          | 162.29            | 15332.39        |
| Other payables   | 7011.54          | 133.60         | 115.96         | 423.77            | 7684.87         |
| <b>Total</b>   | <b>43547.43</b>  | <b>1513.23</b> | <b>4686.90</b> | <b>5972.20</b>    | <b>55719.76</b> |
| <b>Derivatives</b>   |                  |                |                |                   |                 |
| Derivative liabilities   | -                | -              | -              | -                 | -               |
| <b>Total</b>   | -                | -              | -              | -                 | -               |

| Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2023 | Less than 1 year | 1-2 year       | 2-3 year       | More than 3 years | Total           |
|--|------------------|----------------|----------------|-------------------|-----------------|
| <b>Non-derivatives</b>   |                  |                |                |                   |                 |
| Borrowings   | 19804.09         | 2437.65        | 911.79         | 5312.62           | 28466.15        |
| Trade payables   | 13882.19         | 234.83         | 3.73           | 222.30            | 14343.05        |
| Other payables   | 6180.18          | 145.17         | 230.26         | 921.58            | 7477.19         |
| <b>Total</b>   | <b>39866.46</b>  | <b>2817.65</b> | <b>1145.78</b> | <b>6456.50</b>    | <b>50286.39</b> |
| <b>Derivatives</b>   |                  |                |                |                   |                 |
| Derivative liabilities   | -                | -              | -              | -                 | -               |
| <b>Total</b>   | -                | -              | -              | -                 | -               |

**C) Market Risk**

**a) Foreign currency risk**

Most of the Group's, its Joint Venture's & Associate's transactions are carried out in INR. Exposures to currency exchange rates arise from the Group's, its Joint Venture's & Associate's overseas borrowing arrangements, which are primarily denominated in US dollars (USD). To mitigate the Group's, its Joint Venture's & Associate's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's, its Joint Venture's & Associate's risk management policies. Generally, the Group's, its Joint Venture's & Associate's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

**Foreign currency risk exposure:**

The Group's, its Joint Venture's & Associate's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ crore are as follows:

| Particulars  | As at 31 <sup>st</sup> March, 2024 |               | As at 31 <sup>st</sup> March, 2023 |               |
|--|------------------------------------|---------------|------------------------------------|---------------|
|  | USD                                | Euro          | USD                                | Euro          |
| <b>Financial assets</b>  |                                    |               |                                    |               |
| Trade receivables  | 87.46                              | -             | 32.77                              | -             |
| Cash and cash equivalents  | -                                  | -             | -                                  | -             |
| Other Bank Balances  | -                                  | -             | -                                  | -             |
| Loans  | -                                  | -             | -                                  | -             |
| Derivative financial assets (gross amounts, to hedge borrowings) | -                                  | -             | -                                  | -             |
| Other receivables  | -                                  | -             | -                                  | -             |
| <b>Net exposure to foreign currency risk (assets)</b>            | <b>87.46</b>                       | <b>-</b>      | <b>32.77</b>                       | <b>-</b>      |
| <b>Financial liabilities</b>                                     |                                    |               |                                    |               |
| Borrowings   | -                                  | 277.01        | -                                  | 302.95        |
| Trade payable  | 9728.38                            | 60.11         | 8412.14                            | 51.58         |
| Other payables   | 101.72                             | 179.99        | 152.01                             | 216.87        |
| <b>Net exposure to foreign currency risk (liabilities)</b>       | <b>9830.10</b>                     | <b>517.11</b> | <b>8564.15</b>                     | <b>571.40</b> |

**Sensitivity**

The following table illustrates the sensitivity of profit and equity in regard to the Group's, its Joint Venture's & Associate's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 2.02% change of the INR/USD exchange rate for the year ended at 31<sup>st</sup> March, 2024 (2023: 4.93%). A +/- 5.77% change is considered for the INR/EUR exchange rate (2023:8.75%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's, its Joint Venture's & Associate's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

(₹ crore)

| Particulars                                | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| <b>USD sensitivity</b>                     |                                    |                                    |
| INR/USD- increase by 2.02% (31 March 2024) | 196.80                             | -                                  |
| INR/USD- decrease by 2.02% (31 March 2024) | (196.80)                           | -                                  |
| INR/USD- increase by 4.93% (31 March 2023) | -                                  | 420.60                             |
| INR/USD- decrease by 4.93% (31 March 2023) | -                                  | (420.60)                           |
| <b>Euro sensitivity</b>                    |                                    |                                    |
| INR/EUR- increase by 5.77% (31 March 2024) | 29.84                              | -                                  |
| INR/EUR- decrease by 5.77% (31 March 2024) | (29.84)                            | -                                  |
| INR/EUR- increase by 8.75% (31 March 2023) | -                                  | 50.00                              |
| INR/EUR- decrease by 8.75% (31 March 2023) | -                                  | (50.00)                            |

**b) Interest rate risk**

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually at fixed rates. At 31<sup>st</sup> March, 2024, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's, its Joint Venture's & Associate's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's, its Joint Venture's & Associate's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2023: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

**i) Liabilities**

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31<sup>st</sup> March, 2024, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates.

**Interest rate risk exposure**

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

(₹ crore)

| Particulars   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| Variable rate borrowing (excluding exposures offset by derivatives) | 29041.80                           | 21607.68                           |
| Fixed rate borrowing  | 1559.17                            | 4054.10                            |
| <b>Total borrowings</b>   | <b>30600.97</b>                    | <b>25661.78</b>                    |

**Sensitivity**

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

(₹ crore)

| Particulars                                 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---|------------------------------------|------------------------------------|
| <b>Interest rate sensitivity</b>            |                                    |                                    |
| Interest rates-increase by 100 basis points | 290.42                             | 216.08                             |
| Interest rates-decrease by 100 basis points | (290.42)                           | (216.08)                           |



**ii) Assets**

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

**Interest rate risk exposure**

Below is the overall exposure of the financial assets:

(₹ crore)

| Particulars                   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|-------------------------------|------------------------------------|------------------------------------|
| Variable rate deposits/ loans | -                                  | -                                  |
| Fixed rate deposits/ loans    | 1509.25                            | 1184.10                            |
| <b>Total deposits</b>         | <b>1509.25</b>                     | <b>1184.10</b>                     |

**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 significant, therefore is not exposed to price risks on exposures outstanding on the balance sheet date.

**44: CAPITAL MANAGEMENT**

The Group's, its Joint Venture's & Associate's capital management objectives are

- to ensure the Group's, its Joint Venture's & Associate's ability to continue as a going concern.
- to provide an adequate return to shareholders

The Group, its Joint Ventures & Associate monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

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

(₹ crore)

| Particulars                     | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------------------------------|------------------------------------|------------------------------------|
| Net debts                       | 37236.77                           | 31779.00                           |
| Total equity                    | 57101.22                           | 54746.67                           |
| <b>Net debt to equity ratio</b> | <b>0.65</b>                        | <b>0.58</b>                        |

**Dividends**

(₹ crore)

| Particulars  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| Equity shares  |                                    |                                    |
| (i) Interim dividend on paid up equity share capital ₹10 each          | 413.05                             | 413.05                             |
| (ii) Final dividend not recognised at the end of the reporting period. | 413.05                             | 206.53                             |

**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 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| 1      | SAIL Refractory Company Limited            | Subsidiary     | Refractory Material production | India                            | India                       | 100.00%                            | 100.00%                            |
| 2      | Chhattisgarh Mega Steel Limited            | Subsidiary     | Steel production               | India                            | India                       | 74.00%                             | 74.00%                             |
| 3      | NTPC-SAIL Power Company Ltd                | Joint-ventures | Power Production               | India                            | India                       | 50.00%                             | 50.00%                             |
| 4      | Bokaro Power Supply Co. Pvt. Ltd.          | Joint-ventures | Power Production               | India                            | India                       | 50.00%                             | 50.00%                             |
| 5      | mjunction Services Limited                 | Joint-ventures | Consultancy services           | India                            | India                       | 50.00%                             | 50.00%                             |
| 6      | SAIL-Bansal Service Centre Ltd             | Joint-ventures | Consultancy services           | India                            | India                       | 40.00%                             | 40.00%                             |
| 7      | Bhilai Jaypee Cement Limited               | Joint-ventures | Cement production              | India                            | India                       | 26.00%                             | 26.00%                             |
| 8      | International Coal Ventures Private Ltd.   | Joint-ventures | Coal Mining                    | India                            | Mozambique                  | 47.82%                             | 47.82%                             |
| 9      | SAIL-SCL Kerala Limited                    | Joint-ventures | Steel production               | India                            | India                       | 49.26%                             | 49.26%                             |
| 10     | SAIL-RITES Bengal Wagon Industry Pvt. Ltd. | Joint-ventures | Railway Wagon Production       | India                            | India                       | 50.00%                             | 50.00%                             |
| 11     | SAIL-Kobe Iron India Pvt. Limited          | Joint-ventures | Steel production               | India                            | India                       | 50.00%                             | 50.00%                             |
| 12     | Prime Gold-SAIL JVC Limited                | Joint-ventures | Steel production               | India                            | India                       | 26.00%                             | 26.00%                             |
| 13     | VSL SAIL JVC Limited                       | Joint-ventures | Alloy Casting                  | India                            | India                       | 20.58%                             | 20.58%                             |
| 14     | Bastar Railway Private Limited             | Joint-ventures | Railway Project                | India                            | India                       | 12.00%                             | 12.00%                             |
| 15     | GEDCOL SAIL Power Corporation Ltd.         | Joint-ventures | Power Production               | India                            | India                       | 26.00%                             | 26.00%                             |
| 16     | Romelt SAIL (India) Limited                | Joint-ventures | Steel production               | India                            | India                       | 15.00%                             | 15.00%                             |
| 17     | Almora Magnesite Limited                   | Associate      | Magnesite Mining               | India                            | India                       | 20.00%                             | 20.00%                             |

**44 B. Summarised financial information of equity method investees**
**Joint ventures individually significant  
NTPC-SAIL Power Company Limited**

(₹ crore)

| Summarized balance sheet                              | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|---|------------------------------|------------------------------|
| <b>Current assets</b>                                 |                              |                              |
| Cash and cash equivalents                             | 62.26                        | 32.80                        |
| Other assets  | 978.76                       | 922.20                       |
|   | <b>1,041.02</b>              | 955.00                       |
| Non-current assets                                    | 4,582.52                     | 4,621.30                     |
| <b>Current Liabilities</b>                            |                              |                              |
| Financial liabilities (excluding provisions)          | 1,209.92                     | 1,355.87                     |
| Other Liabilities                                     | 138.28                       | 183.10                       |
|   | <b>1,348.20</b>              | 1,538.97                     |
| <b>Non-Current liabilities</b>                        |                              |                              |
| Financial liabilities (excluding provisions)          | 1,107.44                     | 1,152.92                     |
| Other liabilities                                     | 7.02                         | 6.20                         |
|   | <b>1,114.46</b>              | 1,159.12                     |
| <b>Net Assets</b>                                     | <b>3,160.88</b>              | 2,878.21                     |
| <b>Ownership Interest</b>                             | <b>50.00%</b>                | 50.00%                       |
| <b>Carrying Amount of Interest</b>                    | <b>1,580.44</b>              | 1,439.11                     |
| <b>Summarized statement of profit and loss</b>        |                              |                              |
| Revenue   | 3,870.60                     | 3,707.74                     |
| Depreciation and amortisation                         | 78.58                        | 76.05                        |
| Interest Expense                                      | 127.20                       | 99.05                        |
| Income tax expense or income                          | 103.04                       | 79.25                        |
| Profit or loss from continuing operations.            | 435.86                       | 470.33                       |
| Post-tax profit or loss from discontinued operations. | -                            | -                            |
| Other comprehensive income.                           | (3.18)                       | 0.66                         |
| Total comprehensive income.                           | 432.68                       | 470.99                       |
| <b>Ownership interest</b>                             | <b>50.00%</b>                | 50.00%                       |

**mjunction Services Limited**

| Summarized balance sheet                     |               |        |
|--|---------------|--------|
| <b>Current assets.</b>                       |               |        |
| Cash and cash equivalents                    | 46.01         | 45.76  |
| Other assets                                 | 650.33        | 594.51 |
|  | <b>696.34</b> | 640.27 |
| Non-current assets                           | 157.07        | 108.67 |
| <b>Current Liabilities</b>                   |               |        |
| Financial liabilities (excluding provisions) | 564.05        | 422.23 |
| Other Liabilities                            | 10.94         | 12.49  |
|  | <b>574.99</b> | 434.72 |
| <b>Non-Current liabilities</b>               |               |        |
| Financial liabilities (excluding provisions) | 10.75         | 12.02  |
| Other liabilities                            | 1.90          | 1.93   |
|  | <b>12.65</b>  | 13.95  |
| <b>Net Assets</b>                            | <b>265.77</b> | 300.27 |
| <b>Ownership Interest</b>                    | <b>50.00%</b> | 50.00% |
| <b>Carrying Amount of Interest</b>           | <b>132.89</b> | 150.14 |



**44 B. Summarised financial information of equity method investees (contd...)**

(₹ crore)

**mjunction Services Limited**

| Summarized statement of profit and loss              | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|--|------------------------------|------------------------------|
| Revenue  | <b>328.37</b>                | 322.13                       |
| Depreciation and amortisation                        | <b>13.58</b>                 | 12.04                        |
| Interest Expense                                     | <b>0.13</b>                  | 0.07                         |
| Income tax expense or income                         | <b>20.41</b>                 | 24.64                        |
| Profit or loss from continuing operations            | <b>66.34</b>                 | 74.21                        |
| Post-tax profit or loss from discontinued operations | -                            | -                            |
| Other comprehensive income                           | <b>(0.84)</b>                | (0.31)                       |
| Total comprehensive income                           | <b>65.50</b>                 | 73.90                        |
| <b>Ownership interest</b>                            | <b>50.00%</b>                | 50.00%                       |

**International Coal Ventures Limited**

| Summarized balance sheet                     |                 |          |
|--|-----------------|----------|
| <b>Current assets.</b>                       |                 |          |
| Cash and cash equivalents                    | <b>7.81</b>     | 4.85     |
| Other assets                                 | <b>55.93</b>    | 57.74    |
|  | <b>63.74</b>    | 62.59    |
| Non-current assets                           | <b>2,684.47</b> | 2,623.72 |
| <b>Current Liabilities</b>                   |                 |          |
| Financial liabilities (excluding provisions) | <b>150.57</b>   | 125.08   |
| Other Liabilities                            | <b>0.80</b>     | 0.15     |
|  | <b>151.37</b>   | 125.23   |
| <b>Non-Current liabilities</b>               |                 |          |
| Financial liabilities (excluding provisions) | -               | -        |
| Other liabilities                            | <b>18.76</b>    | 18.50    |
|  | <b>18.76</b>    | 18.50    |
| <b>Net Assets</b>                            | <b>2,578.08</b> | 2,542.58 |
|  | <b>2,578.08</b> | 2,542.58 |
| <b>Ownership Interest</b>                    | <b>47.82%</b>   | 47.82%   |
| <b>Carrying Amount of Interest</b>           | <b>1,232.84</b> | 1,215.86 |

| Summarized statement of profit and loss              |                |          |
|--|----------------|----------|
| Revenue  | <b>20.33</b>   | 11.86    |
| Depreciation and amortisation                        | -              | -        |
| Interest Expense                                     | <b>29.43</b>   | 122.49   |
| Income tax expense or income                         | -              | -        |
| Profit or loss from continuing operations            | <b>(29.51)</b> | (126.46) |
| Post-tax profit or loss from discontinued operations | -              | -        |
| Other comprehensive income                           | <b>65.01</b>   | 292.52   |
| Total comprehensive income                           | <b>35.50</b>   | 166.06   |
| <b>Ownership interest</b>                            | <b>47.82%</b>  | 47.82%   |

**Bokaro Power Supply Co. Pvt. Limited**

| Summarized balance sheet                     |               |        |
|--|---------------|--------|
| <b>Current assets.</b>                       |               |        |
| Cash and cash equivalents                    | <b>2.12</b>   | 2.00   |
| Other assets                                 | <b>566.73</b> | 498.86 |
|  | <b>568.85</b> | 500.86 |
| Non-current assets                           | <b>451.91</b> | 467.65 |
| <b>Current Liabilities</b>                   |               |        |
| Financial liabilities (excluding provisions) | <b>69.03</b>  | 60.40  |
| Other Liabilities                            | <b>55.39</b>  | 27.05  |
|  | <b>124.42</b> | 87.45  |
| <b>Non-Current liabilities</b>               |               |        |
| Financial liabilities (excluding provisions) | <b>4.73</b>   | 4.54   |
| Other liabilities                            | <b>36.83</b>  | 37.91  |
|  | <b>41.56</b>  | 42.45  |
| <b>Net Assets</b>                            | <b>854.78</b> | 838.61 |
| <b>Ownership Interest</b>                    | <b>50.00%</b> | 50.00% |
| <b>Carrying Amount of Interest</b>           | <b>427.39</b> | 419.31 |



**44 B. Summarised financial information of equity method investees (contd...)**

(₹ crore)

**Bokaro Power Supply Co. Pvt. Limited**

| Summarized statement of profit and loss              | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|--|------------------------------|------------------------------|
| Revenue  | 835.86                       | 890.09                       |
| Depreciation and amortisation                        | 0.35                         | 0.35                         |
| Interest Expense                                     | 1.56                         | 3.62                         |
| Income tax expense or income                         | 25.10                        | 26.69                        |
| Profit or loss from continuing operations            | 76.89                        | 64.38                        |
| Post-tax profit or loss from discontinued operations | -                            | -                            |
| Other comprehensive income                           | 1.17                         | (0.27)                       |
| Total comprehensive income                           | 78.06                        | 64.11                        |
| <b>Ownership interest</b>                            | <b>50.00%</b>                | <b>50.00%</b>                |

**Bhilai Jaypee Cement Limited**

| Summarized balance sheet                     |                |                |
|--|----------------|----------------|
| <b>Current assets</b>                        |                |                |
| Cash and cash equivalents                    | 1.00           | 2.38           |
| Other assets                                 | 26.39          | 30.19          |
|  | 27.39          | 32.57          |
| Non-current assets                           | 579.25         | 599.90         |
| <b>Current Liabilities</b>                   |                |                |
| Financial liabilities (excluding provisions) | 230.82         | 193.58         |
| Other Liabilities                            | 218.87         | 148.10         |
|  | 449.69         | 341.68         |
| <b>Non-Current liabilities</b>               |                |                |
| Financial liabilities (excluding provisions) | 1.29           | 1.35           |
| Other liabilities                            | 509.30         | 503.85         |
|  | 510.59         | 505.20         |
| Net Assets                                   | (353.64)       | (214.41)       |
| <b>Ownership Interest</b>                    | <b>26.00%</b>  | <b>26.00%</b>  |
| <b>Calculated Share of Net Assets</b>        | <b>(91.95)</b> | <b>(55.75)</b> |
| <b>Goodwill</b>                              |                |                |
| <b>Carrying amount of Interest</b>           | <b>(91.95)</b> | <b>(55.75)</b> |

| Summarized statement of profit and loss              |               |               |
|--|---------------|---------------|
| Revenue  | 4.58          | 36.29         |
| Depreciation and amortisation                        | 34.22         | 35.03         |
| Interest Expense                                     | 3.76          | 6.83          |
| Income tax expense or income                         | (25.93)       | (22.32)       |
| Profit or loss from continuing operations            | (138.77)      | (63.92)       |
| Post-tax profit or loss from discontinued operations | -             | -             |
| Other comprehensive income                           | (0.31)        | 0.28          |
| Total comprehensive income                           | (139.08)      | (63.64)       |
| <b>Ownership interest</b>                            | <b>26.00%</b> | <b>26.00%</b> |

**Summarised financial information for Joint Ventures not individually significant**

| Summarized statement of profit and loss              |        |         |
|--|--------|---------|
| Profit or loss from continuing operations            | 15.31  | (18.07) |
| Post-tax profit or loss from discontinued operations | -      | -       |
| Other comprehensive income                           | (0.04) | (0.04)  |
| Total comprehensive income                           | 15.27  | (18.11) |

**Associates, not individually significant**

| Summarized statement of profit and loss              |      |      |
|--|------|------|
| Profit or loss from continuing operations            | 1.03 | 0.94 |
| Post-tax profit or loss from discontinued operations | -    | -    |
| Other comprehensive income                           | -    | -    |
| Total comprehensive income                           | 1.03 | 0.94 |



#### 44 B. Summarised financial information of equity method investees (contd...)

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)                    |                              |
|---|------------------------------|------------------------------|
| Summarized statement of profit and loss   | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
| Bhilai Jaypee cement Limited - Reporting  | 36.16                        | 3.24                         |
| Bhilai Jaypee cement Limited - Cumulative | 39.40                        | 3.24                         |
| SAIL SCL Kerala Limited - Reporting       | -                            | 2.87                         |
| SAIL SCL Kerala Limited - Cumulative      | 57.69                        | 57.69                        |

|  | (₹ crore)                    |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |

#### Dividend Received from the Joint Ventures

|  |       |        |
|--|-------|--------|
| NTPC SAIL Power Company Limited            | 75.00 | 325.00 |
| mjunction Services Limited                 | 50.00 | 10.00  |
| Bokaro Power Supply Co. Pvt. Limited       | 31.00 | 66.97  |
| SAIL-RITES Bengal Wagon Industry Pvt. Ltd. | 1.20  | -      |

#### 44C. Details of Subsidiaries, Joint Ventures and Associates

44.C.1 Investment in Jointly controlled entities of the Group as detailed below has been fully provided for as at 31<sup>st</sup> March, 2024 .

| Name of the Jointly Controlled Entities |
|---|
| 1 VSL SAIL JVC Limited*                 |
| 2 SAIL Bansal Service Centre Ltd        |
| 3 SAIL SCL Kerela Limited*              |
| 4 Bhilai Jaypee Cement Limited*         |
| 5 Romelt SAIL (India) Limited*          |
| 6 SAIL Kobe Iron India Pvt. Limited*    |

\*The share of profit/loss in respect of these joint ventures has been considered at Nil

Jointly controlled entities of the Group as detailed below are under liquidation/closure/resolution.

| Subsidiary/ Jointly controlled entities of ICVL (Joint Venture Entity): |
|---|
| 1 Bhilai Jaypee Cement Limited  |
| 2 SAIL SCL Kerela Limited   |

44.C.2 In respect of one subsidiary of the Group and eight jointly controlled entities, as detailed below, certain accounting policies are not consistent with that of the Group's accounting policies. The effect on the profit/loss of these jointly controlled entities due to inconsistency in accounting policy with that of the group is not material.

| Sl No. | Name of the Jointly Controlled Entities                                 | Details of Differing Accounting Policy in comparison to Accounting Policy of the Holding Company  |
|--------|---|---|
| 1      | SAIL Refractory Company Limited - Subsidiary                            | <b>Note No. 3.6:</b> Valuation of Finished/Semi-finished Inventory<br><b>Note No. 3.11:</b> Adjustment pertaining to earlier years<br><b>Note No. 3.12:</b> Claims for liquidated damages and price escalation<br><b>Note No. 3.19:</b> Cash & Cash Equivalents"  |
| 2      | mjunction services limited - Jointly controlled entity                  | <b>Note No. 2.4:</b> Intangible assets (software) are amortised over a period of three years.<br><b>Note No. 2.11:</b> Cash and cash equivalents  |
| 3      | International Coal Ventures Private Limited - Jointly controlled entity | <b>Note No. 3.2.2:</b> 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.<br><b>Note No. 3.2.3:</b> 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. |

| SI No. | Name of the Jointly Controlled Entities                                     | Details of Differing Accounting Policy in comparison to Accounting Policy of the Holding Company  |
|--------|---|---|
| 4      | NTPC-SAIL Power Company Limited- Jointly controlled entity                  | <b>Note No. 1.1:</b> No monetary limit on capitalization of Capital Spares<br><b>Note No. 1.2:</b> No monetary limit on capitalization of Capital Repairs<br><b>Note No. 1.5:</b> Depreciation on certain assets are provided on the basis of estimated useful life, which is different from SAIL.<br><b>Note No. 3.4:</b> Amortization of software is done for 3 years or legal right to use, whichever is less<br><b>Note No. 5:</b> Fly ash utilization reserve<br><b>Note No. 7:</b> Valuation of Inventory<br><b>Note No. 8:</b> Cash and cash equivalents<br><b>Note No. 19:</b> Material prior period errors |
| 5      | SAIL-RITES Bengal Wagon Industry Private Limited- Jointly controlled entity | Significant accounting policies instead of material accounting policies<br><b>Note No. 3.8:</b> Basis of valuation of inventory is different from SAIL<br><b>Note No. 3.10:</b> Defined Contribution Plan<br><b>Note no. 3.11:</b> Cash and cash equivalents  |
| 6      | Bokaro Power Supply Co. Pvt. Ltd.   | Significant accounting policies instead of material accounting policies<br><b>Note No. 4.1-</b> PPE- Initial Recognition and Measurement<br><b>Note No.4.2</b> Derecognition<br><b>Note No.4.3</b> Depreciation<br><b>Note No.6.1</b> Life of Software<br><b>Note No.9</b> Inventories<br><b>Note No.13</b> Revenue Recognition<br><b>Note No.14</b> Liquidated Damage<br><b>Note No. 16:</b> Investment Properties<br><b>Note No. 19:</b> Cash and cash equivalents<br><b>Note No.23</b> Dividend<br><b>Note No.24</b> Prior Period items<br><b>Note No. 25:</b> Cash Flow statement                               |
| 7      | Bhilai Jaypee Cement Limited  | <b>Note No. 2.9</b> Property, Plant & Equipment<br><b>Note No. 2.11</b> Intangible Assets<br><b>Note No. 2.16</b> Inventories   |
| 8      | Bastar Railway Pvt Ltd  | Note k: Prior period errors   |
| 9      | GEDCOL SAIL Power Corporation Ltd.  | Significant accounting policies instead of material accounting policies<br><b>g.</b> The estimated useful life of Computer is 3 years<br><b>j.</b> Policy on Cash & Cash equivalents  |

**44.C.3** Under equity method, investment in a Joint venture/Associate is not calculated on a line by line method unlike in the case of subsidiaries. Therefore, only profit/loss element on closing stock of purchase/sale from jointly controlled entities is to be considered for elimination. SAIL mainly purchases power from its Joint ventures which has no closing stock. Further, transactions with other Jointly controlled entities is very immaterial and it is also not practically possible to compute profit/loss on the same.

**44 D. Information required by Schedule III of the Companies Act 2013, with respect to consolidated financial statements**

(₹ crore)

| Name of the entity in the group | Net Worth   |                               |                                | Profit or (Loss)                  |                                     | Other Comprehensive Income                    |   | Total Comprehensive Income                    |   |
|---------------------------------|---|-------------------------------|--------------------------------|-----------------------------------|-------------------------------------|---|---|---|---|
|                                 | Ownership in % As at 31 <sup>st</sup> March, 2023 | Proportionate Share (₹ crore) | As % of Consolidated Net Worth | Share in Profit/ (Loss) (₹ crore) | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income (₹ crore) | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income (₹ crore) | As % of Consolidated Total Comprehensive Income |
| Steel Authority of India        | 100.00  | 54,130.54                     | 94.80%                         | 2,733.11                          | 89.12%                              | (122.17)                                      | 132.03%   | 2,610.94                                      | 87.79%  |
| <b>Subsidiaries</b>             |   |                               |                                |                                   |                                     |   |   |   |   |
| SAIL Refractory Company Limited | 100.00  | 182.89                        | 0.32%                          | 20.17                             | 0.66%                               | (0.02)  | 0.02%   | 20.15   | 0.68%   |
| Chhattisgarh Mega Steel Limited | 74.00   | -                             | 0.00%                          | -                                 | 0.00%                               | -   | 0.00%   | -   | 0.00%   |
| <b>Joint-ventures</b>           |   |                               |                                |                                   |                                     |   |   |   |   |
| NTPC SAIL Power Company Ltd.    | 50.00   | 1,580.44                      | 2.77%                          | 217.93                            | 7.11%                               | (1.59)  | 1.72%   | 216.34  | 7.27%   |



| For the year ended<br>31 <sup>st</sup> March, 2024 | Net Worth                       |   |                               | Profit or (Loss)               |                                   | Other Comprehensive Income          |   | Total Comprehensive Income                      |   |
|--|---------------------------------|---|-------------------------------|--------------------------------|-----------------------------------|-------------------------------------|---|---|---|
|  | Name of the entity in the group | Ownership in % As at 31 <sup>st</sup> March, 2023 | Proportionate Share (₹ crore) | As % of Consolidated Net Worth | Share in Profit/ (Loss) (₹ crore) | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income (₹ crore) | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income (₹ crore) |
| Bokaro Power Supply Co. Pvt. Ltd.                  | 50.00                           | 427.39  | 0.75%                         | 38.45                          | 1.25%                             | 0.59                                | -0.63%  | 39.03   | 1.31%   |
| mjunction Services Limited                         | 50.00                           | 132.89  | 0.23%                         | 33.17                          | 1.08%                             | (0.42)                              | 0.45%   | 32.75   | 1.10%   |
| SAIL Bansal Service Centre Ltd                     | 40.00                           | 1.26  | 0.00%                         | 0.06                           | 0.00%                             | (0.02)                              | 0.02%   | 0.04  | 0.00%   |
| Bhilai Jaypee Cement Limited                       | 26.00                           | (91.95)   | -0.16%                        | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| International Coal Ventures Private Ltd.           | 47.82                           | 1,232.84  | 2.16%                         | (14.11)                        | -0.46%                            | 31.09                               | -33.59%                                       | 16.98   | 0.57%   |
| SAIL SCL Kerala Limited                            | 49.26                           | -   | -                             | -                              | -                                 | -                                   | -   | -   | -   |
| SAIL RITES Bengal Wagon Industry Pvt. Ltd.         | 50.00                           | 33.68   | 0.06%                         | 4.03                           | 0.13%                             | -                                   | 0.00%   | 4.03  | 0.14%   |
| SAIL Kobe Iron India Pvt. Limited                  | 50.00                           | 0.09  | 0.00%                         | (0.00)                         | 0.00%                             | -                                   | 0.00%   | (0.00)  | 0.00%   |
| Prime Gold-SAIL JVC Limited                        | 26.00                           | 10.56   | 0.02%                         | 1.58                           | 0.05%                             | -                                   | 0.00%   | 1.58  | 0.05%   |
| VSL SAIL JVC Limited                               | 20.58                           | -   | -                             | -                              | -                                 | -                                   | -   | -   | -   |
| GEDCOL SAIL Power corp. Ltd.                       | 26.00                           | 2.58  | 0.00%                         | (0.03)                         | 0.00%                             | -                                   | 0.00%   | (0.03)  | 0.00%   |
| Bastar Railway Private Limited                     | 12.00                           | 35.27   | 0.06%                         | 0.14                           | 0.00%                             | -                                   | 0.00%   | 0.14  | 0.00%   |
| Romelt SAIL (India) Limited                        | 15.00                           |   |                               |                                |                                   |                                     |   |   |   |
| <b>Associates</b>                                  |                                 |   |                               |                                |                                   |                                     | 0.00%   |   |   |
| Almora Magnesite Limited                           | 20.00                           | 1.71  | 0.00%                         | 0.21                           | 0.01%                             | -                                   | 0.00%   | 0.21  | 0.01%   |
| <b>Non-controlling interest</b>                    |                                 | -   | -                             | -                              | -                                 | -                                   | -   | -   | -   |
| <b>Consolidation adjustments</b>                   |                                 | (579.01)  | -1.01%                        | 31.98                          | 1.04%                             | 0.00                                | 0.00%   | 31.99   | 1.08%   |
| <b>Grand total</b>                                 |                                 | <b>57,101.23</b>                                  | <b>100.00%</b>                | <b>3,066.67</b>                | <b>100.00%</b>                    | <b>(92.54)</b>                      | <b>100.00%</b>                                | <b>2,974.13</b>                                 | <b>100.00%</b>                                |

**44E. Information required by Schedule III of the Companies Act 2013, with respect to consolidated financial statements** (₹ crore)

| For the year ended<br>31 <sup>st</sup> March, 2023 | Net Worth                       |   |                               | Profit or (Loss)               |                                   | Other Comprehensive Income          |   | Total Comprehensive Income                      |   |
|--|---------------------------------|---|-------------------------------|--------------------------------|-----------------------------------|-------------------------------------|---|---|---|
|  | Name of the entity in the group | Ownership in % As at 31 <sup>st</sup> March, 2022 | Proportionate Share (₹ crore) | As % of Consolidated Net Worth | Share in Profit/ (Loss) (₹ crore) | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income (₹ crore) | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income (₹ crore) |
| Steel Authority of India                           | 100.00                          | 52,139.18   | 95.24%                        | 1,903.07                       | 87.44%                            | (438.61)                            | 146.64%                                       | 1,464.46  | 78.00%  |
| <b>Subsidiaries</b>                                |                                 |   |                               |                                |                                   |                                     |   |   |   |
| SAIL Refractory Company Limited                    | 100.00                          | 168.82  | 0.31%                         | 17.75                          | 0.82%                             | (0.49)                              | 0.16%   | 17.26   | 0.92%   |
| Chhattisgarh Mega Steel Limited                    | 74.00                           | -   | 0.00%                         | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| <b>Joint-ventures</b>                              |                                 |   |                               |                                |                                   |                                     |   |   |   |
| NTPC SAIL Power Company Ltd                        | 50.00                           | 986.76  | 1.80%                         | 235.17                         | 10.80%                            | 0.34                                | -0.11%  | 235.50  | 12.54%  |
| Bokaro Power Supply Co. Pvt. Ltd.                  | 50.00                           | 384.26  | 0.70%                         | 32.20                          | 1.48%                             | (0.14)                              | 0.05%   | 32.07   | 1.71%   |
| mjunction Services Limited                         | 50.00                           | 113.54  | 0.21%                         | 37.11                          | 1.70%                             | (0.16)                              | 0.05%   | 36.95   | 1.97%   |
| SAIL Bansal Service Centre Ltd                     | 40.00                           | 0.50  | 0.00%                         | 0.01                           | 0.00%                             | (0.02)                              | 0.01%   | (0.01)  | 0.00%   |
| Bhilai Jaypee Cement Limited                       | 26.00                           | 25.32   | 0.05%                         | (13.38)                        | -0.61%                            | 0.07                                | -0.02%  | (13.31)   | -0.71%  |
| International Coal Ventures Private Ltd.           | 47.82                           | 890.68  | 1.63%                         | (60.47)                        | -2.78%                            | 139.88                              | -46.76%                                       | 79.41   | 4.23%   |
| SAIL SCI Shipping Pvt. Limited                     | 50.00                           | 0.07  | 0.00%                         | 0.00                           | 0.00%                             | -                                   | 0.00%   | 0.00  | 0.00%   |

| For the year ended<br>31 <sup>st</sup> March, 2023 | Net Worth                       |   |                               | Profit or (Loss)               |                                   | Other Comprehensive Income          |   | Total Comprehensive Income                      |   |
|--|---------------------------------|---|-------------------------------|--------------------------------|-----------------------------------|-------------------------------------|---|---|---|
|  | Name of the entity in the group | Ownership in % As at 31 <sup>st</sup> March, 2022 | Proportionate Share (₹ crore) | As % of Consolidated Net Worth | Share in Profit/ (Loss) (₹ crore) | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income (₹ crore) | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income (₹ crore) |
| SAIL SCL Kerala Limited                            | 49.26                           | (17.14)   | -0.03%                        | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| SAIL RITES Bengal Wagon Industry Pvt. Ltd.         | 50.00                           | 14.83   | 0.03%                         | 0.17                           | 0.01%                             | -                                   | 0.00%   | 0.17  | 0.01%   |
| SAIL Kobe Iron India Pvt. Limited                  | 50.00                           | 0.26  | 0.00%                         | (0.01)                         | 0.00%                             | -                                   | 0.00%   | (0.01)  | 0.00%   |
| Prime Gold-SAIL JVC Limited                        | 26.00                           | 6.44  | 0.01%                         | 0.33                           | 0.02%                             | -                                   | 0.00%   | 0.33  | 0.02%   |
| VSL SAIL JVC Limited                               | 20.58                           | 1.25  | 0.00%                         | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| Abhinav SAIL JVC Limited                           | 26.00                           | -   | 0.00%                         | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| TMT SAL SAIL JV Limited                            | 26.00                           | -   | 0.00%                         | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| SAL SAIL JVC Limited                               | 26.00                           | -   | 0.00%                         | -                              | 0.00%                             | -                                   | 0.00%   | -   | 0.00%   |
| GEDCOL SAIL Power corp. Ltd.                       | 26.00                           | -   | 0.00%                         | (0.01)                         | 0.00%                             | -                                   | 0.00%   | (0.01)  | 0.00%   |
| Bastar Railway Private Limited                     | 12.00                           | 0.28  | 0.00%                         | (0.11)                         | -0.01%                            | -                                   | 0.00%   | (0.11)  | -0.01%  |
| <b>Associates</b>                                  |                                 |   |                               |                                |                                   |                                     | 0.00%   |   |   |
| Almora Magnesite Limited                           | 20.00                           | 1.01  | 0.00%                         | 0.19                           | 0.01%                             | -                                   | 0.00%   | 0.19  | 0.01%   |
| <b>Non-controlling interest</b>                    |                                 |   |                               | -                              |                                   |                                     |   | -   |   |
| <b>Consolidation adjustments</b>                   |                                 | <b>30.64</b>                                      | <b>0.06%</b>                  | <b>24.53</b>                   | <b>1.13%</b>                      | <b>0.00</b>                         | <b>0.00%</b>                                  | <b>24.53</b>                                    | <b>1.31%</b>                                  |
| <b>Grand total</b>                                 |                                 | <b>54,746.68</b>                                  | <b>100.00%</b>                | <b>2,176.53</b>                | <b>100.00%</b>                    | <b>(299.12)</b>                     | <b>100.00%</b>                                | <b>1,877.41</b>                                 | <b>100.00%</b>                                |

#### 45: DETAILS OF ASSETS PLEDGED

##### Current

Inventories and trade receivables (to the extent pledged) **3841.80** 3957.68

##### Non Current

Plant & Machinery (present and future movable assets) - RSP (to the extent pledged) **4100.00** 4100.00

Plant & Machinery (present and future movable assets) - BSL (to the extent pledged) **5000.00** -

Land at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - ISP including land on which it stands. **14.00** 1533.00

#### 46: EFFECTIVE TAX RECONCILIATION

|   |                |                |
|---|----------------|----------------|
| Profit before tax   | <b>4061.81</b> | <b>2892.44</b> |
| Domestic tax rate   | <b>25.168%</b> | 25.168%        |
| <b>Expected tax expense [A]</b>                               | <b>1022.28</b> | <b>727.97</b>  |
| Adjustment for tax-exempt income/non-deductible expenses      | <b>4.18</b>    | 46.85          |
| Adjustment for difference tax rate items                      | -              | (6.89)         |
| Tax related to earlier years                                  | <b>(82.56)</b> | 18.25          |
| Others  | <b>51.24</b>   | (70.27)        |
| <b>Total adjustments [B]</b>                                  | <b>(27.14)</b> | <b>(12.06)</b> |
| <b>Actual tax expense [C=A+B]</b>                             | <b>995.14</b>  | <b>715.91</b>  |
| <b>Tax expense comprises:</b>                                 |                |                |
| Current tax   | <b>612.79</b>  | 125.47         |
| Deferred tax charge   | <b>382.35</b>  | 590.44         |
| <b>Tax expense recognized in Statement of profit and loss</b> | <b>995.14</b>  | <b>715.91</b>  |



**In Respect of Group:**

**47.1 CONTINGENT LIABILITIES**

(₹ crore)

|       |   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|-------|---|------------------------------------|------------------------------------|
| (i)   | Claims against the Group pending appellate/judicial decisions   | <b>36334.34</b>                    | 37919.08                           |
| (ii)  | Other claims against the Group not acknowledged as debt   | <b>5849.32</b>                     | 5274.48                            |
| (iii) | Disputed income tax/service tax/other demand on joint venture companies for which group may be contingently liable under the joint venture agreement. | <b>58.59</b>                       | 48.72                              |
| (iv)  | Bills drawn on customers and discounted with banks.   | -                                  | 212.99                             |
| (v)   | Price escalation claims by contractors/suppliers and claims by employees.   | -                                  | 310.18                             |

**In Respect of SAIL:**

- 47.2** a) (i) The Nine Judge Bench of the Hon'ble Supreme court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹ 1092.28 crore wherein a rate of 6% was applied on iron Ore and Coking Coal in Bhilai-Durg area as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh and matter relating to Entry tax amounting to ₹ 98.83 crore on goods entering into the local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. During the year, Chhattisgarh Government notified a settlement scheme (Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act, 2023) for settlement of old cases of VAT, Entry Tax & CST etc. under which applications were filed assessment year-wise for settlement of Entry Tax dispute pertaining to rate discrimination. Out of nine applications filed, four applications settled by the Commercial Tax Department. The disputed amount for balance five applications are ₹ 762.91 Crore. The settlement amount for balance five applications as per scheme works out to ₹ 137.72 crore for which firm liability has been provided as on 31<sup>st</sup> March, 2024. Balance amount of ₹ 625.19 crore has been treated as contingent liability. As on 31<sup>st</sup> March, 2024, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities/Commercial Tax Department in this regard. Pending decision by the other Courts, disputed Entry Tax liabilities of ₹ 724.02 crore have been treated by the Company as Contingent Liability (As at 31<sup>st</sup> March, 2023 - ₹ 1184.81 crore) and included in Note No. 47.1 (i) above.
- (ii) In respect of levy of Entry Tax in Industrial township of Rourkela Steel Plant, Hon'ble Supreme Court, vide its judgment dated 4<sup>th</sup> November, 2022 had decided that Entry Tax is leviable in areas covered under Rourkela Steel Plant Industrial township. However, by virtue of a judgement dated 01.12.2021 pronounced by Orissa High Court and subsequently upheld by the Supreme Court vide its order dated 13.07.2022, the reassessed demands raised under Section 10 of Orissa Entry Tax Act, 1999 in absence of original assessment are liable to be rejected. Pending such adjudication as on 31<sup>st</sup> March, 2024, these demands amounting to ₹ 138.48 crores (31<sup>st</sup> March 2023 ₹ 213.00 crores) have been treated as Contingent Liability and included in Note No. 47.1 (i) above.
- 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 2009-2014 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7-8-2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹ 587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission (JSERC) for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC. JSERC finalised the Category-wise Retail Supply Tariff of DVC for the period from FY 2006-07 to FY 2011-12 vide order dated 31<sup>st</sup> October, 2023. However, DVC has preferred an appeal before Hon'ble APTEL against the order of the JSERC regarding the consideration of non-tariff income in totality in the tariff order. APTEL vide its order dated 5<sup>th</sup> February, 2024 allowed the appeal of DVC with request to the commission to pass an order afresh at the earliest. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹ 587.72 crore upto 31<sup>st</sup> March 2024, (upto 31<sup>st</sup> March, 2023, ₹ 587.72 crore) has been

treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

**47.3** Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹ 5387.70 crore upto 31<sup>st</sup> March, 2024 (upto 31<sup>st</sup> March, 2023 ₹ 5037.29 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 Contingent Liability in Note No. 47.1(i) above.

The Mineral (Mining by Government Company) Rules 2015 (the "MMGC Rules") were notified by GOI on 03.12.2015. Although no provision was made for realization of any money for extension of the leases in the said Rules, demands for payment under the MMGC Rules 2015 in respect of Duargaiburu lease of Gua, Amalgamated leases of Kiriburu-Meghahatuburu and Dhobil lease of Chiria were raised by the District Mining Officer (DMO), Chaibasa, Jharkhand. The collective demand for payment against the notices was about ₹ 2980.00 Crore. SAIL challenged the demand notices through the filing of Writ Petitions in Hon'ble High Court of Jharkhand in March 2019. Hon'ble High Court vide order dated 18.12.2019/20.12.2019 stayed the operation of such demand notices. In the meantime, the Government of Jharkhand sought clarification in respect of right/claim to raising of demand under Rule 5 of Mineral (Mining by Government Company) Rule, 2015 (MMGC) from the Ministry of Mines, Govt. of India. The Ministry of Mines, GOI vide letter dated 29.01.2021 clarified MMGC Rule, 2015 do not provide for payment of the additional amount for extension of mining leases granted to a Government Company. Pending disposal of the matter by the Hon'ble High Court of Jharkhand, an amount of ₹ 5959.14 crores (₹ 5241.88 crore as on 31<sup>st</sup> March, 2023) has been disclosed as 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 for payment of revised perks and allowances amounting to ₹ 309.34.crore (previous year: ₹ 309.34 crore) to the executives for the period from 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Group on 7.12.2016. A petition in the matter was filed on 22.12.2016 before the Hon'ble Calcutta High Court and is disposed off during the year. Pending administrative decision on the matter, the amount has been disclosed as Contingent Liability in Note No. 47.1(ii) above.

**47.5** (i) The Ministry of Environment & Forest and

Climate Change (MoEF& CC) vide their letter No.-11-599/2014-FC dated 1<sup>st</sup> 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 Group, 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 Group 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 crores received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh, in which the Hon'ble High Court of Chhattisgarh awarded judgement in favour of Chhattisgarh Government.

The Group has deposited ₹ 96.28 crores with Principal Chief Conservator of Forest, Chhattisgarh and a Special Leave Petition has been filed in Hon'ble Supreme Court of India against the order of Hon'ble High Court of Chhattisgarh. The disputed amount of ₹ 96.28 crore (previous year: ₹ 96.28 crore) crore has been disclosed under contingent liability in Note no.47.1.(i).

(ii) Chhattisgarh State enacted Chhattisgarh (Adhosaanrachna Vikas ewam Paryaawaran) Upkar Adhinyam, 2005 and levied Cess on the mineral extracted in the State of Chhattisgarh. BSP has filed a writ petition in the High Court of Chhattisgarh challenging the enactment as ultra vires. However, BSP has deposited ₹ 235.71 crore under protest till March, 2024 and shown as deposit with Government Department. Total disputed amount of ₹ 235.71 crore (previous year ₹ 212.96 crore) is disclosed under contingent liability in Note no.47.1.(i).

**47.6** Pursuant to the Hon'ble Supreme Court Judgment dated 2<sup>nd</sup> 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 Group has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand.

(a) As the matter is pending for final determination and considering the implication of existing litigation, the Group:

(i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹ 419.68 crore and ₹ 3122.00 crore (₹ 386.33 crore and ₹ 2847.52 crore as on 31<sup>st</sup> March, 2023) respectively (including interest). Based on internal assessment, the Group has provided an amount of ₹ 329.67 crore (₹ 329.67 crore as on 31<sup>st</sup> March, 2023) on estimated basis. Balance amount of ₹ 3212.01 crore (₹ 2904.18 crore as on 31<sup>st</sup> March, 2023) (including interest) has been treated as contingent liability in Note No. 47.1(i).

(ii) In respect of Flux, by the Government of Jharkhand & Odisha amounting to ₹ 66.15 crore (₹ 59.03 crore as on 31<sup>st</sup> March 2023) (including interest). Based on internal assessment, the Group has provided an amount of ₹ 6.86 crore (₹ 6.86 crore as on 31<sup>st</sup> March 2023) on estimated basis. Balance amount of ₹ 59.29 crore (₹ 52.17 crore as on 31<sup>st</sup> March 2023) (including interest) has been treated as contingent liability in Note No. 47.1(i) above.

(iii) In respect of Coal, by the Government of Jharkhand amounting to ₹ Nil crore (₹ 755.90 crore as on 31<sup>st</sup> March 2023) (including interest), 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 Group. Accordingly pending disposal, the amount of ₹ Nil crore (₹ 755.90 crore as on 31<sup>st</sup> March 2023) (including interest) has been treated as Contingent Liability in Note No. 47.1(i) above.

**47.7** 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 ₹ 171.22 crore (previous year: ₹ 160.37 crore) (including interest) has been disclosed under contingent liability in Note no 47.1(ii) above.

**47.8** Land measuring 5.545 acres was allotted to DVC for 30 year 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.

**47.9** Consequent to the order of Hon'ble Odisha High Court, Group'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.

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

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

SAIL ASP had challenged the award for claims no.1 & 2 before Id. Commercial Court in Misc. Arb. Case No.8 (re-registered under new rules as Misc. Arb. Comm. Case no 12 of 2024. Oral arguments of both parties were heard and Written notes of Arguments were also filed by both parties whereafter order was reserved by Id. Commercial Court on 06.03.2024 fixing the case for pronouncement 16.04.2024. However due to filing of additional written notes on Limitation by M/s. Goyal MG Gases, judgement was not pronounced and is now fixed for pronouncement on 07.05.2024. The Id. Court on the said date set aside the award by arbitration tribunal on the above claims.

In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹ 7.54 crore as on 31<sup>st</sup> March, 2024 (previous year: ₹ 6.56 crore) including interest, has been shown under Contingent Liability in Note No. 47.1(i) above.



**In Respect of Group:**
**48.1 (A)** Estimated amount of contracts remaining to be executed and not provided for (net of advances) are:

(₹ crore)

| Particulars         | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------------------|------------------------------------|------------------------------------|
| Capital commitments | <b>7643.84</b>                     | 5155.40                            |
| Other commitments   | <b>10914.82</b>                    | 6419.70                            |

**In respect of SAIL:**
**(B)** The Title Deeds/Lease Agreements of the following Immovable Properties (included under the line item 'Property Plant and Equipment' and 'Right of use asset') are not held in the name of the Group

**As at 31<sup>st</sup> March, 2024**

| S. No. | Line Item in Balance Sheet    | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                                     | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/Year since property held | Reason for not being held in name of Group  |
|--------|-------------------------------|--------------------|-----------------------|--|--|-------------------------------------|---|
| 1      | Right of use Assets           | Lease Hold Land    | 16.80                 | Kolkata Port Trust   | N  | 07-05-2014                          | Pending Registration  |
| 2      | Right of use Assets           | Lease Hold Land    | 11.97                 | Vizag Seaport Pvt Limited  | N  | 27-07-2004                          | Pending Renewal   |
| 3      | Right of use Assets           | Lease Hold Land    | 0.91                  | Jammu & Kashmir Govt   | N  | 05-07-1968                          | Pending Registration  |
| 4      | Property, Plant & Equipment   | Free Hold Land     | 0.13                  | Triveni Structural Limited   | N  | 25-02-1970                          | Pending Registration  |
| 5      | Right of use Assets           | Lease Hold Land    | 0.67                  | Kanpur Development Authority                                       | N  | 1986                                | Pending Registration  |
| 6      | Property, Plant & Equipment   | Free Hold Land     | 0.06                  | Southern Railway   | N  | 31.03.1984                          | Pending Registration  |
| 7      | Right of use Assets           | Lease Hold Land    | 23.04                 | Kolkata Metropolitan Development Authority                         | N  | 09.10.2009                          | Pending Registration  |
| 8      | Property, Plant & Equipment   | Building           | 0.28                  | ASHOK SANKAR BHATNAGAR (HUF)                                       | N  | 01.08.2019                          | Pending Registration  |
| 9      | Right of use Assets           | Lease Hold Land    | 0.38                  | Paradip Port Turst   | N  | 17.08.2019                          | Pending Registration  |
| 10     | Right of use Assets           | Leasehold Land     | 0.20                  | Mecon Ltd  | N  | 1979-1980                           | Held by Mecon Ltd (As per Act No. 16 of 1978)                                       |
| 11     | Property, plant and Equipment | Freehold Land      | 0.01                  | Asian Refractories   | N  | 05-04-63                            | Rehabilitation on behalf of Deptt of Industries, Govt of Bihar                      |
| 12     | Property, plant and Equipment | Freehold Land      | 0.12                  | Assam Siliminites & Bharat Refractories Ltd                        | N  | 11-02-1976 & 30-04-1978             | Rehabilitation on behalf of Deptt of Industries                                     |
| 13     | Property, plant and Equipment | Freehold Land      | 0.13                  | India Firebricks & Insulation Company Ltd.                         | N  | 15-09-60                            | Rehabilitation on behalf of Deptt of Industries                                     |
| 14     | Property, Plant & Equipment   | Freehold Land      | 0.08                  | State Govt   | N  | 1956-57                             | Pending receipt of Records of Rights (ROR)  |
| 15     | Right of use Assets           | Leasehold Land     | 147.81                | Uttar Pradesh State Industrial Development Corporation (UPSIDC)    | N  | 01.02.2009                          | Litigation with UPSIDC, U.P   |
| 16     | Right of use Assets           | Leasehold Land     | 3.28                  | Odisha Govt  | N  | 01.10.1959                          | Absence of lease agreement with Govt of Odisha                                      |
| 17     | Right of use Assets           | Leasehold Land     | 75.26                 | Odisha Govt  | N  | 01.10.1959                          | Absence of lease agreement with Govt of Odisha                                      |
| 18     | Right of use Assets           | Leasehold Land     | 0.10                  | Odisha Govt  | N  | 01.10.1959                          | Absence of lease agreement with Govt of Odisha                                      |
| 19     | Right of use Assets           | Leasehold Land     | 15.81                 | Odisha Govt  | N  | 29.11.1997                          | Absence of lease agreement with Govt of Odisha                                      |
| 20     | Property, Plant & Equipment   | Freehold Land      | 126.24                | Jharkhand State Government   | N  | From 1960                           | MOU signing formalities awaited between Jharkhand Govt and SAIL/ Bokaro Steel Plant |
| 21     | Property, Plant & Equipment   | Freehold Land      | 10.29                 | Various Parties  | N  | 1986 to 2008                        | Mutation is pending   |
| 22     | Property, Plant & Equipment   | Freehold Land      | 0.09                  | Various Parties  | N  | 1954-1974                           | Mutation is pending   |
| 23     | Property, Plant & Equipment   | Freehold Land      | 0.02                  | Govt of W.B.   | N  | 1963                                | Pending Registration for 20.05 acres  |
| 24     | Property, Plant & Equipment   | Freehold Land      | 7.55                  | Title Deed not executed for land acquired by Tamil Nadu State Govt | N  | 1972 to 1980                        | Land was Acquired by Tamil Nadu State Government                                    |



**As at 31<sup>st</sup> March, 2023**

| S. No. | Line Item in Balance Sheet    | Nature of Property | Gross Value (₹ Crore) | Title deed held in the name of                                  | Whether title deed holder is a promoter/ Director etc. (Y/N) | Date/Month/ Year since property held | Reason for not being held in name of Group   |
|--------|-------------------------------|--------------------|-----------------------|---|--|--------------------------------------|--|
| 1      | Right of use Assets           | Leasehold Land     | 15.07                 | CG government   | N  | 01-03-2013                           | Taken up with the concerned authorities  |
| 2      | Right of use Assets           | Lease Hold Land    | 16.80                 | Kolkata Port Trust  | N  | 07-05-2014                           | Pending Registration   |
| 3      | Right of use Assets           | Lease Hold Land    | 11.97                 | Vizag Seaport Pvt Limited                                       | N  | 27-07-2004                           | Pending Registration   |
| 4      | Right of use Assets           | Lease Hold Land    | 0.91                  | Jammu & Kashmir Govt  | N  | 05-07-1968                           | Pending Registration   |
| 5      | Property, Plant & Equipment   | Free Hold Land     | 0.13                  | Triveni Structural Limited                                      | N  | 25-02-1970                           | Pending Registration   |
| 6      | Right of use Assets           | Lease Hold Land    | 0.67                  | Kanpur Development Authority                                    | N  | 1986                                 | Pending Registration   |
| 7      | Property, Plant & Equipment   | Free Hold Land     | 0.06                  | Southern Railway  | N  | 31-03-1984                           | Pending Registration   |
| 8      | Right of use Assets           | Lease Hold Land    | 23.04                 | Kolkata Metropolitan Development Authority                      | N  | 09-10-2009                           | Pending Registration   |
| 9      | Property, Plant & Equipment   | Building           | 0.28                  | ASHOK SANKAR BHATNAGAR (HUF)                                    | N  | 01-08-2019                           | Pending Registration   |
| 10     | Right of use Assets           | Leasehold Land     | 0.20                  | Mecon Ltd   | N  | 1979-1980                            | Held by Mecon Ltd (As per Act No. 16 of 1978)                                      |
| 11     | Property, plant and Equipment | Freehold Land      | 0.01                  | Asian Refractories  | N  | 05-04-1963                           | Rehabilitation on behalf of Deptt of Industries, Govt of Bihar                     |
| 12     | Property, plant and Equipment | Freehold Land      | 0.12                  | Assam Siliminites & Bharat Refractories Ltd                     | N  | 11-02-1976 & 30-04-1978              | Rehabilitation on behalf of Deptt of Industries                                    |
| 13     | Property, plant and Equipment | Freehold Land      | 0.13                  | India Firebricks & Insulation Company Ltd.                      | N  | 15-09-1960                           | Rehabilitation on behalf of Deptt of Industries                                    |
| 14     | Property, Plant & Equipment   | Freehold Land      | 0.10                  | State Govt  | N  | Sept'1958                            | Pending receipt of Records of Rights (ROR)   |
| 15     | Right of use Assets           | Leasehold Land     | 147.81                | Uttar Pradesh State Industrial Development Corporation (UPSIDC) | N  | 01.02.2009                           | Litigation with UPSIDC, U.P  |
| 16     | Right of use Assets           | Leasehold Land     | 3.28                  | Odisha Govt   | N  | 01.10.1959                           | Absence of lease agreement with Govt of Odisha                                     |
| 17     | Property, Plant & Equipment   | Freehold Land      | 126.24                | Jharkhand State Government                                      | N  | From 1960                            | MOU signing formalities awaited between Jharkhand Govt and SAIL/Bokaro Steel Plant |
| 18     | Property, Plant & Equipment   | Freehold Land      | 10.29                 | Various Parties   | N  | 1986 to 2008                         | Mutation is pending  |
| 19     | Property, Plant & Equipment   | Freehold Land      | 0.09                  | Various Parties   | N  | 1954-1974                            | Mutation is pending  |
| 20     | Property, Plant & Equipment   | Freehold Land      | 0.96                  | Govt of W.B.  | N  | 1963                                 | Pending Registration   |
| 21     | Property, Plant & Equipment   | Freehold Land      | 7.56                  | Title Deed not execute for land acquired by State Govt          | N  | 1972 to 1980                         | Land was Acquired by State Government  |

**48.2 (A)**

**CWIP AGEING SCHEDULE**

**Amount of CWIP as on 31-03-2024 from initial recognition in Balance Sheet**

(₹ crore)

| S. No. | CWIP                           | 0-12 months    | 12-24 months  | 24-36 months  | More than 36 months | Total          |
|--------|--------------------------------|----------------|---------------|---------------|---------------------|----------------|
| 1      | Projects in progress           | 1786.66        | 872.23        | 641.73        | 2795.28             | 6095.90        |
| 2      | Projects Temporarily suspended | 67.37          | 8.73          | 2.25          | 440.80              | 519.15         |
|        | <b>Gross CWIP</b>              | <b>1854.03</b> | <b>880.96</b> | <b>643.98</b> | <b>3236.08</b>      | <b>6615.05</b> |
|        |                                |                |               |               | Less: Provision     | 474.48         |
|        |                                |                |               |               | <b>TOTAL</b>        | <b>6140.57</b> |

**Amount of CWIP as on 31-03-2023 from initial recognition in Balance Sheet**

| S. No. | CWIP                           | 0-12 months    | 12-24 months  | 24-36 months  | More than 36 months | Total          |
|--------|--------------------------------|----------------|---------------|---------------|---------------------|----------------|
| 1      | Projects in progress           | 1419.38        | 552.79        | 450.91        | 2464.40             | 4887.48        |
| 2      | Projects Temporarily suspended | 11.00          | 15.70         | 26.59         | 358.06              | 411.35         |
|        | <b>Gross CWIP</b>              | <b>1430.38</b> | <b>568.49</b> | <b>477.50</b> | <b>2822.46</b>      | <b>5298.83</b> |
|        |                                |                |               |               | Less: Provision     | 407.47         |
|        |                                |                |               |               | <b>TOTAL</b>        | <b>4891.36</b> |

**(B) CWIP COMPLETION SCHEDULE FOR PROJECTS OVERDUE**  
**As on 31<sup>st</sup> March, 2024**

(₹ crore)

| S. No. | CWIP   | To be completed in |              |              |                     |
|--------|--|--------------------|--------------|--------------|---------------------|
|        |  | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects in progress</b>                                |                    |              |              |                     |
| 1      | Soil survey and Mapping for 11 KV Switch Board-PMD         | 0.19               | -            | -            | -                   |
| 2      | Restoration of Structure for SGP of BF-4                   | 4.01               | -            | -            | -                   |
| 3      | Installation of 4 <sup>th</sup> Stove in Blast Furnace 4   | 33.42              | -            | -            | -                   |
| 4      | Consultancy Services for EC from MoEFCC - Mecon            | 1.11               | -            | -            | -                   |
| 5      | Rebuilding of salt handling in COCC                        | 4.08               | -            | -            | -                   |
| 6      | Procurement of Railway Rolling Stock - GPWIS               | 2.06               | -            | -            | -                   |
| 7      | Installation of 3 <sup>rd</sup> BF Gas Flare at DSP        | 8.31               | -            | -            | -                   |
| 8      | Recirculation of recovery pit water at SGP of BF           | 2.03               | -            | -            | -                   |
| 9      | Modification of emergency water Tank                       | 2.32               | -            | -            | -                   |
| 10     | Revamping of Cooling Tower in COCC                         | 3.66               | -            | -            | -                   |
| 11     | Installation of 2 nos. addl. pressure PRDU in Power        | 1.82               | -            | -            | -                   |
| 12     | Stack emission control of NLCP                             | 3.80               | -            | -            | -                   |
| 13     | Procure of 1 no. Turbo Blower in power plant               | 12.77              | -            | -            | -                   |
| 14     | Power augmentation scheme in oxygen Plant                  | 37.05              | -            | -            | -                   |
| 15     | Conventional lathe Machine in COCC                         | 0.34               | -            | -            | -                   |
| 16     | Digital map of Durgapur Steel Plant & ASP                  | 0.00               | -            | -            | -                   |
| 17     | NDT facility at WAP  | 47.71              | -            | -            | -                   |
| 18     | 11 KV VCB Based Switchboard of PMD                         | 10.32              | -            | -            | -                   |
| 19     | Face-lifting of Buildings in Ispat Bhawan Complex          | 0.39               | -            | -            | -                   |
| 20     | Renovation and Modification job in Main Hospital           | 5.47               | -            | -            | -                   |
| 21     | Replacement 25 Ton EOT Crane Sinter Fan House SP1          | 1.11               | -            | -            | -                   |
| 22     | 5 numbers Lifts/Elevators at DSP Main Hospi                | 0.01               | -            | -            | -                   |
| 23     | Fire Detection, Alarm, Suppression system PMD              | 3.78               | -            | -            | -                   |
| 24     | Upgradation Mill stand motor PLC- Merchant Mill            | 1.98               | -            | -            | -                   |
| 25     | ONH Analyser with Accessories for BOF Lab                  | 0.71               | -            | -            | -                   |
| 26     | Revamping Cell No. 2, 3 - 1.8 MT PCID. Cooling Tower       | 2.58               | -            | -            | -                   |
| 27     | Badminton Practice Hall                                    | 3.36               | -            | -            | -                   |
| 28     | Reconstruction of Drain in DSP township                    | 2.92               | -            | -            | -                   |
| 29     | Rebuilding of Houses in Cat-3 & above Houses               | 25.39              | -            | -            | -                   |
| 30     | Rebuilding of Houses - Cat-1 in Township                   | 20.38              | -            | -            | -                   |
| 31     | Rebuilding of Houses - Cat-2 in Township                   | 22.99              | -            | -            | -                   |
| 32     | Contactless Biometric System                               | 2.68               | -            | -            | -                   |
| 33     | Replacement of Primary & Secondary Screen - RMHP           | 1.27               | -            | -            | -                   |
| 34     | Replacement of Liners and Air Blasters in bunkers          | 2.64               | -            | -            | -                   |
| 35     | Consultant for preparation of PFR and DFR                  | 0.90               | -            | -            | -                   |
| 36     | Construction of Structural Shed For Open Gantry CE         | 1.29               | -            | -            | -                   |
| 37     | Re-Construction of Main Roads in DSP Township              | 0.06               | -            | -            | -                   |
| 38     | Development of Infrastructure at Project Building          | 0.00               | -            | -            | -                   |
| 39     | Consultancy for Amendment of Environment Clearance         | 0.29               | -            | -            | -                   |
| 40     | Up-gradation of CNC Siemens 802 DSL NC Controller          | 0.17               | -            | -            | -                   |
| 41     | Extension of Structural Shed in Old Bay of WRS             | 1.62               | -            | -            | -                   |
| 42     | TECHNO-COMMERCIAL ASSESSMENT OF MSM                        | 1.95               | -            | -            | -                   |
| 43     | Electro Slag Remelting Unit                                | 3.07               | -            | -            | -                   |
| 44     | Otis Elevator  | 0.43               | -            | -            | -                   |
| 45     | Bond Work Index (BWI) Measuring Ball Mill                  | 0.10               | -            | -            | -                   |
| 46     | Dip Type Temp Measurement System for Hot Metal temperature | 0.03               | -            | -            | -                   |



**Note 48.2 (B) (contd...)**

| S. No. | CWIP   | To be completed in |              |              |                     |
|--------|--|--------------------|--------------|--------------|---------------------|
|        |  | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
| 47     | Electronic Drawing & Document Management System (EDDMS)  | 0.58               |              |              |                     |
| 48     | Construction of Swimming Pool at MTI                     | 0.82               | 0.00         |              |                     |
| 49     | Construction of Flyover                                  | 37.17              |              |              |                     |
| 50     | Freight cum passenger Elevator for BOF & CCP area (E031) | 1.73               |              |              |                     |
| 51     | Vertical Grinder GBS30 at SRU BRP                        | 0.40               |              |              |                     |
| 52     | De-dusting System- Aircon Systems at SRU IFICO           | 0.96               |              |              |                     |
| 53     | New Shed at SRU IFICO                                    | 0.70               |              |              |                     |
| 54     | Inward Road at RRP                                       | 0.10               |              |              |                     |
| 55     | Flooring of GC Shop North Base                           |                    | 0.37         |              |                     |
|        | <b>Projects Temporarily suspended</b>                    |                    |              |              |                     |
| 1      | INST.OF SPNO.3-SURVEY WORK                               | -                  | -            | -            | 0.01                |
| 2      | WIP-MODIFICATION 200T TEEMING CRANE-BLOOM CASTER         | -                  | -            | -            | 2.82                |
| 3      | DEPOSITION OF 2% CODAL FEES TO RAILWAYS                  | -                  | -            | -            | 4.99                |
| 4      | ENABLING JOBS-ROLLING MILLS-3.0MT EXPN.                  | -                  | -            | -            | 6.66                |
| 5      | 3 MT EXPANSION OF DSP - SURVEY WORK.                     | -                  | -            | -            | 0.10                |
| 6      | 3 MT EXPAN.DSP/GEOTECHN. INVESTIGATION WORK              | -                  | -            | -            | 0.20                |
| 7      | Construction of Power supply- 3.0mt Expn                 | -                  | -            | -            | 5.27                |
| 8      | Upgradation of Railway/Traffic infrastructure fa         | -                  | -            | -            | 2.25                |
| 9      | Consultancy Service for Expnsion Plan-MECON              | -                  | -            | -            | 24.34               |
| 10     | New Sinter Plant -III - Dismantling Job                  | -                  | -            | -            | 4.05                |
| 11     | Infrastructural Facilities - Expansion                   | -                  | -            | -            | 1.04                |
| 12     | RECIRC WATER SUPPLY SYSTEM RIM SPRAY QUENCH WAP          | -                  | -            | -            | 0.42                |
| 13     | Dynamic Balancing Machine for Railway Wheels in          | 2.45               | -            | -            | -                   |
| 14     | Wheel Handling System for Dynamic Wheel Balancing        | 0.69               | -            | -            | -                   |
| 15     | Additional drinking Water Supply lines in DSP Town       | 6.36               | -            | -            | -                   |
| 16     | Construction of Service Culvert at Gandhi More           | 0.04               | -            | -            | -                   |
| 17     | Construction of Road Overbridge                          |                    |              |              | 6.17                |
| 18     | Nitrogen Gas Pumping at SMS                              |                    |              |              | 0.56                |
| 19     | Relocation of Refractory Store                           |                    |              |              | 1.29                |
| 20     | Pipeline from PBS 2 to COB 8 and 10                      |                    |              |              | 11.63               |
| 21     | Sewage Treatment Plant                                   |                    |              |              | 2.42                |
| 22     | Installation of 2 Nos 150T weighbridge South yard        |                    |              |              | 0.31                |
| 23     | Augmentation of power supply in township                 |                    |              |              | 0.52                |
| 24     | Installation of furnace-(Allowance)                      |                    |              |              | 0.82                |

**(B) CWIP COMPLETION SCHEDULE FOR PROJECTS OVERDUE  
As on 31<sup>st</sup> March, 2023**

(₹ crore)

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
|        | <b>Projects in progress</b>                               |                    |              |              |                     |
| 1      | Replacement of Plate Bending Machine in CEM               | 1.21               | -            | -            | -                   |
| 2      | Restoration of Structure for SGP of BF-4                  | 3.37               | -            | -            | -                   |
| 3      | Inatallation of 4 <sup>th</sup> Stove in Blast Furnance 4 | 24.85              | -            | -            | -                   |
| 4      | Rebuilding of salt handling in COCC                       | 2.63               | -            | -            | -                   |
| 5      | Procurement of Railway Rolling Stock - GPWIS              | 1.79               | -            | -            | -                   |
| 6      | Installation of 3 <sup>rd</sup> BF Gas Flare at DSP       | 5.79               | -            | -            | -                   |
| 7      | Implementation of Zero liquid discharge at Coke Ov        | 3.15               | -            | -            | -                   |

| S. No. | CWIP  | To be completed in |              |              |                     |
|--------|---|--------------------|--------------|--------------|---------------------|
|        |   | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
| 8      | Recirculation of recovery pit water at SGP of BF        | 1.63               | -            | -            | -                   |
| 9      | Modification of emergency water Tank                    | 1.76               | -            | -            | -                   |
| 10     | Replacement of 11KV switchboard of sub-station          | 5.92               | -            | -            | -                   |
| 11     | Installation of 2 nos. addl.pressure PRDU in Power      | 1.42               |              |              |                     |
| 12     | Replacement of 2 nos. Electric loco in coke oven        | 5.59               |              |              |                     |
| 13     | Inatlalation of land record information system          | 0.38               |              |              |                     |
| 14     | Installation of ASP Gas Booster in COCC                 | 1.01               |              |              |                     |
| 15     | Stack emission control of NLCP                          | 2.95               |              |              |                     |
| 16     | Replacement of cooling water pipelines in BOF           | 0.02               |              |              |                     |
| 17     | Upgradation of stake emission contrl system in BOF      | 2.87               |              |              |                     |
| 18     | Installation of a new Gas booster in Rolling Mills      | 9.80               |              |              |                     |
| 19     | Automation system of Conveyor control in COCC           | 6.80               |              |              |                     |
| 20     | Installation of reverse osmosis plant in power pla      | 6.21               |              |              |                     |
| 21     | Procure of 1 no. Turbo Blower in power plant            | 0.01               |              |              |                     |
| 22     | Digital map of Durgapur Steel Plant & ASP               | 0.00               |              |              |                     |
| 23     | Upgradation-PLC for Process Control-Sinter Plant 1      | 0.59               |              |              |                     |
| 24     | Emergency Power Backup - Load Lifting Magnets CCP       | 0.89               |              |              |                     |
| 25     | Tundish car Weighing System in Billet Caster            | 0.27               |              |              |                     |
| 26     | Replacement 25 Ton EOT Crane Sinter Fan House SP1       | 0.15               |              |              |                     |
| 27     | Extn of 3.3KV Switchboard at HT-13 Substation PMD       | 0.77               |              |              |                     |
| 28     | 1 Portable Ultrasound Machine for M&HS                  | 0.00               |              |              |                     |
| 29     | Electro Slag Remelting Unit                             | 1.57               | -            | -            | -                   |
| 30     | Portable Optical Emission Spectrometer                  | 0.41               | -            | -            | -                   |
| 31     | Enterprise Procurement System                           | 0.47               | -            | -            | -                   |
| 32     | Vacuum ARC Degassing Unit                               | 1.50               | -            | -            | -                   |
| 33     | Hydrogen Atmosphere Annealing Furnace                   | 2.78               |              |              |                     |
| 34     | Electronic Drawing & Document Management System (EDDMS) | 0.58               |              |              |                     |
| 35     | Heavy Mould Handling System at SRU RRRP                 | 2.32               | -            | -            | -                   |
| 36     | De-dusting System at SRU Bhilai                         | 1.24               |              |              |                     |
| 37     | RM Shed at SRU Bhandaridah                              | 0.62               |              |              |                     |
| 38     | PGP at SRU IFICO  | 1.93               |              |              |                     |
| 39     | Recycle of waste water - Oxygen Plant (3094)            | 11.35              |              |              |                     |
| 40     | Construction of Flyover (M250)                          | 29.50              |              |              |                     |
| 41     | Recycle of waste water - BOF/BF (3095)                  | 11.30              |              |              |                     |
| 42     | Elevator (E031)   | 1.73               |              |              |                     |
| 43     | Hydraulic Laboratory (M043)                             | 1.77               |              |              |                     |
| 44     | DEVELOPMENT OF ROTARY HEARTH FURNACE TECHNOLOGY         | 1.48               |              |              |                     |
|        | <b>Projects Temporarily suspended</b>                   |                    |              |              |                     |
| 1      | INST. OF SPNO.3-SURVEY WORK                             |                    | -            | -            | 0.01                |
| 2      | WIP-MODIFICATION 200T TEEMING CRANE-BLOOM CASTER        |                    | -            | -            | 2.82                |
| 3      | DEPOSITION OF 2% CODAL FEES TO RAILWAYS                 |                    | -            | -            | 4.99                |
| 4      | ENABLING JOBS-ROLLING MILLS-3.0MT EXPN.                 |                    |              |              | 6.66                |
| 5      | 3 MT EXPANSION OF DSP - SURVEY WORK                     |                    |              |              | 0.10                |
| 6      | 3 MT EXPAN.DSP/GEOTECHN. INVESTIGATION WORK             |                    |              |              | 0.20                |
| 7      | Construction of Power supply- 3.0mt Expn                |                    |              |              | 5.27                |
| 8      | Upgradation of Railway / Traffic infrastructure fa      |                    |              |              | 2.25                |
| 9      | Consultancy Service for Expnsion Plan-MECON             |                    |              |              | 24.34               |
| 10     | New Sinter Plant-III - Dismantling Job                  |                    |              |              | 4.05                |
| 11     | Infrastructural Facilities - Expansion                  |                    |              |              | 1.04                |
| 12     | RECIRC WATER SUPPLY SYSTEM RIM SPRAY QUENCH WAP         |                    |              |              | 0.42                |
| 13     | Dynamic Balancing Machine for Railway Wheels in         | 2.45               |              |              |                     |



| S. No. | CWIP   | To be completed in |              |              |                     |
|--------|--|--------------------|--------------|--------------|---------------------|
|        |  | 0-12 months        | 12-24 months | 24-36 months | More than 36 months |
| 14     | Wheel Handling System for Dynamic Wheel Balancing  | 0.66               |              |              |                     |
| 15     | Additional drinking Water Supply lines in DSP Town | 6.36               |              |              |                     |
| 16     | M139   |                    | -            | -            | 6.17                |
| 17     | 2009   |                    | -            | -            | 0.56                |
| 18     | M024   |                    | -            | -            | 1.29                |
| 19     | 2848   |                    |              |              | 11.63               |
| 20     | M104   |                    |              |              | 2.42                |
| 21     | 1367   |                    |              |              | 0.31                |
| 22     | 1368   |                    |              |              | 0.05                |
| 23     | 1318   |                    |              |              | 0.52                |
| 24     | Others   |                    |              |              | 1.28                |

**48.3** The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) (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 Group. The disclosures relating to Micro, Small and Medium Enterprises under Section 22 of MSMED Act, 2006 as at 31<sup>st</sup> March, 2024 are as under:

(₹ crore)

| S. No. | Description   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--------|---|------------------------------------|------------------------------------|
| i.     | The principal amount remaining unpaid to suppliers as at the end of the Year.   | <b>498.06</b>                      | 448.62                             |
| ii.    | The amount of interest accrued during the Year and remaining unpaid at the end of the Year.   | -                                  | -                                  |
| iii.   | The amount of further interest remaining due and payable even in the succeeding Year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23. | -                                  | -                                  |
| iv.    | The interest due thereon remaining unpaid to supplier as at the end of the Year   | -                                  | -                                  |
|        |   | <b>For the Year ended</b>          |                                    |
|        |   | <b>31<sup>st</sup> March, 2024</b> | <b>31<sup>st</sup> March, 2023</b> |
| 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.  | -                                  | -                                  |

**48.4 (A)**

**TRADE PAYABLE AGEING SCHEDULE**

(₹ crore)

| Outstanding as on 31/03/2024 from due date of payment |                          |                |                |                 |               |               |                     |                 |
|---|--------------------------|----------------|----------------|-----------------|---------------|---------------|---------------------|-----------------|
| S. No.  | Particulars              | Unbilled Dues  | Not due        | 0-12 months     | 12-24 months  | 24-36 months  | More than 36 months | Total           |
| 1   | MSME - Disputed          | 0.00           | 8.69           | 0.00            | 0.00          | 0.00          | 0.00                | 8.69            |
| 2   | MSME - Undisputed        | 186.56         | 302.81         | 0.00            | 0.00          | 0.00          | 0.00                | 489.37          |
|   | <b>Subtotal - A</b>      | <b>186.56</b>  | <b>311.50</b>  | <b>0.00</b>     | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>         | <b>498.06</b>   |
| 3   | Others - Disputed        | 3.68           | 140.41         | 8.15            | 1.82          | 3.57          | 52.26               | 209.89          |
| 4   | Others - Undisputed      | 1536.23        | 1582.97        | 10939.32        | 163.13        | 115.86        | 286.93              | 14624.44        |
|   | <b>Subtotal - B</b>      | <b>1539.91</b> | <b>1723.38</b> | <b>10947.47</b> | <b>164.95</b> | <b>119.43</b> | <b>339.19</b>       | <b>14834.33</b> |
|   | <b>Grand Total (A+B)</b> | <b>1726.47</b> | <b>2034.88</b> | <b>10947.47</b> | <b>164.95</b> | <b>119.43</b> | <b>339.19</b>       | <b>15332.39</b> |

(₹ crore)

| Outstanding as on 31 <sup>st</sup> March, 2023 from due date of payment |                          |                |                |                |               |              |                     |                 |
|---|--------------------------|----------------|----------------|----------------|---------------|--------------|---------------------|-----------------|
| S. No.  | Particulars              | Unbilled Dues  | Not due        | 0-12 months    | 12-24 months  | 24-36 months | More than 36 months | Total           |
| 1   | MSME - Disputed          | 0.00           | 10.68          | 0.00           | 0.00          | 0.00         | 0.00                | 10.68           |
| 2   | MSME - Undisputed        | 139.27         | 298.67         | 0.00           | 0.00          | 0.00         | 0.00                | 437.94          |
|   | <b>Subtotal - A</b>      | <b>139.27</b>  | <b>309.35</b>  | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>         | <b>448.62</b>   |
| 3   | Others - Disputed        | 3.52           | 129.18         | 0.78           | 0.27          | 0.29         | 44.06               | 178.10          |
| 4   | Others - Undisputed      | 1476.11        | 1645.65        | 9900.21        | 330.47        | 25.88        | 333.85              | 13712.16        |
|   | <b>Subtotal - B</b>      | <b>1479.63</b> | <b>1774.83</b> | <b>9900.99</b> | <b>330.74</b> | <b>26.17</b> | <b>377.91</b>       | <b>13890.25</b> |
|   | <b>Grand Total (A+B)</b> | <b>1618.90</b> | <b>2084.18</b> | <b>9900.99</b> | <b>330.74</b> | <b>26.17</b> | <b>377.91</b>       | <b>14338.88</b> |

**(B) Expected credit losses**

Group provides expected credit losses based on the following;

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

**TRADE RECEIVABLE AGEING SCHEDULE**

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2024 |                |                |                |               |              |              |              |                     |                |
|--|----------------|----------------|----------------|---------------|--------------|--------------|--------------|---------------------|----------------|
| Particulars  | Unbilled       | Not Due        | 0-3 months     | 3-6 months    | 6-12 months  | 12-24 months | 24-36 months | more than 36 months | Total          |
| <b>Gross carrying amount</b>                                   |                |                |                |               |              |              |              |                     |                |
| <b>(A) Current:</b>  |                |                |                |               |              |              |              |                     |                |
| Undisputed - considered good                                   | 1575.46        | 4292.50        | 2134.58        | 138.95        | 91.52        | 33.31        | 24.07        | 18.31               | 8308.70        |
| Disputed - considered  | 0.00           | 0.00           | 0.01           | 0.01          | 0.00         | 0.00         | 0.00         | 0.00                | 0.02           |
|  | <b>1575.46</b> | <b>4292.50</b> | <b>2134.59</b> | <b>138.96</b> | <b>91.52</b> | <b>33.31</b> | <b>24.07</b> | <b>18.31</b>        | <b>8308.72</b> |
| Undisputed - credit impaired                                   | 0.00           | 0.00           | 25.73          | 1.24          | 1.25         | 0.29         | 0.09         | 204.04              | 232.64         |
| Disputed - credit impaired                                     | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 42.66               | 42.66          |
|  | <b>0.00</b>    | <b>0.00</b>    | <b>25.73</b>   | <b>1.24</b>   | <b>1.25</b>  | <b>0.29</b>  | <b>0.09</b>  | <b>246.70</b>       | <b>275.30</b>  |
| <b>Total current</b>   | <b>1575.46</b> | <b>4292.50</b> | <b>2160.32</b> | <b>140.20</b> | <b>92.77</b> | <b>33.60</b> | <b>24.16</b> | <b>265.01</b>       | <b>8584.02</b> |
| <b>(B) Non - current:</b>                                      |                |                |                |               |              |              |              |                     |                |
| Undisputed - considered good                                   | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - considered  | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
|  | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>         | <b>0.00</b>    |
| Undisputed - credit impaired                                   | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 0.00                | 0.00           |
| Disputed - credit impaired                                     | 0.00           | 0.00           | 0.00           | 0.00          | 0.00         | 0.00         | 0.00         | 132.59              | 132.59         |
| <b>Total Non-current</b>                                       | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>132.59</b>       | <b>132.59</b>  |
| <b>Total gross</b>   | <b>1575.46</b> | <b>4292.50</b> | <b>2160.32</b> | <b>140.20</b> | <b>92.77</b> | <b>33.60</b> | <b>24.16</b> | <b>397.60</b>       | <b>8716.61</b> |
| Expected loss (%)  |                |                | 1.19%          | 0.88%         | 1.35%        | 0.86%        | 0.37%        | 95.39%              | 4.68%          |
| Credit loss allowance  | 0.00           | 0.00           | 25.73          | 1.24          | 1.25         | 0.29         | 0.09         | 379.29              | 407.89         |
| <b>Net carrying value</b>                                      | <b>1575.46</b> | <b>4292.50</b> | <b>2134.59</b> | <b>138.96</b> | <b>91.52</b> | <b>33.31</b> | <b>24.07</b> | <b>18.31</b>        | <b>8308.72</b> |

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2023 |             |                |               |               |               |              |              |                     |                |
|--|-------------|----------------|---------------|---------------|---------------|--------------|--------------|---------------------|----------------|
| Particulars  | Unbilled    | Not Due        | 0-3 months    | 3-6 months    | 6-12 months   | 12-24 months | 24-36 months | more than 36 months | Total          |
| <b>Gross carrying amount</b>                                   |             |                |               |               |               |              |              |                     |                |
| <b>(A) Current:</b>  |             |                |               |               |               |              |              |                     |                |
| <b>Undisputed - considered good</b>                            | 0.00        | 4040.12        | 702.98        | 338.26        | 166.52        | 51.85        | 45.06        | 17.66               | <b>5362.44</b> |
| Disputed - considered  | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.04         | 0.00         | 0.00                | <b>0.04</b>    |
|  | 0.00        | 4040.12        | 702.98        | 338.26        | 166.52        | 51.89        | 45.06        | 17.66               | <b>5362.48</b> |
| <b>Undisputed - credit impaired</b>                            | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>265.15</b>       | <b>265.15</b>  |
| Disputed - credit impaired                                     | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 46.15               | <b>46.15</b>   |
|  | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>311.29</b>       | <b>311.29</b>  |
| <b>Total current</b>   | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>328.95</b>       | <b>5673.77</b> |



|                              |             |                |               |               |               |              |              |               |                |
|------------------------------|-------------|----------------|---------------|---------------|---------------|--------------|--------------|---------------|----------------|
| <b>(B) Non - current:</b>    |             |                |               |               |               |              |              |               |                |
| Undisputed - considered good | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00          | 0.00           |
| Disputed - considered        | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00          | 0.00           |
|                              | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>   | <b>0.00</b>    |
| Undisputed - credit impaired | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 0.00          | 0.00           |
| Disputed - credit impaired   | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 7.83          | 7.83           |
|                              | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  | <b>7.83</b>   | <b>7.83</b>    |
| Total Non-current            | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 7.83          | 7.83           |
| <b>Total gross</b>           | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>336.78</b> | <b>5681.60</b> |
| Expected loss (%)            | -           | -              | -             | -             | -             | -            | -            | 94.76         | 5.62           |
| Credit loss allowance        | 0.00        | 0.00           | 0.00          | 0.00          | 0.00          | 0.00         | 0.00         | 319.12        | 319.12         |
| <b>Net carrying value</b>    | <b>0.00</b> | <b>4040.12</b> | <b>702.98</b> | <b>338.26</b> | <b>166.52</b> | <b>51.89</b> | <b>45.06</b> | <b>17.66</b>  | <b>5362.48</b> |

| S. No. | Particulars                              | Amount        |
|--------|--|---------------|
|        | <b>As at 31<sup>st</sup> March, 2022</b> | <b>268.44</b> |
|        | Changes in allowance                     | 50.68         |
|        | <b>As at 31<sup>st</sup> March, 2023</b> | <b>319.12</b> |
|        | Changes in allowance                     | 88.77         |
|        | <b>As at 31<sup>st</sup> March, 2024</b> | <b>407.89</b> |

**48.5** 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.

**48.6** The Joint Ventures of the group have capitalized the assets in their books for the year ended 31<sup>st</sup> March, 2024 as under:

(₹ crore)

| S. No. | Name of Jointly Controlled Entity                | PPE           | Intangible   | Total         | SAIL Share |
|--------|--|---------------|--------------|---------------|------------|
| 1      | NTPC-SAIL Power Co. Private Limited              | 380.57        | 5.15         | 385.72        | 50.00%     |
| 2      | mjunction services limited                       | 3.61          | 19.38        | 22.99         | 50.00%     |
| 3      | International Coal Ventures Private Limited      | 0.00          | 33.70        | 33.70         | 47.82%     |
| 4      | SAIL RITES Bengal Wagon Industry Private Limited | 0.68          | 0.00         | 0.68          | 50.00%     |
| 5      | Bokaro Power Supply Co. Private Limited          | 14.11         | 0.00         | 14.11         | 50.00%     |
|        |  | <b>398.97</b> | <b>58.23</b> | <b>457.20</b> |            |

**49.1** In accordance with Ind AS 115- Revenue from Contracts with Customers, GST amount of ₹ 18052.27 crore (Previous Year: ₹ 18071.67 crore) is not included in Revenue from Operations.

**49.2 (a)** As per the terms of sales with certain Government agencies, the invoicing to these agencies are done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under:

(₹ crore)

| Quarter ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2024 | Cumulative till<br>31 <sup>st</sup> March, 2024 | Quarter ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2023 | Cumulative till<br>31 <sup>st</sup> March, 2023 |
|---|--|---|---|--|---|
| 3826.88**                                     | 11162.37#**                                | 25661.61*#**                                    | 2305.64                                       | 8688.65*                                   | 29182.75*                                       |

\* includes an amount of ₹ 489.32 crore on account of revision of provisional rail prices made with effect from 1<sup>st</sup> April 2021.

\*\* includes an amount of ₹ 1714.03 crore on account of upward revision of provisional rail prices made with effect from 1<sup>st</sup> April 2022 and ₹ 185.16 crore provided as per the recommendation of the Joint Pricing Committee (JPC) towards rail prices for the Financial Year 2021-22 which is pending for approval of the Railway Board.

# includes ₹ 1749.30 crore recognized during the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September, 2023 towards rail price revision for the Financial Year 2021-22, as per the recommendation of the Office of the Chief Adviser (Cost), Ministry of Finance dated 26<sup>th</sup> October, 2023.



**49.3** As per the Department of Public Enterprises (DPE) guideline, the Group is required to contribute up to 30% of Salary (Basic Pay plus Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly the Group has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1<sup>st</sup> January, 2007 and @3% of Salary w.e.f. 1<sup>st</sup> April, 2015. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1<sup>st</sup> January, 2012 and @2% of Salary w.e.f. 1<sup>st</sup> April, 2015. Subsequent to wage revision, the pension benefit for non-executive employees has been provided @ 9% of Salary w.e.f. 1<sup>st</sup> November, 2021.

Pension Scheme was approved in the Meeting of the Board of Directors held on 9<sup>th</sup> 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 (@9% w.e.f. 1<sup>st</sup> November, 2021), 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% (@3% w.e.f. 1<sup>st</sup> November, 2021) of Basic Pay plus DA for Executive and Non-Executive employees respectively even in case of loss during a Financial Year. During the Year ended 31<sup>st</sup> March, 2024 provision for pension has been made @ 9% for all employees.

The cumulative liability towards pension for Executive and Non-executive employees, amounting to ₹ 714.00 crore (₹ 597.12 crore during the Year) and ₹ 61.03 crore (₹ 3.50 crore during the Year) has been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively. An amount of ₹630.99 crore has been transferred to Pension Fund during the Year. Further, an amount of ₹ 77.82 crore has been paid to retired employees during the Year and an amount of ₹ Nil crore deposited by the employees for being eligible for pension.

**49.4** The research and development expenditure charged to Statement of Profit and Loss and allocated to Fixed Assets/ Capital work-in-progress (Net), during the Year, amount to ₹ 239.47 crore (₹ 397.60 crore during the previous Year) and ₹ 67.61 crore (₹ 32.88 crore during the previous Year) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

| Head of Account                       | For the Year ended           |                              |
|---------------------------------------|------------------------------|------------------------------|
|                                       | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
| Raw Materials                         | <b>75.72</b>                 | 217.91                       |
| Employees Benefits Expense            | <b>80.49</b>                 | 88.79                        |
| Stores & Spares Consumed              | <b>6.10</b>                  | 7.04                         |
| Power & Fuel                          | <b>6.94</b>                  | 16.30                        |
| Repairs & Maintenance                 | <b>5.06</b>                  | 6.56                         |
| Depreciation and Amortisation Expense | <b>8.22</b>                  | 11.63                        |
| Other Expenses                        | <b>55.30</b>                 | 45.40                        |
| Finance Cost                          | <b>1.64</b>                  | 3.97                         |
| <b>Total</b>                          | <b>239.47</b>                | 397.60                       |

**49.5** The Group considers the assets of one entire plant as Cash Generating Unit (CGU). The Group internally reviews whether there are any indicators that the carrying amount of 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 Group also determines net selling price of the assets of CGU, in which any such indication exists, by an independent expert.

As on the reporting date, based on the internal assessment done by the Group at its different CGUs, no impairment loss is required to be provided.



**Disclosure related to Corporate Social Responsibility**

**49.6 (A)** As per Section 135 of the Companies Act, 2013, the Group is required to spent ₹ 158.75 crore for the year 2023-24 (previous year: ₹ 157.95 crore). The Group has incurred an expenditure of ₹ 161.93 crore on CSR activities during the year (₹ 162.46 crore during the previous Year) under the following heads:-

(₹ crore)

| Particulars                           | For the Year ended           |                              |
|---------------------------------------|------------------------------|------------------------------|
|                                       | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
| Education                             | 43.98                        | 30.41                        |
| Healthcare                            | 26.40                        | 30.31                        |
| Livelihood Generation                 | 13.63                        | 12.18                        |
| Women Empowerment                     | 3.76                         | 3.56                         |
| Drinking Water                        | 2.41                         | 4.50                         |
| Sanitation                            | 2.40                         | 5.39                         |
| Sports                                | 30.69                        | 15.03                        |
| Art & Culture                         | 2.20                         | 11.92                        |
| Rural Development                     | 22.75                        | 15.06                        |
| Social Security                       | 4.72                         | 6.57                         |
| Environment Sustainability            | 6.10                         | 21.10                        |
| Disaster Relief                       | -                            | 0.24                         |
| Project Identification and Monitoring | 1.01                         | 0.09                         |
| Capacity Building of Personnel        | 1.90                         | 6.11                         |
| <b>Total</b>                          | <b>161.93</b>                | <b>162.46</b>                |

**(B)** The Group has booked an amount of ₹ 1.90 crore as Administrative Overheads during the year (₹ 6.11 crore during the previous year).

**(C)** The Group has spent an amount of ₹ 11.87 crore on construction/acquisition of asset during the year (₹ 6.74 crore during the previous year).

**(D)** Out of ₹ 161.93 crore (previous year- ₹ 162.46 crore), an amount of ₹ 78.26 crore (previous year- ₹ 51.73 crore) has been transferred to 'Unspent CSR Bank Account'. The liability for the same has been booked under Note No. 31 with expenditure booked under the following heads:

(₹ crore)

| Particulars                           | Unspent CSR 2022-23               |                      |                                    | Unspent CSR 2023-24          |
|---------------------------------------|-----------------------------------|----------------------|------------------------------------|------------------------------|
|                                       | As at 1 <sup>st</sup> April, 2023 | Spent during 2023-24 | As at 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2024 |
| Education                             | 3.41                              | 1.89                 | 1.52                               | 10.24                        |
| Healthcare                            | 10.89                             | 4.28                 | 6.62                               | 15.20                        |
| Livelihood Generation                 | 1.58                              | 0.86                 | 0.72                               | 2.76                         |
| Women Empowerment                     | 1.64                              | 0.85                 | 0.79                               | 1.59                         |
| Drinking Water                        | 2.18                              | 1.19                 | 0.99                               | 1.77                         |
| Sanitation                            | 1.08                              | 0.57                 | 0.51                               | 1.70                         |
| Sports                                | 6.39                              | 1.98                 | 4.41                               | 21.16                        |
| Art & Culture                         | 0.44                              | 0.32                 | 0.12                               | 0.90                         |
| Rural Development                     | 4.76                              | 2.97                 | 1.79                               | 16.14                        |
| Social Security                       | 3.04                              | 1.36                 | 1.68                               | 2.95                         |
| Environment Sustainability            | 16.26                             | 3.55                 | 12.71                              | 3.43                         |
| Project Identification and Monitoring | 0.04                              | 0.01                 | 0.03                               | 0.44                         |
| <b>Total</b>                          | <b>51.73</b>                      | <b>19.83</b>         | <b>31.90</b>                       | <b>78.26</b>                 |

(₹ crore)

| S. No. | Bank name & account details | As at 1 <sup>st</sup> April, 2023 | Spent during 2023-24 | As at 31 <sup>st</sup> March, 2024* |
|--------|-----------------------------|-----------------------------------|----------------------|-------------------------------------|
|        | FY 2022-23                  | 51.73                             | 19.84                | 34.32                               |
|        | FY 2023-24                  | -                                 | -                    | 78.27                               |

\*Closing Balance includes interest earned ₹ 2.43 crore (previous year: ₹ Nil crore)

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

(₹ crore)

| Year    | Grant Received from Central Government | Grant Utilised (from Opening Balance and Current Year) |
|---------|--|--|
| 2023-24 | 0.00                                   | 0.00   |
| 2022-23 | 0.00                                   | 0.39   |
| 2021-22 | 0.00                                   | 0.26   |

49.8 Information on leases as per Indian Accounting Standards (Ind AS) 116 on 'Leases':

(I) The Group has leases for Land, office building, Plant & Equipment, warehouses & related facilities and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its Property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

#### Right of Use assets

Set out below are the carrying amounts of right-of-use assets (Refer note 4a) recognised and the movements during the period:

(₹ crore)

| Particulars                              | Leasehold Land | Plant and equipment | Vehicles    | Buildings   | Right of Use assets Total |
|--|----------------|---------------------|-------------|-------------|---------------------------|
| As at 1 <sup>st</sup> April, 2023        | 730.60         | 4171.35             | 3.10        | 5.19        | 4910.23                   |
| Additions/Disposal                       | 90.90          | 960.96              | 7.46        | 0.26        | 1059.58                   |
| Depreciation expense                     | 62.22          | 382.63              | 2.32        | 1.49        | 448.64                    |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>759.28</b>  | <b>4749.68</b>      | <b>8.24</b> | <b>3.96</b> | <b>5521.17</b>            |

#### Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

(₹ crore)

| Particulars                              | Lease liabilities |
|--|-------------------|
| As at 1 <sup>st</sup> April, 2023        | 5111.61           |
| Additions                                | 998.96            |
| Interest accrued                         | 412.14            |
| Payments                                 | 801.03            |
| Adjustments                              | 0.00              |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>5721.67</b>    |
| Current                                  | 486.41            |
| Non Current                              | 5235.24           |



**a. Lease payments not included in measurement of lease liability**

The expenses relating to payments not included in the measurement of the lease liability are as follows:

(₹ crore)

| Particulars                | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|----------------------------|------------------------------|------------------------------|
| Short-term leases          | 0.32                         | 0.36                         |
| Leases of low value assets | -                            | -                            |
| Variable lease payments    | 1038.97                      | 18.76                        |
| Others                     | -                            | -                            |

**b.** Total cash outflow for leases for the Year ended 31<sup>st</sup> March, 2024 are ₹ 801.03 crore (previous year: ₹ 1550.79 crore).

**c.** The Group has total commitment for short-term leases of ₹ Nil crore as at 31<sup>st</sup> March, 2024 (previous year: ₹ 0.47 crore)

**d. Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

(₹ crore)

| Particulars               | Minimum lease payments due as at 31 <sup>st</sup> March 2024 |                |                   |                |
|---------------------------|--|----------------|-------------------|----------------|
|                           | Within 1 year  | 1-5 years      | More than 5 years | Total          |
| Lease payments            | 789.16   | 3007.88        | 5445.54           | 9242.58        |
| Interest expense          | 340.34   | 1334.15        | 1846.44           | 3520.93        |
| <b>Net present values</b> | <b>448.82</b>  | <b>1673.73</b> | <b>3599.10</b>    | <b>5721.65</b> |

(₹ crore)

| Particulars               | Minimum lease payments due as at 31 <sup>st</sup> March 2023 |                |                   |                |
|---------------------------|--|----------------|-------------------|----------------|
|                           | Within 1 year  | 1-5 years      | More than 5 years | Total          |
| Lease payments            | 669.62   | 2369.71        | 5365.23           | 8404.56        |
| Interest expense          | 318.50   | 1106.53        | 1867.92           | 3292.94        |
| <b>Net present values</b> | <b>351.12</b>  | <b>1263.18</b> | <b>3497.31</b>    | <b>5111.61</b> |

**e.** Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31<sup>st</sup> March, 2024 is ₹ Nil crore (Previous Year: ₹ Nil crore).

**f. Information about extension and termination options :**

| Right of use assets | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases With termination option |
|---------------------|------------------|-------------------------|------------------------------|--|--|
| Leasehold Land      | 26               | 1-86                    | 23.61                        | 18                                     | 1  |
| Plant and equipment | 13               | 0-17.18                 | 5.87                         | 12                                     | 2  |
| Vehicles            | 17               | 0-4.92                  | 2.98                         | 4                                      | 4  |
| Buildings           | 14               | 0.33-45.78              | 4.81                         | 0                                      | 14                                       |

**g.** The total future cash outflows as at 31<sup>st</sup> March, 2024 for leases that had not yet commenced is of ₹ 0.88 crore (previous Year ₹ Nil crore) (office premises).

**Group as a lessor**

**Operating lease as a lessor**

The Group has entered into lease agreements for spaces such as banks, housing societies, hospitals, mobile towers land plots and employee quarter/flats spaces, etc.

The period for such leases ranges from 11 months to 50 year depending upon terms and conditions of each lease arrangements.

Future minimum lease payments receivable under the operating lease is as below:

(₹ crore)

| Particulars  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| (a) Not Later than one year                          | 27.42                              | 26.04                              |
| (b) Later than one year and not later than five year | 74.10                              | 65.53                              |
| (c) Later than five year                             | 96.32                              | 93.92                              |
| <b>Total</b>   | <b>197.84</b>                      | <b>185.49</b>                      |

Total operating lease rental income recognised in the statement of profit and loss during the Year ended 31<sup>st</sup> March, 2024 is ₹ 83.62 crore (previous year: ₹ 29.71 crore).

#### Finance lease as a lessor

The Group has freehold land which has been leased to various parties under finance lease arrangements.

Future minimum lease payments receivable under the finance lease is as below:

(₹ crore)

| Particulars  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| (a) Not Later than one year                          | 0.72                               | 0.73                               |
| (b) Later than one year and not later than five year | 2.27                               | 0.84                               |
| (c) Later than five year                             | 8.91                               | 8.79                               |
| <b>Total undiscounted lease payments</b>             | <b>11.90</b>                       | <b>10.36</b>                       |
| Unearned finance income                              | 8.82                               | 9.27                               |
| <b>Net investment in lease</b>                       | <b>3.08</b>                        | <b>1.09</b>                        |

Total finance lease rental income recognised in the statement of profit and loss during the Year ended 31<sup>st</sup> March, 2024 is ₹ 1.03 crore. (previous year: ₹ 0.54 crore)

## (II) Description of major leasing arrangements

### Power Plant

The Group 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 Group 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. For any new lease treatment treatment has been done in accordance with Ind AS 116 – Leases.

### Oxygen Plant

The Group has accounted for certain oxygen plants as finance lease (or operating lease) under Appendix-C of Ind AS 17 by virtue of the oxygen purchase agreement with the supplier. The agreement to purchase oxygen is a 15 year fixed term agreement. There is no change in treatment under Ind AS 116 – Leases.

### Mining land

The Group has accounted for leasehold lands for mining as finance leases by virtue of its rights under the lease agreement after considering the right/ economic compulsion for renewal. There is no change in treatment under Ind AS 116 – Leases.

**49.9** Contributions made in cash and kind for the period from the Financial Year 2006-07 to 2021-22 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 year 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 ₹ 61.90 crore (till date ₹ 311.82 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 the Management, no significant uncertainty exists regarding collectability and measurability of revenue.

**49.10** The inventory of sub-grade iron ore fines generated at the captive mines of the Group were not assigned any value in the books of accounts of the Group till the financial year ended 31<sup>st</sup> March 2019, since, the Government of India Notification dated 19<sup>th</sup> September 2012 prohibited all captive miners from selling such sub-grade fines.



Following the Government of India Order no.F.No.16/30/2019-M.VI dated 16<sup>th</sup> September 2019 allowing sale of sub-grade iron ore fines, the inventories of sub-grade fines held by the Group gained economic value. In this regard, the Group also obtained opinions from the Additional Solicitor General of India as well as the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI). Based on the aforesaid opinions, the Group recognized these inventories as by-product inventory as at 31<sup>st</sup> March 2020. Since, these inventories were generated over many year, making it impracticable to ascertain the actual valuation, the Group assigned a valuation to such inventories basis average selling price of similar sub-grade fines over the last 36 months as declared by Indian Bureau of Mines (IBM), a Government of India organisation and as adjusted for royalty and other selling costs.

The Group has obtained all clearances including environmental clearance and clearance from Director General of Mines Safety, Government of India. Further, procedural clearances have been obtained from the State Government of Odisha. With respect to the State of Jharkhand, evacuation of dumped fines from Duarguiburu lease have started in FY 2023-24 for captive use. With respect sale, the delay is procedural and the management expects to receive the clearances in due course.

The management has been able to sell off such inventories in certain locations. While, on an overall basis during the current and the previous year, there has been movement of 2.10 million tonnes in the volume of such inventories, there is significant market demand for sub-grade fines and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up beneficiation plant and pellet making facilities in future that will consume significant volume of sub-grade fines annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the substantial volume of inventories, the quantity estimated to be sold/consumed within the next one year has been recognized as current and the balance has been classified as non-current inventory.

As at 31<sup>st</sup> March 2024, the Group is carrying sub-grade iron-ore fines inventory of 40.88 MT (as at 31<sup>st</sup> March 2023: 41.55 MT) valuing ₹ 3932.35 crores (as at 31<sup>st</sup> March 2023 valuing ₹ 3995.75 crores) which includes 38.73 Mt valued at ₹ 3749.00 crores classified as non-current inventory at its various mines.

Likewise, the Group

- at its Barsua and Dalli Mines is carrying inventory of tailings of 10.84 MT valuing ₹ 513.57 crores (as at 31<sup>st</sup> March 2023: 10.27 MT valuing ₹ 491.98 crores) which includes 9.34 Mt valued at ₹ 434.21 crores classified as non-current inventory.
- at its Bhilai, and Rourkela Steel Plants is carrying inventory of extractable iron and steel scrap embedded in BF Slag and LD Slag of 0.45 MT valuing ₹ 449.84 crores (as at 31<sup>st</sup> March 2023: 0.47 MT valuing ₹ 460.35 crores) which includes 0.41 Mt valued at ₹ 406.42 crores classified as non-current inventory.
- at its Chandrapur Ferro Alloys Plant is carrying inventory of Granulated high manganese ore (HMnO) slag and slag fines of 0.59 MT valuing ₹ 42.35 crores (as at 31<sup>st</sup> March 2023: 0.52 valuing ₹ 41.56 crores) which includes 0.53 Mt valued at ₹ 35.66 crores classified as non-current inventory.

The Group is formulating a detailed plan for disposal/consumption of these inventories.

Considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories need not be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values of the aforementioned inventories are the best estimates basis the information available at this stage.

**49.11** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27<sup>th</sup> October, 2016 had accorded 'in-principle' approval for Strategic Disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visvesvaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), West Bengal. Subsequently, in line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9<sup>th</sup> February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Group appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary, Department of Public Assets Management (DIPAM) and co-chaired by Secretary (Steel).

Preliminary Information Memorandum (PIM)/Expression of Interest (Eoi), Requests of ASP, SSP and VISP were issued on 4<sup>th</sup> July 2019 and EOI bids were opened on 10<sup>th</sup> September 2019. EOIs were received only for Salem Steel Plant (SSP) and Visveswaraya Iron & Steel Plant (VISP), Bhadravati. The existing Expression of Interest of VISP and SSP has been annulled due to lack of interest of the shortlisted bidders in proceeding further with the transaction and Alternative Mechanism has approved.

In view of the current status and the various disinvestment processes which are underway, no adjustment in these financial statements is considered necessary at this stage.

- 49.12** The net of unreconciled balances in IUCA (Inter-unit current accounts) at the end of the year are transferred to IUCA Reserve under head Other Equity (Note. No. 23). The sum of IUCA Reserve for all units of SAIL is Nil.
- 49.13** Other income includes profit on sale of obsolete Plant and Machinery (SMS-1) at one of the plant location amounting to ₹ 278.82 crore in the quarter ended 30<sup>th</sup> June, 2023.
- 49.14** Exceptional Items includes :
- (I) For the Year ended 31<sup>st</sup> March 2024:
- Provision for settlement of contractual disputes amounting to ₹ 394.39 crore under Vivad se Vishwas Scheme II.
  - Provision towards Settlement of Entry Tax dispute amounting to ₹ 446.45 Crore under Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act 2023.
- (II) For the year ended 31<sup>st</sup> March, 2023:
- Profit on sale of fixed assets amounting to ₹ 301.34 crore on account of sale of a portion of land to Dedicated Freight Corridor Corporation of India Limited (DFCCIL).
  - An amount of ₹ 38.91 crore towards settlement of a long pending demand of electricity duty on Transmission & Transformation loss under One Time Settlement Scheme and an amount of ₹ 4.44 crore towards a dispute arising out of a contract finalized during 2000-01.
- 49.15** Ministry of Steel, Government of India, vide its letters dated 19<sup>th</sup> January 2024 in exercise of the powers conferred by sub-rule (1) of Rule 20 of the Conduct, Discipline and Appeal Rules, 1977 of the Group has placed certain employees and two directors of the Company on suspension with immediate effect, on the basis of a preliminary enquiry done by the Central Vigilance Officer on allegations received with respect to certain policy/pricing decisions of the Group. While the matter is currently under investigation by external investigative agencies as per directions of the Lokpal of India vide its order dated 10<sup>th</sup> January 2024, in view of the management, on the basis of their internal assessment, the matter is not likely to have a material impact on the operations of the Company and/or these financial results.
- 49.16** The Group declared interim dividends @ 10% of the paid-up equity share capital (i.e. ₹ 1.00 per equity share of ₹ 10/- each) during the Financial Year 2023-24. The Board of Directors has recommended final dividend @ ₹ 1/- per equity share of ₹ 10 each i.e. 10% on the paid up share capital of the Company for the Financial Year 2023-24, subject to approval of shareholders in the ensuing Annual General Meeting of the Company.
- 49.17** Pursuant to SEBI Circular No. SEBI/HO/DDHS-RACPODI/P/CIR/2023/172 dated October 19, 2023, and pursuant to email communication received from NSE and BSE, details of Outstanding Qualified Borrowings and Incremental Qualified Borrowings for the financial year ended March 31, 2024 are provided below:

| S. No. | Particulars  | Amount (In Crores)                                     |
|--------|--|--|
| 1      | Outstanding Qualified Borrowings at the start of the financial year (₹ Crores) | 8154.10  |
| 2      | Outstanding Qualified Borrowings at the end of the financial year (₹ Crores)   | 10659.17   |
| 3      | Credit rating (highest in case of multiple ratings)                            | AA (outlook: Stable) by India Ratings and CARE Ratings |
| 4      | Incremental Borrowings done during the year (Qualified Borrowings) (₹ Crores)  | 2505.07  |
| 5      | Borrowings by way of issuance of debt securities during the year (₹ Crores)    | NIL  |

## 50.1 DEFINED BENEFIT SCHEMES

### 50.1.1 General Description of Defined Benefit Schemes:

|                 |   |
|-----------------|---|
| <b>Gratuity</b> | Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 year or more (for service beyond 30 year, one month's salary for every completed year of service beyond 30 year). Maximum amount of ₹ 20 lakhs for executives & non-executives joined on or after 1 <sup>st</sup> July, 2014. For non-executive employees joined before 1 <sup>st</sup> July, 2014, the gratuity accrued on pre revised Basic Pay and DA, as on the date of implementation of wage revision i.e. 18.10.2021 or ₹ 20 lakhs whichever is higher has been considered for actuarial valuation. |
|-----------------|---|



|  |   |
|--|---|
| <b>Leave Encashment</b>                    | 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 also allowed upto 30 days once in the Financial Year. |
| <b>Provident Fund</b>                      | 12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by the group.  |
| <b>Post Retirement Medical Benefits</b>    | Available to retired employees at group's hospitals and/or under the health insurance policy.   |
| <b>Post Retirement Settlement Benefits</b> | Payable to retiring employees for settlement at their home town.  |
| <b>Long term service Award</b>             | Payable in kind on rendering minimum 25 year 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 | Provident Fund Trusts@ |
|---------|--|----------------------|----------------------|----------------------------------|------------------------------------|-------------------------|------------------------|
| i)      | Present Value of projected benefit obligations, as at the beginning of the year.                     | 5595.83<br>(5523.12) | 3764.05<br>(3527.05) | 1737.45<br>(1467.26)             | 152.80<br>(135.86)                 | 17.55<br>(21.18)        | 24832.99               |
| ii)     | Service Cost   | 273.53<br>(277.47)   | 524.03<br>(511.25)   | -<br>(-)                         | -<br>(-)                           | 0.87<br>(0.67)          | 746.39                 |
| iii)    | Interest Cost  | 381.46<br>(364.64)   | 247.14<br>(220.55)   | 117.08<br>(95.75)                | 10.83<br>(9.35)                    | 1.03<br>(1.40)          | 1937.97                |
| iv)     | Actuarial Gains(-) / Losses(+)   | -99.06<br>(205.34)   | 22.93<br>(347.07)    | 369.23<br>(411.55)               | 8.46<br>(15.37)                    | 1.85<br>(-2.29)         | 65.51                  |
| v)      | Settlements/Transfer In  | -                    | -                    | -                                | -                                  | -                       | 1001.54                |
| vi)     | Contribution by Plan Participants  | -                    | -                    | -                                | -                                  | -                       | 1663.05                |
| vii)    | Past Service Cost  | -<br>(-)             | -<br>(-)             | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| viii)   | Benefits Paid  | 811.25<br>(774.74)   | 803.47<br>(841.90)   | 289.10<br>(237.14)               | 10.65<br>(7.78)                    | 3.22<br>(3.38)          | 4191.50                |
| ix)     | Present Value of projected benefit obligations as at the end of the year.<br>(i+ii+iii+iv+v+vi-viii) | 5340.52<br>(5595.83) | 3754.67<br>(3764.05) | 1934.66<br>(1737.45)             | 161.44<br>(152.80)                 | 18.08<br>(17.55)        | 26055.95               |

\*Figures in brackets are previous year figures

**(b) Reconciliation of Fair Value of Assets and Obligations**

**Gratuity Trust**

The Group has funded the gratuity liability through a separate Gratuity Fund trust. The fair value of the plan assets of gratuity is mainly based on the information given by the insurance companies through whom the investments have been made by the Fund.

**PF Trusts**

The group pays fixed contribution to Provident Fund at pre-determined rates to separate trusts, which invests the funds in permitted securities. The group has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the group has obtained report of the actuary, based on which overall interest earnings and cumulative surplus in each trust is more than the statutory interest payment requirement for all the periods presented.



The reconciliation of fair value of assets of the Gratuity Fund/Provident Fund Trust and defined benefit gratuity/ Provident Fund obligations is as under:

(₹ crore)

| Sl. No. | Particulars  | Gratuity Trust |         | Provident Fund Trusts@ |
|---------|--|----------------|---------|------------------------|
|         |  | 2023-24        | 2022-23 | 2023-24                |
| i)      | Fair Value of plan assets as at the beginning of the year    | 5808.77        | 5936.04 | 25052.83               |
| ii)     | Actuarial Gain/Loss(-)                                       | 73.58          | -16.88  | -                      |
| iii)    | Actual Group's contribution                                  | 294.90         | 242.77  | 746.39                 |
| iv)     | Expected return on plan assets                               | 426.94         | 421.45  | 2303.93                |
| v)      | Benefits payments  | 811.25         | 774.74  | 4191.50                |
| vi)     | Reallocation of Plan assets in FY 2023-24**                  | -              | -       | -                      |
| vii)    | Employee Contribution  | -              | -       | 1663.05                |
| viii)   | Settlements/Transfer In                                      | -              | -       | 1001.54                |
| ix)     | Fair value of plan assets as at the end of the year          | 5792.92        | 5808.77 | 26576.24               |
| x)      | Present value of defined benefit obligation [50.1.2)(a)(ix)] | 5340.52        | 5595.84 | 26055.95               |
| xi)     | Net liability recognised in the Balance sheet (x)-(ix) *     | -452.41        | -212.93 | -                      |

\*The Group expects/does not expect to contribute any amount towards the expenses of Gratuity Fund/Provident Fund trusts during the year 2024-25, after considering the return on the investments. The defined benefit obligations, other than gratuity and Provident Fund, are non-funded.

\*\*Net impact Nil for SAIL

**c) Expenses recognised in the Statement of Profit and Loss for the Year :**

(₹ crore)

| Sl. No. | Particulars  | Gratuity            | Leave Encashment    | Post Retirement Medical Benefits | Post Retirement Settlement Benefit | Long Term Service Award | Provident fund Trusts@ |
|---------|--|---------------------|---------------------|----------------------------------|------------------------------------|-------------------------|------------------------|
| i)      | Service Cost   | 273.53<br>(277.47)  | 524.03<br>(511.25)  | -<br>(-)                         | -<br>(-)                           | 0.87<br>(0.67)          | 746.39                 |
| ii)     | Interest Cost  | -45.48<br>(-56.82)  | 247.14<br>(220.55)  | 117.08<br>(95.75)                | 10.83<br>(9.35)                    | 1.03<br>(1.40)          | -                      |
| iii)    | Actuarial Gains (-)/Losses                               | -99.06<br>(205.34)  | 22.93<br>(347.07)   | 369.23<br>(411.55)               | 8.46<br>(15.37)                    | 1.85<br>(-2.29)         | 300.45                 |
| iv)     | Past Service Cost  | -<br>(-)            | -<br>(-)            | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| v)      | Expected Return on Plan Assets                           | 73.58<br>(-16.88)   | -<br>(-)            | -<br>(-)                         | -<br>(-)                           | -<br>(-)                | -                      |
| vi)     | Total (i+ii+iii+iv-v)                                    | 55.42<br>(442.87)   | 794.10<br>(1078.87) | 486.31<br>(507.30)               | 19.29<br>(24.72)                   | 3.75<br>(-0.21)         | 1046.84                |
| vii)    | Employees' Benefits Expenses :                           |                     |                     |                                  |                                    |                         |                        |
|         | a) Charged to Profit & Loss Account (Note 39)            | 227.62<br>(219.66)  | 791.82<br>(1075.78) | 117.08<br>(95.75)                | 10.16<br>(8.76)                    | 3.75<br>(-0.21)         | 746.39                 |
|         | b) Charged to Expenditure During Construction (Note 5.1) | 0.50<br>(0.99)      | 2.28<br>(3.09)      | (-)                              |                                    |                         | -                      |
|         | c) Charged to OCI**                                      | -172.63<br>(222.22) | -                   | 369.23<br>(411.55)               | -                                  | -                       | #                      |



| Sl. No. | Particulars   | Gratuity        | Leave Encashment | Post Retirement Medical Benefits | Post Retirement Settlement Benefit | Long Term Service Award | Provident fund Trusts@ |
|---------|---|-----------------|------------------|----------------------------------|------------------------------------|-------------------------|------------------------|
|         | d) Charged to Profit & Loss Account- Other Expenses | -0.07 (-)       |                  |                                  | 9.13 (15.96)                       |                         | -                      |
| viii)   | Actual Return on Plan Assets                        | 500.52 (404.60) |                  |                                  |                                    |                         |                        |

\*Figures in brackets are previous year figures

\*\*Remeasurement gains/(losses) on Defined Benefit Plans have been reclassified and shown under Retained Earnings (Note No. 23)

#As per the provisions of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus determined through actuarial valuation. Accordingly, the group has not recognized the surplus of the assets, and the remeasurement gain/loss in 'Other Comprehensive Income', as these pertain to the Provident Fund trusts and not to the group.

@Valuation of PF trusts done for first time in FY 2023-24.

**(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                        | 157.79   | -148.57  |
| ii)     | Leave                           | 133.12   | -125.64  |
| iii)    | Post Retirement benefit         | 106.01   | -97.54   |
| iv)     | Long Term Service Award         | 0.33   | -0.32  |
| v)      | Retirement Travelling Allowance | 15.11  | -15.21   |
| vi)     | Provident fund Trusts           | 4.65   | -4.38  |

**(e) Effect of half 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    | -53.23  | 53.35   |
| ii)     | Leave       | -111.86   | 118.78  |

**(f) Effect of half percentage point change in the medical cost rate in case of valuation of benefits under post-retirement medical benefits scheme.**

(₹ crore)

| Sl. No. | Particulars                      | One percentage point decrease in salary escalation rate | One percentage point increase in salary escalation rate |
|---------|----------------------------------|---|---|
| i)      | Post-retirement medical benefits | 73.97   | -83.30  |

**(g) Investments of Gratuity Trust**

| Particulars                   | % of Investment                    |                                    |
|-------------------------------|------------------------------------|------------------------------------|
|                               | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Insurance Investments         | 97.00                              | 96.95                              |
| Central Government Securities | 1.48                               | 1.51                               |
| State Government Securities   | 0.46                               | 0.47                               |
| PSU Bonds                     | 1.00                               | 0.97                               |
| Cash at Bank                  | 0.06                               | 0.10                               |
| <b>Total</b>                  | <b>100.00</b>                      | <b>100.00</b>                      |

**(h) Actuarial assumptions**

| Sl. No. | Description                             | As at 31 <sup>st</sup> March, 2024  | As at 31 <sup>st</sup> March, 2023   |
|---------|---|---|--|
| i)      | Discount Rate (per annum)               | 7.21  | 7.35   |
| ii)     | Mortality rate                          | IALM (2012-14) Ultimate   | IALM (2012-14) Ultimate  |
| iii)    | Withdrawal Rates (per annum)            | Executives & Non-executives-0.01% to 0.10% depending upon the age   | Executives & Non-executives-0.01% to 0.10% 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 | 7.21%   | 7.35%  |
| vi)     | Salary Escalation                       | Executives : 6% p.a.<br>Non-Executives : 6% p.a.<br>All employees- 6% step-up after every 10 years of service starting 2017.                                  | Executives : 6% p.a.<br>Non-Executives : 6% p.a.<br>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 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Upto 1 year   | 698.41                             | 766.47                             |
| Between 1 to 2 year                                 | 657.65                             | 689.10                             |
| Between 2 to 3 year                                 | 652.32                             | 644.82                             |
| Between 3 to 4 year                                 | 700.21                             | 642.11                             |
| Between 4 to 5 year                                 | 690.61                             | 690.53                             |
| Between 5 to 10 year                                | 2541.14                            | 2871.06                            |
| More than 10 year                                   | 2392.83                            | 2513.48                            |
| Total Undiscounted Payments related to past service | 8333.15                            | 8826.55                            |
| Less: Discount for Interest                         | 2992.61                            | 3230.74                            |
| <b>Projected Benefit Obligation</b>                 | <b>5340.54</b>                     | <b>5595.83</b>                     |

**51. GENERAL**
**51.1 Segment Reporting**

**Business Segments:** The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS 108 'Operating Segments' issued by Ministry of Corporate Affairs.

**51.2 RELATION WITH STRUCK OFF COMPANIES**

(₹ crore)

| Sl. No. | Name of Struck Off Company              | Nature of Transaction | Relationship | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|---------|---|-----------------------|--------------|------------------------------|------------------------------|
| 1       | META INDUSTRIES LIMITED                 | Job Work Service      | Vendor       | 0.00                         | 0.01                         |
| 2       | HYWELL FORGINGS PRIVATE LIMITED         | Receivable            | CUSTOMER     | 0.00                         | 0.00                         |
| 3       | VISMAYA METALS PRIVATE LIMITED          | Receivable            | CUSTOMER     | 0.40                         | 0.40                         |
| 4       | MADRAS AUTHO COUPLINGS P. LTD           | Receivable            | CUSTOMER     | 0.00                         | 0.00                         |
| 5       | AUTO FIELD ENGINEERS P. LTD             | Receivable            | CUSTOMER     | 0.00                         | 0.00                         |
| 6       | ROYAL TYRES PVT LTD                     | Payable               | Vendor       | 0.00                         | 0.00                         |
| 7       | SPRAYING SYSTEMS (INDIA) PVT. LTD.      | Payable               | Vendor       | 0.00                         | 0.00                         |
| 8       | DECCAN SMITHS PRIVATE LIMITED           | Payable               | Customer     | 0.11                         | 0.11                         |
| 9       | SCHWING STETTER (INDIA) PRIVATE LIMITED | Payable               | Customer     | 0.22                         | 0.05                         |
| 10      | BHARAT WAGON AND ENGINEERING CO LTD     | Payable               | Customer     | 0.01                         | 0.01                         |



| Sl. No. | Name of Struck Off Company                    | Nature of Transaction | Relationship | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|---------|---|-----------------------|--------------|------------------------------|------------------------------|
| 11      | BURN STANDARD CO LTD                          | Payable               | Customer     | 0.72                         | 0.59                         |
| 12      | PRAKASH INDUSTRIES LIMITED                    | Payable               | Customer     | 0.05                         | 0.05                         |
| 13      | AKASH ISPAT PVT LTD                           | Payable               | Customer     | 0.00                         | 0.11                         |
| 14      | PRAKASH INDUSTRIES LTD                        | Payable               | Customer     | 0.02                         | 0.02                         |
| 15      | APARNA MEDITRONICS PVT LTD                    | Payable               | Vendor       | 0.00                         | 0.00                         |
| 16      | PANACEA NUTRITION WORKS INDIA PVT LTD         | Payable               | Vendor       | 0.00                         | 0.00                         |
| 17      | PRAKASH INDUSTRIES LIMITED                    | Payable               | Vendor       | 0.00                         | 0.00                         |
| 18      | SAPHONIX SOLUTIONS PVT LTD                    | Payable               | Vendor       | 0.00                         | 0.00                         |
| 19      | SPRAYING SYSTEMS (INDIA) PVT. LTD.            | Payable               | Vendor       | 0.00                         | 0.00                         |
| 20      | BURN STANDARD CO. LTD.                        | Payable               | Vendor       | 0.00                         | 0.00                         |
| 21      | PRIME FORGE PRIVATE LIMITED                   | Receivable            | Customer     | 0.00                         | 0.00                         |
| 22      | AGATE ELECTRO INSULANTS (P) LTD               | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 23      | CLARIPACK (I) PVT LTD                         | RECEIVABLE            | CUSTOMER     | 0.00                         | 0.00                         |
| 24      | HUNTING HAWKS SECURITY & FACILITY SERVICE LTD | PAYABLE               | VENDOR       | 0.59                         | 0.01                         |
| 25      | JAMSHEDPUR ALLOYS (P) LTD                     | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 26      | PREDICT TECHNOLOGIES INDIA (P) LTD            | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 27      | SANGNEAL (OPC) PVT LIMITED                    | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 28      | SWAMUKT ENVIRON PVT LTD                       | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 29      | YIANS POWER SOLUTIONS PVT LTD                 | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 30      | SAPHONIX SOLUTIONS PVT LTD                    | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 31      | SPRAYING SYSTEMS (INDIA) PVT LTD.             | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 32      | SPRAYING SYSTEMS (INDIA) PVT LTD.             | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |
| 33      | TITAN BIOTECH LIMITED                         | PAYABLE               | VENDOR       | 0.00                         | 0.00                         |

\* Figures rounded off to ₹crore

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

#### Brief Description of Provisions :

|   |  |
|---|--|
| <b>Mines afforestation costs</b>        | 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. |
| <b>Mines closure costs</b>              | Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.  |
| <b>Overburden backlog removal costs</b> | To be incurred towards removal of overburden backlog at mines over the future year.  |

(₹ crore)

| Movement of provisions                           | Mines afforestation costs | Mines closure costs | Over burden removal Costs | Total         |
|--|---------------------------|---------------------|---------------------------|---------------|
| Balance as at 1 <sup>st</sup> April, 2023        | 35.95                     | 162.02              | 133.42                    | 331.39        |
| Additions during the Year                        | -                         | 86.78               | 16.16                     | 102.94        |
| Amounts utilised during the Year                 | 10.47                     | 22.66               | 13.89                     | 47.02         |
| Unused amount reversed during the Year           | -                         | -                   | -                         | -             |
| <b>Balance as at 31<sup>st</sup> March, 2024</b> | <b>25.48</b>              | <b>226.15</b>       | <b>135.69</b>             | <b>387.32</b> |

### 51.4 Reconciliation of Yearly Stock/Receivable statement filed

(₹ crore)

| Year ended | Name of Bank | Particulars of Securities Provided | Amount as reported in the Yearly return | Amount as per books of accounts | Amount of Difference | Reasons for material discrepancies     |
|------------|--------------|------------------------------------|---|---------------------------------|----------------------|--|
| Mar-24     | SBI          | Inventory                          | 32997                                   | 32646                           | 351                  | Provisional data as on date of filing. |
| Mar-24     | SBI          | Trade Receivables                  | 7275                                    | 8309                            | -1034                | Provisional data as on date of filing. |
| Dec-23     | SBI          | Inventory                          | 29394                                   | 29187                           | 207                  | Provisional data as on date of filing. |
| Dec-23     | SBI          | Trade Receivables                  | 5166                                    | 6886                            | -1720                | Provisional data as on date of filing. |

| Year ended | Name of Bank | Particulars of Securities Provided | Amount as reported in the Yearly return | Amount as per books of accounts | Amount of Difference | Reasons for material discrepancies     |
|------------|--------------|------------------------------------|---|---------------------------------|----------------------|--|
| Sep-23     | SBI          | Inventory                          | 27955                                   | 24846                           | 3109                 | Provisional data as on date of filing. |
| Sep-23     | SBI          | Trade Receivables                  | 5053                                    | 6675                            | -1622                | Provisional data as on date of filing. |
| Jun-23     | SBI          | Inventory                          | 32017                                   | 28658                           | 3359                 | Provisional data as on date of filing. |
| Jun-23     | SBI          | Trade Receivables                  | 5569                                    | 5136                            | 433                  | Provisional data as on date of filing. |

**51.5 (a)** No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Group to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

**(b)** No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Ratios as per Amended Schedule III.

**51.6** During the Year:

- The group does not hold any Benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The group has not been declared wilful defaulter by any bank or financial institution or other lender.
- The group does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.
- The group has not entered into any Scheme of Arrangement under section 230 to 237 of the Companies Act, 2013.
- The group does not have any undisclosed income in the tax assessments under the Income tax Act, 1961.
- The group has not traded in crypto currency or virtual currency.

**In respect of SRCL:**

**51.7** 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. 1<sup>st</sup> January, 2012. There is no mention about Pension Scheme in the Wage Agreement entered into with the Union for non-executive, hence no provision for non-executives.

The cumulative provision/liability towards pension benefit for executive employees, amounting to ₹ 1.61 crore (₹ 0.15 crore during the year) has been charged to 'Employee Benefits Expense'.

**51.8** SRCL Board had cleared the proposal for wage revision of its Executives in its 15<sup>th</sup> Board Meeting held on 11.01.2017 as per 2007 DPE Scale and the same was effective for 5 years with effect from 01.01.2017. SAIL Corporate Office has accorded its clearance on 21.09.2017 for implementation of the same. Ministry of Steel had accorded approval for wage revision of Executives on 16.11.2018 as per DPE 2007 pay scale which was communicated by SAIL Corporate Office vide letter Ref.No.PER/EC/1220, Dated 28.11.2018. Therefore, the next wage revision of SRCL Executives fall due on 01.01.2022.

The wage revision proposal with effect from 01.01.2022 was put up to the SRCL Board. The Board in its 49<sup>th</sup> Board Meeting held on 28.09.2022 has approved the proposal for wage revision for Executives w.e.f. 01.01.2022 for a period of 5 years. Accordingly the provision towards wage revision of Executives with effect from 01.01.2022. The financial impact of wage revision provision during the financial year is ₹0.78 Crores (cumulative provision from 01.01.2022 is ₹1.76 Crores)

Non-Executives Wage Revision, the same is due from 16.12.2023. The provision of ₹ 0.50 Crores towards wage revision of Non Executives has been provided.

**51.9** The Company internally reviews the carrying amount of its fixed assets on each balance sheet date for the purpose of ascertaining impairment, if any, by considering assets of the entire 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. 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 amount of an asset exceeds its recoverable amount. On such review as on 31<sup>st</sup> March, 2024, no impairment loss is required to be provided.



**51.10** As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy, which works out to ₹ 0.46 crore for the year 2023-24. SRCL has committed a CSR expenditure of ₹ 0.52 crores.

The status of CSR expenditure under various heads is as under:-

(₹ crore)

| Particulars       | Spent       | Unspent     |
|-------------------|-------------|-------------|
| Education         | 0.11        | 0.00        |
| Women Empowerment | 0.00        | 0.05        |
| Sanitation        | 0.00        | 0.27        |
| Others            | 0.09        | 0.00        |
| <b>Total</b>      | <b>0.20</b> | <b>0.32</b> |

In respect of unspent CSR amount, SRCL has placed the Work Order and the liability has been created in the books of accounts during the year 2023-24.

As per the guidelines issued by the Ministry of Corporate Affairs, the unspent amount pertaining to ongoing projects shall be transferred to "Unspent CSR Account". Accordingly the same has been complied to for ₹ 0.32 Crores by opening an account with State Bank of India.

For the year 2022-23 as per the Companies Act 2013 CSR expenditure was to be for ₹ 0.43 Crores against which the budget of ₹ 0.46 Crores was allotted. The Company has spent ₹ 0.05 Crores within the FY. 2022-23. The Balance unspent amount of ₹ 0.41 Crores has been transferred to Unspent CSR Account as per section 135(6) Companies Act, 2013 and completed within 31.07.2023 and a total amount spent.

The "CSR Unspent" bank account for the year 2021-22 and 2022-23 is under process for closure.

#### DEFINED BENEFIT SCHEMES

##### 51.11 General Description of Defined Benefit Schemes:

|                         |   |
|-------------------------|---|
| <b>Gratuity</b>         | Payable to Executives on separation @15 days pay (Basic plus DA) last drawn for each completed year of service to eligible employees who render continuous service of 5 years or more. For Non-executives, the gratuity is payable on separation @15 days pay (Basic plus DA) last drawn for each completed year of service to eligible employees who render continuous service of 5 years or more. Gratuity shall be calculated @ one month pay (Basic plus DA) last drawn for each completed year of service beyond 30 years for Non-executives. The maximum amount of gratuity of ₹ 20 lakhs for both executives & non-executives has been considered for actuarial valuation. |
| <b>Leave Encashment</b> | Payable on superannuation to eligible Executive employees who have accumulated earned leave, subject to maximum limit of 300 days. For Non-Executive employees to a maximum limit of 200 days of earned leave. Encashment of accumulated earned leave is also allowed up to 30 days or 50% of leave at credit whichever is less once in a financial year.   |

##### 51.12 Disclosures required under Ind AS 19 on 'Employee Benefits', in respect of defined benefit obligations are :

###### (c) Reconciliation of Present Value of Defined Benefit Obligations :

(₹ crore)

| Sl. No. | Particulars  | Gratuity | Leave Encashment |
|---------|--|----------|------------------|
| i)      | Present Value of projected benefit obligations, as at the beginning of the year.             | 7.70     | 1.63             |
| ii)     | Service Cost   | 0.20     | 0.06             |
| iii)    | Interest Cost  | 0.57     | 0.12             |
| iv)     | Actuarial Gains(-)/Losses(+)   | -0.07    | 0.43             |
| v)      | Past Service Cost  | -        | -                |
| vi)     | Benefits Paid  | 1.15     | 0.48             |
| vii)    | Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi) | 7.25     | 1.76             |

**(d) 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   | 2023-24 | 2022-23 |
|---------|---|---------|---------|
| i)      | Fair Value of plan assets as at the beginning of the year | 6.21    | 7.78    |
| ii)     | Expected return on plan assets                            | 0.46    | 0.55    |
| iii)    | Actual Company's contribution                             | -       | -       |
| iv)     | Interest Income/Actuarial Gain/Loss                       | -0.09   | -0.09   |
| v)      | Benefits payments   | 1.15    | 2.03    |
| vi)     | Fair value of plan assets as at the end of the year       | 5.44    | 6.21    |
| vii)    | Present value of defined benefit obligation               | 7.25    | 7.70    |
| viii)   | Net liability recognised in the Balance sheet (vii)-(vi)  | -1.82   | -1.49   |

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   | 2023-24 | 2022-23 |
|---------|---|---------|---------|
| i)      | Fair Value of plan assets as at the beginning of the year | 1.19    | 1.23    |
| ii)     | Expected return on plan assets                            | 0.09    | 0.09    |
| iii)    | Actual Company's contribution                             | -       | -       |
| iv)     | Interest Income/Actuarial Gain/Loss                       | -0.02   | -0.01   |
| v)      | Benefits payments   | 0.24    | 0.12    |
| vi)     | Fair value of plan assets as at the end of the year       | 1.01    | 1.19    |
| vii)    | Present value of defined benefit obligation               | 1.76    | 1.63    |
| viii)   | Net liability recognised in the Balance sheet (vii)-(vi)  | -0.75   | -0.44   |

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

(₹ crore)

| Sl. No. | Particulars  | Gratuity | Leave Encashment |
|---------|--|----------|------------------|
| i)      | Service Cost   | 0.20     | 0.06             |
| ii)     | Interest Cost  | 0.11     | 0.03             |
| iii)    | Actuarial Gains(-)/Losses                              | -0.07    | 0.44             |
| iv)     | Past Service Cost                                      | -        | -                |
| v)      | Expected Return on Plan Assets                         | -        | -                |
| vi)     | Total (i+ii+iii+iv-v)                                  | 0.24     | 0.53             |
| vii)    | Employees' Benefits Expenses :                         |          |                  |
|         | a) Charged to Profit & Loss Account                    | 0.31     | 0.54             |
|         | b) Charged to Expenditure During Construction          | 0.00     | 0.00             |
|         | c) Charged to OCI                                      | 0.02     | 0.00             |
|         | d) Charged to Profit & Loss Account- Other Expenses    | 0.00     | 0.00             |
| viii)   | Actual Return on Plan Assets excluding interest income | 0.37     | 0.07             |



**(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    | 0.12   | 0.12   |
| ii)     | Leave       | 0.03   | 0.10   |

**(e) Effect of 0.5 percentage point change in the salary escalation 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    | 0.09   | 0.09   |
| ii)     | Leave       | 0.10   | 0.03   |

**(f) Investments of Gratuity Trust/Leave Encashment Fund**

(₹ crore)

| Particulars            | % of Investment  |                  |
|------------------------|------------------|------------------|
|                        | As at 31.03.2024 | As at 31.03.2023 |
| Gratuity Trust         | 74.98            | 80.70            |
| Leave Encashment Trust | 57.75            | 72.93            |

**(j) Actuarial assumptions**

(₹ crore)

| Sl. No. | Description                                     | As at 31 <sup>st</sup> March, 2024                  | As at 31 <sup>st</sup> March, 2023                  |
|---------|---|---|---|
| i)      | Discount Rate (per annum)                       | 7.21%   | 7.35%   |
| ii)     | Mortality rate                                  | 100% of IALM (2012-2014)                            | 100% of IALM (2012-2014)                            |
| iii)    | Retirement Age - Executives<br>- Non Executives | 60 Year<br>60 Year                                  | 58 Year<br>60 Year                                  |
| iv)     | Salary Escalation                               | Executives: 6.25% p.a.<br>Non-Executives:6.25% p.a. | Executives: 6.25% p.a.<br>Non-Executives:6.25% p.a. |

**(k) Maturity profile of Defined Benefit Obligations**

(₹ crore)

| Period                       | As at 31 <sup>st</sup> March 2024 |                  |
|------------------------------|-----------------------------------|------------------|
|                              | Gratuity                          | Leave Encashment |
| Upto 1 year                  | 0.78                              | 0.20             |
| Between 1 to 2 years         | 1.45                              | 0.32             |
| Between 2 to 3 years         | 1.51                              | 0.38             |
| Between 3 to 4 years         | 0.37                              | 0.06             |
| Between 4 to 5 years         | 0.83                              | 0.22             |
| Between 5 to 6 years         | 1.16                              | 0.26             |
| 6 Years onwards              | 1.15                              | 0.32             |
| Projected Benefit Obligation | 7.25                              | 1.76             |

**51.13 Disclosures of provisions required by Indian Accounting Standards (Ind AS)37 'Provisions, Contingent**

**Liabilities and Contingent Assets:**

**Brief Description of Provisions :**

|   |  |
|---|--|
| <b>Mines afforestation - costs</b>        | 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. |
| <b>Mines closure costs -</b>              | Estimated liability towards closure of mines, to be incurred at the time of cessation of mining activities.  |
| <b>Overburden - backlog removal costs</b> | To be incurred towards removal of overburden backlog at mines over the future years.   |



(₹ crore)

| Movement of provisions                     | Mines affore-<br>station costs | Mines closure<br>costs | Over burden<br>removal costs | Total |
|--|--------------------------------|------------------------|------------------------------|-------|
| Balance as at 1 <sup>st</sup> April, 2023  |                                | 0.03                   | 6.78                         | 6.81  |
| Additions during the Year                  |                                | -                      | -                            | -     |
| Amounts utilised during the Year           |                                | -                      | -                            | -     |
| Unused amount reversed during the Year     |                                | -                      | -                            | -     |
| Balance as at 31 <sup>st</sup> March, 2024 |                                | 0.03                   | 6.78                         | 6.81  |

**51.14** The Mining operations in SRCL have been stopped from January 2017 for want of Environment Clearance from Ministry of Environment and Forest and Climate Change (MoEF). SRCL has submitted application for Environment Clearance to MoEF during January 2017.

MoEF has directed SRCL to obtain No Objection Certificate from Mines & Geology Department in respect of settlement of compensation amount payable against operation of mining activities, in the absence of Environment Clearance, in terms of provision under section 21(5) of the MMDR Act 1957 as directed by the Hon'ble Supreme Court in their judgment dated 2<sup>nd</sup> August, 2017 for similar cases.

The State Government has issued three nos. of Memo vide no.ROC No.45/2018/M-5/Mines-A, ROC No.45/2018/M-6/Mines-A and ROC No. 45/2018/M-7/Mines-A all dated 04.03.2020 directing SRCL to deposit ₹49,07,14,243/- towards compensation with respect to Environment Clearance for the period from 01.04.2000 to 31.03.2017. Liability to the tune of ₹15.66 Crores for the partial period from 15.01.2016 to 10.01.2017 was made in the SRCL Accounts during the year 2018-19 as per demand received from the State Government. The balance amount of liability amounting to ₹33.41 Crores has been made in the accounts during the year 2019-20 and included under non-current liability.

Based on the Minutes of Meeting held on 02.12.2021 with Additional Chief Secretary, Industries, Govt. of Tamil Nadu, and other Officials and subsequent approval by the SRCL Board vide Circular Resolution No.CIR-47/01 dtd. 31.12.2021, the amount of ₹36.77 crore have been paid to Govt. of Tamil Nadu during 2021-22 towards 100% compensation with respect to Environment Clearance in respect of Red Hill Mines. As against ₹49.07 Crores there is a balance of ₹12.30 Crores which have been now revised as ₹20.67 by levying interest on the same.

On continuous persuasion with the Govt. of Tamil Nadu, SRCL received Letter of Intent (LoI) in the name of SAIL Refractory Company Ltd. on 02.11.2022 in respect of G.O. No. 853 i.e. Red Hills Magnesite and Dunite Mines. As per ToR granted by MoEF& CC in respect of Red Hill Mines (G.O. No. 853), the documents/maps were obtained from the Principal Chief Conservator of Forest and Wild Life Warden on 06.02.2023 after duly authenticated and certified by him. Copies of Draft EIA/EMP report has been submitted at Tamil Nadu Pollution Control Board (TNPCB), Salem on 24.03.2023 for conducting Public Hearing. The Public Hearing was held on 04.07.2023 for Red Hill Magnetite and Dunite Mines. TNPCB has finalise the EIA/EMP report. Credible action case has been filed by Tamil Nadu Pollution Control Board, Salem vide CC No: 196/2024, dated: 04.03.2024. SRCL has filed final application for grant of EC at Parivesh Portal of MoEF & CC, on 09.03.2024. Expert Appraisal Committee has included SRCL's proposal for grant of EC in the agenda issued towards meetings scheduled in May 2024.

### 51.15. Financial Risk Management

#### i) Financial instruments by category

(₹ crore)

| Particulars                 | As at 31 <sup>st</sup> March, 2024 |       |                   | As at 31 <sup>st</sup> March, 2023 |       |                   |
|-----------------------------|------------------------------------|-------|-------------------|------------------------------------|-------|-------------------|
|                             | FVTPL                              | FVOCI | Amortised<br>cost | FVTPL                              | FVOCI | Amortised<br>cost |
| <b>Financial assets</b>     |                                    |       |                   |                                    |       |                   |
| Investments                 | -                                  | -     | -                 | -                                  | -     | -                 |
| Equity instruments          | -                                  | -     | -                 | -                                  | -     | -                 |
| Trade receivables           | -                                  | -     | 46.65             | -                                  | -     | 27.49             |
| Cash and cash equivalents   | -                                  | -     | 55.65             | -                                  | -     | 50.65             |
| Other Bank Balances         | -                                  | -     | 75.70             | -                                  | -     | 102.04            |
| Loans                       | -                                  | -     | 0.07              | -                                  | -     | 0.07              |
| Derivative financial assets | -                                  | -     | -                 | -                                  | -     | -                 |
| Other receivables           | -                                  | -     | 1.13              | -                                  | -     | 1.23              |
| <b>Total</b>                | -                                  | -     | <b>179.20</b>     | -                                  | -     | <b>181.48</b>     |



(₹ crore)

| Particulars                  | As at 31 <sup>st</sup> March, 2024 |       |                | As at 31 <sup>st</sup> March, 2023 |       |                |
|------------------------------|------------------------------------|-------|----------------|------------------------------------|-------|----------------|
|                              | FVTPL                              | FVOCI | Amortised cost | FVTPL                              | FVOCI | Amortised cost |
| <b>Financial liabilities</b> |                                    |       |                |                                    |       |                |
| Borrowings                   | -                                  | -     | 7.67           | -                                  | -     | 0.02           |
| Trade payable                | -                                  | -     | 6.07           | -                                  | -     | 6.14           |
| Derivative Liability         | -                                  | -     | -              | -                                  | -     | -              |
| Other payables               | -                                  | -     | 65.87          | -                                  | -     | 58.95          |
| <b>Total</b>                 | -                                  | -     | <b>79.61</b>   | -                                  | -     | <b>65.11</b>   |

## ii) Risk Management

The Company is exposed to various risks in relation to financial asset and liabilities. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated 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 engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is less exposed to credit risk for various financial instruments, for example amount receivables from customers other than SAIL Plants, placing term 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
- Trade receivables
- Other financial assets measured at amortized cost

The Company continuously monitors the customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. 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 negligible as deposits are made in highly rated Public Sector banks only.

##### Derivative financial instruments

SRCL does not have any Derivative financial instruments.

##### Trade receivables

Credit risk related to trade receivables are very less as the company sells its products to SAIL Plants only except few items sells to RWF, under Ministry of Steel. There is no credit sale to private parties.

##### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost include 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 is in place to 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<br>(As at 31 <sup>st</sup> March, 2024)                          | 0-3<br>months | 3-12<br>months | 12-24<br>months | 24-36<br>months | more than<br>36 months | Total        |
|---|---------------|----------------|-----------------|-----------------|------------------------|--------------|
| Gross carrying amount   | 39.77         | 6.88           | 0.18            | 0.21            | 5.46                   | 52.50        |
| Expected loss rate  |               |                | 100%            | 100%            | 100%                   |              |
| Expected credit loss provision  |               |                | 0.18            | 0.21            | 5.46                   | 5.85         |
| <b>Carrying amount of<br/>trade receivables<br/>(Net of impairment)</b> | <b>39.77</b>  | <b>6.88</b>    | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>            | <b>46.65</b> |

(₹ crore)

| Ageing<br>(As at 31 <sup>st</sup> March, 2023)                          | 0-3<br>months | 3-12<br>months | 12-24<br>months | 24-36<br>months | more than<br>36 months | Total        |
|---|---------------|----------------|-----------------|-----------------|------------------------|--------------|
| Gross carrying amount   | 23.47         | 4.02           | 0.22            | 0.00            | 5.46                   | 33.17        |
| Expected loss rate  |               |                | 100%            | 100%            | 100%                   |              |
| Expected credit loss provision  |               |                | 0.22            | 0.00            | 5.46                   | 5.68         |
| <b>Carrying amount of<br/>trade receivables<br/>(Net of impairment)</b> | <b>23.47</b>  | <b>4.02</b>    | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>            | <b>27.49</b> |

**Reconciliation of Expected credit loss provision**

(₹ crore)

| Particulars                              | Provision for Trade<br>Receivables |
|--|------------------------------------|
| As at 31 <sup>st</sup> March, 2023       | 5.68                               |
| Changes in provision                     | 0.17                               |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>5.85</b>                        |

**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 nature 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 provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognized 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 to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

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

(₹ crore)

| Contractual maturities of financial liabilities<br>as at 31 <sup>st</sup> March, 2024 | Less than<br>1 year | 1-2 year    | 2-3 year    | More than<br>3 years | Total        |
|---|---------------------|-------------|-------------|----------------------|--------------|
| <b>Non-derivatives</b>  |                     |             |             |                      |              |
| Security Deposit  | 0.47                | 2.17        | 0.23        | 1.43                 | 4.30         |
| Trade payable   | -                   | -           | 2.66        | 3.41                 | 6.07         |
| Borrowings from Bank  | 7.65                | -           | -           | -                    | 7.65         |
| <b>Other payables</b>   | <b>25.94</b>        | <b>7.72</b> | <b>2.31</b> | <b>25.62</b>         | <b>61.59</b> |
| <b>Total</b>  | <b>34.06</b>        | <b>9.89</b> | <b>5.20</b> | <b>30.46</b>         | <b>79.61</b> |



(₹ crore)

| Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2023 | Less than 1 year | 1-2 year    | 2-3 year    | More than 3 years | Total        |
|--|------------------|-------------|-------------|-------------------|--------------|
| <b>Non-derivatives</b>   |                  |             |             |                   |              |
| Security Deposit   | 0.64             | 1.99        | 0.17        | 1.48              | 4.28         |
| Trade payable  | 2.83             | 0.01        |             | 3.30              | 6.14         |
| Other payables   | 18.97            | 7.79        | 2.31        | 25.62             | 54.69        |
| <b>Total</b>   | <b>22.44</b>     | <b>9.79</b> | <b>2.48</b> | <b>30.40</b>      | <b>65.11</b> |

#### 51.16 Segment Information :

The Company's operations mainly relate to One Primary Segment and there are no Secondary geographical segments.

#### 51.17 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 liabilities. 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.

(₹ crore)

| Particulars         | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------------------|------------------------------------|------------------------------------|
| Total equity        | 182.89                             | 168.82                             |
| <b>Total equity</b> | <b>182.89</b>                      | <b>168.82</b>                      |

#### Dividends

(₹ crore)

| Particulars  | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|--|------------------------------------|------------------------------------|
| (i) Equity shares  |                                    |                                    |
| - Final dividend paid (Net of Dividend Distribution Tax)         | 0.08                               | 6.02                               |
| (ii) Dividends not recognised at the end of the reporting period | 1.26                               | 0.08                               |
| (iii) Interim dividend paid (Net of Dividend Distribution Tax)   | 6.00                               | 6.50                               |

#### 51.18 A. CWIP AGEING SCHEDULE

Amount of CWIP as on 31-03-2024 from initial recognition in Balance Sheet

(₹ crore)

| S.No. | CWIP                           | 0-12 months | 12-24 months | 24-36 months | More than 36 months | Total    |
|-------|--------------------------------|-------------|--------------|--------------|---------------------|----------|
| 1     | Projects in progress           | 0           | 0            | 0            | 0                   | 0        |
| 2     | Projects Temporarily suspended | 0           | 0            | 0            | 0                   | 0        |
|       | <b>TOTAL</b>                   | <b>0</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>            | <b>0</b> |

**Amount of CWIP as on 31-03-2023 from initial recognition in Balance Sheet**

(₹ crore)

| S. No. | CWIP                           | 0-12 months | 12-24 months | 24-36 months | More than 36 months | Total    |
|--------|--------------------------------|-------------|--------------|--------------|---------------------|----------|
| 1      | Projects in progress           | 0           | 0            | 0            | 0                   | 0        |
| 2      | Projects Temporarily suspended | 0           | 0            | 0            | 0                   | 0        |
|        | <b>TOTAL</b>                   | <b>0</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>            | <b>0</b> |

**51. B CWIP COMPLETION SCHEDULE**
**As on 31<sup>st</sup> March, 2024**

(₹ crore)

| S. No. | CWIP                           | 0-12 months | 12-24 months | 24-36 months | More than 36 months |
|--------|--------------------------------|-------------|--------------|--------------|---------------------|
| 1      | Projects in progress           | 0           | 0            | 0            | 0                   |
| 2      | Projects Temporarily suspended | 0           | 0            | 0            | 0                   |
|        | <b>TOTAL</b>                   | <b>0</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>            |

**CWIP COMPLETION SCHEDULE**
**As on 31<sup>st</sup> March, 2023**

(₹ crore)

| S. No. | CWIP                           | 0-12 months | 12-24 months | 24-36 months | More than 36 months |
|--------|--------------------------------|-------------|--------------|--------------|---------------------|
| 1      | Projects in progress           | 0           | 0            | 0            | 0                   |
| 2      | Projects Temporarily suspended | 0           | 0            | 0            | 0                   |
|        | <b>TOTAL</b>                   | <b>0</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>            |

**51.19 TRADE PAYABLE AGEING SCHEDULE**

(₹ crore)

| Outstanding as on 31-03-2024 from due date of payment |                          |               |         |             |              |              |                     |             |
|---|--------------------------|---------------|---------|-------------|--------------|--------------|---------------------|-------------|
| S. No.  | Particulars              | Unbilled Dues | Not due | 0-12 months | 12-24 months | 24-36 months | More than 36 months | Total       |
| 1   | MSME - Disputed          |               |         |             |              |              |                     |             |
| 2   | MSME - Undisputed        |               |         |             |              |              |                     |             |
|   | <b>Subtotal - A</b>      |               |         |             |              |              |                     |             |
| 3   | Others - Disputed        |               |         |             |              |              |                     |             |
| 4   | Others - Undisputed      |               |         |             |              | 2.66         | 3.41                | <b>6.07</b> |
|   | <b>Subtotal - B</b>      |               |         |             |              | <b>2.66</b>  | <b>3.41</b>         | <b>6.07</b> |
|   | <b>Grand Total (A+B)</b> |               |         |             |              | <b>2.66</b>  | <b>3.41</b>         | <b>6.07</b> |

(₹ crore)

| Outstanding as on 31-03-2023 from due date of payment |                          |               |         |             |              |              |                     |             |
|---|--------------------------|---------------|---------|-------------|--------------|--------------|---------------------|-------------|
| S. No.  | Particulars              | Unbilled Dues | Not due | 0-12 months | 12-24 months | 24-36 months | More than 36 months | Total       |
| 1   | MSME - Disputed          |               |         |             |              |              |                     |             |
| 2   | MSME - Undisputed        |               |         |             |              |              |                     |             |
|   | <b>Subtotal - A</b>      |               |         |             |              |              |                     |             |
| 3   | Others - Disputed        |               |         |             |              |              |                     |             |
| 4   | Others - Undisputed      |               |         | 2.83        | 0.01         | 0.00         | 3.30                | <b>6.14</b> |
|   | <b>Subtotal - B</b>      |               |         | <b>2.83</b> | <b>0.01</b>  | <b>0.00</b>  | <b>3.30</b>         | <b>6.14</b> |
|   | <b>Grand Total (A+B)</b> |               |         | <b>2.83</b> | <b>0.01</b>  | <b>0.00</b>  | <b>3.30</b>         | <b>6.14</b> |



**51.20 TRADE RECEIVABLE AGEING SCHEDULE**

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2024 |          |         |            |            |             |              |              |                     |       |
|--|----------|---------|------------|------------|-------------|--------------|--------------|---------------------|-------|
| Particulars  | Unbilled | Not Due | 0-3 months | 3-6 months | 6-12 months | 12-24 months | 24-36 months | more than 36 months | Total |
| Gross carrying amount  |          |         |            |            |             |              |              |                     |       |
| <b>(A) Current:</b>  |          |         |            |            |             |              |              |                     |       |
| Undisputed - considered good                                   |          |         | 39.77      | 6.14       | 0.74        |              |              |                     | 46.65 |
| Disputed - considered  |          |         |            |            |             |              |              |                     |       |
| Undisputed - credit impaired                                   |          |         |            |            |             |              |              |                     |       |
| <b>Disputed - credit impaired</b>                              |          |         |            |            |             |              |              |                     |       |
| <b>Total current</b>   |          |         | 39.77      | 6.14       | 0.74        |              |              |                     | 46.65 |
| <b>(B) Non - current:</b>                                      |          |         |            |            |             |              |              |                     |       |
| Undisputed - considered good                                   |          |         |            |            |             |              |              |                     |       |
| Disputed - considered  |          |         |            |            |             |              |              |                     |       |
| Undisputed - credit impaired                                   |          |         |            |            |             | 0.18         | 0.21         | 5.46                | 5.85  |
| Disputed - credit impaired                                     |          |         |            |            |             |              |              |                     |       |
| <b>Total Non-current</b>                                       |          |         |            |            |             | 0.18         | 0.21         | 5.46                | 5.85  |
| <b>Total gross</b>   |          |         | 39.77      | 6.14       | 0.74        | 0.18         | 0.21         | 5.46                | 52.50 |
| Expected loss (%)  |          |         |            |            |             | 100          | 100          | 100                 | 100   |
| Credit loss allowance  |          |         |            |            |             | 0.18         | 0.21         | 5.46                | 5.85  |
| <b>Net carrying value</b>                                      |          |         | 39.77      | 6.14       | 0.74        | 0.00         | 0.00         | 0.00                | 46.65 |

(₹ crore)

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2023 |          |         |            |            |             |              |              |                     |       |
|--|----------|---------|------------|------------|-------------|--------------|--------------|---------------------|-------|
| Particulars  | Unbilled | Not Due | 0-3 months | 3-6 months | 6-12 months | 12-24 months | 24-36 months | more than 36 months | Total |
| Gross carrying amount  |          |         |            |            |             |              |              |                     |       |
| <b>(A) Current:</b>  |          |         |            |            |             |              |              |                     |       |
| Undisputed - considered good                                   |          |         | 23.47      | 3.26       | 0.76        |              |              |                     | 27.49 |
| Disputed - considered  |          |         |            |            |             |              |              |                     |       |

| Ageing of Trade Receivables as at 31 <sup>st</sup> March, 2023 |          |         |              |             |             |              |              |                     |              |
|--|----------|---------|--------------|-------------|-------------|--------------|--------------|---------------------|--------------|
| Particulars  | Unbilled | Not Due | 0-3 months   | 3-6 months  | 6-12 months | 12-24 months | 24-36 months | more than 36 months | Total        |
| Undisputed - credit impaired                                   |          |         |              |             |             |              |              |                     |              |
| Disputed - credit impaired                                     |          |         |              |             |             |              |              |                     |              |
| <b>Total current</b>   |          |         | <b>23.47</b> | <b>3.26</b> | <b>0.76</b> |              |              |                     | <b>27.49</b> |
| <b>(B) Non - current:</b>                                      |          |         |              |             |             |              |              |                     |              |
| Undisputed - considered good                                   |          |         |              |             |             |              |              |                     |              |
| Disputed - considered  |          |         |              |             |             |              |              |                     |              |
| Undisputed - credit impaired                                   |          |         |              |             |             | 0.22         | 0.00         | 5.46                | <b>5.68</b>  |
| Disputed - credit impaired                                     |          |         |              |             |             |              |              |                     |              |
| <b>Total Non-current</b>                                       |          |         |              |             |             | <b>0.22</b>  | <b>0.00</b>  | <b>5.46</b>         | <b>5.68</b>  |
| <b>Total gross</b>   |          |         | <b>23.47</b> | <b>3.26</b> | <b>0.76</b> | <b>0.22</b>  | <b>0.00</b>  | <b>5.46</b>         | <b>33.17</b> |
| Expected loss (%)  |          |         |              |             |             | <b>100</b>   | <b>100</b>   | <b>100</b>          | <b>100</b>   |
| Credit loss allowance  |          |         |              |             |             | <b>0.22</b>  | <b>0.00</b>  | <b>5.46</b>         | <b>5.68</b>  |
| <b>Net carrying value</b>                                      |          |         | <b>23.47</b> | <b>3.26</b> | <b>0.76</b> | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>         | <b>27.49</b> |

#### Reconciliation of expected credit loss allowance

| Particulars                              | (₹ crore)   |
|--|-------------|
| <b>As at 31<sup>st</sup> March, 2022</b> | <b>6.71</b> |
| Changes in allowance-Less                | 1.03        |
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>5.68</b> |
| Changes in allowance-Add                 | 0.17        |
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>5.85</b> |

- 51.21** 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.
- 51.22** In accordance with Ind AS 115-Revenue from Contracts with Customers, GST amount of ₹29.53 crore (Previous Year: ₹29.92 crore) is not included in Revenue from Operations.
- 51.23** Sales include sale to Government Agencies recognized on provisional contract prices during the year ended 31<sup>st</sup> March, 2024: Nil (Previous Year : NIL) and cumulatively up to 31<sup>st</sup> March, 2024 : NIL (upto Previous Year : NIL)
- 51.24** During the Year, Sales and Trade Receivables include ₹0.00 crore (previous Year ₹0.21 crore) and ₹0.38 crore (previous Year ₹0.38 crore) for transactions with the Central Government i.e. Rail Wheel Factory (RWF).
- 51.25** The research and development expenditure charged to Statement of Profit and Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the Year, amount to NIL (During the previous Year NIL) and NIL (During the previous Year NIL) respectively.



**51.26** 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 NIL.

**51.27 Right of Use Assets**

Set out below are the carrying amounts of Right-of-Use Assets recognised and the movements during the period:

(₹ crore)

| Particulars                        | Vehicles |
|------------------------------------|----------|
| As at 1 <sup>st</sup> April, 2023  | 0.04     |
| Additions/Disposal                 | 0.00     |
| Depreciation expense               | 0.01     |
| As at 31 <sup>st</sup> March, 2024 | 0.03     |

**51.28 Mining land**

The Company has not accounted for leasehold lands for mining as finance leases as the lease agreement is neither transferred nor renewed in the name of the company.

**51.29 Details of Loans and Advances granted that are:**

- (i) Repayable on demand, or
- (ii) without specifying any terms or period of repayment

(₹ crore)

| S. No. | Type of Borrower             | As on 31-03-2024 |            | As on 31-03-2023 |            |
|--------|------------------------------|------------------|------------|------------------|------------|
|        |                              | Amt Outstanding  | % of Total | Amt Outstanding  | % of Total |
| 1      | Promoter                     | 0                | 0          | 0                | 0          |
| 2      | Directors<br>(specify names) | 0                | 0          | 0                | 0          |
| 3      | KMPs<br>(specify names)      | 0                | 0          | 0                | 0          |
| 4      | Related parties              | 0                | 0          | 0                | 0          |
|        | (Partywise)                  | 0                | 0          | 0                | 0          |
|        | <b>TOTAL</b>                 | <b>0</b>         | <b>0</b>   | <b>0</b>         | <b>0</b>   |

**51.30 RELATION WITH STRUCK OFF COMPANIES**

(₹ crore)

| S.No. | Name of Struck Off Company | Nature of Transaction | Relationship | Balance for the period ended |            |
|-------|----------------------------|-----------------------|--------------|------------------------------|------------|
|       |                            |                       |              | 31-03-2024                   | 31-03-2023 |
|       | 0                          | 0                     | 0            | 0                            | 0          |

**51.31 Reconciliation of Yearly Stock/Receivable statement filed for Fund Management for the Year 2023-24**

(₹ crore)

| S. No. | Particulars              | As per Statement  | As per Accounts | Difference | Reasons for Difference |
|--------|--------------------------|---|-----------------|------------|------------------------|
| 1      | <b>Inventory</b>         | The Company has not availed Debt or Loan from any Banker. Hence the filing of Stock or Receivables Statements does not arise. |                 |            |                        |
|        | (i) Raw Material         |   |                 |            |                        |
|        | (ii) Work in progress    |   |                 |            |                        |
|        | (iii) Store and Spares   |   |                 |            |                        |
|        | (iv) Finished Goods      |   |                 |            |                        |
|        | <b>Gross Inventory</b>   |   |                 |            |                        |
|        | Less: Sundry creditors   |   |                 |            |                        |
|        | <b>Net Inventory</b>     |   |                 |            |                        |
| 2      | <b>Trade Receivables</b> |   |                 |            |                        |



**51.32** The Title Deeds/Lease Agreements of the following Immovable Properties (included under the line item 'Property Plant and Equipment' and 'Right of use asset') are not held in the name of the company:

**As at 31<sup>st</sup> March, 2024**

| Sl. No. | Line Item in BS | Nature of property | Total Area (Acres)  | Gross value (₹ in crore)   | Net Value value (₹ in crore)   | Title Deed Held in Name of        | Whether title deed holder is a promoter, director or their | Period held – indicate range, where appropriate | Reason for not being held in name of the Company   |
|---------|-----------------|--------------------|---|--|--|-----------------------------------|--|---|--|
| 1       | 1               | Free Hold Land     | 147.994 (Salem Tamil Nadu)  | 5.11   | 5.11   | Burn Standard Company Ltd. (BSCL) | No   | Since 16.12.2011                                | <p><b>1)</b> SRCL has applied for waiver of stamp duty to the tune of ₹ 5.07 crore to the Inspector General of Registration, Chennai based on the fact that the said transfer was between two Departments/ Administrative Ministries of Govt. of India (Dept. of Heavy Industries and Ministry of Steel)</p> <p><b>2)</b> SRCL requested the Sub-Registrar, Kushal Nagar, Madikeri, Karnataka vide letter SRCL/Mines/2021-22/041 dated 01.10.2021 for change of ownership in the name of SRCL. The Sub-Registrar Office, Kushal Nagar replied vide letter dated 26.10.2021 stating that SRCL have to contact/approach the Tahsildar Taluk office, Kushalnagara. Since then we are following up with the Tahsildar Taluk Office, Kushalnagara for transfer of lands in the name of SRCL.</p> <p><b>3)</b> Subsequent to obtaining the EC, the Lease will be granted in the name of SRCL.</p> <p><b>4)</b> The Govt. of Tamil Nadu has taken over the 246.203 acres of Lease Hold Land. The balance land available is only 4.237 acres. The Govt. of Tamil Nadu has not yet corrected the Lease Hold Land area.</p> <p><b>5)</b> The Govt. of Tamil Nadu has taken over the 37.012 acres of Lease Hold Land. The balance land available is only 56.438 acres. The Govt. of Tamil Nadu has not yet corrected the Lease Hold Land area</p> |
| 2       | 1               | Free Hold Land     | 21.81 (Kushal Nagar, Karnataka)                                   |  |  | BSCL                              | No   | Since 16.12.2011                                |  |
| 3       | 1               | Lease Hold Land    | G.O.No. 853-Red Hills Magnesite and Dunite Mines<br>1538.67 acres | The total Lease Hold Land shown in Asset Register as one Rupee value | The total Lease Hold Land shown in Asset Register as one Rupee value | BSCL                              | No   | Since 16.12.2011                                |  |
| 4       | 1               | Lease Hold Land    | G.O. No. 51-Jaghir Magnesite Mines<br>250.44 acres                |  |  | BSCL                              | No   | Since 16.12.2011                                |  |
| 5       | 1               | Lease Hold Land    | G.O.No. 679-A.S. Jaghir Magnesite Mines<br>93.450 acres           |  |  | BSCL                              | No   | Since 16.12.2011                                |  |



**As at 31<sup>st</sup> March, 2023**

| Sl. No. | Line Item in BS | Nature of property | Total Area (Acres)   | Gross value (₹ in crore)   | Net Value value (₹ in crore)   | Title Deed Held in Name of        | Whether title deed holder is a promoter, director or their | Period held – indicate range, where appropriate | Reason for not being held in name of the Company  |
|---------|-----------------|--------------------|--|--|--|-----------------------------------|--|---|---|
| 1       | 1               | Free Hold Land     | 147.994 (Salem Tamil Nadu)                                       | 5.11   | 5.11   | Burn Standard Company Ltd. (BSCL) | No   | Since 16.12.2011                                | <p><b>1)</b> SRCL has applied for waiver of stamp duty to the tune of ₹ 5.07 crore to the Inspector General of Registration, Chennai based on the fact that the said transfer was between two Departments/ Administrative Ministries of Govt. of India (Dept. of Heavy Industries and Ministry of Steel)</p> <p><b>2)</b> SRCL requested the Sub-Registrar, Kushal Nagar, Madikeri, Karnataka vide letter SRCL / Mines / 2021-22 / 041 dated 01.10.2021 for change of ownership in the name of SRCL.</p> <p>The Sub-Registrar Office, Kushal Nagar replied vide letter dated 26.10.2021 stating that SRCL have to contact / approach the Tahsildar Taluk office, Kushalnagara.</p> <p>Since then we are following up with the Tahsildar Taluk Office, Kushalnagara for transfer of lands in the name of SRCL.</p> <p><b>3)</b> Subsequent to obtaining the EC, the Lease will be granted in the name of SRCL.</p> <p><b>4)</b> The Govt. of Tamil Nadu has taken over the 246.203 acres of Lease Hold Land. The balance land available is only 4.237 acres. The Govt. of Tamil Nadu has not yet corrected the Lease Hold Land area.</p> <p><b>5)</b> The Govt. of Tamil Nadu has taken over the 37.012 acres of Lease Hold Land. The balance land available is only 56.438 acres. The Govt. of Tamil Nadu has not yet corrected the Lease Hold Land area.</p> |
| 2       | 1               | Free Hold Land     | 21.81 (Kushal Nagar, Karnataka)                                  |  |  | BSCL                              | No   | Since 16.12.2011                                |   |
| 3       | 1               | Lease Hold Land    | G.O.No.853-Red Hills Magnesite and Dunite Mines<br>1538.67 acres | The total Lease Hold Land shown in Asset Register as one Rupee value | The total Lease Hold Land shown in Asset Register as one Rupee value | BSCL                              | No   | Since 16.12.2011                                |   |
| 4       | 1               | Lease Hold Land    | G.O. No. 51-Jaghir Magnesite Mines<br>250.44 acres               |  |  | BSCL                              | No   | Since 16.12.2011                                |   |
| 5       | 1               | Lease Hold Land    | G.O.No. 679-A.S. Jaghir Magnesite Mines<br>93.450 acres          |  |  | BSCL                              | No   | Since 16.12.2011                                |   |

**52: OPERATING SEGMENT INFORMATION**

(₹ crore)

| Particulars  | BSP      | DSP      | RSP      | BSL      | ISP      | ASP      | SSP      | VISL    | Others   | Inter Segment Sales | Total            |
|--|----------|----------|----------|----------|----------|----------|----------|---------|----------|---------------------|------------------|
| <b>REVENUE</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- External sales</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 30702.12 | 11486.84 | 24534.09 | 22091.69 | 12390.21 | 889.51   | 2371.51  | 54.63   | 27.21    | -                   | 104547.81        |
| Previous Year ended 31 <sup>st</sup> March 2023  | 28667.66 | 12126.00 | 24077.71 | 23146.14 | 12995.31 | 731.60   | 1798.55  | 144.00  | 41.85    | -                   | 103728.82        |
| <b>- Inter segment sales</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 2417.64  | 883.25   | 1546.34  | 3403.64  | 267.76   | 294.06   | 23.87    | 102.34  | 1344.03  | (10282.93)          | -                |
| Previous Year ended 31 <sup>st</sup> March 2023  | 1693.79  | 1062.64  | 1380.61  | 2938.16  | 494.31   | 258.54   | 76.36    | 161.36  | 1356.57  | (9422.34)           | -                |
| <b>-Total Revenue from sale of products</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 33119.76 | 12370.09 | 26080.43 | 25495.33 | 12657.97 | 1183.57  | 2395.38  | 156.97  | 1371.24  | (10282.93)          | 104547.81        |
| Previous Year ended 31 <sup>st</sup> March 2023  | 30361.45 | 13188.64 | 25458.32 | 26084.30 | 13489.62 | 990.14   | 1874.91  | 305.36  | 1398.42  | (9422.34)           | 103728.82        |
| <b>RESULTS</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- Operating Profit / (Loss) before Interest and exceptional items</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 3548.54  | 564.60   | 1415.53  | 1365.89  | 295.25   | (71.55)  | (227.36) | (48.57) | 534.18   | -                   | 7376.51          |
| Previous Year ended 31 <sup>st</sup> March 2023  | 954.33   | 502.49   | 1191.23  | 1218.79  | 558.03   | (121.79) | (203.06) | (50.57) | 622.47   | -                   | 4671.92          |
| <b>- Finance costs</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   |          |          |          |          |          |          |          |         |          |                     | 2473.86          |
| Previous Year ended 31 <sup>st</sup> March 2023  |          |          |          |          |          |          |          |         |          |                     | 2037.47          |
| <b>- Exceptional items</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   |          |          |          |          |          |          |          |         |          |                     | 840.84           |
| Previous Year ended 31 <sup>st</sup> March 2023  |          |          |          |          |          |          |          |         |          |                     | (257.99)         |
| <b>- Tax expenses</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   |          |          |          |          |          |          |          |         |          |                     | 995.14           |
| Previous Year ended 31 <sup>st</sup> March 2023  |          |          |          |          |          |          |          |         |          |                     | 715.91           |
| <b>- Profit for the year</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   |          |          |          |          |          |          |          |         |          |                     | 3066.67          |
| Previous Year ended 31 <sup>st</sup> March 2023  |          |          |          |          |          |          |          |         |          |                     | 2176.53          |
| <b>OTHER INFORMATION</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>- Segment assets - non current</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 26545.18 | 6084.35  | 21951.33 | 16713.50 | 13415.63 | 108.48   | 1437.05  | 97.94   | 6217.43  |                     | 92570.89         |
| Previous Year ended 31 <sup>st</sup> March 2023  | 26924.78 | 5546.81  | 22194.62 | 16424.09 | 13875.27 | 113.77   | 1532.88  | 107.11  | 5771.12  |                     | 92490.45         |
| <b>- Segment assets - current</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 9398.77  | 2783.29  | 7598.61  | 6484.55  | 2567.99  | 585.69   | 1361.07  | 126.91  | 17215.70 |                     | 48122.58         |
| Previous Year ended 31 <sup>st</sup> March 2023  | 7269.86  | 1890.14  | 5997.69  | 5762.73  | 1991.41  | 504.51   | 982.96   | 131.15  | 13430.91 |                     | 37961.36         |
| <b>- Assets classified as held for sale</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 0.24     | 1.20     | 10.65    | 1.04     | 1.19     | 0.79     | -        | -       | -        |                     | 15.11            |
| Previous Year ended 31 <sup>st</sup> March 2023  | 8.45     | 3.16     | 12.02    | 3.62     | 1.16     | 0.87     | -        | -       | -        |                     | 29.28            |
| <b>- Segment Liabilities - non current</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 2931.50  | 1703.16  | 4763.89  | 2167.07  | 249.35   | 141.10   | 107.10   | 56.30   | 18023.46 |                     | 30142.93         |
| Previous Year ended 31 <sup>st</sup> March 2023  | 4260.76  | 1779.95  | 4972.95  | 1408.34  | (22.35)  | 93.46    | 113.10   | (21.21) | 13815.13 |                     | 26400.13         |
| <b>- Segment Liabilities - current</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 5473.42  | 1610.84  | 4786.11  | 3766.86  | 1335.61  | 179.85   | 515.34   | 68.95   | 35727.44 |                     | 53464.42         |
| Previous Year ended 31 <sup>st</sup> March 2023  | 5039.85  | 1767.13  | 4230.51  | 4657.33  | 1625.05  | 164.57   | 388.36   | 81.66   | 31379.82 |                     | 49334.28         |
| <b>- Capital expenditure</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 1482.72  | 869.84   | 1472.08  | 1483.16  | 389.40   | 3.91     | 10.74    | 0.65    | 71.29    |                     | 5783.79          |
| Previous Year ended 31 <sup>st</sup> March 2023  | 1030.31  | 865.13   | 2011.35  | 1047.64  | 338.94   | 1.45     | 12.58    | 3.45    | 58.82    |                     | 5369.67          |
| <b>- Depreciation</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 1333.67  | 327.15   | 1567.81  | 1078.96  | 806.28   | 8.73     | 97.90    | 6.49    | 51.38    |                     | 5278.37          |
| Previous Year ended 31 <sup>st</sup> March 2023  | 1242.26  | 292.98   | 1528.47  | 923.53   | 810.93   | 8.56     | 96.68    | 6.42    | 53.71    |                     | 4963.54          |
| <b>- Non cash expenses other than Depreciation</b>   |          |          |          |          |          |          |          |         |          |                     |                  |
| Current Year ended 31 <sup>st</sup> March 2024   | 29.39    | 17.28    | 51.48    | 42.81    | 21.51    | 2.14     | 0.34     | 0.03    | (5.15)   |                     | 159.83           |
| Previous Year ended 31 <sup>st</sup> March 2023  | 124.97   | 33.26    | 31.44    | 23.78    | 14.19    | 17.19    | 8.34     | 3.97    | 98.73    |                     | 355.87           |
| There is no customer contributing more than 10% of revenue.  |          |          |          |          |          |          |          |         |          |                     |                  |
| The parent 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. |          |          |          |          |          |          |          |         |          |                     |                  |
| <b>Primary Geographical Markets</b>  |          |          |          |          |          |          |          |         |          |                     |                  |
| Within India   |          |          |          |          |          |          |          |         |          |                     | 102860.57        |
| Outside India  |          |          |          |          |          |          |          |         |          |                     | 1687.24          |
| <b>Total</b>   |          |          |          |          |          |          |          |         |          |                     | <b>104547.81</b> |



**53.** The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current periods classification.

The impact of any re-grouping/reclassification on the financial statements is immaterial.

For and on behalf of the Board of Directors

**[M.B. Balakrishnan]**  
Company Secretary  
M. No. A17770

**[Amarendu Prakash]**  
Chairman  
DIN: 08896653

*In terms of our report of even date*

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No.006569C/W100892

**For S P A R K & Associates Chartered  
Accountants LLP**  
Chartered Accountants  
Firm Registration No.005313C/C400311

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No.  
005826C/C400276

**[Nalin Jain]**  
Partner  
M. No. 503498

**[Devendra Upadhyay]**  
Partner  
M. No. 076727

**[Nilesh Gupta]**  
Partner  
M. No. 406020

**[Vinod Kumar Singhal]**  
Partner  
M. No. 074391

Place : New Delhi  
Dated : May 20, 2024

**Annexure-VII to the Board's Report**

|   |   |  |  |
|---|---|--|--|
| 1. <b>Walker Chandiok &amp; Co LLP</b><br>L-41, Connaught Circus,<br>New Delhi-110001 | 2. <b>J N Gupta &amp; Co LLP</b><br>202 Prasad Residency,<br>South of Bariatu Housing<br>Colony, Rani Bagan,<br>Ranchi-834009 | 3. <b>S P A R K &amp; Associates</b><br>Chartered Accountants LLP<br>403A 4 <sup>th</sup> Floor, Ravi Bhawan,<br>Jay Stambh Square,<br>Near Gandhi Chowk,<br>Raipur-446143 | 4. <b>Vinod Singhal &amp; Co LLP</b><br>A-301 Shree Nand Rani<br>Niwas, Opp Ara mills,<br>Veer Kunwar Singh<br>Colony, Airport Road,<br>Hinoo, Ranchi-834002 |
|---|---|--|--|

**INDEPENDENT AUDITORS' REPORT**

To the Members of Steel Authority of India Limited

| Comments  | Management's Replies   |
|---|--|
| <b>Report on the audit of the consolidated financial statements</b>   |  |
| <b>Qualified opinion</b>  |  |
| <p>1. We have audited the accompanying consolidated financial statements of <b>Steel Authority of India Limited ('the Holding Company')</b> and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures, as listed in Appendix 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.</p> <p>2. 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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures and the reports of the branch auditors of the Holding Company's branches listed in Appendix 2 except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint ventures, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.</p> |  |
| <b>Basis for qualified opinion</b>  |  |
| <p>3. As referred in note 47.2(a)(i) to the accompanying consolidated financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / Commercial Tax Department / assigned authorities. Pending decision by the other aforesaid Courts, the management is of the view that no adjustment is required in the accompanying consolidated financial statements of the group for the disputed entry tax demand in various states amounting to ₹ 724.02 crore (net of ₹ 137.72 crore recognised as a liability basis ongoing settlement proceedings as explained in the said note) as on 31 March 2024. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the consolidated financial statements.</p>   | <p>The Holding Company's view is that the Nine Judge Bench of the Hon'ble Supreme court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹ 762.91 crore on iron Ore and Coking Coal in Bhilai-Durg area @ 6% as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh, Entry tax amounting to ₹98.83 crore on goods entering into the local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. During the year, in the State of Chhattisgarh, applications were filed under settlement scheme (Chhattisgarh Settlement of Arrears of Tax, Interest and Penalty Act, 2023) for settlement of Entry Tax dispute pertaining to rate discrimination. The disputed amount are ₹ 762.91 Crore for which the settlement amount of ₹137.72 crore as per scheme has been provided as on 31<sup>st</sup> March, 2024. Accordingly, various matters raised by SAIL are pending with Jurisdictional High Courts/assigned authorities/ Commercial Tax Department. Pending decision by the Courts, the disputed Entry Tax liabilities of ₹724.02 crore have been treated by the Company as Contingent Liability.</p> |



| Comments  | Management's Replies   |
|---|--|
| <p>4. As referred in note 47.2(b) to the accompanying consolidated financial Statements, current assets include advance of ₹ 587.72 crore paid under protest to Damodar Valley Corporation against the bills raised for supply of power for the period 2010-11 to 2016-2017. The matter is under litigation and currently pending before Jharkhand State Electricity Regulatory Commission (JSERC) for finalization of tariff. The management is of the view that the amount paid under protest is fully recoverable and thus, no adjustment is required in the accompanying consolidated financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the accompanying consolidated financial statements.</p> | <p>The Holding Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. Further, the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), have been dismissed by the Hon'ble Supreme Court of India vide its Order dated 3<sup>rd</sup> 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. DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission (JSERC) for the period 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/ Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC. JSERC finalised the Category-wise Retail Supply Tariff of DVC for the period from FY 2006-07 to FY 2011-12 vide order dated 31<sup>st</sup> October, 2023. However, DVC has preferred an appeal before Hon'ble APTEL against the order of the JSERC regarding the consideration of non-tariff income in totality in the tariff order. APTEL vide its order dated 5<sup>th</sup> February, 2024 allowed the appeal of DVC with request to the commission to pass an order afresh at the earliest.</p> <p>The above disputed demands stated at (3) and (4), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2024. Therefore, there is no adverse impact on Profit for the year.</p> |

| Comments  | Management's Replies |  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
|---|----------------------|--|--|-------------------|--|--------------|-----------|-----------|------------------------|----------|----------|----------------------|----------|----------|---------------------------|----------|----------|--|
| <p>5. Impact of all the above qualifications on the consolidated financial statements for the year ended 31 March 2024 is as under:</p> <p style="text-align: right;">(Amounts in ₹ crores)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #2c5e8c; color: white;">Particulars</th> <th colspan="2" style="background-color: #2c5e8c; color: white;">As at 31<sup>st</sup> March 2024</th> </tr> <tr> <th style="background-color: #2c5e8c; color: white;">Reported balances</th> <th style="background-color: #2c5e8c; color: white;">Balances after impact of all the Qualifications which are quantified</th> </tr> </thead> <tbody> <tr> <td>Other equity</td> <td style="text-align: right;">52,970.69</td> <td style="text-align: right;">51,989.09</td> </tr> <tr> <td>Deferred tax liability</td> <td style="text-align: right;">6,285.50</td> <td style="text-align: right;">5,955.36</td> </tr> <tr> <td>Other current assets</td> <td style="text-align: right;">4,542.32</td> <td style="text-align: right;">3,954.60</td> </tr> <tr> <td>Other current liabilities</td> <td style="text-align: right;">4,565.97</td> <td style="text-align: right;">5,289.99</td> </tr> </tbody> </table> <p>The audit report on the consolidated financial statements for the year ended 31 March 2023 was also modified in respect of above matters.</p> <p>6. We conducted our audit in accordance with the Standards on Auditing 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, its associate and joint ventures 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors including the branch auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.</p> <p><b>Emphasis of matters</b></p> <p>7. We draw your attention to the following matters:</p> <p>(i) Note 49.2(a) to the accompanying consolidated financial statements, which describes that the revenue from operations include sales to Government agencies aggregating to ₹ 11,162.37 crore for the year ended 31 March 2024 (cumulative upto 31 March 2024 of ₹ 25,661.61 crore) which is recognized on the basis of provisional prices as per the terms if sales with such Government agencies.</p> <p>(ii) Note 49.15 to the accompanying consolidated financial statements, regarding suspension of certain officers and employees of the Company basis directions from the Ministry of Steel, Government of India and related investigation to be conducted by external investigative agencies on certain matters relating to policy/pricing decisions of the Company. In view of the management, basis their internal assessment, the matter is not likely to have a material impact on the operations of the Company and/or these financial statements.</p> <p>Our opinion is not modified in respect of these matters.</p> | Particulars          | As at 31 <sup>st</sup> March 2024                                    |  | Reported balances | Balances after impact of all the Qualifications which are quantified | Other equity | 52,970.69 | 51,989.09 | Deferred tax liability | 6,285.50 | 5,955.36 | Other current assets | 4,542.32 | 3,954.60 | Other current liabilities | 4,565.97 | 5,289.99 |  |
| Particulars   |                      | As at 31 <sup>st</sup> March 2024                                    |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
|   | Reported balances    | Balances after impact of all the Qualifications which are quantified |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other equity  | 52,970.69            | 51,989.09  |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Deferred tax liability  | 6,285.50             | 5,955.36   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other current assets  | 4,542.32             | 3,954.60   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |
| Other current liabilities   | 4,565.97             | 5,289.99   |  |                   |  |              |           |           |                        |          |          |                      |          |          |                           |          |          |  |

| Comments   |   | Management's Replies |
|--|---|----------------------|
| <b>Key audit matters</b><br>8. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures and the reports of the branch auditors of the Holding Company's branches, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.   |   |                      |
| Comments   |   | Management's Replies |
| 9. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.   |   |                      |
| Key audit matter   | How our audit addressed the key audit matter  |                      |
| <b>Provision and contingent liabilities relating to ongoing litigations</b><br><p>The Group is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in note no. 47.1 to the consolidated financial statements. Refer note 3.15 for related material accounting policy information adopted by the Group.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the consolidated financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p> | <b>Our audit procedures included, but were not limited to the following:</b> <ul style="list-style-type: none"> <li>• Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management, through various discussions held with Group's legal and finance personnel.</li> <li>• Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</li> <li>• Inspected the summary of litigation matters and discussed key developments during the year with the Group's Legal and Finance personnel.</li> <li>• Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Group. Obtained direct confirmations from the dealing lawyers for certain material ongoing litigations.</li> <li>• Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognised and contingent liabilities disclosed in the consolidated financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</li> <li>• Evaluated the adequacy of disclosures made in the Group's consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> |                      |
| <b>Property, plant &amp; equipment and intangible assets (including capital work in progress)</b><br><p>As at 31<sup>st</sup> March 2024 the Group has Property, Plant and Equipment ('PPE'), Intangible Asset ('IA') and Capital Work-in-Progress ('CWIP') with carrying value of ₹ 65,415.07 crore, ₹ 1,488.86 crore, ₹ 6,140.57 crore, respectively, as disclosed in note 4, note 7 and note 5 of the accompanying Consolidated Financial Statements. Refer note 3.1 for the material accounting policy information adopted by the Group for recognition and measurement of such non-current assets.</p>  | <b>How our audit addressed the key audit matter</b><br><p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the group and evaluated the accounting policies adopted by the Group in accordance with the requirements of Ind AS 16 and Ind AS 38.</li> </ul>  |                      |



| Comments  |  | Management's Replies                         |   |  |  |  |  |
|---|--|--|---|--|--|--|--|
| <table border="1"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Key audit matter</th> <th style="background-color: #0056b3; color: white;">How our audit addressed the key audit matter</th> </tr> </thead> <tbody> <tr> <td> <p>Determination of carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment ('Ind AS 16') and Ind AS 38 – Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long-term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of amounts involved in the context of the balance sheet of the Group and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p> </td> <td> <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>Tested the amounts capitalised during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalised satisfied the recognition criteria and were recognised accurately in the correct periods and with correct amounts.</li> <li>Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> </td> </tr> <tr> <td> <p><b>By-products inventory</b></p> <p>Refer to note 3.7 of summary of material accounting policy information and other explanatory information for valuation of by-products amounting to ₹ 4,938.11 crore as at 31<sup>st</sup> March 2024 and significant accounting judgements, estimates and assumptions related thereto and the note 3.21.4 of the consolidated financial statements.</p> <p>Inventories of by-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles.</p> <p>Further, as explained in notes 49.10 of consolidated financial statements, pursuant to the order of Ministry of Mines, Government of India dated 16th September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous years.</p> <p>The management of the Holding Company also sought the opinion of Expert Advisory Committee of the ICAI ('EAC Opinions') on recognition and measurement of by-product inventories.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>Further, basis the expected future saleability and plans for captive consumption of such by-product inventories, the management has classified inventory expected to be sold / consumed after 12 months from the date of balance sheet, being the operating cycle of the Holding Company, as non-current inventory.</p> <p>Owing to the insignificant movement in sales / consumption of such by-products inventory, the materiality of the carrying value thereof and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p> <p>Further, the management's assessment of classification and valuation of aforesaid inventory as described in note 49.10 is considered fundamental to the understanding of the users of the consolidated financial statements.</p> </td> <td> <p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the processes and procedures, including controls relating to identification of sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</li> <li>Evaluated the accounting policy adopted by the Holding Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</li> <li>In assessing management's assessment of the value of by products, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by- products considered for valuation.</li> <li>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by- products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</li> <li>Obtained management's working of estimated future sales / consumption used for classification of the by- product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> </td> </tr> </tbody> </table> | Key audit matter   | How our audit addressed the key audit matter | <p>Determination of carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment ('Ind AS 16') and Ind AS 38 – Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long-term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of amounts involved in the context of the balance sheet of the Group and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p> | <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>Tested the amounts capitalised during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalised satisfied the recognition criteria and were recognised accurately in the correct periods and with correct amounts.</li> <li>Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> | <p><b>By-products inventory</b></p> <p>Refer to note 3.7 of summary of material accounting policy information and other explanatory information for valuation of by-products amounting to ₹ 4,938.11 crore as at 31<sup>st</sup> March 2024 and significant accounting judgements, estimates and assumptions related thereto and the note 3.21.4 of the consolidated financial statements.</p> <p>Inventories of by-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles.</p> <p>Further, as explained in notes 49.10 of consolidated financial statements, pursuant to the order of Ministry of Mines, Government of India dated 16th September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous years.</p> <p>The management of the Holding Company also sought the opinion of Expert Advisory Committee of the ICAI ('EAC Opinions') on recognition and measurement of by-product inventories.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>Further, basis the expected future saleability and plans for captive consumption of such by-product inventories, the management has classified inventory expected to be sold / consumed after 12 months from the date of balance sheet, being the operating cycle of the Holding Company, as non-current inventory.</p> <p>Owing to the insignificant movement in sales / consumption of such by-products inventory, the materiality of the carrying value thereof and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p> <p>Further, the management's assessment of classification and valuation of aforesaid inventory as described in note 49.10 is considered fundamental to the understanding of the users of the consolidated financial statements.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the processes and procedures, including controls relating to identification of sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</li> <li>Evaluated the accounting policy adopted by the Holding Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</li> <li>In assessing management's assessment of the value of by products, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by- products considered for valuation.</li> <li>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by- products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</li> <li>Obtained management's working of estimated future sales / consumption used for classification of the by- product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> |  |
| Key audit matter  | How our audit addressed the key audit matter   |  |   |  |  |  |  |
| <p>Determination of carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment ('Ind AS 16') and Ind AS 38 – Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long-term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of amounts involved in the context of the balance sheet of the Group and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p>   | <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>Tested the amounts capitalised during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalised satisfied the recognition criteria and were recognised accurately in the correct periods and with correct amounts.</li> <li>Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>   |  |   |  |  |  |  |
| <p><b>By-products inventory</b></p> <p>Refer to note 3.7 of summary of material accounting policy information and other explanatory information for valuation of by-products amounting to ₹ 4,938.11 crore as at 31<sup>st</sup> March 2024 and significant accounting judgements, estimates and assumptions related thereto and the note 3.21.4 of the consolidated financial statements.</p> <p>Inventories of by-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles.</p> <p>Further, as explained in notes 49.10 of consolidated financial statements, pursuant to the order of Ministry of Mines, Government of India dated 16th September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous years.</p> <p>The management of the Holding Company also sought the opinion of Expert Advisory Committee of the ICAI ('EAC Opinions') on recognition and measurement of by-product inventories.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>Further, basis the expected future saleability and plans for captive consumption of such by-product inventories, the management has classified inventory expected to be sold / consumed after 12 months from the date of balance sheet, being the operating cycle of the Holding Company, as non-current inventory.</p> <p>Owing to the insignificant movement in sales / consumption of such by-products inventory, the materiality of the carrying value thereof and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p> <p>Further, the management's assessment of classification and valuation of aforesaid inventory as described in note 49.10 is considered fundamental to the understanding of the users of the consolidated financial statements.</p>  | <p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the processes and procedures, including controls relating to identification of sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</li> <li>Evaluated the accounting policy adopted by the Holding Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</li> <li>In assessing management's assessment of the value of by products, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by- products considered for valuation.</li> <li>Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by- products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</li> <li>Obtained management's working of estimated future sales / consumption used for classification of the by- product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</li> <li>Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul> |  |   |  |  |  |  |



| Comments  | Management's Replies |
|---|----------------------|
| <p><b>Information other than the consolidated financial statements and auditors' report thereon</b></p> <p>10. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon The Annual Report is expected to be made available to us after the date of this auditors' report.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 nothing to report in this regard.</p> <p>When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p>  |                      |
| <p><b>Responsibilities of management and those charged with governance for the consolidated financial statements</b></p> <p>11. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.</p> <p>12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.</p> <p>13. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint ventures.</p> <p><b>Auditors' responsibilities for the audit of the consolidated financial statements</b></p> <p>14. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 financial statements.</p> <p>15. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <p>16. Identify and assess the risks of material misstatement of the consolidated 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;</p> <p>17. 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 Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;</p> |                      |



| Comments  | Management's Replies |
|---|----------------------|
| <p>18. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;</p> <p>19. Conclude on the appropriateness of Board of Directors' 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 ability of the Group and its associates and joint ventures 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 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 and its associates and joint ventures to cease to continue as a going concern;</p> <p>20. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and</p> <p>21. Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, and its associate and joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities and branches included in the consolidated financial statements, which have been audited by the other auditors and the branch auditors, such other auditors and the branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.</p> <p>22. 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.</p> <p>23. 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.</p> <p>24. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.</p> <p><b>Other matters</b></p> <p>25. We did not audit the annual financial statements / financial information of 11 (eleven) branches/units/marketing regions of the Holding Company included in the consolidated financial statements, whose financial information reflects total assets of ₹ 64,560.81 crore as at 31 March 2024, and total revenues of ₹ 40,094.16 crore, total net loss after tax of ₹ 49.65 crore, and total comprehensive loss of ₹ 109.03 crore, and cash flows (net) of ₹ 4.29 crore for the year then ended, as considered in the financial Statement. These financial statements / financial information have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches/units/marketing regions, is based solely on the audit report of such branch auditors. We did not audit the financial statements of 01 (one) subsidiary included in the financial statement, whose financial information reflects total assets of ₹ 281.18 crore as at 31 March 2024, total revenues of ₹ 175.02 crore, total net profit after tax of ₹ 20.17 crore, total comprehensive income of ₹ 20.15 crore, and cash flows (net) amounting to ₹ 5.00 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 381.33 crore and total comprehensive income of ₹ 379.32 crore for the year ended 31 March 2024, in respect of 03 (three) joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint ventures, are based solely on the reports of the other auditors.</p> <p>Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.</p> <p>26. The consolidated financial Statement includes the financial information of 01 (one) subsidiary, which has not been audited, whose financial information reflects total assets of ₹ NIL as at 31 March 2024, total revenues of ₹ NIL, total net profit after tax of ₹ NIL, total comprehensive income of ₹ NIL for the year ended 31 March 2024, and cash flow (net) of ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. The consolidated financial statements also include the Group's share of net profit after tax of</p> |                      |

| Comments   | Management's Replies |
|--|----------------------|
| <p>₹ 57.28 crore and total comprehensive income of ₹ 88.94 crore for the year ended 31 March 2024, in respect of 01 (one) associate and 08 (eight) joint ventures, as considered in the consolidated financial statements, whose financial statements have not been audited. These financial statements are unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, associate and joint ventures, is based solely on such unaudited financial information.</p> <p>Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.</p> <p>27. The consolidated financial statements do not include the Group's share of net profit/(loss) after tax and total comprehensive income/loss for the year ended on 31 March 2024, in respect of 03 (three) joint ventures, since the same is not available as per the Management and one of the entities was under closure. According to the information and explanations given to us by the management, these financial statements are not material and significant to the Group. Our opinion on the Statement is not modified in respect of the above matter.</p> <p>28. The consolidated financial statements of the Group for the year ended 31 March 2023 were audited jointly by the predecessor auditors, M/s Tej Raj &amp; Pal, M/s S. Jaykishan, M/s Walker Chandiook &amp; Co LLP and M/s K A S G &amp; Co., who have expressed a qualified opinion on those consolidated financial statements vide their audit report dated 25 May 2023.</p> <p><b>Report on other legal and regulatory requirements</b></p> <p>29. Based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiary and joint ventures, we report that one joint venture incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company, its one subsidiary and one joint venture incorporated in India whose financial statements have been audited under the Act since these are Government companies as defined under section 2(45) of the Act and one joint venture since it is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable in respect to the Holding Company and the aforesaid subsidiary and two joint ventures.</p> <p>Based on the financial information, as referred to in paragraph 17, financial information of one associate and eight joint ventures covered under this Act are unaudited and have been furnished to us by the management, and as certified by the management, wherever applicable, such companies have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, the provisions of section 164(2) of the Act is not be applicable to one subsidiary since this is Government company as defined under section 2(45) of the Act. Further, financial information of three joint ventures, as referred to in paragraph 17, have not been provided to us by the management, out of which one of the entity is under closure.</p> <p>30. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act, refer Annexure II for details of qualifications and/or adverse remarks given by the respective auditors in the Order reports of such companies. The annexure also separately contains details of those companies included in the consolidated financial statements and covered under the Act for which the respective Order reports as required under Section 143(11) of the Act have not yet been issued.</p> <p>31. 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 the subsidiary and joint ventures incorporated in India whose financial statements have been audited under the Act and the reports of the branch auditors of the Holding Company's branches, we report, to the extent applicable, that:</p> <ol style="list-style-type: none"> <li>We have sought and except for the matters described in the Basis for Qualified Opinion section obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;</li> <li>In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and the branch auditors, except for the effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section and except for the matters stated in paragraph 22(i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);</li> <li>the reports on the accounts of the branch offices of the Holding Company, and its subsidiary and joint ventures audited under section 143(8) of the Act by branch auditors and other auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;</li> <li>The consolidated financial statements dealt with by this report are in agreement</li> </ol> |                      |



| Comments  | Management's Replies  |
|---|---|
| <p>with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.</p> <p>e) Except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;</p> <p>f) The provisions of section 164(2) of the Act are not applicable to the Holding Company since the Holding Company is a Government company as defined under section 2(45) of the Act. Further, based on our consideration of the reports of the other auditors, referred to as in paragraph 16, on separate financial statements of the subsidiary and joint ventures, we report that the provisions of section 164(2) of the Act are not applicable to one subsidiary and one joint venture since, these are Government companies as defined under section 2(45) of the Act and In respect of two joint venture, none of the directors of the company are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.</p> <p>In respect to one associate and eight joint ventures covered under this Act as referred to in paragraph 17, whose financial statements are unaudited and have been furnished to us by the management, and as certified by the management, wherever applicable, none of the directors of the associate company and joint ventures are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act. Further, the provisions of section 164(2) of the Act shall not be applicable to one subsidiary since these are Government companies as defined under section 2(45) of the Act. Further, financial information of three joint ventures, as referred to in paragraph 18, have not been provided to us by the management, out of which one of the entity is under closure.</p> <p>g) The qualification/modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 22(b) above on reporting under section 143(3)(b) of the Act and paragraph 22(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);</p> <p>h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, associate and joint ventures covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and</p> <p>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 and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiary and joint ventures incorporated in India whose financial statements have been audited under the Act and reports of the branch auditors of the Holding Company's branches:</p> <p>i. Except for the effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures as at 31 March 2024, as detailed in note 47.1 to the consolidated financial statements;</p> <p>ii. The Holding Company, its subsidiaries, associate and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;</p> <p>iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and jointly controlled entities during the year ended 31 March 2024 except ₹ 1.00 crore pertaining to unclaimed matured deposits which was required to be deposited by the Holding Company in the Investor Education and Protection Fund during the year ended 31 March 2018 and which has not been deposited till 31 March 2024;</p> <p>iv. (a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 51.5(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, associate and joint ventures to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, associate and joint ventures ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;</p> <p>(b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 51.5(b) to the accompanying</p> | <p>The matured deposit have already been claimed by the successors/relatives of the individuals but is pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the matured deposit to the legal heirs</p> |

| Comments  | Management's Replies   |                      |   |  |  |  |   |
|---|--|----------------------|---|--|--|--|---|
| <p>consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, associate and joint ventures from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, associate and joint ventures shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and</p> <p>(c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.</p> <p>v. The interim/final dividend paid by the Holding Company and its subsidiaries, associate and joint ventures during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.</p> <p>As stated in note 49.16 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company / its subsidiaries/ associate/ joint ventures have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.</p> <p>vi. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary and joint venture of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, its subsidiary and its joint venture in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred subsidiary and joint venture did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #2c4e64; color: white;">Nature of exception noted</th> <th style="background-color: #2c4e64; color: white;">Details of Exception</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility</td> <td style="vertical-align: top;">The audit trail feature of certain accounting software used for maintaining books of accounts of two plants of the Holding Company does not have a feature of recording audit trail (edit log) facility.</td> </tr> <tr> <td style="vertical-align: top;">Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software</td> <td style="vertical-align: top;">The audit trail feature was not enabled at the database level for certain accounting software used by the corporate office, one unit, five marketing regions and seven plants of the Holding Company.<br/><br/>Further, the audit trail feature was not enabled at the database level for accounting software used by one subsidiary and one joint venture of the Holding Company to log any direct data changes used for maintenance of all accounting records.</td> </tr> </tbody> </table> | Nature of exception noted  | Details of Exception | Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility | The audit trail feature of certain accounting software used for maintaining books of accounts of two plants of the Holding Company does not have a feature of recording audit trail (edit log) facility. | Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software | The audit trail feature was not enabled at the database level for certain accounting software used by the corporate office, one unit, five marketing regions and seven plants of the Holding Company.<br><br>Further, the audit trail feature was not enabled at the database level for accounting software used by one subsidiary and one joint venture of the Holding Company to log any direct data changes used for maintenance of all accounting records. | <p style="text-align: center;">Audit trail facility is implemented in one of the plants in Q1 2024-25 and will be implemented shortly in 2<sup>nd</sup> Plant also.</p> <p style="text-align: center;">The matter is under review for necessary action in the current year.</p> |
| Nature of exception noted   | Details of Exception   |                      |   |  |  |  |   |
| Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility   | The audit trail feature of certain accounting software used for maintaining books of accounts of two plants of the Holding Company does not have a feature of recording audit trail (edit log) facility.   |                      |   |  |  |  |   |
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software  | The audit trail feature was not enabled at the database level for certain accounting software used by the corporate office, one unit, five marketing regions and seven plants of the Holding Company.<br><br>Further, the audit trail feature was not enabled at the database level for accounting software used by one subsidiary and one joint venture of the Holding Company to log any direct data changes used for maintenance of all accounting records. |                      |   |  |  |  |   |



**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**CA. Nalin Jain**  
Partner  
M.No. 503498  
UDIN: 24503498BKFQBC3444

**For S P A R K & Associates Chartered**  
Accountants LLP  
Chartered Accountants  
Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**  
Partner  
M.No. 406020  
UDIN: 24406020BKFTTN2151

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No. 006569C/W100892

**CA. Devendra Upadhyay**  
Partner  
M.No. 076727  
UDIN: 24076727BKFUCO7916

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**CA. Vinod Kumar Singhal**  
Partner  
M.No. 074391  
UDIN: 24074391BKJRYF9473

For and on behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place:** New Delhi  
**Date:** 20 May 2024

**Date:** 8<sup>th</sup> August, 2024  
**Place:** New Delhi

#### Appendix 1

##### List of entities included in the consolidated financial statements

**Subsidiaries**  
SAIL Refractory Company Limited  
Chhattisgarh Mega Steel Limited  
**Associate**  
Almora Magnesite Limited

**Jointly controlled entities**  
NTPC-SAIL Power Company Limited  
International Coal Ventures Private Limited  
Bastar Railway Private Limited  
SAIL RITES Bengal Wagon Industry Private Limited  
GEDCOL SAIL Power Corporation Limited  
Mjunction Services Limited

VSL SAIL JVC Limited  
Bokaro Power Supply Company Private Limited  
Bhilai Jaypee Cement Limited  
SAIL Kobe Iron India Private Limited  
SAIL SCL Kerala Limited \*  
SAIL Bansal Service Centre Limited  
PrimeGold –SAIL JVC Limited  
Romelt- SAIL India Limited

\*Company under liquidation

#### Appendix 2

##### List of branches/ units/marketing regions audited by branch auditors

- |   |                                       |
|---|---------------------------------------|
| 1. Central Marketing Organisation–Southern Region           | 7. IISCO Steel Plant, Burnpur         |
| 2. Central Marketing Organisation–Western Region            | 8. Salem Steel Plant                  |
| 3. Central Marketing Organisation–Eastern Region            | 9. Vishweswaraya Iron and Steel Plant |
| 4. Central Marketing Organisation–Transportation & Shipping | 10. SAIL Refractories Unit            |
| 5. R&D Centre, Ranchi                                       | 11. Chandrapur Ferro Alloy Plant      |
| 6. Rourkela Steel Plant                                     |                                       |

## Annexure-1 to the Independent Auditors' Report on Consolidated Financial Statement of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024

| Comments  | Management's Replies |
|---|----------------------|
| <b>Independent auditors' report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')</b>   |                      |
| <p>1. In conjunction with our audit of the consolidated financial statements of Steel Authority of India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, as at that date.</p> <p><b>Responsibilities of management and those charged with governance for internal financial controls</b></p> <p>2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p> <p><b>Auditors' responsibility for the audit of the internal financial controls with reference to financial statements</b></p> <p>3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.</p> <p>4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors and branch auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies as aforesaid.</p> <p><b>Meaning of internal financial controls with reference to consolidated financial statements</b></p> <p>6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p> |                      |



| Comments  | Management's Replies |
|---|----------------------|
| <p><b>Inherent limitations of internal financial controls with reference to financial statements</b></p> <p>7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p> <p><b>Opinion</b></p> <p>8. In our opinion and based on the consideration of the reports of the other auditors and the branch auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate company and joint venture companies and branches of the Holding Company and the financial information reports certified by the management in respect of the subsidiary company, associate company and the joint venture companies which are unaudited, the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.</p> <p><b>Other matters</b></p> <p>9. We did not audit the internal financial controls with reference to financial statements/ financial information insofar as it relates to one subsidiary company, which is a company covered under the Act and eleven branches included in the separate annual financial statements of the Holding Company, whose financial statements / financial information reflect total assets of ₹ 64,841.99 crores as at 31 March 2024, total revenues of ₹ 40,269.18 crores, total net loss after tax of ₹ 29.48 crores, total comprehensive loss of ₹ 88.88 crores and cash inflows (net) of ₹ 9.29 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit after tax of ₹ 381.33 crore and total comprehensive income of ₹ 379.32 crore, in respect of three joint ventures, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to consolidated financial statements in so far as it relates to such subsidiary company, joint ventures and branches of the Holding Company, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company and joint ventures, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, joint ventures and branches of the Holding Company, is based solely on the reports of the auditors of such companies and branches. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors and branch auditors.</p> <p>10. We did not audit the internal financial controls with reference to financial statements / financial information insofar as it relates to one subsidiary company, which is a company covered under the Act but which have not been reviewed/audited by any of the Auditors, whose annual financial information reflect total assets of NIL as at 31 March 2024, total revenues of NIL, total net profit /(loss) after tax of NIL, total comprehensive income/loss of NIL for the year ended 31 March 2024, and cash flow (net) of NIL for the year then ended, as considered in its financial Statement. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. The consolidated financial statements also include the financial information of one associate company and eight joint ventures, which are companies covered under the Act, in respect of which, the Group's share of net profit after tax of ₹ 57.28 crore and total comprehensive income of ₹ 88.94 crore for the year ended 31 March 2024 has been considered in the consolidated financial statements.</p> <p>The internal financial controls with reference to financial statements of these associate company and joint ventures are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate and joint ventures is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such companies Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.</p> |                      |



| Comments   | Management's Replies |
|--|----------------------|
| Further, we did not audit the internal controls with reference to financial statements in so far as it relates to 03 (three) joint ventures, which are companies under the Act, whose financials were not provided to us since the same is not available as per the Management and one of the entities was under closure. In our opinion and according to the information and explanations given to us by the management, these financial statements/financial information are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management. |                      |

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**CA. Nalin Jain**  
Partner  
M.No. 503498  
UDIN: 24503498BKFQBC3444

**For S P A R K & Associates Chartered**  
Accountants LLP  
Chartered Accountants  
Firm Registration No. 005313C/C400311

**CA. Nilesh Gupta**  
Partner  
M.No. 406020  
UDIN: 24406020BKFTTN2151

**For J N Gupta & Co LLP**  
Chartered Accountants  
Firm Registration No. 006569C/W100892

**CA. Devendra Upadhyay**  
Partner  
M.No. 076727  
UDIN: 24076727BKFUCO7916

**For Vinod Singhal & Co LLP**  
Chartered Accountants  
Firm Registration No. 005826C/C400276

**CA. Vinod Kumar Singhal**  
Partner  
M.No. 074391  
UDIN: 24074391BKJRYF9473

For and on behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Date: 8<sup>th</sup> August, 2024**  
**Place: New Delhi**

**Place:** New Delhi  
**Date:** 20<sup>th</sup> May 2024



**Annexure II referred to in Paragraph 21 of even date to the members of Steel Authority of India Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March 2024**

| Comments   |   |                       |  |  | Management's Replies |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
|--|---|-----------------------|--|--|----------------------|------|-----|--|--|---|----------------------------------|-----------------------|-----------------|-----------------------------------|--------|------|-----|--------------------------------------|---|-------------------------|-----------------------|---------------|---|------------------------------------|-----------------------|---------------|---|---------------------------------------|-----------------------|---------------|---|----------------------------------|-----------------------|---------------|---|---|-----------------------|---------------|---|------------------------------|-----------------------|---------------|---|---|-----------------------|---------------|---|-------------------------------|-----------------------|---------------|---|--------------------------|-----------------------|-----------|----|---------------------------------|-----------------------|------------|--|
| <p>As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditors of companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2024 and covered under the Act, we report that:</p> <p>A) Following are the qualifications/ adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2024 for which such Order reports have been issued till date and made available to us:</p> <p>B)</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Name</th> <th>CIN</th> <th>Holding Company/ Subsidiary / Associate/ Jointly controlled entity</th> <th>Clause number of the CARO report which is qualified or adverse</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Steel Authority of India Limited</td> <td>L27109DL1973GOI006454</td> <td>Holding Company</td> <td>Clause i(a), i(b), ii (b), xiv(a)</td> </tr> </tbody> </table> <p>C) Following are the companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2024 audited by other auditors, for which the reports under section 143(11) of the Act of such companies, have not yet been issued by the respective other auditors, as per information and explanation given to us by the management in this respect:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Name</th> <th>CIN</th> <th>Subsidiary/ Associate/ Joint Venture</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bastar Railway Pvt. Ltd</td> <td>U74900CT2016PTC007251</td> <td>Joint Venture</td> </tr> <tr> <td>2</td> <td>SAIL Bansal Service Centre Limited</td> <td>U27310WB2000PLC092486</td> <td>Joint Venture</td> </tr> <tr> <td>3</td> <td>GEDCOL SAIL Power Corporation Limited</td> <td>U40300OR2018SGC029410</td> <td>Joint Venture</td> </tr> <tr> <td>4</td> <td>SAIL-Kobe Iron India Pvt Limited</td> <td>U27100DL2012PTC236499</td> <td>Joint Venture</td> </tr> <tr> <td>5</td> <td>Bokaro Power Supply Co. Private Limited</td> <td>U40300DL2001PTC112074</td> <td>Joint Venture</td> </tr> <tr> <td>6</td> <td>Bhilai Jaypee Cement Limited</td> <td>U26940CT2007PLC020250</td> <td>Joint Venture</td> </tr> <tr> <td>7</td> <td>International Coal Ventures Private Limited</td> <td>U10100DL2009PTC190448</td> <td>Joint Venture</td> </tr> <tr> <td>8</td> <td>Prime Gold - SAIL JVC Limited</td> <td>U28113DL2012PLC245537</td> <td>Joint Venture</td> </tr> <tr> <td>9</td> <td>Almora Magnesite Limited</td> <td>U26941UR1971PLC003453</td> <td>Associate</td> </tr> <tr> <td>10</td> <td>Chhattisgarh Mega Steel Limited</td> <td>U27100CT2015GOI001627</td> <td>Subsidiary</td> </tr> </tbody> </table> |   |                       |  |  | S. No.               | Name | CIN | Holding Company/ Subsidiary / Associate/ Jointly controlled entity | Clause number of the CARO report which is qualified or adverse | 1 | Steel Authority of India Limited | L27109DL1973GOI006454 | Holding Company | Clause i(a), i(b), ii (b), xiv(a) | S. No. | Name | CIN | Subsidiary/ Associate/ Joint Venture | 1 | Bastar Railway Pvt. Ltd | U74900CT2016PTC007251 | Joint Venture | 2 | SAIL Bansal Service Centre Limited | U27310WB2000PLC092486 | Joint Venture | 3 | GEDCOL SAIL Power Corporation Limited | U40300OR2018SGC029410 | Joint Venture | 4 | SAIL-Kobe Iron India Pvt Limited | U27100DL2012PTC236499 | Joint Venture | 5 | Bokaro Power Supply Co. Private Limited | U40300DL2001PTC112074 | Joint Venture | 6 | Bhilai Jaypee Cement Limited | U26940CT2007PLC020250 | Joint Venture | 7 | International Coal Ventures Private Limited | U10100DL2009PTC190448 | Joint Venture | 8 | Prime Gold - SAIL JVC Limited | U28113DL2012PLC245537 | Joint Venture | 9 | Almora Magnesite Limited | U26941UR1971PLC003453 | Associate | 10 | Chhattisgarh Mega Steel Limited | U27100CT2015GOI001627 | Subsidiary |  |
| S. No.   | Name  | CIN                   | Holding Company/ Subsidiary / Associate/ Jointly controlled entity | Clause number of the CARO report which is qualified or adverse |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 1  | Steel Authority of India Limited            | L27109DL1973GOI006454 | Holding Company  | Clause i(a), i(b), ii (b), xiv(a)                              |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| S. No.   | Name  | CIN                   | Subsidiary/ Associate/ Joint Venture                               |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 1  | Bastar Railway Pvt. Ltd                     | U74900CT2016PTC007251 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 2  | SAIL Bansal Service Centre Limited          | U27310WB2000PLC092486 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 3  | GEDCOL SAIL Power Corporation Limited       | U40300OR2018SGC029410 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 4  | SAIL-Kobe Iron India Pvt Limited            | U27100DL2012PTC236499 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 5  | Bokaro Power Supply Co. Private Limited     | U40300DL2001PTC112074 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 6  | Bhilai Jaypee Cement Limited                | U26940CT2007PLC020250 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 7  | International Coal Ventures Private Limited | U10100DL2009PTC190448 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 8  | Prime Gold - SAIL JVC Limited               | U28113DL2012PLC245537 | Joint Venture  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 9  | Almora Magnesite Limited                    | U26941UR1971PLC003453 | Associate  |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |
| 10   | Chhattisgarh Mega Steel Limited             | U27100CT2015GOI001627 | Subsidiary   |  |                      |      |     |  |  |   |                                  |                       |                 |                                   |        |      |     |                                      |   |                         |                       |               |   |                                    |                       |               |   |                                       |                       |               |   |                                  |                       |               |   |   |                       |               |   |                              |                       |               |   |   |                       |               |   |                               |                       |               |   |                          |                       |           |    |                                 |                       |            |  |

**Annexure-VIII to the Board's Report**
**COMMENTS OF C&AG**
**MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024.**

| Comments  | Management's Replies  |
|---|---|
| <p>The preparation of Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024 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 20<sup>th</sup> May 2024.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with Section 129 (4) of the Act of the Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31<sup>st</sup> March 2024 which include the Standalone Financial Statements of Steel Authority of India Limited and one<sup>1</sup> joint venture company all controlled by the government and/or government companies. Supplementary audit under section 143 (6) (a) of the Act of two<sup>2</sup> subsidiaries companies, six<sup>3</sup> such joint venture companies and one associate company<sup>4</sup> was not completed pending finalization of their accounts and/or audit as on date. Under Section 143(6) (a) of the Act, I am not required to conduct supplementary audit of the financial statements of the seven<sup>5</sup> companies not controlled by the government but included in the consolidated financial statement. (Details are enclosed as Annexure-1). Supplementary audit of consolidated financial statements has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. After the audit, comment of C&amp;AG was issued on 25<sup>th</sup> July 2024. Subsequently, revised replies were furnished by the Company and on the basis of revised replies, the comment of C&amp;AG have been revised.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:</p> |   |
| <p><sup>1</sup>NTPC SAIL Power Company Limited</p> <p><sup>2</sup>SAIL Refractory Company Ltd. and Chhatisgarh Mega Steel Limited</p> <p><sup>3</sup>Bokaro Power Supply Company Private Limited, Bastar Railway Private Limited., International Coal Venture Limited, SAIL RITES Bengal Wagon Industry Private Limited, and GEDCOL SAIL Power Corporation Limited and SAIL SCL Kerala Limited</p> <p><sup>4</sup>Almora Magnesite Limited</p> <p><sup>5</sup>M Junction Services Limited, Bhilai Jaypee Cement Limited, SAIL Kobe Iron India Private Limited, Prime Gold-SAIL JVC Limited., SAIL Bansal Services Limited., VSL SAIL JVC Limited and Romelt-SAIL India Limited</p>  |   |
| <p><b>A</b></p> <p><b>COMMENTS ON CONSOLIDATED PROFITABILITY</b></p> <p><b>i.</b></p> <p><b>Consolidated Statement of Profit &amp; Loss.</b></p> <p><b>Note-39 Employee Benefit Expenses: ₹ 11765.72 crores</b></p> <p>Above does not include ₹ 309.34 crore relating to perks and allowances payable to the company's employees from 26 November 2008 to 4 October 2009 (11 months).</p> <p>As per DPE Office Memorandum dated 26 November 2008 on revision of pay scales of CPSEs effective from 1 January 2007. Perks and allowances were payable from 5 October 2009 i.e. from the date of Presidential directives.</p> <p>Steel Executives Federation of India filed a petition in CAT in 2014 for payment of perks and allowances to executives of SAIL for the period 26 November 2008 to 4 October 2009. CAT, Kolkata had directed (February 2016) Ministry of Steel to reconsider the issue of payment of arrears of revised perks and allowances and take appropriate decision for payment of revised perks and allowances to the executives for the said period. Calcutta High Court dismissed (13 September 2023) the writ petition filed by SAIL on 22 December 2016 against the CAT Order in favour of the employees. Pending administrative decision on the matter, the amount has been disclosed as Contingent Liability of ₹ 309.34 crore.</p> <p>SAIL has not filed any appeal in higher legal forum. Therefore, the company should have created firm liability for the above amount payable to the executive employees of the Company instead of disclosing under contingent liabilities.</p> <p>This has resulted in understatement of current liabilities and employee expenses and overstatement of profit of ₹ 309.34 crore.</p>   | <p>DPE OM dated 02.04.2009 had been issued in this regard on the basis of Cabinet approval after recommendation of the Committee of Ministers, wherein it was mentioned that "If Presidential Directives are issued by the respective Ministries/Departments within one month from the date of issue of this OM, the effective date for revising allowances may be taken as 26.11.2008, being the date of issue of first OM by DPE. However, where presidential Directives are not issued within one month from the date of issue of this OM, the revised allowances shall be effective only from the date of issue of Presidential Directives. The effective date of allowances can in no case be prior to 26.11.2008. (Para 17 of OM dated 26.11.2008 refers)".</p> <p>Ministry of Steel while issuing Presidential Directives vide letter dated 5.10.2009, indicated date of effect of perks and allowances as 05.10.2009. Therefore, payment of revised perks &amp; allowances were made in SAIL w.e.f. 05.10.2009. Against this, SAIL Executives Federation of India (SEFI) filed case in Hon'ble Central Administrative</p> |



|                    | Comments   | Management's Replies  |
|--------------------|--|---|
|                    |  | <p>Tribunal (CAT) for payment of Perks and allowances to the executives from 26.11.2008 to 04.10.2009. CAT vide order dated 15.02.2016 directed Ministry of Steel for considering the above matter. Ministry vide letter dated 07.12.2016 directed SAIL to challenge the CAT order in High Court. Hon'ble Kolkata High Court vide order dated 13.09.2023 dismissed the writ petition of the Company. The Company vide letter dated 20.12.2023 had requested Ministry of Steel to issue necessary direction in this regard.</p> <p>The reply from the Ministry was awaited as on the date of issue of final comments. Subsequently, necessary instructions have been received from the Ministry and accordingly accounting has been done in Q1 of FY 2024-25.</p>  |
| <p><b>ii.a</b></p> | <p><b>Note No. 41: - Other Expenses: ₹ 28108.81 crore</b></p> <p>The above does not include ₹ 28.18 crore payable to M/s Shapoorji Pallonji &amp; Co. Ltd. (SPCPL) and Heavy Engineering Corporation Ltd. (HEC) relating to work executed for Augmentation of Ore Bedding &amp; Blending Plant at Rourkela Steel Plant which was completed in March 2015. A two-Tier closure committee constituted to settle the dispute amicably recommended (May 2022) for payment of ₹ 144.47 crore. Out of above, ₹ 26.17 crore was already paid to SPCPL till January 2021. SAIL entered into two settlement agreement in March 2024 for closure of contract with SPCPL and HEC separately. The net payable amount was ₹ 118.30 crore. RSP paid ₹ 90.12 crore to the parties during 2023-24. However, the remaining ₹ 28.18 crore payable from revenue head was neither paid nor provided for in the accounts, rather was disclosed under Contingent Liabilities.</p> <p>This has resulted in understatement of other expenses and overstatement of contingent liabilities and profit by ₹ 28.18 crore.</p> | <p>Rourkela Steel Plant (RSP) management is not the Competent Authority to accept the settlement amount.</p> <p>The settlement committee constituted to settle the dispute between RSP and M/s Shapoorji Pallonji &amp; Co Ltd. &amp; HEC had recommended for payment of ₹ 144.47 crore in May 2022. At that point of time also the amount was being treated as Contingent Liability. Out of above, ₹ 26.17 crore was already paid to SPCPL till January 2021. For balance payment of balance ₹ 118.30 crore, the recommendations of the Settlement Committee were forwarded to Corporate Office (CO) on 05.06.2023 for approval of Competent Authority. CO returned back the proposal stating that whatever contractually payable may be settled at local level. Accordingly, an amount of ₹ 90.12 crore was paid to the consortium members towards contractual claims. Balance amount of ₹ 28.18 crore, which is beyond contractual terms, has been referred to Corporate Office on 13.06.2024 for approval of competent authority. It has also been mentioned in the Settlement Agreement with M/s Shapoorji Pallonji &amp; Co. Ltd that the balance payment shall be released by the Employer to the Contractor subject to approval of Competent Authority of SAIL. As the payment of ₹ 28.18 Crore is conditional &amp; subject to approval, the same has been shown under Contingent Liability.</p> |
| <p><b>ii.b</b></p> | <p>The above does not include ₹ 37.39 crore incurred towards confidence building measures at Rowghat mines. The activities under confidence building measures includes running of schools, Ramkrishna Mission Ashram, conducting Khel mela etc.</p> <p>As per para 16 of Ind AS 16, the cost of an item of property, plant and equipment comprises any costs directly attributable to bringing the asset to the location.</p> <p>The expenditure incurred above are only welfare measures and the expenditure incurred are not related to extraction of ore in the Rowghat mines area. Therefore, the same should have been charged in the Statement of Profit and Loss.</p> <p>This has resulted in understatement of other expenses and overstatement of Capital Work in Progress and profit by ₹ 37.39 crore</p>  | <p>The expenditure on Confidence Building Measures at Rowghat mines is being incurred since 2010 and treated as Capital Work in Progress and not charged to Statement of Profit &amp; Loss.</p> <p>Out of the total Budget of ₹ 125 Crore approved, part of the Budget was earmarked for Confidence Building Measures in villages around Rowghat area. The expenditure on confidence building is long term measures and enablers for opening the mines.</p>   |

|                       |   |   |
|-----------------------|---|---|
| <b>ii.c</b>           | <p>The above does not include ₹ 9 crore towards differential property and consolidated tax for the year 2022-23 and 2023-24 payable by SAIL/ Bhilai Steel Plant.</p> <p>Bhilai Steel Plant and Bhilai Nagar Nigam mutually agreed (17 May 2022) that Bhilai Steel Plant would pay ₹ 13.75 crore per year towards property tax including educational cess &amp; consolidated tax from 2016-17 onwards. Bhilai Steel Plant paid only ₹ 9.25 crore per year on self-assessment basis for the years 2022-23 and 2023-24 which was less than the agreed amount. Liability for the balance amount of ₹ 9 crore (₹ 13.75 crore - ₹ 9.25 crore x 2) was however not provided.</p> <p>This has resulted in understatement of other current liabilities and over statement of profit by ₹ 9 crore.</p>  | <p>The matter of Property Tax is sub judice in Hon'ble High Court.</p> <p>Bhilai Steel Plant (BSP) and Bhilai Nagar Nigam (BNN) mutually agreed that an amount of ₹13.75 crore per year will be payable by BSP to BNN from FY2020-21 onwards till FY 2026-27 subject to signing of MOU and withdrawal of court case. This has the approval of competent authority. But no communication was received from BNN even after lapse of more than 2 years. Thus, payment of Property tax continued to be based on self-assessment @ ₹ 9.25 crore during FY 22-23 &amp; 23-24.</p> <p>However, the Management has booked a liability of ₹ 9 crore in Q1 of FY 2024-25.</p> |
| <b>iii.</b>           | <p><b>Other Comprehensive Income</b></p> <p>As per para 61A of Ind AS 12 "Current tax and deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period: in other comprehensive income, shall be recognised in Other Comprehensive Income."</p> <p>The company has accounted for ₹ (-) 196.621 crore under 'Items that will not be reclassified to profit or loss'- 'Remeasurement of defined benefit plan'. Income tax on the above has been accounted for ₹ 17.45 crore considering tax rate of 8.88 per cent (considering rate for deferred tax). As per the above provision of Ind AS 12, calculation of tax for 'Remeasurement of defined benefit plans' should be ₹ 49.48 crore @ 25.168 per cent comprising of current tax and deferred tax in the Other Comprehensive Income. The management however has not considered 16.29 per cent i.e. ₹ (-) 32.03 crore pertaining to the Other Comprehensive Income.</p> <p>This has resulted in understatement of Other Comprehensive loss by ₹ 32.03 crore and thereby understatement of 'Other Equity' and overstatement of 'Deferred tax liabilities' by the same amount.</p> | <p>Other Equity and Deferred Tax Liabilities have been adjusted in FY 2024-25.</p>  |
| <b>B</b><br><b>i.</b> | <p><b>COMMENTS ON CONSOLIDATED DISCLOSURE</b></p> <p><b>Notes to Accounts</b></p> <p><b>Note No. 49.10</b></p> <p>The note discloses the details of Sub Grade iron ore fines amounting to ₹ 3932.35 crore being the value of 40.88 million tonne (mt) of such fines lying at the captive mines of SAIL located in Jharkhand (Gua mines-32.92 mt valuing ₹ 3189.02 crore), Orissa (Taldih, Kalta &amp; Bolani mines- 6.34 mt valuing ₹ 554.02 crore) and Chhattisgarh (Rajhara-1.62 mt valuing ₹ 189.31 crore) as on 31 March 2024.</p> <p>As per Government of India order dated 16 September 2019, the State Governments concerned were to allow sale of Sub Grade fines lying in the mines of SAIL. The Company has valued the inventory of Sub Grade fines at Net Realisable Value by disclosing the same as a separate line item in the Financial Statements since the year ended 31 March 2020.</p> <p>Permission to sell the Sub Grade fines was yet to be accorded by the Government of Jharkhand. There was no sale of the material from the mines located in Jharkhand, only 0.50 million tonne was sold from the Orissa mines and 0.11 million tonne was used from the Chhattisgarh mines during 2023-24.</p> <p>The note given by the Management in this regard is not adequate</p>  | <p>The note on Sub Grade Fines (SGF) is disclosed at Note No. 49.10 of Standalone Financial Statement (SFS). The note covers the following :</p> <ul style="list-style-type: none"> <li>• Basis of valuation.</li> <li>• Movement of Inventories.</li> <li>• Accounting treatment.</li> <li>• Concerns and measures to Obliviate the same.</li> </ul> <p>The Company is of the opinion that the disclosure is adequate. However, the same will be discussed with Audit during FY 2024-25.</p>   |
| <b>ii.a</b>           | <p><b>Note no.47.1 Contingent Liability</b></p> <p>Above does not include ₹ 160.55 crore towards various claims for escalation, prolongation cost, delay in payment and interest made by Bhilai Engineering Corporation against the work for Sinter Plant II Package. The case has been referred by SAIL to the Outside Expert Committee constituted in November 2022. Since the claim has been contested and lying in a dispute resolution forum, the disputed amount should have been included in Contingent Liability.</p> <p>Non-inclusion of above has resulted into understatement of Contingent Liabilities by ₹ 160.55 crore.</p>   | <p>M/s BEC has made a claim of ₹ 160.55 crore of which ₹ 123.05 Crores pertains to amount of work yet to be executed by the party &amp; balance ₹ 37.00 crore for Additional work done as claimed by the party.</p> <p>The Party had referred the matter to <i>Outside Expert Committee (OEC) through SAIL's scheme for Settlement of Contractual/Commercial Disputes</i> as a part of alternate dispute resolution, which is not a legal process &amp; considering the claim as Contingent Liability on the basis of same, is not required.</p>  |



|                    |   |   |
|--------------------|---|---|
| <p><b>ii.b</b></p> | <p>The Divisional Forest Officer, Saranda raised a demand (30 October 2023) for ₹ 19.50 crore towards afforestation scheme of 38710 trees and ₹ 4.29 crore towards afforestation scheme of 8520 trees. Against the above demand, management filed a writ petition in Hon'ble High Court, Ranchi. Since the demand raised by DFO, Saranda is sub-judice, the same was required to be disclosed under contingent liability.</p>   | <p>The Divisional Forest Officer, Saranda raised a demand (30-10-2023) for ₹ 19.50 crore towards afforestation scheme of 38710 number of trees and ₹ 4.29 crore towards afforestation scheme of 8520 trees. Since the instant case is sub-judice, the same is being considered for disclosure in contingent liability during Q1 of FY 2024-25.</p>  |
| <p><b>ii.c</b></p> | <p>The above does not include ₹ 759.55 crore, being claim by the Consortium of M/s Mitsubishi Corporation, Japan (Leader) and M/s Larsen &amp; Toubro Limited, Kolkata towards additional costs incurred by the parties due to delay in completion of Hot Strip Mill-II of Rourkela Steel Plant. The consortium invoked conciliation (November 2020) and the matter was under amicable settlement. Therefore, the claim amount of ₹ 759.55 crore should have been disclosed under the Contingent liability.<br/>Non-disclosure of above has resulted in understatement of Contingent liability by ₹ 759.55 crore.</p> | <p>Contract was awarded to consortium of M/s L&amp;T and M/s Mitsubishi for the work of "Installation of new Hot Strip Mill" on a turnkey basis. In the course of execution of the contract, certain differences and disputes arose with respect to Delay Analysis, Imposition of Liquidated Damages, execution of extra items etc. Both the parties resorted to conciliation but conciliation failed on 10-11-2022 as the claimant had terminated the conciliation proceedings. Subsequently, the consortium has written a letter on 18-11-2022 claiming an amount of ₹ 759.55 crore. Since the consortium has not yet filed any case in the Arbitration Council/other legal forum, the same has not been disclosed under Contingent Liability. Now, both the parties are in the process of settling the dispute. Subsequent to the discussions held with the contractors from 18<sup>th</sup> June to 21<sup>st</sup> June 2024, the consortium has reduced their claim substantially and are still in the process of finalising the claim amount. Once the mutual consensus of the claim amount is arrived, the same shall be put up for approval of competent authority and necessary accounting adjustment will be made.</p> |

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

Sd/-  
**(Jitendra Sudhakar Karape)**  
Director General of Audit (Steel), Ranchi

**Place:** Ranchi  
**Date:** 30<sup>th</sup> August 2024

For and on the behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place:** New Delhi  
**Date:** 2<sup>nd</sup> September, 2024

**Annexure-1**
**Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidated accounts (2023-24)**

| Sl. No. | Name of the related party and nature of relationship | Whether accounts were consolidated | Whether under the jurisdiction of C&AG |
|---------|--|------------------------------------|--|
|         | <b>Parent Company</b>                                |                                    |  |
|         | Steel Authority of India Limited                     | Yes                                | Yes                                    |
|         | <b>Subsidiary Companies</b>                          |                                    |  |
| 1       | SAIL Refractory Company Limited                      | Yes                                | Yes                                    |
| 2       | Chhattisgarh Mega Steel Limited                      | Yes                                | Yes                                    |
|         | <b>Associate Company</b>                             |                                    |  |
| 3       | Almora Magnesite Limited                             | Yes                                | Yes                                    |
|         | <b>Joint Venture Companies</b>                       |                                    |  |
| 4       | NTPC SAIL Power Company Private Limited              | Yes                                | Yes                                    |
| 5       | Bokaro Power Supply Company Private Limited          | Yes                                | Yes                                    |
| 6       | International Coal Venture Limited                   | Yes                                | Yes                                    |
| 7       | SAIL RITES Bengal Wagon Industry Private Limited     | Yes                                | Yes                                    |
| 8       | Baster Railway Private Limited                       | Yes                                | Yes                                    |
| 9       | GEDCOL SAIL Power Corporation Limited                | Yes                                | Yes                                    |
| 10      | SAIL SCL Kerala Limited                              | Yes                                | Yes                                    |
| 11      | M Junction Services Limited                          | Yes                                | No                                     |
| 12      | Bhilai Jaypee Cement Limited                         | Yes                                | No                                     |
| 13      | SAIL Kobe Iron India Private Limited                 | Yes                                | No                                     |
| 14      | Prime Gold-SAIL JVC Limited                          | Yes                                | No                                     |
| 15      | SAIL Bansal Services Limited                         | Yes                                | No                                     |
| 16      | VSL SAIL JVC Limited                                 | Yes                                | No                                     |
| 17      | Romelt- SAIL India Limited                           | Yes                                | No                                     |



**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  | <b>SAIL Refractory Company Limited</b> | <b>Chhattisgarh Mega Steel Limited</b> |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 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                         |
| ₹ crore |   |  |  |
| 4.      | Share capital   | 0.10                                   | 0.05                                   |
| 5.      | Reserves & surplus  | 182.79                                 | (-)0.06                                |
| 6.      | Total assets  | 281.18                                 | 0.00                                   |
| 7.      | Total Liabilities   | 98.29                                  | 0.01                                   |
| 8.      | Investments   | -                                      | -                                      |
| 9.      | Turnover  | 164.15                                 | -                                      |
| 10.     | Profit before taxation  | 27.50                                  | -                                      |
| 11.     | Provision for taxation  | 7.33                                   | -                                      |
| 12.     | Profit after taxation   | 20.17                                  | -                                      |
| 13.     | Proposed Dividend   | 1.26                                   | -                                      |
| 14.     | % of shareholding   | 100                                    | 74                                     |

**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 10<sup>th</sup> 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 10<sup>th</sup> July'97 was ₹17.05 crore.

**For and on behalf of Board of Directors**

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

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place:** New Delhi  
**Date:** 20<sup>th</sup> May, 2024



**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Sl. No.               | Name of the Associate /Joint Ventures         | Latest Audited Balance Sheet Date | Shares of Associate/ Joint Ventures held by the company on the year end | Amount of Investment in Associates/ Joint Venture ₹ crore | Extent of Holding (%) | Description of how there is significant influence | Total revenue ₹ crore  | Net worth attributable to shareholding ₹ crore | Profit/ Loss (-) for the year ₹ crore | Considered in Consolidation ₹ crore | Not Considered in Consolidation ₹ crore |
|-----------------------|---|-----------------------------------|---|---|-----------------------|---|------------------------|--|---------------------------------------|-------------------------------------|---|
|                       |   | 1                                 | 2   | 3   | 4                     | 5   | 6                      | 7  | 8                                     | 9                                   | 10                                      |
| <b>Joint Ventures</b> |   |                                   |   |   |                       |   |                        |  |                                       |                                     |   |
| 1                     | NTPC-SAIL Power Company Ltd.                  | 31-03-2024                        | 490250050   | 490.25  | 50.00%                | Note-1  | 3870.60                | 1580.44  | 435.85                                | 217.93                              | 217.93                                  |
| 2                     | Bokaro Power Supply Co. Pvt. Ltd.*            | 31-03-2023                        | 124025000   | 124.03  | 50.00%                | Note-1  | 835.86                 | 427.39   | 76.89                                 | 38.45                               | 38.45                                   |
| 3                     | Mjunction Services Limited *                  | 31-03-2023                        | 4000000   | 4.00  | 50.00%                | Note-1  | 328.37                 | 132.89   | 66.34                                 | 33.17                               | 33.17                                   |
| 4                     | SAIL Bansal Service Centre Ltd *              | 31-03-2020                        | 3200000   | 3.20  | 40.00%                | Note-1  | 3.04                   | 1.26   | 0.14                                  | 0.06                                | 0.08                                    |
| 5                     | Bhilai Jaypee Cement Limited ^                | 31-03-2021                        | 98718048  | 52.51   | 26.00%                | Note-1  | 4.58                   | -91.95   | -138.77                               | 0.00                                | -138.77                                 |
| 6                     | International Coal Ventures Private Limited*  | 31-03-2023                        | 698371832   | 698.37  | 47.82%                | Note-1  | 20.33                  | 1232.84  | -29.51                                | -14.11                              | -15.40                                  |
| 7                     | SAIL SCL Kerala Limited \$                    | 31-03-2018                        | 13017801  | 18.75   | 49.26%                | Note-1  | Accounts not available | 0.00   | 0.00                                  | 0.00                                | 0.00                                    |
| 8                     | SAIL RITES Bengal Wagon Industry Pvt. Limited | 31-03-2023                        | 24000000  | 24.00   | 50.00%                | Note-1  | 295.53                 | 33.68  | 8.06                                  | 4.03                                | 4.03                                    |
| 9                     | SAIL Kobe Iron India Pvt. Limited*            | 31-03-2018                        | 250000  | 0.25  | 50.00%                | Note-1  | 0.00                   | 0.09   | -0.01                                 | 0.00                                | 0.00                                    |
| 10                    | Prime Gold-SAIL JVC Limited*                  | 31-03-2023                        | 4680000   | 4.68  | 26.00%                | Note-1  | 465.76                 | 10.56  | 6.09                                  | 1.58                                | 4.51                                    |
| 11                    | VSL SAIL JVC Limited *                        | 31-03-2018                        | 1297780   | 1.30  | 20.58%                | Note-1  | Accounts not available | 0.00   | 0.00                                  | 0.00                                | 0.00                                    |
| 12                    | Romelt SAIL (India) Ltd @                     |                                   | 63000   | 0.06  |                       | Note-1  | -do-                   | -  | -                                     | -                                   | -                                       |
| 13                    | UEC SAIL Information Technology Limited #     |                                   | -   | -   |                       | Note-1  | -do-                   | -  | -                                     | -                                   | -                                       |
| 14                    | Bastar Railway Pvt Limited*                   | 31-03-2023                        | 35232600  | 35.23   | 12.00%                | Note-1  | 2.53                   | 293.92   | 1.14                                  | 0.14                                | 1.00                                    |
| 15                    | GEDCOL SAIL Power Corporation Limited*        | 31-03-2023                        | 2600000   | 2.60  | 26.00%                | Note-1  | 0.03                   | 9.93   | -0.11                                 | -0.03                               | -0.08                                   |
| <b>Associate</b>      |   |                                   |   |   |                       |   |                        |  |                                       |                                     |   |
| 1                     | Almora Magnesite Limited*                     | 31-03-2020                        | 400000  | 0.40  | 20.00%                | Note-2  | 37.73                  | 1.59   | 1.03                                  | 0.21                                | 0.82                                    |

1. Voting power as per Joint Venture Agreement

2. Holds 20% share capital

\* Based on the Unaudited Accounts for the Year

@ Operations under suspension

# Companies under winding up/liquidation

\$ The company has been referred under NCLT and an order has been passed

^ The company has been referred under NCLT

**For and on behalf of Board of Directors**

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

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place :** New Delhi  
**Dated:** 20<sup>th</sup> May, 2024



**Particulars of Loans, Guarantees or Investments in accordance with  
Section 186 of the companies Act, 2013**

**i) Amount Outstanding as at 31<sup>st</sup> March, 2024**

| Particulars                             | Amount (₹ crore) |
|---|------------------|
| <b>Loans Given *</b>                    |                  |
| IISCO Ujjain Pipe & Foundry Co. Ltd.    | 2.53             |
| NTPC SAIL Power Company Limited         | 64.28            |
| UEC SAIL Information Technology Limited | 1.30             |
| S&T Mining Co. Pvt. Limited             | 0.02             |
| SAIL SCL Kerala Limited                 | 17.14            |
| <b>TOTAL</b>                            | <b>85.27</b>     |
| Investments Made #                      | 1459.72          |

\*₹ 21.32 crore provided for

# Refer Note no. 8 to Standalone accounts

**ii) Investments made during the Year ended 31<sup>st</sup> March, 2024**

| Name of the Entity | Relation | Amount (₹ crore) | Purpose for which Investments are proposed to be utilised |
|--------------------|----------|------------------|---|
| NIL                |          |                  |   |

For and on behalf of the Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

**Place :** New Delhi

**Date :** 3<sup>rd</sup> September, 2024

**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**

Improving energy-efficiency is a low-hanging fruit for Greenhouse Gas (GHG) emission reduction. The trend of increasing energy cost and environmental degradation due to increased Greenhouse Gas (GHG) emission has necessitated a renewed thrust towards reduction in energy consumption. In Indian steel industry, energy cost constitutes about 40% of the total cost of production.

In view of high energy cost component, SAIL has continually undertaken various measures like optimisation in Plant utilisation, improvement in existing processes, introduction of new technologies and increase in waste heat recovery. At the same time, focus is also on reducing consumption of purchased fuel and power.

Durgapur Steel Plant was awarded prestigious Greenpro Certification by CII for its merchant and structural products and became India's first plant to receive Eco Labeling Certification for its structural products.

Performance of Integrated Steel Plants in terms of energy and power was as follows:

| Parameter                   | Unit     | BSP  | DSP  | RSP  | BSL  | ISP  |
|-----------------------------|----------|------|------|------|------|------|
| Specific Energy Consumption | Gcal/tcs | 6.35 | 6.36 | 5.98 | 6.57 | 6.19 |
| Specific Power Consumption  | kWh/tss  | 465  | 423  | 443  | 465  | 499  |

Some of the steps taken in these areas during the Financial Year 2023-24 are listed below:

**Bhilai Steel Plant (BSP)**

- Best ever production of Hot Metal production from BF-8 at 2.68 MT, using same facilities, surpassing previous best of 2.35 MT in 2022-23, leading to reduced specific energy consumption at BF-8 by 0.06 Gcal/thm.
- Best ever Crude Steel production from Steel Melting Shop (SMS-3) at 3.44 MT, using same facilities, surpassing previous best of 3.06 Mt achieved in the previous year, leading to reduced specific energy consumption at SMS-3 by 0.045 Gcal/tcs.
- Best ever Waste Heat recovery from hot coke in Coke Dry Cooling Plant (CDCP) facility resulting in generation of 29.7 GWh power from Back Pressure Turbine Generator (BPTG) in Coke Oven Battery (COB)#11, surpassing previous best of 29.2 GWh achieved in 2022-23.
- Increase in conversion of high top-gas discharge pressure to electrical energy in BF-8 resulting in highest ever generation of 98.85 GWh of power through Top-pressure Recovery Turbine (TRT), as compared to previous best of 91.52 GWh achieved in 2022-23.
- Best ever average Coal Dust Injection (CDI) rate of 120 kg/thm in BFs, surpassing previous best of 119.7 kg/thm achieved in 2022-23.
- Highest ever Basic Oxygen Furnace (BOF) gas recovery from SMS-3 was achieved with annual recovery of 86.7 Nm<sup>3</sup>/tcs, as compared to previous best of 46.1 Nm<sup>3</sup>/tcs in 2022-23.

- Revamping of BOF gas holder at SMS-2 and in-house modification for dual injection of BOF gas into both Coke Oven (CO) gas and BF gas networks resulted in highest annual BOF gas recovery of 3.55 x 10<sup>8</sup> Nm<sup>3</sup> from all SMSs, surpassing previous best BOF gas recovery at all SMSs of 2.35 x 10<sup>8</sup> Nm<sup>3</sup>, achieved in 2022-23.
- Judicious utilization of by-product gases resulted in reduced boiler coal consumption by 52% to 6.6t/day and furnace oil consumption by 50% to 12.2 L/d from previous year.
- Lowest ever Specific Heat consumption achieved in Plate Mill, Bar & Rod Mill, Universal Rail Mill at 432 Mcal/t Slabs rolled, 277 Mcal/t Billets rolled and 314 Mcal/t Blooms rolled respectively.
- Installation of Variable Voltage Variable Frequency Drives (VVVFDs) for gas booster-4 of BOF gas holder in SMS-2, trolley of shuttle charge distributor-2 & coke crusher-5 in Sinter Plant (SP) -2, stove booster fans in BF-7, CDI mill, gas booster fan & cast house jib cranes in BF-8.
- Condenser tube cleaning in steam turbo generator-4 and steam turbo blowers at regular intervals by high pressure jet pump resulted in reduced steam consumption by about 30 t/h.

**Durgapur Steel Plant (DSP)**

- Optimisation of steelmaking operation resulted in lowest ever overall Total Metallic Input (TMI) of 1,108 kg/tcs in SMS, as compared to 1113 kg/tcs achieved in 2022-23.
- Lowest ever BF Coke Rate of 448 kg/thm against previous best of 457 kg/thm achieved in 2022-23.
- Best ever CDI rate of 68 kg/thm against previous best of 57 kg/thm achieved in 2022-23.
- Replacement of conventional light fittings with Light-Emitting Diode (LED) fittings in street lights & high mast towers, etc. leading to saving of around 196 MWh electrical power.

**Rourkela Steel Plant (RSP)**

- Installation of Variable Voltage Variable Frequency Drives (VVFD) with waste gas fan motor (2 X 2.3 MW) in place of damper control in Sinter Plant-1 resulted in saving of about 8.059 GWh of electricity.
- Enhanced availability of additional mixed gas to CPP-1 by 5,000 Nm<sup>3</sup>/h during Hot Strip Mill off days by laying of additional 800 mmNB mixed gas line to CPP-1 resulted in annual energy saving of 26,370 Gcal.
- Installation of 50 nos. of compact type steam traps resulted in annual energy savings of about 293.5 Gcal.

**Bokaro Steel Plant (BSL)**

- Significant increase in CDI rate in Blast Furnaces to 78.8 kg/thm in 2023-24 from 56 kg/thm in 2022-23.
- Commissioning of new Basic Oxygen Furnace (BOF) gas holder of SMS-New with recovery of 1,050x10<sup>3</sup> Nm<sup>3</sup> of BOF gas from SMS-New leading to best ever annual BOF gas recovery of 2.35 x 10<sup>8</sup> Nm<sup>3</sup> from SMS-2 and SMS-New together.



- c) Implementation of an automated air-fuel system in two rotary kilns at Refractory Material Plant to enhance combustion efficiency resulted in energy saving of about 8,000 Gcal.
- d) Replacement of old recuperator with new recuperator in Reheating Furnace 1 - 3 during cold repair resulted in recovery of energy in tune of 1,75,000 Gcal.
- e) Installation of 10 nos. of variable frequency drive at Sinter and Coke Vibrators of BF-4 resulted in electricity saving of about 15.60 MWh.
- f) Saving of about 18.69 MWh electrical power due to replacement of 64 nos. of high mast light with LED light in Plant premises.
- g) Liquidation of 150 nos. of steam leakages, insulation of 800 m<sup>2</sup> steam line and replacement of 26 nos. of steam traps.

#### **IISCO Steel Plant (ISP)**

- a) Best ever Crude Steel production of 2.53 MT, using same facilities, surpassing previous best of 2.42 MT in 2022-23, leading to reduced Specific Energy consumption by 13 Mcal/tcs in SMS.
- b) Optimization of BF network pressure and judicious utilization of BOF gas resulted in increased power generation through Power & Blowing Station-2 by 1.78 MW to 36.25 MW from previous year.
- c) Increase in conversion of high top-gas discharge pressure to electrical energy in BF resulted in increased power generation through TRT by 1.0 MW to 12.8 MW from previous year.

#### **ii) Capital Investment on Energy Conservation Equipment**

A Capital Expenditure of about ₹ 66 crore has been incurred on energy conservation equipment/measures during the Financial Year 2023-24.

#### **(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 2023-24 are as under:

##### **a) Process Developments**

###### **Coke Making**

- Development of coal blending model for coke ovens at DSP.
- Performance improvement of Sulphuric Acid Plant.
- Study and determination of factors affecting stamp charging parameters.
- Use of modified abrasion resistant materials in

hammer head to maintain consistency in Crushing Index at COB#6.

#### **Energy Conservation and Environment**

- Investigation into expansive properties of BOF Steelmaking slag.
- Design of burner for RH Degasser #2 at SMS-2.
- Application of BOF slag as effluent sorption media and permeable barrier.
- Study of pressurisation of by-product coke oven gas network of Coke Oven battery #11 at ISP

#### **Agglomeration**

- Characterization of physical strength and metallurgical properties of Iron Ore pellet based on pore distribution in it.
- Improvement in sinter quality by increasing BTP temperature at BSL.
- Impact of annealing hood on sinter quality and productivity at ISP.
- Prediction of bed permeability state of sintering process in SP-2 at RSP.
- Study on the carbon capture in BOF sludge and its recycling in pelletization process.

#### **Blast Furnaces**

- Development of Burden Tracking Model & Process Optimization in BF#3 at DSP.
- Reduction in Reducing Agent Rate in BF#2 at BSL.

#### **Steel Making & Casting**

- Use of Sludge Agglomerates as alternate coolant in BOF, SMS-II, BSL.
- Slag engineering to reduce specific power consumption in Ladle Furnaces of ISP.
- Improvement in Surface Quality of Cast Products from Beam Blank Casters of ISP.
- Introduction of Double porous plug gas purging system in steel ladles in SMS-II, RSP.
- Reduction in power consumption and CO<sub>2</sub> generation during Steel Refining Process in Ladle Furnace, SMS-II, RSP.
- Enhancing steel cleanliness through Introduction of Calcium Treatment at SMS-II, RSP.

#### **Rolling Mills**

- Modification in heat treatment process at Wheel & Axle Plant, DSP.
- Commercial production of 1175HT (R350HT) Rails in 260m welded panel at BSP.
- Improvement in productivity of FE-550D TMT rebars of Bar Mill at ISP.
- Control of Roll Failure in Long Product Rolling Mills.
- Scientific investigation of residual stress in R260 & R350 HT grade rails in 60E1 profile produced from BSP.
- Development of roll pass design of Channel sections at Universal section mill (USM) of ISP.
- Improvement in roll life of the Intermediate stands rolls in Medium Structural Mill, DSP.

**b) Laboratory based work**
**Coke Making**
**1. Pilot Oven Tests**

- Conducted Stamp and Top Charging pilot oven tests (total 31) for JSO, Angul, focusing on maximizing the utilization of high-rank coal from newly acquired Mines. The aim was to optimize wall pressure and enhance coke quality.
- Performed pilot oven tests for newly imported coking coals, including Caval Ridge (EOI) and Russian Zh coal, aiming to assess their suitability and potential impact on coke quality.
- Executed Stamp and Top Charging pilot oven tests for an external sample from M/s. Visa Steel.
- Conducted pilot oven tests for the proposed Stamp Charging battery at BSL, contributing to infrastructure development and operational optimization.

**2. Laboratory Based Study for Moisture Reduction**

- Successfully executed a trial using IOCL surfactants combined with the BSL blend, resulted significant reductions in coke moisture levels, demonstrating innovative approaches to enhance coke quality.
- Conducted 20 kg pilot coke oven tests employing three surfactants (RIX, RIXO, and RIX3) from M/s Innocule Materials and Additives Pvt. Ltd., Odisha, to evaluate their effectiveness in reducing coke moisture, contributing to the exploration of diverse additives for enhanced coke quality.
- Implemented trials at ISP, Burnpur, utilizing a combination of heater and blower systems, resulting in notable reductions in coke moisture ranging from 0.5% to 2.0%, showcasing advancements in moisture reduction techniques.

**3. Coal Characterization**

- Dahibari, Munidih, Patherdih, Madhuban, Tata Steel Limited, Chasnalla, Kathara, Swang, Rajrappa, and Kedla, provided by CSSO, Dhanbad, contributing to a deeper understanding of coal quality variations.
- Completed joint sampling and testing of Indonesian hard coking coal (Tuhup) at BSL, ISP, and RSP, fostering collaboration and ensuring thorough evaluation of coal properties.

- Continuing detailed characterization of two PCI coals received from the Corporate Office, New Delhi, to expand knowledge and facilitate informed decision-making processes.
- Utilized Net Calorific Value (NCV), CHNS and Proximate Analysis for individual coal samples to facilitate accurate de-carbonization calculations, employing advanced analytical methodologies.
- Over 2000 tests conducted for 306 samples from SAIL and 145 external samples.

**Blast Furnaces**

- Briquetting of BF return sinter and sludge as a process for waste utilization, for gainful utilization of return sinter, sludge, and other fine dust, a process has been developed which involves the transformation of these fine materials into briquettes with iron content comparable to sinter.
- Process development for sustainable management of mining waste. A Pilot plant facility for steel and mining waste utilization at RDCIS, bricks using iron ore slime/tailings were made and tested.

**Steel Making & Casting**

- Characterization of Mold Powder through Thermodynamic Evaluation for Improving Cast Quality of Slabs.
- Agglomeration of LF slag and BOF sludge for reuse in steelmaking.

**Rolling Mills**

- Development of Railway Wheel steel with Pearlitic Bainitic Microstructure.

**c) Product Development & Application**

RDCIS, through continuous technological inputs, has been assisting 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 and SAIL Plants for meeting stringent requirement of various market segments. Principle of cost effective alloy design and optimization of process parameters were the prime considerations for development of the new market oriented products. During the year 2023-24, the following 10 nos. of products have been developed.

| S.No. | Product  | Plant/ Unit | Application                        |
|-------|--|-------------|------------------------------------|
| 1     | IS 2062 E450 High Strength Structural  | DSP         | Infrastructure Construction        |
| 2     | IS 7904 HC38B High Carbon Wire Rod   | BSP         | High Tensile Wire                  |
| 3     | Ultra lowNb (ULNb) slabs for IPT to SSP (HR Coils of IS 2062 E350 grade rolled at SSP) | BSP         | High Strength Structural Component |
| 4     | HSFQ 550 grade & SAILFORMING 410/ 450 (ISH540R) HR Coils                               | RSP         | Automotive Component               |
| 5     | API X70 HR Coil  | RSP         | Oil & Gas Line Pipe                |
| 6     | IS 2041 R260 HR coils  | RSP         | Boiler/Pressure Vessel             |
| 7     | HRC 2.0-2.5 mm in E350 BR and HRC 1.6-1.8 mm in 250BR                                  | RSP         | General Fabrication                |
| 8     | HDG 0.35 mm GSM 80 Galvanized Coils  | BSL         | Roofing & Ducting                  |
| 9     | IS 5986 ISH490S 11.8mm HR Coils  | BSL         | Indian Railways/Auto Segment       |
| 10    | IS 2062 E350 ULNb HR Coils   | BSL         | Hollow Sections                    |



**(ii) Benefits derived from key projects in 2023-24:**

**Process Area:**

| Project Title  | Plant | Benefit derived   |
|--|-------|---|
| Study and determination of factors affecting stamp charging parameters.                            | RDCIS | Valuable insights into stamp charging, coal selection, and blend optimization for enhanced coke quality and operational efficiency.   |
| Development of a system for real time measurement of coke temperature in coke guide car at COB#11. | ISP   | Information about battery health and heating process derived from measured coke surface temperature profile, thereby enabling improvement in coke quality and saving in energy consumption by optimising coking period and regulation of temperature in individual heating flues. |
| Development of coal blending model for coke oven.  | DSP   | Developed a browser-based online Coal Blending application for predicting coke quality and optimizing blend costs.  |
| Study of pressurisation of By-product CO gas network of COB #11.                                   | ISP   | Switching over to CO gas firing in kilns of LDGP to reduce plant CO gas network pressure resulted in lower variations in reactivity of lime from 200 - 300 ml of 4N HCL to 260 - 310 ml of 4N HCL.  |
| Application of BOF slag as effluent sorption media & permeable barrier at COB#11.                  | ISP   | BOF slag of $\leq 10$ mm size can be used as effective sorption media for effluent pre-treatment.   |
| Improved flux and deoxidation practice during secondary refining.                                  | RSP   | Improvement in ladle lining life from 135 to 150 heats at SMS-2.  |
| Commercial production of 1175HT (R350HT) rails in 260m welded panel.                               | BSP   | Dispatch of one rake of R350HT rails to Indian Railways.  |
| Improvement in the finishing stands roll life in Medium Structural Mill.                           | DSP   | Reduction in Specific Roll consumption by more than 40%.  |
| Improvement in end quality of high carbon wire rods at WRM.  | ISP   | Reduction in end discard of high carbon wire rod by more than 50%.  |
| Study the Base Motor Failure due to High Vibration at BAF, CRM III.                                | BSL   | Enhanced base availability has increased production rates at BAF from 45,157 to 46,700 tons/month.  |
| Introduction of Forced Cooling of Plates at Cooling Bed at New Plate Mill.                         | RSP   | Elimination of annual 30 hour delay on the cooling bed at NPM.<br>Reduction of ultrasonic gauge probe consumption by 50%.   |

**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:

| S.No.                              | Description   | Year    | Status               |
|------------------------------------|---|---------|----------------------|
| <b>COKE MAKING</b>                 |   |         |                      |
| 1.                                 | Rebuilding of Coke Oven Battery No-8 at BSL   | 2022-23 | Commissioned         |
| 2.                                 | Up-gradation of Effluent treatment plant of CO&CCD area at RSP  | 2023-24 | Commissioned         |
| <b>SINTER MAKING/AGGLOMERATION</b> |   |         |                      |
| 1.                                 | Installation of Sinter Plant II, BSL  | 2024-25 | Under Implementation |
| <b>IRON MAKING</b>                 |   |         |                      |
| 1.                                 | <b>Blast Furnace (BF) with modern facilities such as :-</b> <ul style="list-style-type: none"> <li>• Conveyor charging system</li> <li>• Closed Loop Cooling System with soft water as an efficient cooling system</li> <li>• Modern refractory design</li> <li>• Flat Cast House design with ramp for use of mobile equipment for maintenance, etc.</li> </ul>                   |         |                      |
| i)                                 | <b>BF#4 at BSL</b> <ul style="list-style-type: none"> <li>• Incorporation of 24 tuyeres in place of original 20 tuyeres in the furnace</li> <li>• Thyristorisation of skips</li> </ul>  | 2022-23 | Commissioned         |
| 2.                                 | <b>INBA Cast House Slag Granulation Technology at BSL</b>   |         |                      |
| i)                                 | 4 <sup>th</sup> Stove in BF#4, DSP  | 2022-23 | Commissioned         |
| <b>STEEL MAKING</b>                |   |         |                      |
| 1.                                 | <b>BF #1 BSL, Cast House 1</b> <ul style="list-style-type: none"> <li>• Installation of INBA CHSGP is a new technological adaptation.</li> <li>• With the incorporation of INBA CHSGP, the use of slag pots for handling of BF slag is eliminated.</li> <li>• The requirement of slag dumping is eliminated.</li> <li>• Furnace productivity improves with INBA CHSGP.</li> </ul> | 2022    | Commissioned         |

| S.No.                          | Description  | Year    | Status                    |
|--------------------------------|--|---------|---------------------------|
| 2.                             | <b>High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of &gt;1200°C</b>   |         |                           |
| i)                             | 4 <sup>th</sup> Stove of BF#2, BSL   | 2024-25 | Likely to be commissioned |
| ii)                            | 4 <sup>th</sup> Stove in BF#4, DSP   | 2024-25 | Likely to be commissioned |
| <b>Rolling &amp; Finishing</b> |  |         |                           |
| i)                             | Up-gradation of Automation system of Finishing Mill of Hot Strip Mill of Bokaro Steel Plant  | 2024-25 | Likely to be commissioned |
| ii)                            | Non-Destructive Testing of Wheels in the Wheel Plant of Durgapur Steel Plant<br>For meeting the test requirement of LHB wheels as per latest Railway Standard, the facility will include testing of the web portion of the wheel also. | 2024-25 | Likely to be commissioned |

|   |   |                  |
|---|---|------------------|
| <b>Expenditure on Research &amp; Development</b>          |   | <b>(₹ crore)</b> |
| (a) Capital   | : | 67.61            |
| (b) Revenue   | : | 239.47           |
| <b>Total</b>  | : | <b>307.08</b>    |
| <b>Total R&amp;D Expenditure as a % of Total Turnover</b> | : | <b>0.29</b>      |

|  |   |                  |
|--|---|------------------|
| <b>Foreign Exchange Earnings and Outgo</b>                   |   | <b>(₹ crore)</b> |
| i) Foreign Exchange earned from exports and other activities | : | 1,687.24         |
| ii) Foreign Exchange used:                                   |   |                  |
| a) CIF Value of imports                                      | : | 43,003.07        |
| b) Other expenditure in foreign currency                     | : | 59.67            |

For and on behalf of Board of Directors

Sd/-  
**(Amarendu Prakash)**  
Chairman

Place : New Delhi  
Date : 3<sup>rd</sup> September, 2024



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

{Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014}

**1. Brief outline on CSR Policy of the Company**

The CSR Policy of SAIL is a statement containing the approach and direction given by the Board, taking into account the recommendations of the CSR Committee of the Board. It includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. The Objectives of the CSR Policy are as follows:

- To create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services.
- Enhance value creation and foster goodwill for the community in which it operates by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged people and communities.
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future.
- Support local populace by building the image of SAIL as patron of Arts and Sports and Culture.
- To operate in a socially, environmentally and economically responsible manner to succeed by seeking social license.

**2. Composition of CSR Committee as on 31<sup>st</sup> March, 2024 is as under:**

| Sl. No. | Name of Director  | Designation /Nature of Directorship  | No. of meetings of CSR Committee during FY 2023-24 |          |
|---------|---|--|--|----------|
|         |   |  | Held during tenure                                 | Attended |
| 1.      | Prof. (Dr.) K. Jayaprasad                                 | Independent Director & Chairman  | 3  | 3        |
| 2.      | Dr. Gopal Singh Bhati                                     | Independent Director   | 3  | 3        |
| 3.      | Shri Kanhaiya Sarda                                       | Independent Director   | 3  | 3        |
| 4.      | Shri A.K. Tulsiani  | Director (Finance)*  | 2  | 2        |
| 5.      | Shri K.K. Singh   | Director (Personnel) & LOFD*   | 3  | 3        |
| 6.      | Shri Atanu Bhowmick (from 3 <sup>rd</sup> February, 2024) | Director (In-charge-RSP) holding Additional Charge of Director (In-charge-BSL) | 1  | 1        |

\*As Ministry of Steel, Government of India, vide its letter dated 19<sup>th</sup> January, 2024 placed Shri Anil Kumar Tulsiani, Director (Finance) under suspension, Shri Krishna Kumar Singh, Director (Personnel) was the Link Officer for Finance Directorate (LOFD) till further orders. Subsequently, pursuant to Ministry of Steel, Government of India order dated 28<sup>th</sup> June, 2024, the suspension of Shri Anil Kumar Tulsiani has been revoked with immediate effect.

|             |  |  |
|-------------|--|--|
| <b>3.</b>   | <b>Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.</b><br>The respective web links are as under:<br>Composition of CSR Committee: <a href="http://www.sail.co.in">www.sail.co.in</a><br>CSR Policy: <a href="http://www.sail.co.in">www.sail.co.in</a><br>CSR Projects approved by the Board: <a href="http://www.sail.co.in">www.sail.co.in</a> |  |
| <b>4.</b>   | <b>Provide the details of Impact assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Cos (CSR Policy) Rules, 2014, if applicable (attach the report).</b>  | Not Applicable   |
| <b>5(a)</b> | Average net profit of the Company as per Section 135(5)  | ₹8,162.89 crore  |
| <b>5(b)</b> | 2% of average net profit of the Company as per Section 135(5)  | ₹163.26 crore  |
| <b>5(c)</b> | Surplus arising out of the CSR Projects or programmes or activities of the previous financial years  | NIL  |
| <b>5(d)</b> | Amount required to be set-off for the financial year, if any   | ₹4.51 crore  |
| <b>5(e)</b> | Total CSR obligation for the Financial Year [(b)+(c)-(d)]  | ₹158.75 crore  |
| <b>6(a)</b> | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)   | ₹160.03 crore (including ₹78.26 crore transferred to Unspent CSR Bank Account) |
| <b>6(b)</b> | Amount spent in Administrative Overheads:  | ₹1.90 crore  |
| <b>6(c)</b> | Amount spent on Impact Assessment, if applicable:  | Not Applicable   |
| <b>6(d)</b> | Total amount spent for the Financial Year [(a)+(b)+(c)]:   | ₹161.93 crore (including ₹78.26 crore transferred to Unspent CSR Bank Account) |



**6. (e) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for FY 2023-24<br>(₹ in crore)                        | Amount Unspent (₹ in crore)                                 |                              |   |        |                  |
|--|---|------------------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account [Sec135(6)] |                              | Amount transferred to any fund specified under Sch.-VII as per 2 <sup>nd</sup> proviso to Sec. 135(5) |        |                  |
|  | Amount  | Date of transfer             | Name of the Fund  | Amount | Date of transfer |
| 161.93 (including ₹ 78.26 crore transferred to Unspent CSR Bank Account) | 78.26   | 29 <sup>th</sup> April, 2024 | -   | -      | -                |

**6. (f) Excess amount for set-off, if any:**

| Sl. No.<br>(1) | Particular<br>(2)   | Amount (₹ in Crore)<br>(3)   |
|----------------|---|--|
| (i)            | 2% of average net profit of the Company as per Section 135(5)   | 158.75<br>(after Set-off of excess-expenditure of ₹ 4.51 crore over the Mandatory CSR expenditure of FY 2022-23) |
| (ii)           | Total amount spent for the Financial year   | 161.93<br>(including ₹78.26 crore transferred to Unspent CSR Bank A/c)   |
| (iii)          | Excess amount spent for the Financial year  | 3.18   |
| (iv)           | Surplus arising out of the CSR Projects or programmes or activities of the previous Financial years, if any | 0  |
| (v)            | Amount available for set-off in succeeding Financial Year [(iii)-(iv)]                                      | 3.18   |

**7. Details of Unspent CSR amount for the preceding three financial years: NA**

(₹ in Crore)

| 1<br>Sl. No. | 2<br>Preceding Financial Year (s) | 3<br>Amount transferred to Unspent CSR Account [Sec135(6)] | 4<br>Balance Amount in Unspent CSR Account [Sec135(6)] | 5<br>Amount Spent in the Financial Year | 6<br>Amount transferred to a fund specified under Sch.-VII as per 2 <sup>nd</sup> proviso to Sec. 135(5), if any |                  | 7<br>Amount remaining to be spent in the succeeding Financial Year               | 8<br>Deficiency, if any |
|--------------|-----------------------------------|--|--|---|--|------------------|--|-------------------------|
|              |                                   |  |  |   | Amount (₹ in crore)  | Date of transfer |  |                         |
|              | 2022-23                           | 51.73  | 31.90<br>(Excluding interest)                          | 19.83                                   | 0  | 0                | 34.32<br>(includes interest of ₹ 2.42 crore earned on unspent A/c in FY 2022-23) |                         |

**8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year : No**

If Yes, enter the number of Capital assets created/acquired:

Not Applicable

Furnish the details relating to such assets so created or acquired through CSR amount spent in the financial year:

| Sl. No. | Short Particulars of the property/ asset(s) [incl. complete address & location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR spent (₹ in crore) | Details of Entity/Authority/ Beneficiary of the registered owner |      |                    |  |
|---------|---|-------------------------------------|------------------|----------------------------------|--|------|--------------------|--|
|         |   |                                     |                  |                                  | CSR Regn. No.  | Name | Registered Address |  |
| 1       | 2   | 3                                   | 4                | 5                                | 6  |      |                    |  |
|         |   |                                     |                  |                                  |  |      |                    |  |

**9. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5):**

Not applicable.

 Sd/-  
**(K.K. Singh)**  
 Director (Personnel)

 Sd/-  
**(Prof. (Dr.) K. Jayaprasad)**  
 Independent Director & Chairman, CSR Committee



## PRINCIPAL EXECUTIVES AS ON 1<sup>ST</sup> SEPTEMBER, 2024

### CORPORATE OFFICE

#### NEW DELHI

##### Chairman

Amarendu Prakash

##### Directors

##### Commercial

Vejendla Srinivasa Chakravarthy

##### Finance

Anil Kumar Tulsiani

##### Personnel

Krishna Kumar Singh

##### Technical, Projects & Raw Materials

Arvind Kumar Singh

##### Executive Directors

##### Vigilance

Sanjay Sharma

##### Projects

D.V. Jagannath

##### C&IT

Puneet Sharma

##### Internal Audit

Manas Bose

##### CMMG

S.J. Ahmed

##### Finance & Accounts

Praveen Nigam

##### Human Resource

B.S. Popli

##### Chairman Sectt.

Arindam Dasgupta

##### ED (F&A) and Company Secretary

M. B. Balakrishnan

##### Chief of Corporate Affairs

Dr. Chinmoy Samajdar, CGM

##### Management Training Institute

Sanjay Dhar, CGM (HR- L&D)

##### Growth Division

S. Sengupta, CGM (Works)

##### Environment Management Division

Executive Director

Debabrata Dutta

##### SAIL Safety Organisation

S. Vashistha, CGM (Safety)

##### Law & PLO

S.B. Mathur, CGM

### STEEL PLANTS/UNITS

#### Bhilai Steel Plant

##### Director-I/c. BSP

Anirban Dasgupta

##### Executive Directors

##### Works

Anjani Kumar

##### Projects

S. Mukhopadhyay

##### Materials Management

A.K. Chakraborty

##### Finance & Accounts

Dr. A.K. Panda

##### Human Resource

Pawan Kumar

##### Mines

B.K. Giri

#### Durgapur Steel Plant

##### Director-I/c. ISP & DSP

Brijendra Pratap Singh

##### Executive Directors

##### Projects

P. Murugesan

##### Materials Management

K. Bhattacharjee

##### Works

Diptendu Ghosh

#### Rourkela Steel Plant

##### Director-I/c. RSP

Atanu Bhowmick

##### Executive Directors

##### Works

S.R. Suryawanshi

##### Human Resource

Tarun Misra, holding Addl. Charge of

ED (Projects)

##### Mines

Alok Verma

##### Finance & Accounts

A.K. Behuria

#### Bokaro Steel Plant

##### Director-I/c. BSL

Birendra Kumar Tiwari

##### Executive Directors

##### Projects

C.R. Mohapatra

##### Finance & Accounts

Suresh Rangani

##### Human Resource

R. Prasad, holding Addl. Charge of

ED (Works)

##### Mines

J. Dasgupta

##### Collieries

Anup Kumar

### IISCO Steel Plant

##### Director-I/c. ISP & DSP

Brijendra Pratap Singh

##### Executive Directors

##### Projects

Surajit Mishra

##### Materials Management

Abhik De

##### Works

M.R. Gupta

#### Alloy Steels Plant

##### Executive Director

S. Subbaraj

#### Salem Steel Plant

##### Executive Director

V.K. Pandey

#### Visvesvaraya Iron & Steel Plant

##### Executive Director

B.L. Chandwani

### UNITS

#### Research & Development Centre for

#### Iron & Steel

##### Executive Director

S.K. Kar

#### SAIL Digital Transformation Division

##### Executive Director

Ved Prakash

#### Centre for Engineering & Technology

##### Executive Director

S.K. Verma

#### Central Marketing Organisation

##### Executive Directors

##### Commercial

Vinod Gupta, holding Addl. Charge

of ED (SPU)

##### Marketing

Sanjay Agarwal

##### Marketing Services

Mohan Raja Suresh

##### Finance & Accounts

S.K. Sharma

##### Sales & ITD

Atul Mathur

#### Logistics & Infrastructure

##### Executive Director

S.K. Das

#### SAIL Refractory Unit

##### Executive Director

P.K. Rath

#### Chandrapur Ferro Alloy Plant

##### Executive Director

K. Ramakrishna

## STEEL AUTHORITY OF INDIA LIMITED

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003

CIN: L27109DL1973GOI006454

### NOTICE

NOTICE IS HEREBY GIVEN THAT the 52<sup>nd</sup> Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Thursday, the 26<sup>th</sup> September, 2024, through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS

##### Item No.1- Adoption of Audited Standalone and Consolidated Financial Statements

###### To receive, consider and adopt:

- (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024, together with the Reports of the Board of Directors and Auditors thereon.
- (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 with the Report of the Auditors thereon.

##### Item No.2-Re-appointment of Director

To appoint a director in place of Shri Brijendra Pratap Singh (DIN:08665585), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

##### Item No.3-Re-appointment of Director

To appoint a director in place of Shri Anil Kumar Tulsiani (DIN:08742907), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.

##### Item No.4-Fixation of Remuneration of Auditors

To authorise the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2024-25.

##### Item No.5-Dividend

To confirm payment of Interim Dividend @ ₹1.00 per Equity Share of face value of ₹10/- each for the Financial Year 2023-24 and to declare Final Dividend for the Financial Year 2023-24 @ ₹1.00 per Equity Share of the face value of ₹10/- each.

#### SPECIAL BUSINESS

##### Item No.6-Appointment of a Director

To appoint Shri Birendra Kumar Tiwari (DIN: 09699855) 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 Birendra Kumar Tiwari (DIN:09699855), 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 up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

##### Item No.7- To obtain consent to borrow by issue of Secured Non-convertible Bonds/Debentures and consent to create charge on the assets of the Company, and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED that** in accordance with the provisions of Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable Laws/Guidelines/Regulations/Circulars, and the provisions of the Memorandum and Articles of Association of the Company; subject to the receipt of such other approvals, permissions and sanctions, as may be necessary, including the approval of long-term lenders and trustees of debenture holders, wherever applicable, and subject to such conditions and modifications, as may be prescribed or imposed by any of them, while granting such approvals, permissions and sanctions, subject to the same being agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, inter-alia, the Board of the Directors of the Company (the "Board") be and is hereby authorized, to raise funds through Private Placement of Non-convertible Secured Bonds/Debentures of up to ₹ 2,500 crore during the period from the date of this Annual General Meeting (AGM) to be held on 26<sup>th</sup> September, 2024, to the date of the AGM to be held in the Financial Year 2025-26, in tranches, from such person or persons, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated 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 Development 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 exercise of green-shoe option (within the overall limit of ₹2,500 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 duly constituted Committee of the Board or such other authority as may be approved by the Board.

**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, or any authority approved by the Board, 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 or such other authority as may be approved by the Board, thereof, may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of 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** for the purpose of giving effect to any Private Placement of Non-convertible Secured Bonds/Debentures, the Board of Directors of the Company (the "Board") be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the numbers 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.

**Item No.8-Material Related Party Transaction(s) with NTPC-SAIL Power Company Limited.**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the Company's Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with NTPC-SAIL Power Company Limited ('NSPCL'), a Joint venture company of Steel Authority of India Limited and accordingly a related party of Steel Authority of India Limited under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and NSPCL, for an aggregate value of up to ₹ 9,000 crore to be entered from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26, subject to such contract(s)/arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the

foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects.”

**Item No.9-Material Related Party Transaction(s) with Bokaro Power Supply Company Private Limited.**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, each as amended from time to time and the Company’s Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into, contract(s)/arrangement(s)/transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Bokaro Power Supply Company Private Limited (BPSCL), a Joint venture company of Steel Authority of India Limited and accordingly a related party of Steel Authority of India Limited under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and BPSCL, for an aggregate value of up to ₹4,500 crore to be entered from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may

be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects.”

**Item No.10-Material Related Party Transaction(s) with Minas De Banga Limitada (Mozambique).**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, each as amended from time to time and the Company’s Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into, contract(s)/arrangement(s)/transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Minas De Banga Limitada (Mozambique), a Related party of International Coal Ventures Private Limited (ICVL) and accordingly a related party of Steel Authority of India Limited under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and Minas De Banga Limitada (Mozambique), for an aggregate value of up to ₹6,000 crore to be entered from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.



**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects."

**Item No.11-Ratification of Remuneration to Cost Auditors**

To ratify the remuneration of the Cost Auditors of the Company and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) 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 ₹ 30,000/- and ₹ 12,000/- plus taxes as applicable for consolidation & filing respectively and reimbursement of Daily Allowance, Travelling Expenses and out of pocket expenses to be paid to the Cost Auditors viz. M/s. Shome & Banerjee, New Delhi (for Rourkela Steel Plant, Durgapur Steel Plant and IISCO

Steel Plant), M/s. Niran & Co., Bhubaneswar (for Bhilai Steel Plant and Bokaro Steel Plant) and M/s. Narasimha Murthy & Co., Hyderabad (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) for the Financial Year 2024-25, 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)**

ED (F&A) & Company Secretary

**Place:** New Delhi

**Dated:** 3<sup>rd</sup> September, 2024

**Registered Office:**

Ispat Bhawan, Lodi Road, New Delhi-110003.

CIN: L27109DL1973GOI006454

**NOTES:**

1. Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (SEBI) vide their various circulars (collectively referred to as 'Applicable Circulars') have permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Applicable Circulars, the AGM of the Company is being held through VC/OAVM at the Registered Office of the Company.
2. PURSUANT TO APPLICABLE CIRCULARS, THE AGM IS BEING HELD THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE APPLICABLE CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES WILL NOT BE AVAILABLE FOR THE AGM. HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE. MEMBERS ARE REQUESTED TO PARTICIPATE IN THE AGM IN PERSON THROUGH VC/OAVM.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to the Applicable Circulars, the facility of participation in the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.
5. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business Item Nos.6 to 11 above is annexed hereto. The relevant details under Item Nos.2,3&6 of the Notice of the person(s) seeking appointment/re-appointment as Director required vide Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the Notice.
6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of Resolution/Authorization, etc. by its Board or Governing Body authorizing its representative to attend the Annual General meeting through VC/OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [sachinag1981@gmail.com](mailto:sachinag1981@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
7. The Company has fixed Thursday 19<sup>th</sup> September, 2024 (end of business hours) as the Cut-Off date for determining eligibility of members to vote in respect of items of business to be transacted at the 52<sup>nd</sup> AGM. The Register of Members of the Company shall remain closed from Friday, 20<sup>th</sup> September, 2024 to Thursday, 26<sup>th</sup> September, 2024 (from end of business hours on 19<sup>th</sup> September, 2024), for the purpose of AGM for the financial year 2023-24.  
  
The Company had fixed Thursday, 19<sup>th</sup> September, 2024 (end of business hours) as the 'Record Date' for determining entitlement of members to Final Dividend for the Financial Year 2023-24, subject to approval by the Members at the AGM. The Register of Members of the Company will remain closed from Friday, 20<sup>th</sup> September, 2024 to 26<sup>th</sup> September, 2024 (from end of business hours on 19<sup>th</sup> September, 2024), for the purpose of payment of Final Dividend and AGM for the Financial Year 2023-24. The payment of final dividend, if approved by the Members at the AGM, will be paid subject to deduction of Income Tax at source (TDS) within 30 days from the date of the approval, as under:
  - **Equity Shares held in Physical Form:** To all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as on close of business hours of 19<sup>th</sup> September, 2024. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode.
  - **Equity Shares held in Electronic Form:** To all the beneficial owners of the shares, as on the close of business hours of 19<sup>th</sup> September, 2024, as per the details furnished by the Depositories for this purpose.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. In this regard, for the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and the amendments thereof. In general, to enable compliance with TDS requirements, Members were requested through e-mail to complete and/or update their Residential status, PAN, Category



with their depository participants ('DPs') or in case shares are held in physical form, with the Company/ Registrars and Transfer Agents ('RTA') by sending documents through e-mail and further, members were requested vide the aforesaid e-mail to submit required/prescribed documents for deduction of Tax at Nil/Lower rate as prescribed under the Income Tax Act, 1961, on or before 7<sup>th</sup> September, 2024.

8. M/s. MCS Share Transfer Agent Limited (MCSTAL) are functioning 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 Agent Limited,  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I,  
New Delhi-110020  
Phone No.: 011-41406149,  
E-mail: admin@mcsregistrars.com

#### 9. Dematerialisation

- i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. **Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 (subsequently amended), has mandated that w.e.f. 1<sup>st</sup> April, 2019, (SEBI/ MIRSD/DTAMB/CIR/P/2020/166 dated September 7, 2020) transfer of shares in a Listed Company shall only be in Dematerlised Form. Though most of the shareholders have converted their holdings into Demat Form, it is seen that some shareholders still hold their shares in paper form (Physical). In this connection, shareholders are advised, to open a Demat Account with any Depository Participant authorized by either National Securities Depository Ltd. or Central Depository Services Ltd. and dematerialize their shares.**
- ii) Members holding shares in the physical form, whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) should update their KYC details to the R&TA, which is mandatory. Members holding shares in the Electronic Form (Demat), should complete their KYC with their Depository Participant.
- iii) Members who have not made nomination with respect to their holdings are requested to do so. For making nomination, Members holding shares in

physical form are advised to collect the Nomination Form from the Company's RTA and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).

#### iv) EFT MANDATE

**Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT)/National Electronic Clearing System (NECS), for any future payouts from the Company. Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/ CIR/2018/73 dated 20<sup>th</sup> April, 2018 has directed to make payment of dividend only through approved electronic mode and Bank Details and Permanent Account Number(PAN) of the shareholders be obtained, updated against their folio, if not already available with the Company. Under the EFT, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority (RBI or SBI). The clearing authority provides credit reports to the payee's Bank, who credits the amount to their respective accounts. Further, SEBI vide Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and amendment vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/181 dated November 17, 2023 has mandated that it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. With effect from April 01, 2024, payment including dividend, interest or redemption payment in respect of such folios will be made only through electronic mode, after the requirements of the aforesaid circular are complied with. An intimation shall be sent by SAIL through its RTA to the security holder that such payment is due and shall be made electronically only upon complying with the requirements.**

10. 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 a single folio.
11. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2014-15 (Final). The Company has, thereafter, paid the following dividends:

| Year      | Interim Dividend (%) | (2 <sup>nd</sup> ) Interim Dividend (%) | Final Dividend (%) |
|-----------|----------------------|---|--------------------|
| 2015-2016 | -                    | -                                       | -                  |
| 2016-2017 | -                    | -                                       | -                  |
| 2017-2018 | -                    | -                                       | -                  |
| 2018-2019 | -                    | -                                       | 5.00               |



| Year      | Interim Dividend (%) | (2 <sup>nd</sup> ) Interim Dividend (%) | Final Dividend (%) |
|-----------|----------------------|---|--------------------|
| 2019-2020 | -                    | -                                       | -                  |
| 2020-2021 | 10.00                | -                                       | 18.00              |
| 2021-2022 | 40.00                | 25.00                                   | 22.50              |
| 2022-2023 | 10.00                | -                                       | 5.00               |
| 2023-2024 | 10.00                | -                                       | -                  |

Shareholders who have not claimed/encashed their dividend warrants as above are requested to stake their claims with the Company.

Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all unpaid/unclaimed dividend declared by it up to Financial year 2014-15 (Final).

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 till Financial Year 2014-15 (Final), after following the due process. As and when the Shares are due for transfer to IEPF, the Company had sent communication(s) to the concerned shareholders at their latest available address, whose dividend has remained unpaid or unclaimed for seven consecutive years, providing complete details of the shares due for transfer to IEPF. The Company has also published Notice in the newspapers advising such shareholders to encash their unclaimed dividend to avoid transfer of the shares. Details of such Shareholders and Shares due for transfer to IEPF has been uploaded on the Company's website. Claimants of the dividend/shares transferred to IEPF are entitled to claim refund by applying to IEPF.

Further, Dividend accruing against shares already transferred to IEPF has also been transferred to the IEPF A/c.

Company Secretary is the Nodal Officer of the Company for IEPF Authority.

12. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 10 days before the meeting through email at [sail52agm.2024@sail.in](mailto:sail52agm.2024@sail.in). The same shall be replied suitably.

**13. Green Initiative in Corporate Governance of Ministry of Corporate Affairs**

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance"

by allowing paper less compliances by companies through electronic mode. In accordance with the circulars issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Board's Report, Auditors' Report, etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

Members are requested to opt for receipt of the above notices/documents through electronic mode. They are requested to register their e-mail ID for this purpose with their respective depository participant or with the Company's R&TA i.e. M/s. MCS Share Transfer Agent Limited at the address given above or e-mail at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

Please note that these documents will also be available on the Company's website [www.sail.co.in](http://www.sail.co.in).

14. The documents referred to in this Notice and the Registers referred to in Section 170 and Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM. All such documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the AGM. Members seeking inspection or any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 16<sup>th</sup> September, 2024 through email at [sail52agm.2024@sail.in](mailto:sail52agm.2024@sail.in). The same will be replied by the Company suitably.
15. In compliance with the Applicable Circulars, Notice of the AGM along with the Annual Report of FY 2023-24 and other Reports is being sent only through electronic mode to those Members whose email addresses are available with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website [www.sail.co.in](http://www.sail.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
16. In order to prevent fraudulent transactions, Members are hereby advised to exercise due diligence and inform the Company of any change in address or demise of any Member as soon as possible. It is also advised that Members should avoid their Demat Account(s) becoming dormant. The statement of holdings in the Demat Accounts(s) should be obtained regularly from the concerned Depository Participants (DP) and holdings be verified periodically.
17. SEBI vide Circular dated 31<sup>st</sup> July, 2023 has established a common Online Dispute Resolution



(ODR) Portal for resolution of the disputes arising in the Indian Securities Market. Investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) after exhausting all the available options for resolutions of their grievances.

**18. General Information and Instructions for Remote E-voting prior to AGM and E-voting in the AGM:**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014 as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electronic voting system through remote e-voting and in the AGM through e-voting.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting and e-voting facility.
- IV. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates (and in his absence Ms. Shweta Jain of M/s. Agarwal S. & Associates) as Scrutiniser to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and available for the same purpose.
- V. The **CUT-OFF** date for recognising the eligibility of members to attend and vote on resolutions at the AGM shall be 19<sup>th</sup> September, 2024. 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. 19<sup>th</sup> September, 2024 '**End of Business Hours**' only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- VI. A person who becomes a Member of the Company after circulation of the Notice of the AGM and holding shares as on cut-off date i.e. 19<sup>th</sup> September, 2024 can

**follow the process for generating the Login ID and Password as provided in this Notice of the AGM.**





- VII. The remote e-voting period commences on 22<sup>nd</sup> September, 2024 (9:00 am) and ends on 25<sup>th</sup> September, 2024 (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 19<sup>th</sup> September, 2024, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**
- VIII. The Scrutinizer, after scrutinizing the votes cast at AGM by e-voting and through remote e-voting, will, not later than two working days 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 along with the consolidated scrutiniser's report shall be placed on the website of the Company-[www.sail.co.in](http://www.sail.co.in) and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.
- IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 26<sup>th</sup> September, 2024.
- X. **The process and manner for remote e-voting are as under:**
  - A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting System**

**(I) Login Method for E-Voting and Joining Virtual Meeting for Individual Shareholders Holding Securities in Demat Mode.**

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies and to increase the efficiency of the voting process, e-voting facility is being provided to all the Individual Members holding securities in demat mode to vote through their demat accounts/websites of Depositories/ Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of Members   | Login Method   |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <p><b>1. NSDL IDEAS facility</b></p> <p><b>If the user is registered for the NSDL IDEAS facility:</b></p> <ol style="list-style-type: none"> <li>Please visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>Once the homepage is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section.</li> <li>A new screen will open. You will have to enter User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>If the user is not registered for IDEAS facility:</b></p> <ol style="list-style-type: none"> <li>The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Select “Register Online for IDEAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Upon successful registration, please follow steps as given in points 1(a) to 1(e) above.</li> </ol> <p><b>2. Visit the e-Voting website of NSDL.</b></p> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> </ol> <p><b>3. Mobile App:</b></p> <p>Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store  Google Play</p>   |

|  |   |
|--|---|
| Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited (CDSL) | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest facility, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login of Easi/Easiest, click on the E-Voting option available against company name or the link of E-Voting Service provider and you will be directed to cast the vote during remote E-Voting period or join virtual meeting &amp; vote during the meeting.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://cdslindia.com">https://cdslindia.com</a>. Click on Login &amp; New System Myeasi Tab and then click on Registration.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will see the E-Voting option of companies and also provided links of all the E-Voting Service Providers.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) logging through their depository participants         | <ol style="list-style-type: none"> <li>You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>On logging in, you will be able to see e-Voting option. On clicking e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> </ol>  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders Holding Securities in Demat Mode for any Technical Issues related to login through Depository i.e. NSDL and CDSL.**

| Login type  | Helpdesk details  |
|---|---|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022-48867000.   |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911. |

**(II) Login Method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in Physical Mode.**



### How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.

4. 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<br>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<br>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<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for Members other than Individual Members 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 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. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process**

### for those shareholders whose email ids are not registered.

6. 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](http://www.evoting.nsdl.com).
  - b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast Your Vote Electronically and Join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of Steel Authority of India Limited (SAIL) for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. 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**" buttons when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- III. Process for procuring user ID and password for e-voting for those Members whose email id is not registered with the Depositories/Company:**
- Members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting:

1. In case shares are held in physical mode, please provide Folio No., Name of the Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).
  2. In case shares are held in demat mode, please provide DPID-Client ID (16 digit DPID + Client ID or 16 digit beneficiary ID), Name of the member, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).
  3. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- B. In case of any queries/grievance, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022-48867000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or to **Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited, at the designated email id – [pallavid@nsdl.com](mailto:pallavid@nsdl.com) or [evoting@nsdl.com](mailto:evoting@nsdl.com), who will also address the grievances connected with the voting by electronic means.**
- XI. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Members will be able to attend the AGM through VC/OAVM through the NSDL e-Voting system (<https://www.evoting.nsdl.com>). Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, Member(s) can click on "VC/OAVM link" placed under "**Join meeting**" menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the scheduled time of the AGM and will be available for Members on first come first served basis. The facility to join the meeting will close after 15 minutes, of the commencement of the meeting.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) or contact **Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited on Landline Number 022-48867000 or at the email id [pallavid@nsdl.com](mailto:pallavid@nsdl.com).**
  4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at [sail52agm.2024@sail.in](mailto:sail52agm.2024@sail.in) from 20<sup>th</sup> September, 2024 (9:00 a.m. IST) to 22<sup>nd</sup> September, 2024 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker on the aforesaid e-mail id will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Further, Members who wish to have their queries/questions responded to during the AGM are requested to send the queries/questions as mentioned above.
- Only those Members who are attending the AGM and have not cast their vote through remote e-voting (prior to AGM) and otherwise are not barred from doing so, shall be eligible to vote through electronic voting system during the AGM.
- XII. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sachinag1981@gmail.com](mailto:sachinag1981@gmail.com) with a copy marked to NSDL's email ID- [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/Authority Letter, etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.
  - XIII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - XIV. Those who became Members of the Company after dispatch of the Notice but on or before **cut-off date (19<sup>th</sup> September, 2024)** may mail to NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com), requesting for user ID and password. On receipt of user ID and password, the details in step 2 in A above should be followed for casting vote.



## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 6

Pursuant to the Government of India, Ministry of Steel Order No.S14016/1/2023-BLA dated 19<sup>th</sup> April, 2024, Shri Birendra Kumar Tiwari (DIN:09699855) was appointed as an Additional Director of the Company with effect from 20<sup>th</sup> April, 2024 subject to his appointment by the shareholders in the next General Meeting. His tenure as Director is from 20<sup>th</sup> April, 2024 till the date of his superannuation i.e. 31<sup>st</sup> August, 2025 or until further orders, whichever is earlier. 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 up to 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 Birendra Kumar Tiwari as a candidate for the office of Director of the Company. Shri Tiwari joined SAIL in 1989 in Bokaro Steel Plant (BSL) as Management Trainee (Technical) after completing his BSc. Engg. (Metallurgy) from BIT, Sindri. He served the Coke Ovens department at BSL in various capacities for nearly thirty years and was instrumental in spearheading various aspects of operation of the department. In June, 2017, he was elevated to the position of General Manager (Coke Ovens) which was later re-designated as Chief General Manager in September, 2019. In August, 2020, he was assigned the responsibility of Chief General Manager (Services), BSL for a brief period. Shri Tiwari was promoted as Executive Director (Collieries Division) w.e.f. 1<sup>st</sup> June, 2021 where he spent nearly one year. During his tenure at Collieries Division, he took a number of initiatives for augmenting operational efficiency of the Mines under Collieries Division with a special focus on safety. Shri Tiwari was transferred as Executive Director (Works), BSL in June, 2022. He continued to head the Plant as Head of Works Division before taking up his new assignment as Director In-charge, BSL. A visionary leader, technocrat and administrator, Shri Tiwari has over three decades of experience in various aspects of Plant operation. Under his astute leadership as Executive Director (Works), BSL scaled new heights with best ever production figures and all-round excellence in the financial year 2023-24. He is also on the Board of Directors of Bokaro Power Supply Company Private Limited.

Shri Birendra Kumar Tiwari 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 Birendra Kumar Tiwari and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

#### Item No.7

In accordance with the SAIL Vision 2030, the Company is working on enhancement of its Crude Steel Production Capacity from existing 19.10 MTPA to 35.65 MTPA by the year 2031. The future capital expenditure is being funded through a mix of debt and equity. In addition to this, there will be additional requirement of funds for repayment of existing Long Term Loans. Therefore, among the various options that may be available to access the long term loans, the Company plans to avail the option to borrow through Secured Non-convertible Debentures/Bonds during the period from the date of this Annual General Meeting (AGM) till the AGM to be held in FY 2025-26 or such other period as may be permitted under the Companies Act, 2013 and other applicable laws. It is therefore, proposed to raise funds through Private Placement of Non-convertible Secured Bonds/Debentures up to ₹ 2,500 crore during the period as aforesaid.

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.7 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 ₹ 2,500 crore. This resolution would be valid till the date of the AGM to be held in the Financial Year 2025-26, 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/hypothecations 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 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 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.7 of the Notice.

### Context for Item Nos. 8 to 10:

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all Material Related Party Transactions ('RPT') with an aggregate value exceeding ₹ 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1) (zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

It is in the above context that Resolutions No. 8 to 10 are placed for the approval of the Shareholders of the Company.

### Item No. 8:

#### Background, Details and Benefits of the Transaction

NTPC-SAIL Power Supply Company Ltd. (NSPCL) is a 50:50 Joint Venture of SAIL and NTPC Limited.

NSPCL owns 1104 MW capacity coal based thermal power plants at Rourkela, Bhilai and Durgapur and supplies power to SAIL Plants, and also sells power to outside parties. SAIL has provided land to NSPCL on lease basis. SAIL also supplies water to NSPCL under the terms of Shared Facilities Agreement. At Durgapur, SAIL also supplies thermal coal to NSPCL Plant.

SAIL purchases power from NSPCL under the terms of an Agreement entered into between SAIL and NSPCL.

The aggregate value of the above transactions from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26 is estimated up to ₹ 9,000 crore. These transactions will not only help SAIL to manage manufacturing operations smoothly but also ensure consistent supply of power for uninterrupted operations and increased productivity.

The Management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with SAIL. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, on the basis of the approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No.8 of the Notice for approval of the shareholders.

**Details of the proposed transactions with NTPC-SAIL Power Company Limited, being a related party of the Company, are as follows:**

**Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021**

**CMD1/CIR/P/2021/662 dated November 22, 2021**

| Sl. No. | Particulars   | Details  |
|---------|---|--|
| 1       | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).  | NTPC-SAIL Power Company Limited<br>A Joint Venture Company in which SAIL holds 50% share   |
| 2       | Type, material terms and particulars of the proposed transaction.   | As detailed above. All transactions to be entered are at arm's length.   |
| 3       | Tenure of the proposed transaction.   | Recurring nature and approval is from 1 <sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26.   |
| 4       | Value of the proposed transaction.  | As detailed above  |
| 5       | Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year.  | 8.61%  |
| 6       | Justification as to why RPT is in the interest of SAIL.   | Arrangement is commercially beneficial to the Company.   |
| 7       | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:<br>(i) Details of the source of funds in connection with the proposed transaction.<br>(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments<br>- nature of indebtedness;<br>- cost of funds; and<br>- tenure<br>(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.<br>(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT. | Not Applicable   |
| 8       | Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.   | Not Applicable   |
| 9       | Any other information that may be relevant  | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice. |



### Arm's Length Pricing

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal meet the arm's length testing criteria. The related party transaction(s)/contract(s)/arrangement(s) also qualifies as contract under ordinary course of business.

The RPTs will be entered based on the Power Purchase Agreement not exceeding ₹ 9,000 crore in aggregate from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No.8 of the Notice to the extent of their shareholding in the Company, if any, except as given below:

Shri M.B. Balakrishnan, ED (F&A) and Company Secretary, SAIL, is Non-executive Nominee Director on the Board of NTPC-SAIL Power Company Limited.

The Board recommends the relevant ordinary resolution set forth at Item No.8 in the Notice for approval of the Members.

### Item No. 9:

#### Background, Details and Benefits of the Transaction

Bokaro Power Supply Company Pvt. Ltd. (BPSCL) is a 50:50 Joint Venture of SAIL and Damodar Valley Corporation. BPSCL owns a 338 MW capacity coal based thermal power plant at Bokaro, Jharkhand, and supplies power and steam to SAIL's Bokaro Steel Plant. BPSCL also caters to emergency power requirements of Bokaro Steel Plant. SAIL supplies surplus by-product gases from its Bokaro Steel Plant to BPSCL. SAIL also supplies water to BPSCL under the terms of Shared Facilities Agreement. SAIL has provided land to BPSCL on lease basis. SAIL purchases power and steam from BPSCL under the terms of Power Purchase Agreement entered into between SAIL and BPSCL. SAIL also provides stores and spares support to BPSCL.

The aggregate value of the above transactions to be entered from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26 is estimated up to ₹ 4,500 crore. These transactions will not only help SAIL to manage manufacturing operations smoothly but also ensure consistent supply of power and steam for uninterrupted operations and increased productivity.

The Management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with SAIL. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, on the basis of approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No.9 of the Notice for approval of the shareholders.

### Details of the proposed transactions with Bokaro Power Supply Company Private Limited, being a related party of the Company, are as follows:

#### Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

| Sl. No. | Particulars  | Details  |
|---------|--|--|
| 1       | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);   | Bokaro Power Supply Company Private Limited<br>A Joint Venture Company in which SAIL holds 50% share   |
| 2       | Type, material terms and particulars of the proposed transaction   | As detailed above. All transactions to be entered are at arm's length.   |
| 3       | Tenure of the proposed transaction   | Recurring nature and approval is from 1 <sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26.   |
| 4       | Value of the proposed transaction  | As detailed above  |
| 5       | Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year  | 4.30%  |
| 6       | Justification as to why RPT is in the interest of SAIL   | Arrangement is commercially beneficial to the Company.   |
| 7       | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:<br>(i) Details of the source of funds in connection with the proposed transaction<br>(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments<br>- nature of indebtedness;<br>- cost of funds; and<br>- tenure<br>(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security<br>(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | Not Applicable   |
| 8       | Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder   | Not Applicable   |
| 9       | Any other information that may be relevant   | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice. |



### Arm's Length Pricing

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal meet the arm's length testing criteria. The related party transaction(s)/contract(s)/arrangement(s) also qualifies as contract under ordinary course of business.

The RPTs will be entered based on the Power Purchase Agreement not exceeding ₹ 4,500 crore in aggregate from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No.9 of the Notice to the extent of their shareholding in the Company, if any, except as given below:

Shri B.K. Tiwari, Director (In-charge-BSL), SAIL, is Non-executive Nominee Director on the Board of Bokaro Power Supply Co. Pvt. Ltd.

The Board recommends the relevant ordinary resolution set forth at Item No.9 in the Notice for approval of the Members.

### Item No.10:

#### Background, Details and Benefits of the Transaction

Minas de Benga Limitada (Mozambique) (MBL) is a foreign joint venture company of International Coal Ventures Pvt. Ltd. (ICVL) (a joint venture of SAIL, RINL, NMDC, CIL and NTPC) and consequently a related party of Steel Authority of India Limited (SAIL). MBL is based in Mozambique and is engaged in the business of producing and supplying coking coal in India. SAIL has a shareholding of 47.82% in ICVL.

SAIL requires coking coal for its blast furnace as part of steel production process. MBL produces and supplies coking coal for captive consumption of its steel producing promoter companies. SAIL has entered into a long term supply contract with MBL for supply of coking coal quantity on annual basis. ICVL and MBL being part of SAIL Group Companies, not only help in smooth business operations for both the Companies, but also ensure consistent flow of desired quality and quantity of coking coal without interruptions and generation of revenue and business for both the companies to cater to their business requirement.

The aggregate value of the above transactions from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26 is estimated up to ₹6,000 crore. These transactions will not only help SAIL to manage manufacturing operations smoothly but also ensure consistent flow of desired quality and quantity of Prime Quality Washed Benga Premium Hard Coking Coal (Size: 5-50 mm) for uninterrupted operations and increased productivity.

The Management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with SAIL. The Committee has noted that the said

transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, on the basis of approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No.10 of the Notice for approval of the shareholders.

**Details of the proposed transactions with Minas De Benga Limitada (Mozambique), (a related party of ICVL) a related party of the Company, are as follows:**

**Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021**

| Sl. No. | Particulars  | Details   |
|---------|--|---|
| 1       | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);   | Minas de Benga Limitada (Mozambique) (MBL) is a foreign joint venture company of ICVL (a joint venture of SAIL, RINL, NMDC, CIL and NTPC) and consequently a related party of Steel Authority of India Limited (SAIL). SAIL has a shareholding of 47.82% in ICVL. |
| 2       | Type, material terms and particulars of the proposed transaction   | As detailed above. All transactions to be entered are at arm's length.  |
| 3       | Tenure of the proposed transaction   | Recurring nature and approval is from 1 <sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26.  |
| 4       | Value of the proposed transaction  | As detailed above   |
| 5       | Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year  | 5.74%   |
| 6       | Justification as to why RPT is in the interest of SAIL   | Arrangement is commercially beneficial.   |
| 7       | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:<br>(i) Details of the source of funds in connection with the proposed transaction<br>(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments<br>- nature of indebtedness;<br>- cost of funds; and<br>- tenure<br>(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security<br>(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | Not Applicable  |



| Sl. No. | Particulars  | Details  |
|---------|--|--|
| 8       | Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder | Not Applicable   |
| 9       | Any other information that may be relevant   | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice. |

### Arm's Length Pricing

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal meet the arm's length testing criteria. The related party transaction(s)/contract(s)/arrangement(s) also qualifies as contract under ordinary course of business.

The RPTs will be entered based on the market price of the relevant material and service not exceeding ₹ 6,000 crore in aggregate from 1<sup>st</sup> April, 2024 till the AGM to be held in FY 2025-26. Where market price is not available, alternative method including reimbursement of actual cost incurred or cost plus mark-up as applicable at the sole discretion of the independent consulting firm has been considered as per arm's length pricing criteria.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No.10 of the Notice to the extent of their shareholding in the Company, if any, except as given below:

Shri Amarendu Prakash, Chairman, is Non-Executive Chairman of ICVL and Shri Anil Kumar Tulsiani, Director (Finance) & Shri Anirban Dasgupta, Director (In-charge-Bhilai Steel Plant) are Non-Executive Nominee Directors on the Board of ICVL.

Place: New Delhi

Dated: 3<sup>rd</sup> September, 2024

### Registered Office:

Ispat Bhawan, Lodi Road, New Delhi-110003.

CIN: L27109DL1973GOI006454

The Board recommends the relevant ordinary resolution set forth at Item No.10 in the Notice for approval of the Members.

### Item No.11

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, New Delhi, (for Rourkela Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Niran & Co., Bhubaneswar (for Bhilai Steel Plant and Bokaro Steel Plant) and M/s. Narasimha Murthy & Co., (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2024-25 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, ₹30,000/- and ₹12,000/-, plus taxes as applicable, for consolidation & filing respectively is to be paid to the Lead Cost Auditor for XBRL conversion and filing of Consolidated Cost Audit Report of the Company.

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.11 of the Notice is submitted for approval of the Shareholders.

The Board recommends the ordinary 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)**

ED (F&A) & Company Secretary

### Details of Directors Seeking Re-appointment/Appointment in Annual General Meeting Furnished In Terms of SEBI Regulations:

| Name of the Director  | Shri Brijendra Pratap Singh                             | Shri Anil Kumar Tulsiani   | Shri Birendra Kumar Tiwari   |
|---|---|--|--|
| <b>DIN</b>  | 08665585  | 08742907   | 09699855   |
| <b>Date of Birth</b>  | 1 <sup>st</sup> March, 1968                             | 6 <sup>th</sup> March, 1965  | 18 <sup>th</sup> August, 1965  |
| <b>Date of Appointment</b>  | 19 <sup>th</sup> April, 2022                            | 20 <sup>th</sup> June, 2022  | 20 <sup>th</sup> April, 2024   |
| <b>Expertise in Specific Functional Areas</b>   | Operations, Mining and Minerals                         | Budget; Funds Management; Project Finance; Accounts.   | Coke Ovens; Operations; Collieries.                                    |
| <b>Qualifications</b>   | B.Tech.(Mining Engineering)                             | B.Com; CMA; MBA (Finance)  | BSc. Engineering (Metallurgy)  |
| <b>List of Companies in which Outside Directorship is held.</b>                                   | NIL   | International Coal Ventures Pvt. Ltd.  | Bokaro Power Supply Company Pvt. Ltd.                                  |
| <b>Chairman/Member of the Committees of the Board of the Companies on which he is a Director.</b> | Member:<br>Strategic Issues & Joint Ventures Committee. | Member:<br>CSR Committee; Strategic Issues & Joint Ventures Committee; Projects Committee; Stakeholders Relationship Committee; Share Transfer Committee; Operational Issues Committee; Risk Management Committee: | Member:<br>Projects Committee; Health, Safety & Environment Committee. |
| <b>Relationship between Directors Inter se</b>  | NIL   | NIL  | NIL  |
| <b>Listed Entities from which Resigned in past Three Years</b>                                    | NIL   | NIL  | NIL  |
| <b>No. of Shares held in SAIL</b>   | NIL   | NIL  | 200  |



**FORMAT FOR FURNISHING THE BANK DETAILS, PAN, EMAIL ID, ETC.**

To,  
MCS Share Transfer Agents Limited  
**Unit : Steel Authority of India Limited**  
F-65, Okhla Industrial Area, phase-I,  
**New Delhi – 110020**

Dear Sir,

I/We, give my/our consent to update the following details in your records to effect payments of dividend or sending other communications by electronic means in compliance with the circular(s) issued by SEBI for equity shares of Steel Authority of India Limited.

FOLIO NO.: .....

NAME OF THE FIRST/SOLE HOLDER : .....

BANK'S NAME : .....

BRANCH'S NAME & ADDRESS : .....

.....

ACCOUNT NO. : .....

ACCOUNT TYPE (SB/CURRENT) : .....

IFSC CODE : .....

MICR CODE : .....

EMAIL ID : .....

PHONE NO. : .....

| PARTICULARS                       | NAME OF SHAREHOLDER(S) | PAN |
|-----------------------------------|------------------------|-----|
| FIRST / SOLE SHAREHOLDER          |                        |     |
| 1 <sup>ST</sup> JOINT SHAREHOLDER |                        |     |
| 2 <sup>ND</sup> JOINT SHAREHOLDER |                        |     |

\_\_\_\_\_  
Signature of 1<sup>st</sup> Shareholder

\_\_\_\_\_  
Signature of 1<sup>st</sup> Joint Shareholder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> Joint Shareholder

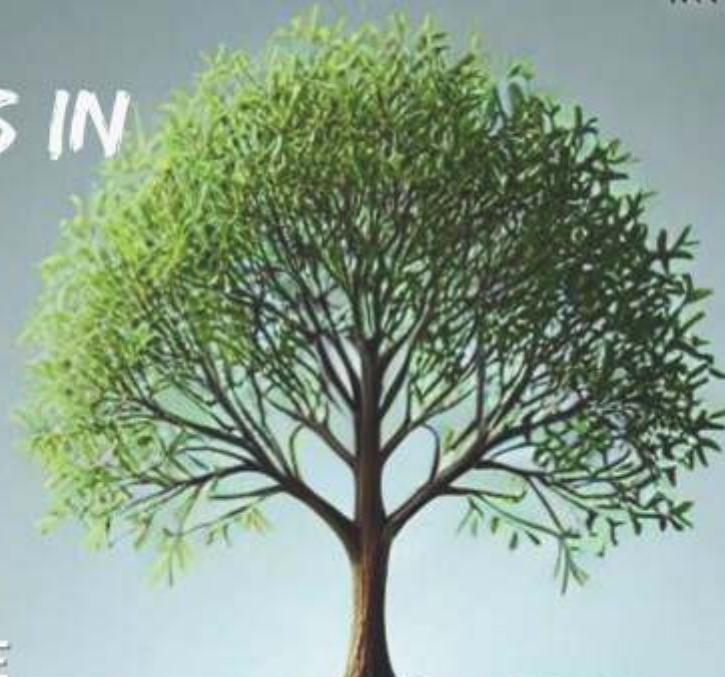
Date : \_\_\_\_\_

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).**

**SAIL**  
**THE STEEL**  
**THAT**  
**BELIEVES IN**  
**GREEN**

OUR GREEN  
INITIATIVES  
ARE  
PLANTING  
THE SEEDS  
FOR A  
SUSTAINABLE  
TOMORROW



# STEEL AUTHORITY OF INDIA LIMITED

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| <br>Government of India Undertaking          | <br>Maharatna CPSE            | <br>5 Integrated Steel Plants       | <br>3 Special Steels Plants | <br>Captive Mines                | <br>Over 50 Products<br>Over 500 Grades<br>Over 5000 Dimensions |
| <br>Regional Offices<br>Branch Sales Offices | <br>Multi location Warehouses | <br>Pan India Retail Dealer Network | <br>Pan India Distributors  | <br>International Trade Division | <br>Research & Development                                      |

## A FEW OF OUR MANY PRODUCTS

|  |   |  |   |  |   |
|--|---|--|---|--|---|
| <br>Plates        | <br>Parallel Flange Beams  | <br>Angles                | <br>Channels         | <br>Wire Rods                            | <br>TMT Bars |
| <br>Rail Products | <br>HR / CR Coils & Sheets | <br>GP/ GC Coils & Sheets | <br>Electrical Steel | <br>Stainless Steel & Other Alloy Steels | <br>Pipes    |

## A FEW OF THE MANY KEY SECTORS WE CATER TO

|  |   |   |   |   |
|--|---|---|---|---|
| <br>Construction      | <br>Rail                 | <br>Automobile   | <br>White Goods  | <br>Drum & Barrel  |
| <br>Defence           | <br>Agriculture          | <br>Wire Drawing | <br>Oil & energy | <br>Pre-Fabricated |
| <br>Heavy Engineering | <br>Electrical Equipment | <br>Fabrication  | <br>Space        |   |



Just ask "Sarthi"

SAIL's AI powered chatbot is ready to assist you with all your steel needs. Start chatting today at [www.sail.co.in](http://www.sail.co.in)



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED  
[www.sail.co.in](http://www.sail.co.in)

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



[www.facebook.com/SAILsteelofficial](https://www.facebook.com/SAILsteelofficial)



[www.twitter.com/SAILSteel](https://www.twitter.com/SAILSteel)



[www.instagram.com/steelaauthority](https://www.instagram.com/steelaauthority)



[www.sail.co.in](http://www.sail.co.in)