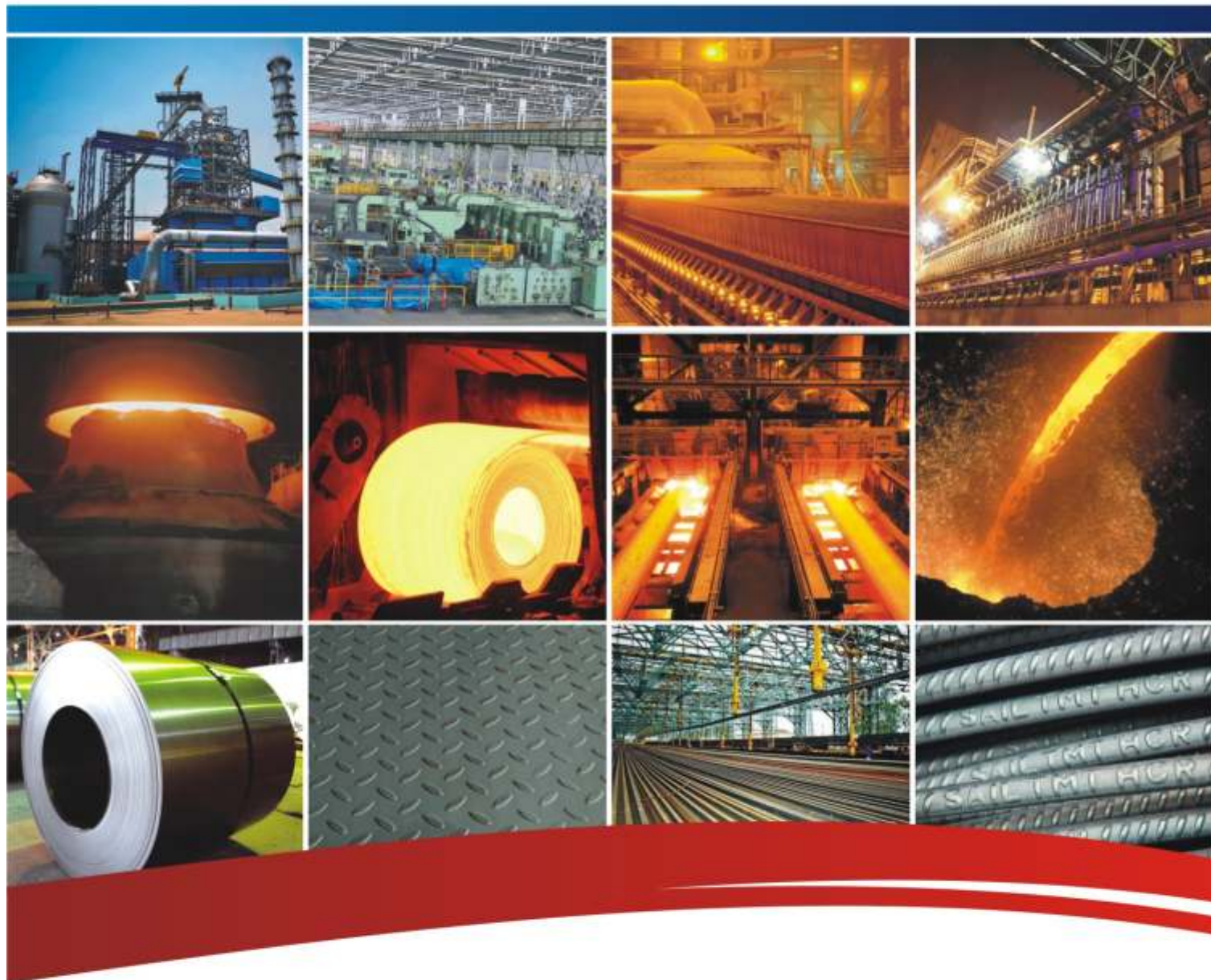


2014-15

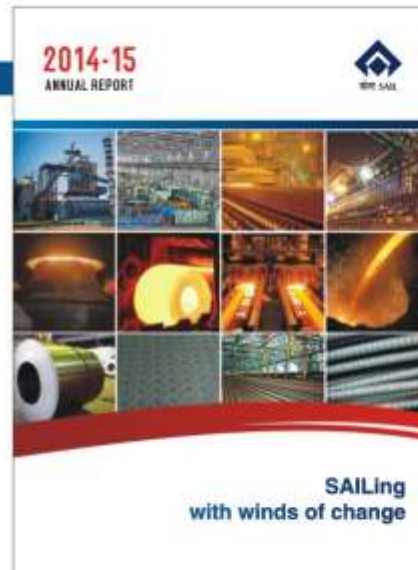
ANNUAL REPORT



**SAILing
with winds of change**

Vision

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



Credo

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

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LETTER TO SHAREHOLDERS



Dear Shareholders,

It is my privilege to share with you the significant achievements of your Company in the year 2014-15. In this year, your Company has achieved the distinction of commencing production from the largest operating Blast Furnace in the Country, “Kalyani” at IISCO Steel Plant, Burnpur in December, 2014. It was a momentous occasion and a matter of great pride for the Company when Hon’ble Prime Minister of India, Shri Narendra Modi dedicated to the Nation, SAIL’s modernised and expanded IISCO Steel Plant on 10th May, 2015. The Government of India has been giving impetus to the infrastructure development in the Country and removing the bottlenecks affecting the infrastructure sector in particular, with a view to revive the economic growth in the Country. With this continuing thrust for infrastructure development and manufacturing growth, where steel industry plays a pivotal role, the Hon’ble Prime Minister of India, Shri Narendra Modi had earlier dedicated to the Nation, the modernised and expanded Rourkela Steel Plant on 1st April, 2015.

Your Company’s contribution to the development and growth of the Country is accentuated from the implementation of its ongoing Modernisation & Expansion Programme (MEP), with about 5.5 million tonnes per annum of Hot Metal capacity having been added so far. The Hot Metal capacity of the Company will further increase and is expected to reach a level of 23.5 million tonnes per annum by the end of the Financial Year 2015-16. During implementation of the ongoing Modernisation and Expansion Programme, the Company faced a number of challenges. Despite the challenges, the Company completed modernisation and expansion of IISCO Steel Plant, Rourkela Steel Plant and Salem Steel Plant. Further, a number of facilities at other Plants like the new 1.2 MTPA Cold Rolling Mill at Bokaro Steel Plant; Coke Oven Battery No.2, Ladle Furnace, Lime & Dolomite Plant, Bloom-cum-Round Caster at Durgapur Steel Plant; and 2nd Sinter Machine in Sinter Plant No.3 and Coke Oven Battery No. 11 at Bhilai Steel Plant have also become operational during the Financial Year 2014-15.

Besides the on-going MEP, your Company has taken steps to further enhance its competitiveness by initiating the work on the projects for installation of a state of the art 3.0 Mtpa Hot Strip Mill at Rourkela Steel Plant and modernisation of Bokaro Steel Plant’s Steel Melting Shop No.1 through installation of modern Basic Oxygen Furnace and Continuous Slab Caster for phasing out the energy intensive Ingot Casting- Slabbing Mill route. The Company incurred a capital expenditure of about Rs.6,840 crore during the Financial Year 2014-15 and plans a further capital expenditure of Rs.7,500 crore during the Financial Year 2015-16.

Maintaining its contribution to the economic development of the Country and to meet the future challenges, your Company is

working on a long term strategic plan “Vision 2025”. This shall steer the Company towards a target of 50 million tonnes of Hot Metal capacity, which shall put SAIL amongst the top steel companies globally, besides contributing to the ‘Vision 300 million tonnes per annum steel capacity’ of Government of India.

Your Company is proud to be a part of ‘Make in India’ initiative of the Government of India and the Country’s first indigenously built warship named INS Kamorta, an anti submarine warfare corvette, was built with special grade high-tensile steel produced by Bhilai Steel Plant. The ship was handed over to the Indian Navy by Garden Reach Shipbuilders & Engineers Limited in July, 2014.

I am glad to inform that during the Financial Year 2014-15, your Company achieved a turnover of Rs.50,627 crore and profit after tax of Rs.2,093 crore. The Company contributed about Rs.11,110 crore to the National Exchequer by way of payment of dividend, taxes and duties to various Government Agencies.

On the operational front, the Company recorded its highest ever Hot Metal production of 15.413 Million Tonnes (MT) in the Financial Year 2014-15, registering a growth of about 6.9% over 2013-14. Production of 13.909 MT of Crude Steel showed an improvement of about 2.5% over the previous year. In spite of the challenging and competitive domestic market, increase in imports particularly from China due to its large surplus capacity and slowing domestic consumption, cheap sourcing of steel from countries with whom India has Free Trade Agreements (FTA) viz. Japan, Korea and ASEAN, your Company achieved total sales volume of 11.8 million tonnes.

With regard to the raw materials security of your Company, the existing requirement of iron ore is being met from the captive mines in full. The capacities of existing iron ore mines are being expanded and new iron ore mines are being developed for ensuring regular supplies of iron ore post ongoing Modernisation and Expansion Programme. In view of promulgation of MMDR Amendment Act, 2015 and the Order of the Ministry of Mines, Government of India, the State Government of Jharkhand has extended the lease renewal period of SAIL’s seven iron ore leases and four flux leases till 31.3.2020. Subsequently, Government of Odisha has also extended the lease renewal period of ML-162 lease of Barsua mines to 31.3.2020.

In respect of coal, Sitanala Coking Coal Block has been allotted to SAIL by the Government of India under notified Coal Blocks for allotment to Government Companies and the Agreement in this regard with the Nominated Authority was signed on 30th March, 2015. Further, for allotment of new coking coal and thermal coal blocks, efforts are being made for obtaining allotment of coal blocks under Government dispensation route. With a view to secure long

term security for supply of coking coal, a critical raw material for steel making, in a landmark acquisition of large coal mine and coal assets overseas by an Indian company, International Coal Ventures Pvt. Ltd. (ICVL), the joint venture of SAIL, Coal India Limited, Rashtriya Ispat Nigam Limited (RINL), NMDC Limited & NTPC Limited took over an operating coal mine and coal assets of Rio Tinto Limited in Moatize Coal Basin in Tete Province of Mozambique, having a total coal resource of 2.6 billion tonnes. The operating coal mine at Benga produces prime hard coking coal / thermal coal, and has a state-of-the-art wash plant and surface infrastructure with a potential to expand the raw coal production from the current 5 million tonnes per annum (Mtpa) to 12 Mtpa. The shipments from the mine are being received on continuous basis, establishing a long term and reliable source of supply of coking coal for SAIL, RINL & NMDC.

Your Company is always on look out for growth opportunities and diversifying its product basket. In this endeavour, the Company signed a Memorandum of Understanding (MoU) in May, 2015 with ArcelorMittal, the world's leading steel and mining company, to set up an automotive steel manufacturing facility under joint venture arrangement in India. The proposed Joint Venture envisages installation of a state-of-the-art cold rolling mill and other downstream finishing facilities in India that will offer technologically advanced steel products to India's rapidly growing automotive sector.

Your Company has always been in the forefront in preservation of environment and sustainable development. In this direction, SAIL Plants have taken various initiatives to reduce environmental footprint and enhance operational efficiency by improving operational discipline and minimising emissions. This in conjunction with state of the art facilities installed under the current Modernisation & Expansion Program has led to significant improvement in environmental parameters, enabling us to produce steel in a greener and more environmental friendly manner than before. Realizing the significance of plantation in overall environment, about 2.64 lakhs saplings were planted in and around SAIL Plants and Mines during the year 2014-15.

With continuing focus on cordial employee relations and employee welfare, your Company has achieved the Labour Productivity (LP) of 302 TCS/Man/Year in 2014-15. The manpower strength of SAIL as on 31st March, 2015 was 93,352 numbers with manpower rationalization of 4,545 numbers achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of enhanced production, judicious recruitments, building competencies and infusing a sense of commitment and passion among employees to go beyond and excel. With a view to prepare employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities, a total of 45,124 employees were trained during the year on various contemporary technical and managerial modules. Further, the Company has signed a MoU with National Skill Development Corporation to collaborate and support skill development initiatives in the vicinity of SAIL Plants for meeting

the requirement of skilled manpower and developing industrial eco-system of the respective areas.

Your Company continues to get laurels and appreciation in various fields, with Bhilai Steel Plant having been awarded the PM's Trophy for the Best Integrated Steel Plant for the year 2011-12 for a record 11th time (out of 21 times awarded). Further, efforts made by the Company in the area of cost management, with a view to sustain and succeed in the current competitive environment, have been recognised by the Institute of Cost Accountants of India and SAIL has been conferred with the First Prize under the category of Public Manufacturing: Organisation (Large) at the 12th National Awards for Excellence in Cost Management -2014.

Your Company remains committed to the social development of under privileged class in the vicinity of SAIL Plants, Units and Mines. In this regard, SAIL has adopted a balanced approach towards inclusive growth consistent with socio-economic environment. Inspired by clarion call of the Hon'ble Prime Minister for construction of toilets in schools under "Swachha Vidyalaya Campaign", a drive to promote sanitation and hygiene in remote areas, the Company has undertaken construction of toilets in schools without toilets/having dysfunctional toilets falling within the peripheral areas of SAIL Plants & Units and Mines which have been allocated to the Company by Ministry of HRD, Government of India. Envisaging the aptitude and faculties of the learned, enlightened citizens who can transform the society, SAIL owns and runs over 129 schools in its townships to provide holistic education to about 60,000 children and is providing assistance to another 629 schools having 95,000 students. As a responsible Corporate Citizen, the Company has supported the rehabilitation initiatives for the people affected by Natural Calamities like the floods in Jammu & Kashmir, Phailin cyclone in Odisha, Flash Floods in Uttarakhand, etc.

Dear Shareholders, with the Government's focus on manufacturing and industry coupled with spending on infrastructure (roads, rail, ports, etc.), we are optimistic that the demand for steel in India is going to increase in the years to come and with the ongoing Modernisation & Expansion Programme to be completed shortly, your Company is fully geared up to cater to the increased demand for steel in a cost effective manner. I would like to place on record my sincere thanks and appreciation to Board of Directors for their support and guidance. I would also like to express my sincere thanks to dedicated SAIL family and all the stakeholders for continuing their support and confidence in us.


(Rakesh Singh)

Secretary, Ministry of Steel,
Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi
Dated: 14th August, 2015

BOARD OF DIRECTORS (As on 14.08.2015)

Chairman and Managing Director – Addl. Charge
Shri Rakesh Singh
Secretary, Ministry of Steel,
Government of India

Functional Directors
Finance
Shri Anil Kumar Chaudhary

Technical
Shri S.S. Mohanty

Personnel
Shri Anil Kumar Chaudhary – Addl. Charge

Projects & Business Planning
Shri S. S. Mohanty – Addl. Charge

Raw Materials & Logistics
Shri Kalyan Maity

Commercial
Shri Binod Kumar

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

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

Independent Directors
Shri J.M. Mauskar
Dr. Atmanand

Chief Executive Officers (Permanent Invitees)

Rourkela Steel Plant
Shri G.S. Prasad

Durgapur Steel Plant
Shri P.K. Singh

Bokaro Steel Plant
Shri Anutosh Maitra

Bhilai Steel Plant
Shri S. Chandrasekaran

Company Secretary
Shri M.C. Jain

Bankers

Axis Bank Ltd.
Bank of India
Bank of Tokyo-Mitsubishi UFJ Ltd.
Baraclsays Bank PLC
Canara Bank
Corporation Bank
Deutsche Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
Jammu & Kashmir Bank Ltd.
Kotak Mahindra Bank Ltd.
Mizuho Bank Ltd.
Punjab & Sind Bank
Punjab National Bank
Royal Bank of Scotland
State Bank of Hyderabad
State Bank of India
Sumitomo Mitsui Banking Corporation
United Overseas Bank
Vijaya Bank
Yes Bank Limited

Statutory Auditors
M/s. O.P. Totla & Co.
Chartered Accountants

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

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

Cost Auditors
M/s. Sanjay Gupta & Associates
Cost Accountants

M/s. K.C. Kohli & Co.
Cost Accountants

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

Secretarial Auditor
M/s. Agarwal S. & Associates
Company Secretaries

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

BOARD OF DIRECTORS



Shri Rakesh Singh



Ms. Bharathi S. Sihag



Shri Sunil Barthwal



Shri A.K. Chaudhary



Shri S.S. Mohanty



Shri Kalyan Maity



Shri Binod Kumar



Shri J.M. Mauskar



Dr. Atmanand

TEN YEARS AT A GLANCE

FINANCIAL HIGHLIGHTS

(₹ crore)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Gross Sales	50627	51866	49350	50348	47041	43935	48738	45555	39189	32280
Net Sales	45208	46189	43961	45654	42719	40551	43204	39508	33923	27860
Earnings before depreciation, interest & tax(EBIDTA)	5586	5909	5621	7658	9030	11871	10946	12955	10966	7381
Depreciation	1773	1717	1403	1567	1486	1337	1288	1235	1211	1207
Interest & Finance charges	1454	968	748	678	475	402	259	251	332	468
Profit before exceptional items	2359	4184	3470	5413	7069	-	-	-	-	-
Exceptional items : Gain(+)/Loss(-)	0	959	-229	-262	125	-	-	-	-	-
Profit before tax (PBT)	2359	3225	3241	5151	7194	10132	9399	11469	9423	5706
Provision for tax/Income Tax Refund (-)	266	608	1070	1608	2289	3378	3228	3932	3221	1693
Profit after tax (PAT)	2093	2616	2170	3543	4905	6754	6170	7537	6202	4013
Dividends	826	834	826	826	991	1363	1074	1528	1280	826
Equity Capital	4131	4131	4131	4131	4130	4130	4130	4130	4130	4130
Reserves & Surplus	39734	38536	36894	35680	32939	29186	24018	18874	13054	8255
Net Worth	43505	42666	41025	39811	37069	33317	28148	23004	17184	12386
(Equity Capital and Reserves & Surplus)										
Total Loans	29898	25281	21597	16320	19375	16511	7563	3045	4181	4298
Net Fixed Assets	36169	26771	16777	17127	15059	13615	12305	11571	11598	12162
Capital Work-in-progress	29196	33651	35891	28205	22226	14953	6550	2390	1199	758
Current Assets (including short term deposits)	28482	26891	27616	28431	36544	39154	34676	26318	20379	17384
Current Liabilities & Provisions	16338	15212	13012	12225	12172	11073	12277	9439	6500	8108
Working Capital	12145	11679	14604	16206	24372	28081	22398	16879	13879	9276
(Current Assets less Current liabilities)										
Capital Employed	48314	38450	31381	32921	39431	41696	34704	28450	25476	21438
(Net Fixed Assets + Working Capital										
Market price per share (In Rs.)	68.4	71.4	62.4	94.1	170.0	252.6	96.5	184.8	113.0	83.2
(As at the end of the year)										
Key Financial Ratios										
EBDITA to average capital employed (%)	12.9	16.9	17.5	21.0	21.7	31.1	34.7	48.0	46.4	35.3
PBT to Net Sales (%)	5.2	7.0	7.4	11.3	16.8	25.0	21.8	29.0	27.8	20.5
PBT to average capital employed (%)	5.4	8.4	10.1	14.2	17.3	26.6	29.8	42.5	39.9	27.3
Return on average net worth (%)	4.9	6.1	5.4	9.2	13.9	22.0	24.1	37.5	42.0	35.8
Net worth per share of Rs. 10 (Rs.)	105.3	103.3	99.3	96.4	89.7	80.7	68.1	55.7	41.6	30.0
Earnings per share of Rs. 10(Rs.)	5.1	6.3	5.3	8.6	11.9	16.4	14.9	18.2	15.0	9.7
Price - earning ratio (times)	13.5	11.3	11.9	11.0	14.3	15.4	6.5	10.1	7.5	8.6
Dividend per share of Rs. 10 (Rs.)	2.0	2.0	2.0	2.0	2.4	3.3	2.6	3.7	3.1	2.0
Effective dividend rate (%)	2.9	2.8	3.2	2.1	1.4	1.3	2.7	2.0	2.7	2.4
Debt - Equity (times)	0.69	0.59	0.5	0.4	0.5	0.5	0.3	0.1	0.2	0.3
Current ratio (times)	1.74	1.80	2.1	2.3	3.0	3.5	2.8	2.8	3.1	2.1
Capital employed to turnover ratio (times)	1.0	1.3	1.6	1.5	1.2	1.1	1.4	1.6	1.5	1.5
Working capital turnover ratio (times)	4.2	4.4	3.4	3.1	1.9	1.6	2.2	2.7	2.8	3.5
Interest coverage ratio (times)	1.8	2.3	2.6	3.8	7.1	14.4	29.0	46.4	29.3	13.1
Dividend Payout Ratio (%)	39.4	31.9	38.1	23.3	20.2	20.2	17.4	20.3	20.6	20.6

PRODUCTION

Unit : '000T

Item	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06*
Hot Metal	15413	14447	14266	14116	14888	14505	14442	15199	14606	14603
Crude Steel	13908	13579	13417	13350	13761	13506	13411	13964	13506	13471
Pig Iron	634	223	214	106	261	323	267	441	509	578
Saleable Steel	12842	12880	12385	12400	12887	12632	12494	13044	12581	12051
- Semi Finished Steel	3007	2760	2422	2527	2394	2392	2206	2243	2278	2273
- Finished Steel	9835	10120	9962	9872	10493	10240	10288	10801	10303	9778

* Production of erstwhile IISCO (now ISP) has been included from 2005-06 onwards after its merger with SAIL

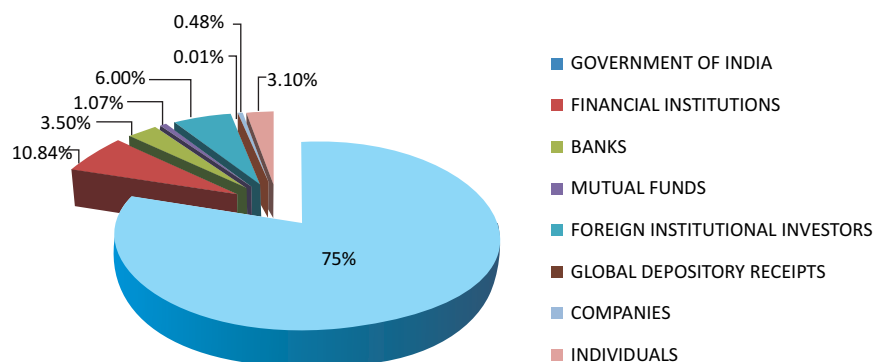
VALUE ADDED STATEMENT

(₹ crore)

For the year	2014-15	2013-14
Value of own production	52724	51825
Other Revenues	1486	1344
Less: Cost of Raw Materials	18523	19272
Stores and Spares	3305	3179
Power and Fuel	5423	4942
Excise Duty	5419	5677
Freight Outward	993	976
Other Operating Cost	5260	3634
Total Value Added	15287	15489
Establishment Cost	9736	9579
Financing Cost	1454	968
Dividend Provision	826	834
Corporate Income Tax	266	608
Dividend Tax	165	142
Income Retained in Business		
Depreciation	2003	1717
Retained in Business	837	1641
Total Value Applied	15287	15489

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

CATEGORY	No. of Holders	No. of Equity Shares	Amount (₹ /Crore)	% of Equity
GOVERNMENT OF INDIA	1	3097767449	3097.77	75.00
FINANCIAL INSTITUTIONS	12	447800102	447.80	10.84
BANKS	71	144482337	144.48	3.50
MUTUAL FUNDS	33	44328186	44.33	1.07
FOREIGN INSTITUTIONAL INVESTORS	134	247695883	247.69	6.00
GLOBAL DEPOSITORY RECEIPTS	2	433135	0.43	0.01
COMPANIES (including Trusts & Clearing Members)	2734	19839055	19.84	0.48
INDIVIDUALS (including NRI & Employees)	378972	128179142	128.18	3.10
TOTAL	381959	4130525289	4130.52	100.00



DIRECTORS' REPORT

To,

The Members,

The Directors have the pleasure of presenting the 43rd Annual Report of the Company together with Audited Accounts for the Financial Year ended 31st March, 2015.

A. FINANCIAL REVIEW

Your Company achieved a turnover of ₹50,627 crore during 2014-15, which is lower by 2% over previous year, mainly on account of lower sales volume. The steel prices which were at a high in the beginning of Financial Year 2014-15, started falling gradually every month from September 2014 onwards. Towards the end of the Financial Year 2014-15, the steel prices reached at the lowest for the Financial Year. The Profit After Tax of your Company for the Financial Year was ₹2,093 crore as compared to ₹2,616 crore in the previous Financial Year, which included the one time receipt of ₹1,056 crore from M/s. Vale Australia Pty Ltd.

The net profit of your Company for the year 2014-15 has been negatively impacted on account of stagnant saleable steel production and lower sales volume of saleable steel, higher salaries & wages, higher stores & spares expenditure, higher repairs & maintenance expenditure, increase in royalty on iron ore, increase in purchased power rate, higher usage of imported coal in the blend due to lower availability of indigenous coal, higher interest charges, higher depreciation due to capitalization of new facilities and reduction in interest earning on term deposits. The Management

has taken various cost reduction measures like reduction in usage of external BF Coke, lower coke rate & energy consumption, higher CDI usage, etc. to offset the impact of adverse factors.

Your Company continued its thrust on optimum utilisation of funds by better fund management. This included replacement of high cost short term loans with low cost debts, timely repayment of loans including interest, strategic parking of surplus funds with scheduled banks, actions for future fund raising etc. to meet the growth objectives. Further, the Company hedged the foreign currency risk on Buyer's Credit and repayment of External Commercial Borrowings depending on market conditions. The Company had liquid assets of ₹2,000 crore as on 31st March, 2015 invested in short term deposits with scheduled banks against borrowings of ₹29,898 crore as on 31st March 2015. The debt equity ratio of the company increased to 0.69:1 as on 31st March 2015 from 0.59:1 as on 31st March 2014 mainly on account of increase in borrowings during the year. The net worth of company improved from ₹42,666 crore as on 31st March 2014 to ₹43,505 crore as on 31st March 2015 and this helped in generation of internal resources for funding expansion plans of SAIL. During the Financial Year 2014-15, the capital expenditure incurred was ₹6,840 crore.

The Company paid interim dividend @ 17.5% of the paid-up equity share capital during the year. The Board of Directors has further recommended a final dividend @ 2.5% subject to approval of shareholders, thus making the total dividend @ 20% of the paid up equity share capital for the Financial Year 2014-15.



Hon'ble Prime Minister Shri Narendra Modi dedicating SAIL's modernised Rourkela Steel Plant to the nation in the presence of Dr. S.C Jamir, Governor Odisha, Shri Naveen Patnaik, Chief Minister, Odisha, Shri Narendra Singh Tomar, Minister of Steel & Mines, Shri Jual Oram, Minister of Tribal Affairs, Shri Dharmendra Pradhan, Minister of State (IC) for Petroleum and Natural Gas, Shri Vishnu Deo Sai, Minister of State for Steel & Mines, Shri Rakesh Singh, Secretary, Ministry of Steel and the then Chairman, Shri C.S. Verma.



MoU signed between SAIL and Ministry of Steel in presence of Secretary (Steel) Shri Rakesh Singh and the then Chairman Shri C.S. Verma and other Directors of SAIL

Credit Rating:

M/s India Ratings & Research Pvt. Ltd. and M/s CARE, RBI approved credit rating agencies, maintained 'AAA' ratings indicating the highest safety, for SAIL's long term-borrowing programme. The international borrowings programme of the Company has been rated at 'BBB-' by M/s. FITCH Ratings.

B. OPERATIONS REVIEW

Production Review

Financial Year 2014-15 witnessed several landmark achievements in the ongoing Modernisation and Expansion Plan of the Company. Your Company achieved its highest ever Hot Metal production of 15.4 Million Tonne (MT) surpassing its previous best of 15.2 MT achieved in 2007-08. This was a result of series of ongoing projects getting either commissioned or stabilized during the year towards achievement of their envisaged capacity. Each and every Integrated Steel Plant of SAIL has achieved a breakthrough in operationalizing new units as stated below:

- Bhilai Steel Plant has stabilised performance of the new Sinter Machine in SP-3 and new Coke Oven Battery-11 and has started trials in the new Rail Welding Plant which is a part of Universal Rail Mill.
- At Durgapur Steel Plant, the new Bloom cum Round Caster has started trial production from Feb 2015 and is expected to stabilize soon.
- At Rourkela Steel Plant, new Converter-C was commissioned and has been stabilized with maximum of 21 heats. Similarly, the new Caster has also been ramped up achieving a production level of 28 casts in a single day on 19/09/2014.
- At Bokaro Steel Plant, new CRM-III has begun trials and will ramp up production after commissioning of auxiliaries.

- At IISCO Steel Plant, Burnpur, new BF-5, new SMS (currently operating with 2 Converters and 2 Casters) and new Bar Mill have been commissioned and operation of Wire Rod Mill has been stabilised.

Your Company achieved an all time best performance in case of Continuously-Cast (CC) Steel and Sinter production, with a production of 10.3 MT & 20.7 MT and a growth of 6% & 11% over last year respectively. The Company also registered an improvement in its Crude Steel production volume, registering a growth of 2% over last year.

Your Company's various initiatives to reduce environmental footprint and enhance operational efficiency have led to a significant improvement in environmental parameters as well as in Techno-economic efficiency. This has enabled the Company to produce steel in a greener and more environmental friendly manner than ever before. SAIL Plants recorded the best ever Sp. Energy Consumption of 6.52 Gcal/Tonne of Crude Steel (tcs), an improvement of 1% over 2013-14. This was achieved, as a result of higher volume of crude steel being produced through energy efficient CC route (up by 6% over 2013-14). In addition, SAIL achieved the lowest ever Particulate Matter (PM) Emission Load (0.83 kg/tcs), Specific Water Consumption (3.66 m³/tcs) and Specific Effluent discharge (2.16 m³/Tonne of Saleable Steel (tss)). SAIL Plants have also reduced their CO₂ Emission levels to 2.65 T/tcs which is their lowest ever emission, showing significant improvement over earlier years.

Your Company is proud to be a part of India's 'Make in India' initiative, wherein the Country's first indigenously built warship named INS Kamorta, an anti-submarine warfare corvette, was built with special grade high-tensile (DMR249A) steel produced by Bhilai Steel Plant. The ship was handed over to the Indian Navy by Garden Reach Shipbuilders & Engineers Limited in the month of July'14.

Maintaining this fervor for continuous improvement, your Company has developed several new products during the year, further enhancing its extensive product portfolio. To satisfy the requirements for manufacturing of bullet proof vehicles for Indian Army, three heats of Armor quality steel were made at Alloy Steels Plant and 8 slabs were processed through Hot Strip Mill and Special Plates Plant at RSP to be dispatched to Vehicle Factory, Jabalpur. The hardness achieved was 490-520 BHN and it satisfied the specification of CQA M (47) or equivalent for protection from AK-47 from a distance of 10 meters.

With the recent amendment of IS 1786 in 2012, two new grades of seismic resistant rebars, namely Fe-415S and Fe-500S with a minimum UTS/YS ratio of 1.25 were added. To keep pace with this development, SAIL took up the challenge to be the first producer in India for development of IS 1786 S grade in line with international specifications like ISO 6935-2, ASTM A706, etc. Accordingly, process technology for production of Fe-415S and Fe 500S grades were established.

In addition, Research & Development Centre for Iron & Steel (RDCIS) and Plants have developed a new standard IS 15962: 2012 on 'Structural Steels for Buildings and Structures with improved Seismic Resistance' in line with ISO 24314 and JIS G 3136. No Indian specification existed earlier for seismic resistant steel structures and plates. With these aforementioned initiatives, SAIL is planning to launch seismic grade plates, structurals and TMT rebars in 2015-16 which will make SAIL the "First Producer" of these grades in India.

Several initiatives have been undertaken for implementation of the ambitious R&D Master Plan of SAIL, initiated under three broad categories namely, Centre of Excellence Projects (CoE), High Impact Projects (HIP) and Technology Missions (TM) Projects.

Some of the assignments in these projects involving in-house process innovation / modifications / trials have been completed. Other assignments are in various stages of implementation. The implementation of R&D Master Plan and increased thrust on R&D activities across SAIL Plants/ Units has led to a significant increase in R&D expenditure from ₹100 crores in 2013-14 to ₹ 264 crores in 2014-15 and the R&D expenditure as percentage of turnover (net of excise) has increased from 0.24 in 2013-14 to 0.58 in 2014-15.

Under CoE Projects, the average campaign life of steel ladle in SMS-2, BSL has increased from 80 to 101 heats, also achieving a maximum life of 123 heats. In addition, an RFID based ladle tracking system is being implemented in SMS-2, BSL and improved quality fused Alumina based Alumina-Magnesia-Carbon bricks have been developed for bottom impact pad of steel ladle giving an average life of 50 heats with a possibility of maximum of 62 heats. RDCIS has also undertaken a new CoE project for development of high strength nano steels for which a MoU with Indian Institute of Science, Bangalore has been signed.

Under High Impact Projects, lab experiments for slime beneficiation at Barsua Mines have been completed and order placement on turnkey basis is in progress. For use of air cooled BF slag for road making, laboratory investigations with different compositions using slag, local soil and moorum from BSP were carried out at Central Road Research Institute. Based on encouraging results, pilot construction of rigid pavement has been initiated at RDCIS as a separate project.

Adoption of technologies for thin strip casting and CRGO steel production has been envisaged under TM-1 & TM-2 Projects. Discussions regarding modalities of technology transfer by the technology vendors are under advanced stages. Working and licensing agreement with the vendors are being worked out.



New Plate Mill of SAIL's Rourkela Steel Plant



Our committed employees at Rolling Mill of SAIL's Bokaro Steel Plant

Under TM-2, one heat of CRGO steel was made at RSP as per the process prepared jointly by RDCIS and RSP. Rolling of two slabs was taken up in HSM. Detailed metallurgical characterization of Hot Rolled (HR) Coils was taken up at RDCIS. Samples of HR coils were annealed and their characterization is in progress at RDCIS. A MOU has been signed between RDCIS and Mishra Dhatu Nigam Limited (MIDHANI) for development of CRGO steel at MIDHANI.

Under TM-3 Project on Carbon sequestration through afforestation, M/s Tropical Forest Research Institute (TFRI), Jabalpur, M.P. have been appointed to act as Carbon Sequestration Service Provider. TFRI has carried out base period measurement of 200 samples of soil for organic carbon content. Plantation of 12 different species of trees in 10 acres for pilot study on carbon sequestration has been completed and monitoring of growth of the plants is under progress.

Power

Average power requirement of SAIL Plants during the year was 1140 MW. This had increased by 60 MW from the previous year due to commissioning of expansion facilities at RSP and ISP. Captive Power Plants supplied about 61% of the total power requirement and balance 39% was purchased from outside, mainly grid utilities. With an aim to reduce cost, about 42 Million Units of cheaper power available in the power exchange were purchased which contributed to substantial cost savings. This practice of purchasing cheaper power from power exchange will be continued and increasing the quantity of such power will be targeted.

The practice of gainful utilization of surplus captive power available at one Plant by wheeling to another Plant was continued during the year. DSP and RSP received wheeled power from Bhilai for the first time, whereas wheeling to VISL was also continued. About 134 Million Units of power were wheeled from Bhilai to other Plants to replace costlier grid power and thereby resulting in substantial cost savings.

The Company is in the process of upgrading Transmission & Distribution (T&D) facilities inside its Plants to facilitate handling of higher quantum of power requirement after ongoing expansion and improve the reliability of power supply. While power system at RSP, ISP, DSP, SSP and BSP have already been upgraded to higher voltages (220/230 KV), such up-gradation to 220 KV is nearing completion at BSL and CFP. Besides improving reliability of power supply, such arrangement will also help in reducing power cost as power tariff for some utilities is lower at high voltages.

The Company is also in the process of augmenting its captive power generation capacity by installing new Captive Power Plants as part of its ongoing expansion and also through joint venture company with NTPC namely NTPC SAIL Power Company Private Limited (NSPCL). While, new power generation facilities of 146 MW capacities have already been added during the year, another 70 MW is expected during next year. Besides this, proposal for installation of 370 MW capacity through NSPCL is in advanced stage.

As part of its commitment towards encouraging usage of renewable sources, the Company has initiated proposals for installation of 200

MW capacity Renewable energy projects during the period 2015-19. Out of this, proposal for installation of 15 MW capacity small hydel plant at Mandira Dam, Rourkela is in advanced stage and Installation of 1 MW capacity grid interactive Solar PV plant at RSP is under progress.

Raw Materials

During the Financial Year 2014-15, total requirement of iron ore was met from captive sources. The Company's captive iron ore mines produced about 23.18 million tonnes (MT). However, in case of coking coal, around 14% requirement was met from indigenous sources (Coal India Limited & captive sources) and balance through imports (12.87 MT). During 2014-15, production from captive collieries of the Company was about 0.65 million tonnes, out of which 0.44 million tonnes was raw coking coal and balance 0.21 million tonnes of non coking coal. In case of fluxes, around 1.11 million tonnes of Limestone and 0.97 million tonnes of Dolomite were produced, totaling to 2.08 million tonnes of fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited (CIL) except small quantity produced from captive mines.

During 2014-15, at a time when consequent to a decision of the Apex Court of the Country, mining activities came to a grinding halt across the Country affecting some of the mines of the Company also, SAIL could manage its steel production level without disruption by ramping up production from its operating mines at a short notice. Most of the steel makers who have got access to captive sources had to still import iron ore. This is a sign of our intrinsic strength in regulation of operations as per the statute as well as in meeting crisis/challenges.

In order to expedite capacity expansion projects of mines, following environment and forest clearance have been obtained during 2014-15:

- Stage-II Forestry Clearance for diversion of 274.6916 Ha of forest land in Duargaiburu Lease-I of Gua mines.
- Environment Clearance for capacity expansion of Kiriburu-Meghahatuburu mines to 16 MTPA ROM capacity.
- Stage-II Forestry Clearance for diversion of 644.26 Ha of forest land in Lease-I of Kiriburu-Meghahatuburu mines.
- Stage-II Forestry Clearance for balance area of 262.95 Ha and for safety Zone area of 5.1 Sq. Mile lease of Bolani Iron Ore Mine.
- Stage-I Forestry Clearance with working permission for diversion of 77.94 Ha of forest land in ML-162 lease of Barsua mines.
- Environment Clearance for capacity expansion of Mahamaya-Dulki iron ore mine to 1.46 MTPA capacity.

With execution of lease deeds for Barsua and Bolani mines, lease period of ML-130 lease of Barsua-Kalta mine and 5.1 Sq Mile lease of Bolani mine has now been renewed till January, 2030 and April, 2030 respectively.

In view of promulgation of MMDR Ordinance, 2015 and subsequent Order of the Ministry of Mines, Government of India dated 6th February, 2015 regarding extension of lease period for Government Companies till 31st March, 2020, Jharkhand State Government vide Order dated 18th March, 2015 has extended the



Proud SAIL Men at Coal Handling Plant of IISCO Steel Plant, SAIL



A group of employees of SAIL's Durgapur Steel Plant, which has indigenously manufactured steel ladle

lease renewal period of SAIL's seven Iron Ore leases and four Flux leases till 31st March, 2020. Subsequently, vide Order dated 26th March, 2015, Government of Odisha has also extended the lease renewal period of ML-162 lease of Barsua mines to 31st March, 2020.

Ministry of Mines, vide Notification dated 16th February, 2015 has notified SAIL along with 4 other PSUs for the purposes of carrying out exploration under second proviso to sub-section (1) of Section 4 of MMDR Act.

Under notified Coal Blocks for allotment to Government Companies, Sitanala Coking Coal Block was allotted to SAIL and the Agreement in this regard with the Nominated Authority was signed on 30th March, 2015.

For allotment of new coking coal and thermal coal blocks efforts are being made for obtaining allotment of coal blocks under Government dispensation route.

Sales & Marketing

In spite of the challenging market conditions, your Company achieved a total sales volume of 11.8 million tonnes during the Financial Year 2014-15. With regard to Dealer Sales, the best ever sales of 0.63 million tonnes was achieved during the Financial Year 2014-15, thereby, registering a growth of 2% over previous best of 0.62 million tonnes in Financial Year 2013-14. Similarly, in case of Alloy & Stainless Steel, the best ever sales of 0.25 million tonnes was achieved in 2014-15 which recorded a growth of 18% over previous year.

Your Company had an export booking of 0.591 million tonnes, which was a significant growth over the previous year. Exports to neighbouring markets, however, increased at a faster pace of 15% over the previous year. The Company exported Plates to Brazil for

the 1st time and a prestigious export order of Stainless Steel Cold Rolled Coils for French Mint was executed successfully.

During the Financial Year 2014-15, 532 new SAIL Dealers were appointed. With this, total number of SAIL dealers stood at 2711 as on 1st April, 2015.

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 2014-15 and 2013-14 is given below:

(₹ Crore)

Particulars	2014-15	2013-14
Total Amount of Procurement	3372.98	3862.69
Total Procurement from MSE	737.60	789.64
%age Procurement from MSE	21.87	20.44

C. GROWTH PLAN AND MODERNISATION & EXPANSION PROGRAMME

Growth Plan

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

Modernisation & Expansion Programme

Your Company is in the last leg of implementation of the ongoing Modernisation & Expansion Programme (MEP). SAIL has added about 5.5 million tonnes per annum of Hot Metal capacity by 2014-15 and will achieve the envisaged Hot Metal capacity of 23.5 million tonnes per annum in the Financial Year 2015-16.

During the Financial Year 2014-15, the Company has achieved many milestones in the ongoing MEP. At Rourkela Steel Plant, all new facilities under the integrated process route of BF-BOF-Caster-Plate Mill have been made operational and Hon'ble Prime Minister of India dedicated Modernized & Expanded Rourkela Steel Plant to the Nation on 1st April, 2015. At IISCO Steel Plant, Burnpur, with the completion of India's largest Blast Furnace, all facilities under the integrated process route have become operational. On 10th May, 2015, Hon'ble Prime Minister of India dedicated to the Nation, the Modernized and Expanded IISCO Steel Plant. At Bokaro Steel Plant, the major facility i.e. the new 1.2 MTPA Cold Rolling Mill has become operational. At Durgapur Steel Plant, all major facilities like Coke Oven Battery No. 2, Ladle Furnace, Lime & Dolomite Plant and Bloom cum Round Caster become operational. At Bhilai Steel Plant, facilities like 2nd Sinter Machine in SP-3 and Coke Oven Battery -11 have become operational.

A capital expenditure of ₹6,840 crore has been incurred during Financial Year 2014-15 and capex planned for 2015-16 is ₹7,500 crore.

Besides the Modernisation & Expansion Programme, the Company regularly undertakes various Addition, Modification & Replacement (AMR) Schemes at its Plants, the details of which are given in the Management Discussion & Analysis (MD&A) Report.

D. HUMAN RESOURCE MANAGEMENT REVIEW

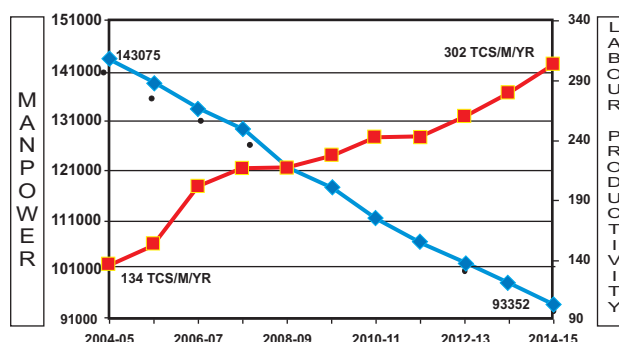
Your Company recognizes contribution of its Human Resources (HR) in providing it the competitive advantage. The Company has achieved its present level of excellence through investment in its human resource, whose skill and knowledge constitute the basis of every initiative – be it technology or innovation.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

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

Enhanced Productivity with Rationalized Manpower

Your Company achieved the Labour Productivity (LP) of 302 TCS/Man/Year in 2014-15. The manpower strength of the Company was 93,352 nos. (as on 31.03.2015) with manpower rationalization of 4,545 nos. achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitments, building

competencies and infusing a sense of commitment and passion among employees to go beyond and excel. Trend of enhanced productivity and manpower rationalization since 2004-05 onwards is depicted below:



Developing Employee Capabilities & Competencies

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

Preparing employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities was given a major thrust. Overall, 45,124 employees were trained against target of 40,003 employees during the year on various contemporary technical and managerial modules.

Harmonious Employee Relations

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

Bipartite forums like National Joint Committee for Steel Industry (NJCS), Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI), etc. with representation from major central trade unions as well as representative unions of Plants/ Units meet on a periodic basis and jointly evolve recommendations/ action plans for ensuring a safe & harmonious work culture which gets substantiated from the harmonious Industrial Relations enjoyed over the years by SAIL Plants/ Units, marked with diverse work culture at multiple locations. The 9th NJCS agreement was finalised



Felicitation of SAIL's proud recipients of Vishwakarma Awards-2014

and signed on 1st July, 2014 which resulted in pay revision of non executive employees w.e.f. 1st January, 2012.

In addition, Quality Circles, Suggestion schemes, Shop Improvement workshops also offer multiple avenues for enhanced workers' participation. Workers are also kept abreast of strategic business decisions and their views are sought thereon through structured /interactive workshops.

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

Grievance Redressal Mechanism

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

SAIL Plants/ Units are maintaining 3 stage grievance handling system and employees are given an opportunity at every stage to raise grievances relating to wage irregularities, working conditions, work assignments, 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 the Management.

Against 14 staff grievances pending at the start of the year (i.e. as on 1.4.2014) and 696 staff grievances received during the year, your Company disposed 703 staff grievances during 2014-15 achieving 99.01% fulfillment.

Remuneration Policy

In SAIL, pay and other benefits for Executives are based on the Presidential Directives issued by Ministry of Steel, Government of India. The last pay revision effective from 01/01/2007 was done in accordance with Presidential Directives dated 05/10/2009. As per this, variable pay in the form of Performance Related Pay (PRP) has been introduced for Executives. The PRP is based on the performance/profitability of the Company as well as individual performance rating which is aligned to the organization objectives. In case of Non-executive employees, the salaries and wages are finalized / revised in bipartite forum of National Joint Committee for Steel Industry (NJCS). The last NJCS Agreement was finalized and signed on 01.07.2014, which resulted in pay revision of non-executive employees w.e.f. 01.01.2012. In terms of notification issued by the Government of India, the provisions of section 197 of the Companies Act, 2013 are not applicable to Government Companies. As such, the disclosures to be made in the Board's Report on the remuneration of Directors and other prescribed details are not included in this Report.

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

Your Company follows Presidential Directives on Reservation of posts for Scheduled Castes and Scheduled Tribes in the matter of

recruitments & promotions. As on 31st March 2015, out of total manpower of 93352, around 16.18% belong to SC category and 13.98% belong to ST category.

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

- Recruitment of non-executive employees, who comprise around 85% of the total employees, are carried out mainly on regional level and hence a large number of SCs/STs and other weaker sections of the society get the benefit of employment in SAIL.
- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities thus benefiting the support population providing different types of services.
- Over the years, a large group of ancillary industries have developed in the vicinity of Steel Plants. This has created opportunities for local unemployed persons for jobs and development of entrepreneurship.
- For jobs of temporary & intermittent nature, generally contractors deploy workmen from the local areas, which again provide an opportunity for employment of local candidates of economically weaker sections.

- Steel Townships developed by SAIL have the best of medical, education and civic facilities and are like an oasis for the local Scheduled Castes, Scheduled Tribes and other population who share the fruits of prosperity along with SAIL employees.
- SAIL has also undertaken several initiatives for the socio-economic development of SCs/STs and other weaker sections of the society, such as:
 - Special Schools have been started exclusively for poor, underprivileged children at the five Integrated Steel Plant locations. The facilities provided include free education, mid-day meals, uniforms including shoes, text books, stationary items, school bags, water bottles and transportation in some cases. The schools now provide education to more than 1600 children.
 - SAIL Plants have adopted 15 children from nearly extinct Birhor Tribe. They are being provided free education, boarding, lodging and medical facilities for their overall growth.
 - 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 centers for poor have been set up at Bhilai, Durgapur, Rourkela and Bokaro for providing free medical consultation, medicines, etc. to the



Delivery Vans ready for carrying food for children under SAIL-Akshaypatra project for providing mid day meals to children in and around Rourkela



A group of employees diligently at work in Continuous Casting Shop at SAIL's Rourkela Steel Plant

peripheral population mainly comprising of SC/ST and economically weaker sections of society.

- Villagers are given free treatment- outdoor and indoor -in the hospitals of SAIL Mines at Kiriburu, Gua and Chiria when recommended by Manki/ Munda (Local Tribal Village Heads) of the peripheral villages which mainly helps the ST community people and other economically weaker sections of society.

Initiatives Towards Propagating Awareness About Reservation Policy

- Internal workshops for Liaison Officers for SC/ST and other dealing officers of SAIL Plants/Units are conducted at regular intervals through an external expert to keep them updated on the Reservation Policy and Presidential Directives for SC/ST and other related matters.
- SAIL has an Apex level identified body namely SAIL SC/ST Employees Federation to represent the issues of SC/ST employees in a coordinated manner. A meeting with the Federation is organized on a regular basis.
- Parliamentary Committee on Welfare of Scheduled Castes & Scheduled Tribes during their study tour to Kochi, Bengaluru, Goa and Mumbai from 4th to 9th February, 2015, examined representation of SCs/STs in services of SAIL on 6th February, 2015. The meeting was attended by Chairman, SAIL along with some senior officials. The Committee also met the representatives of the SAIL SC/ST Employees Federation separately.

Implementation of Right to Information Act, 2005

Your Company has been a front runner in implementation of Right to Information Act, 2005 in true spirit. The Company has designated Public Information Officers (PIO)/Asstt. Public Information Officers (APIO), Appellate Authorities and Transparency Officer under Section 5 & Section 19(1) of RTI Act in each Plant and Unit for speedy replies to the queries received under the Act.

The provisions under the Act are being complied with by all Plants and Units of SAIL. All statutory reports including Annual Report are sent to Ministry of Steel and are also posted on SAIL website. Under Sec. 5(5), all the officers/line managers responsible for providing information to the PIO, called Deemed PIO, have been made equally responsible as PIO towards timely providing of information to the applicant.

All Plants/Units of SAIL have listed 17 manuals and details of designated officials in line with the provisions of the RTI Act, on SAIL website. Your Company has also institutionalized an exclusive RTI Portal for better awareness and knowledge sharing. In all, a total number of 4496 applications and 659 appeals were received under the RTI Act, during the Financial Year 2014-15 and all of them have been disposed off within the timelines. Efforts towards spreading awareness about RTI amongst general public as also for PIOs/Deemed PIOs continued throughout the year.

Citizen Charter

SAIL's Citizen Charter has outlined commitment of SAIL towards its stakeholders, thereby empowering them to demand better products and services. The Citizen's Charter of SAIL may be

summarized in four objectives, as given below:

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

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.

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

The Company has in place a system (under SAIL Conduct, Discipline and Appeal (CDA) Rules, 1977) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Complaint Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under this Policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

• Number of complaints received	:	5
• Number of complaints disposed off	:	4

E. AWARDS & ACCOLADES WON DURING THE YEAR

Company level

- Your Company has been conferred with "Excellent" MoU Rating for the year 2013-14 for the 12th consecutive year.
- 3 out of the 33 Prime Minister's Shram Awards declared for the year 2013 were won by SAIL, involving 3 numbers of employees.
- Out of 28 awards declared, SAIL won 19 Viswakarma Rashtriya Puraskar involving 105 employees for the performance year 2012.
- Bhilai Steel Plant (BSP), bagged the Prime Minister's Trophy for the Best Performing Integrated Steel Plant (ISP) in the Country for the year 2011-12 declared in 2014-15. Chairman, SAIL and Chief Executive Officer, BSP received the trophy from Hon'ble Prime Minister, Shri Narendra Modi at Rourkela on 1st April, 2015.
- SAIL bagged NARAKAS Rajbhasha Shield 2013-14 (1st Prize) for the "Best Implementation of Official Language" at the 40th Town Level Meeting & Prize Distribution Ceremony of NARAKAS on 25th February, 2015.
- SAIL won 'Golden Peacock Award' for 'Corporate Social Responsibility' for the year 2014 at the 9th International Conference on Corporate Social Responsibility on 19th January, 2015 at Mumbai.
- SAIL was awarded the "PHD Chamber Good Corporate Citizen Award 2014" at an award ceremony held on 20th December, 2014 at New Delhi.
- SAIL won 'SCOPE Meritorious Award for Environment Excellence & Sustainable Development for the year 2012-13'.



Hon'ble Prime Minister Shri Narendra Modi handing over the PM's trophy to the then Chairman, SAIL, Shri C.S. Verma along with CEO Bhilai Steel Plant Shri S. Chandrasekaran in presence of Hon'ble Union Minister of Steel & Mines Shri Narendra Singh Tomar & Hon'ble Chief Minister of Odisha Sh. Naveen Patnaik



Our dedicated workmen at plant garage of SAIL's Bhilai Steel Plant

The Award was given by Hon'ble President of India, Shri Pranab Mukherjee, in presence of other dignitaries in an award function held at Vigyan Bhawan, Delhi on 5th November, 2014.

- The then Chairman, SAIL, Shri C. S. Verma received the IIM JRD Tata Award for "Excellence in Corporate Leadership in Metallurgical Industries" for the year 2014 from Hon'ble Minister of Mines & Steel, Shri Narendra Singh Tomar in a ceremony held at Pune on 14th November, 2014.
- Town Official Language Implementation Committee (PSU), Delhi spearheaded by SAIL was adjudged First at National Level for commendable performance in implementing the Official Language Policy during the year 2013-14. The Award, in the form of Indira Gandhi Rajbhasha Shield, was given by Hon'ble President of India, Shri Pranab Mukherjee, in a function organized at Vigyan Bhawan, New Delhi on 15th November, 2014.
- SAIL won Governance Now PSU Award 2014 under two award categories viz. IT Adoption in HR and Best HR Practices (Training).
- SAIL won Skoch Renaissance Awards 2014 in the category 'Sustainable & Balanced Business Performance'.
- SAIL was also conferred with Skoch Order-of-Merit Award in the following categories:
 - Best Project in the Country for Comprehensive Water & Sanitation Project (a CSR initiative of SAIL / RSP)
 - Unit Training System in SAIL
 - Environment Management
- SAIL bagged the award for the 'Best in CSR & Sustainability as well as the Most eco-friendly PSU in the Maharatna Category' at the 1st India Today Group PSU Awards-2014 at a function held in Delhi on 21st August, 2014.
- The in-house Hindi journal of SAIL 'Ispat Bhasha Bharti' bagged 1st prize at town level for the best magazine.
- SAIL won BT Star Award, 2014 for Excellence in HR Management.
- The then Chairman, SAIL, Shri C.S. Verma was awarded 'CEO of the Year' at the 2014 Platts Global Metals Awards Ceremony held in London on 21st May, 2014, in recognition of improving the Company's operational performance while also demonstrating a strong commitment to human resource development and corporate social responsibility.
- SAIL won 5th Dalal Street Investment Journal PSU Award 2013 in the category of Highest Asset Creating Maharatna.
- 5 Quality Circle teams from SAIL involving 26 employees participated in International Convention on Quality Circle 2014 held at Colombo, Sri Lanka during 12th -15th October, 2014. Quality Circle Teams from DSP & BSL won Gold Awards whereas teams of BSP, RSP and RMD have won Silver Award.
- SAIL has been conferred with the First Award under the category of Public Manufacturing Organisation (Large) at the 12th National Award for Excellence in Cost Management by the Institute of Cost Accountants of India, 2014 on 15th July, 2015.

- Shri Anil Kumar Chaudhary, Director (Finance), SAIL was conferred with the Best CMA CFO Award-2014 by the Institute of Cost Accountants of India on 7th July, 2015.

Bhilai Steel Plant

- IIM National Sustainability Award 2013-14 for performance and achievements accomplished during the Financial Year 2013-14 from IIM, Kolkata on 14th November, 2014.
- CII - Exim Bank Award 2014 - Commendation Certificate for significant achievement from CII Institute of Quality on 14th November 2014.
- CII Sustainability Award 2014 for performance and achievements accomplished during the Financial Year 2013-14 from CII on 19th November, 2014.
- National Energy Conservation Award 2014 in the integrated steel sector on the basis of improvement in its energy performance over the previous year 2012-13.
- Recognized and awarded for the maximum contribution towards ESIC in the State of Chhattisgarh in a function organized by ESIC on 30th April, 2014.

Durgapur Steel Plant

- Indira Gandhi Paryavaran Puraskar 2012 from Ministry of Environment & Forests, Govt for the year 2012-13 on 2nd February, 2015.
- Greentech Environment Award-2015 (Gold) and Greentech CSR Award-2015 (Gold) from Greentech Foundation, Delhi on 28th January, 2015 at Kolkata for the performance year 2013-14.
- CII-Exim Bank Award for Business Excellence-Commendation Certificate for significant achievement from CII Institute of Quality on 19th November 2014 for the performance year 2014.
- Safety Innovation Award from Institution of Engineers for the year 2013-14 on 20th November, 2014.
- Ispat Suraksha Puraskar awarded by JCSSI for the year 2013.

Rourkela Steel Plant

- 1st runner-up award for "Best Overall HR Practices" in 4th ZENITH Rewards & Recognition Programme organized by NHRD Bhubaneswar chapter at Bhubaneswar on 19th December, 2014.
- Commendation for "Strong Commitment to HR Excellence" in 5th CII National HR Excellence Award on 5th December, 2014 at New Delhi.
- BG Deshmukh Special Award for Excellence in CSR-2014 instituted by Maratha Chamber of Industry and Agriculture, Pune on 16th October, 2014.

Bokaro Steel Plant

- Rajbhasha Karyanvayan Award - Third Prize for outstanding work done in Rajbhasha in Eastern Region for 2013-14 by Hon'ble Governor, West Bengal in February, 2015.

- CII(ER) Productivity Award 2014 by CII(ER) in February, 2015.
- Greentech Award (Gold) in the Metal & Mining Sector from Greentech Foundation, Delhi on 28th January, 2015 at Kolkata for the performance year 2014.
- CII-ITC Sustainability Award - 2014 for Excellence in Corporate Social Responsibility on 19th December 2014 at New Delhi.
- IIM SMS DMAG Excellence Award from The Indian Institute of Metals for outstanding leadership contribution in Iron & Steel Industries in India on 14th November 2014 for the performance year 2014-15.
- CII-Exim Bank Business Excellence Award - Strong Commitment to Excel from CII Institute of Quality on 19th November 2014 for the performance year 2014-15.
- Shri Ashok Kumar, Junior Manager in the Slabbing Mill department of Bokaro Steel Plant was felicitated with the 'National Brand Ambassador for Vocational Training' honour on 16th October, 2014 at the Pandit Deendayal Upadhyay Shramev Jayate Karyakram at Vigyan Bhavan, New Delhi. The programme was launched by the Hon'ble Prime Minister, Shri Narendra Modi in presence of Shri Narendra Singh Tomar, Hon'ble Minister for Steel, Mines, Labour & Employment and other dignitaries.

Alloy Steels Plant

- First prize for Best Unit in Implementation of Rajbhasha given by TOLIC, Durgapur.

Salem Steel Plant

- Out of 91 State Shram Awards (Tamilaga Arasin Uyarnta Uzhaipalar Viruthu) for the year 2010, 2011 & 2012 awarded by Directorate of Industrial Safety and Health, Government of Tamil Nadu, Salem Steel Plant bagged 17 awards (18.7%)
- 13th Annual Greentech Safety Gold Award in Metal & Mining Sector for outstanding achievements in Safety Management for Performance Year 2013-14 awarded by Greentech Foundation.
- JCSSI - Ispat Suraksha Puraskar - 2014 for no fatal accident (including contract labour) occurred during the calendar years 2012 & 2013.

Raw Materials Division

- Kalta Iron Ore Mines bagged the National Safety Awards (Mines) for longest accident free period. Hon'ble President of India, Shri Pranab Mukherjee gave away the awards at the presentation ceremony of the National Safety Awards (Mines) for the years 2011 & 2012 at Vigyan Bhawan, New Delhi on 20th March, 2015.
- 1st Pandit Madan Mohan Malaviya Bronze Award 2014 from CSR Times for its extensive contribution to support the students of disturbed areas.



Conserving greenery through Tailing Dam Management at Meghataburu Iron Ore Mine of RMD, SAIL

SAIL Refractory Unit

- SRU received the “Running Trophy” and the “Certificate” on 16th Sept. 2014 by the “NARAKAS”.

F. ENVIROMENT PROTECTION AND CONSERVATION

Your Company is committed to improve its environmental footprint and hence has initiated various activities with an aim to achieve sustainable solutions. The Company is fully committed to abide by the Rules, Regulations and the Laws of the land. The Company has progressively introduced Environment Management System: ISO 14001 certification at most of its steel Plants/ Units and Mines.

Compliance with the relevant environmental laws and effective operation of the various pollution control facilities are ensured at all the Plants/Units. Compliance of the relevant environmental laws and the various clearance conditions are monitored meticulously and quarterly reports are submitted to the Board of Directors.

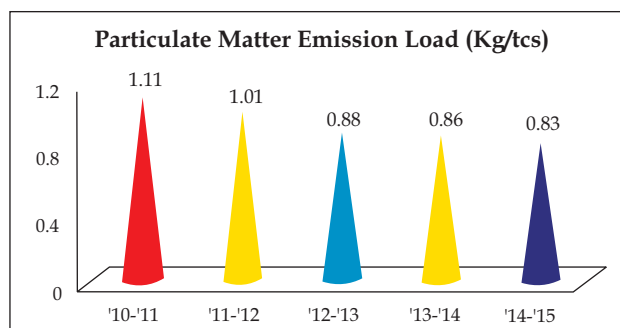
During October 2014, a Board Sub-committee (BSC) on Health, Safety and Environment has been constituted to review the policy, procedures and systems on these issues and to guide the Company towards adoption of a holistic approach for improvement. Besides this Apex Level Committee, other Committees like “Expert Committee on Environment”, “Expert Committee on Water” and “Expert Committee on Material Recovery and Waste Product Utilisation” are in operation to contribute towards overall improvement in environment.

The challenges lying before the Company is to achieve 100% solid waste utilization, zero effluent discharge, bring down CO₂ emission

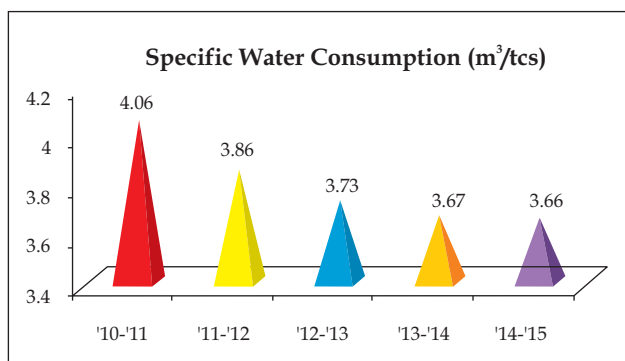
at the level of Global bench-marking, 100% regulatory compliance and go beyond. Enhancement of environmental awareness and regular monitoring are being fostered to ensure non-occurrence of any serious environmental incident.

Improvement in Environmental Footprints and Operational Efficiency

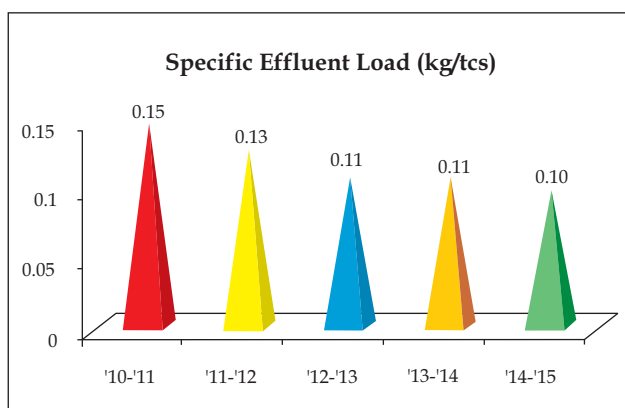
The Company has established a structured mechanism for monitoring the environmental safe guarding activities by setting up the Environment Management Division as a nodal agency and Environment Departments at Plants, Mines and Unit levels. Review of the environmental performance, including the compliance of Environment Clearance and Consent conditions, are being carried out regularly through detailed interactive discussions with the Plants and Units. Concerted efforts have resulted in achieving major improvements in the following areas:



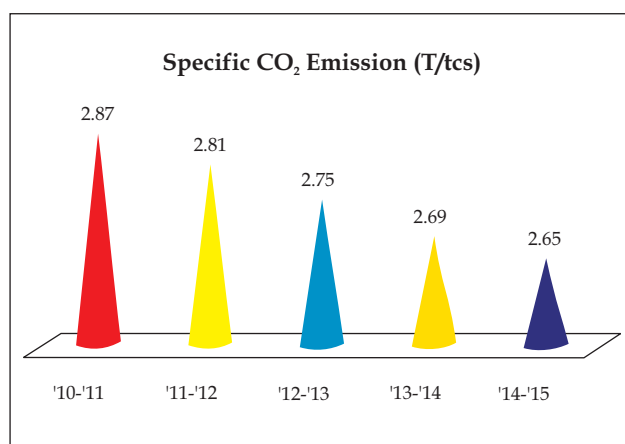
Particulate Matter (PM) Emission Load has reduced to 0.83 Kg/tcs from 1.11 Kg/tcs in 2010-11, which is a reduction of more than 25% in the last five years.



Specific water consumption has reduced to 3.66 m³/tcs from 4.06 m³/tcs in 2010-11, which is a reduction of around 10% in the last five years.



Specific Effluent load has reduced to 0.10 Kg/tcs from 0.15 Kg/tcs in 2010-11, which is a reduction to the tune of 33% in the last five years.



Specific CO₂ emission has reduced to 2.65 T/tcs from 2.87 T/tcs in 2010-11, which is a reduction of 8% over the last five years.

Major Pollution Control projects implemented during the year

- Coal Dust Injection (CDI) facility at BF #2 and augmentation of CDI facility with BF-3, at DSP

- CDI facility at BF#4 & BF#5 at RSP
- Process ESP of strand#1 and strand#2 of Sinter Plant-1 at RSP.
- Dry Fog Dust Suppression System at Hammer Crusher of Coke Oven at BSL.
- Incinerator for processing of the segregated Bio-medical Wastes (BMW) at BSL.

Greenery and Eco-restoration

- Green belts act as effective barrier to dust, noise and as sink for carbon dioxide. Every year, SAIL Units carry out extensive plantation programmes. During the year 2014-15, more than 2.64 lakhs saplings were planted in and around SAIL Plants and mines. Since the initiation of such schemes, a total of more than 186 lakhs saplings have been planted.
- A project on restoration and rehabilitation of degraded ecosystems is under execution at Purnapani Limestone Mine, where 190.92 acres of mined out area has been successfully restored so far to productive ecosystems by planting more than 3.485 lakhs saplings. During 2014-15, 25,000 saplings have been planted, covering an area of 18 acres, which includes replacement plantation. Pisciculture had been put into practice in five abandoned quarries filled with water.

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

During the year 2014-15, the following Units of SAIL have been recommended for accreditation to EMS-ISO 14001:2004:

- Barsua Iron Ore Mine
- Warehouses of CMO at Delhi and Visakhapatnam

Sustainable Development Projects

- SAIL is executing a Sustainable Development Project on "Biodiversity Conservation & CO₂ Sequestration at Bolani Iron Ore Mine" over and above the stipulated legal requirements. This three year long ecological restoration project is in its final year of operations and is progressing as per schedule. During the year, over 1.36 lakh saplings of native tree species have been introduced
- In order to maintain the restored ecosystem, SAIL has engaged the 'Centre for Environment Management of Degraded Eco-system' (CEMDE) for a period of five years to achieve the objective of Sustainable Development at Purnapani.
- 160 KW Off Grid PV System has been installed at the Roof Top of Burnpur Hospital, IISCO Steel Plant.
- For conservation of water and also to minimise pollution from surface water by reducing discharge into the surrounding environment, re-circulation of overflow water to the tune of 42.682 lakhs m³ from Hitkasa Tailing pond of Dalli (Mech.) Mines of BSP was done during 2014-15.
- To increase the life of the tailings pond and to reduce the surface water pollution, around 1.413 lakh m³ slimes from

Hitkasa tailings pond of Dalli (Mech.) Mines of BSP has been de-silted during the year.

- Bokaro Steel Plant has taken up a project with the South Eastern Railway (S.E.R.) to conduct a field trial at the Bokaro Rail Yard with the Weathered LD (WLD) Slag from the Plant. Commencement of field trial is expected shortly.
- Lab scale study is being conducted at IIT, Kharagpur, for development of technology for Dry Granulation of LD/BOF Slag and heat recovery. Scheduled completion of the study is by March, 2016.
- In response to a representation from the major steel manufacturers, the Bureau of Indian Standard (BIS), New Delhi, has agreed 'in-principle' to include BF and BOF slag as alternate material (partial replacement), in place of natural sand, for manufacturing cement concrete, in the relevant BIS standard (IS:383).
- Bio-sequestration of CO₂ Project (Technology Mission-3) under R&D Master Plan, is being jointly implemented by SAIL and the Tropical Forest Research Institute (TFRI) at the Rourkela Steel Plant (RSP). Scheduled completion of the Project is by March 2019.

G. STRATEGIC INITIATIVES OF THE COMPANY

Your Company has adopted a multi-pronged approach that includes organic growth, brown-field projects, technology leadership through strategic alliances, ensuring raw material security through acquisition and development of new mines, diversifying in allied areas, R&D Master Plan and a Technology Plan. Such a strategy of investing in different areas will mitigate risk and help in maximizing returns.

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

Growth Strategy in Steel: SAIL plans to scale up its production to 50 million tonnes of Hot Metal by 2025-26 which will place the Company amongst the top global steel producers in the World. The capacities of Crude Steel and Saleable Steel have been planned at 48 million tonnes and 46 million tonnes respectively. Further, SAIL will develop a strong presence in the Value Added Products arena and capacities of the mines will be increased to take care of higher iron ore needs in line with increased production as above.

Ultra Mega Steel Project in Bastar District, Chhattisgarh : A concept has been evolved by Ministry of Steel with the aim to develop large capacity mega steel projects in the Country, which would help India in achieving the capacity growth of 300 million tonnes of crude steel by 2025-26. Towards accomplishing this

vision, SAIL would be participating for setting up of an Ultra Mega Steel Plant (UMSP) of approximately 6 million tonnes green-field capacity in Bastar district of Chhattisgarh. "Chhattisgarh Mega Steel Limited" has been incorporated by SAIL as a Special Purpose Vehicle (SPV) for UMSP in Chhattisgarh on 20th January 2015. The SPV will induct NMDC as a Joint Venture partner. In addition, a Mining SPV will be created which will undertake mineral exploration, mine development and commercial production of iron ore. A Memorandum of Understanding for setting up UMSP in Chhattisgarh has already been signed amongst Ministry of Steel, Government of India, SAIL, NMDC Ltd. and the Government of Chhattisgarh on 9th May, 2015 in the august presence of Hon'ble Prime Minister of India.

Development of Rail Corridor from Rowghat to Jagdalpur in the State of Chhattisgarh:

In a significant move which will bring about socio-economic development of the backward areas of Bastar region predominantly inhabited by tribal population in the Chhattisgarh State and further the industrial progress and mining activities in the region, Government of India has taken a momentous step to expand the reach of its network in this backward area meeting the long pending demand of the local population. A Memorandum of Understanding has been signed amongst SAIL, State Government of Chhattisgarh, NMDC Ltd. and IRCON International Limited, for construction of 140 kilometer rail corridor from Rowghat to Jagdalpur via Narayanpur, Kondagaon in the State of Chhattisgarh.

Automotive Steel Joint Venture in India:

SAIL and ArcelorMittal are in discussions for exploring the possibility for setting up an automotive steel manufacturing facility under a Joint Venture (JV) arrangement in India. The proposed JV will construct a state-of-the-art cold rolling mill and other downstream finishing facilities in India that will offer technologically advanced steel products to India's rapidly growing automotive sector. A MoU in this regard has been signed between the two companies on May 22, 2015.

Joint Ventures

International Coal Ventures Pvt. Ltd.: In a landmark acquisition of large coal mine and coal assets overseas by Indian companies, International Coal Ventures Pvt. Ltd. (ICVL), the joint venture of SAIL, Coal India Limited, Rashtriya Ispat Nigam Limited, NMDC Limited & NTPC Limited took over an operating coal mine and coal assets of Rio Tinto Limited in Moatize Coal basin in Tete province of Mozambique, with a total coal resource of 2.6 billion tonnes. This acquisition has been intended to give long term security for supply of a critical raw material for its Promoter Companies. The operating coal mine at Benga produces prime hard coking coal / thermal coal, and has a state-of-the-art wash plant and surface infrastructure with a potential to expand the raw coal production from the current 5 million tonnes per annum (Mtpa) to 12 Mtpa.

Rail Transportation: A Joint Venture company between SAIL and RITES viz. "SAIL RITES Bengal Wagon Industry Pvt. Ltd." has been

formed for fabrication of wagons. Installation of plant and machinery is in progress. Rehabilitation of Wagons is ready to start and awaiting Assured Off-take Agreement from Railways.

SAIL SCL Kerala Ltd. : Towards the quest for revival of operations of the joint venture company formed between SAIL and Government of Kerala (GOK), a new rolling mill for manufacturing 65,000 tonnes per annum. of TMT bars has been installed. The Hot Trials of the mill have been completed. Commercial production is awaited subject to BIS clearance.

Business Excellence Initiatives

Enterprise Scorecard (ESC)

Fourth Enterprise Scorecard (ESC) of SAIL was prepared for the Financial Year 2014-15 comprising of 82 Strategic Objectives; 16 in Financial Perspective, 10 in Customer Perspective, 33 in Internal Business Process Perspective and 23 in Organisational Capability Building Perspective. Enterprise Scorecard not only brings integration with Memorandum of Understanding (MoU) with Government of India and Annual Business Plan (ABP) of the Company, but also facilitates deployment of the strategy across various leadership levels through Strategic Objectives and Key Initiatives. Enterprise Scorecard is deployed downwards through Unit Scorecards, Functional Scorecards and Departmental Scorecards and addresses the long term and short term issues.

Excellence Model

Your Company has adopted European Foundation of Quality Management (EFQM) Model which is implemented in India through CII-EXIM Bank Award for Business Excellence. Four SAIL Plants, i.e., BSP, DSP, BSL and RSP participated in the process of CII-EXIM Bank Awards for Business Excellence 2014. These Plants got following Recognition/ Awards:

- BSP – Commendation award for Strong Achievement.
- DSP – Commendation award for Strong Achievement.
- RSP – Commendation award for strong Commitment to Excel.
- BSL – Commendation award for Strong Commitment to Excel.

Total Quality Management (TQM)

Most of our Plants and Units are certified to ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems. During the Financial Year 2014-15, BSP implemented Integrated Management System (IMS) by integrating ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems while SSP implemented IMS by integrating ISO 9000, ISO 14000 and OHSAS 18000. Lead Auditors were developed for ISO 50000 (Energy Management System) and ISO 27000 (Information Security System) through in-house programmes. Following Certifications were achieved during 2014-15:

- ISO 50000 (EnMS) Energy Management System at DSP
- ISO 27000 (ISMS) Information Security Management System at RDCIS

The other ongoing initiatives across organisation are involvement of employees through 5-S and Quality Circles implementation.

There were 2350 Quality Circles projects implemented during the year.

IT Related Initiatives

Your Company has embraced Information Technology (IT) enabled services, applications and tools in all its Plants & Units for improvement in productivity, yield, quality, reduction in operational costs and improvement in internal & external customer satisfaction.

As a step towards this, Enterprise Resource Planning (ERP) has been implemented stage wise at 4 out of 5 Integrated Steel Plants i.e. Bhilai Steel Plant (BSP), Durgapur Steel Plant (DSP), Bokaro Steel Plant (BSL), Rourkela Steel Plant (RSP) and Central Marketing Organization (CMO). 100% primary domestic sales are covered through ERP System. ERP implementation at 5th Integrated Steel Plant i.e. IISCO Steel Plant (ISP) and ERP implementation at Corporate Office for data consolidation through integration of all Plants/Units is in progress. ERP of BSP & BSL has been awarded Customer Centre of Excellence (CCOE).

The Manufacturing Execution System (MES) technology was implemented at BSP. System has been ISO certified. Its deployment over marketing network has facilitated customers in placement of optimal orders in terms of quality, size and quantity.

Electronic facility of receiving online payment for collection of medical insurance premium from ex-employees of SAIL has been strengthened and extended to other receivables.

To ensure data & information security, steps have been taken at all SAIL Plants/Units. DSP and RDCIS has obtained Information Security Management System (ISMS):ISO certification.

Corporate Communication

The focus of Corporate Communications activities for the year has been proactive and structured image building exercises of your Company. Dissemination of information to the desired target audience through effective communications to stakeholders by means of press releases, press meets, one on one interaction with media personnel, etc. has strengthened your Company's image amongst key stakeholders.

Two prestigious events on Dedication to the Nation of the Modernized & Expanded Rourkela Steel Plant and IISCO Steel Plant by Hon'ble Prime Minister, Shri Narendra Modi have further strengthened brand image of SAIL. These events have featured in all forms of media in India and abroad such as print, electronic, online and social media (viz. twitter and Facebook).

The multi-dimensional approach followed by SAIL has ensured that information relating to it reaches the target audience in a cost-effective manner. SAIL selectively identified and participated in specialized exhibitions and events throughout the year. These include the India International Trade Fair –IITF, Vibrant Gujarat, Indian Conference of Mining & Metallurgy, Minerals Metals, Metallurgy & Materials among others.

Your Company also undertakes sponsorship of important events and promising sports persons. SAIL sponsored Wrestlers –Shri

Yogeshwar Dutt and Shri Sushil Kumar won gold medals for our Country at the Commonwealth Games held in 2014. Yogeshwar Dutt also won the Gold Medal at the Asian Games in 2014.

SAIL continued its thrust on reaching out to its target audience both in rural and urban areas through its radio campaign, advertisements in print media and through specialized product brochures, etc. SAIL has also been recognized as an important player in Nation building and is poised to play an important role in Hon'ble PM's – "Make in India" initiative.

In line with the Swachh Bharat Abhiyan initiative by the Hon'ble PM, a 'Swachh SAIL, Sundar SAIL' campaign was launched and SAIL has also developed a set of collateral's such as SAIL Diary & Calendar, Flyers, Posters, specifically highlighting the importance of Cleanliness Activities in day to day life.

H. VIGILANCE ACTIVITIES

SAIL Vigilance lays emphasis on preventive and proactive vigilance activities to curb corruption and malpractices with a view to safeguard the interest of the Organization and to facilitate a conducive environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the Organization. Following activities were undertaken during the Financial Year 2014-15:

- To increase vigilance awareness amongst employees, vigilance awareness sessions and workshops were regularly held at various Plants and Units. A total of 158 workshops involving 4006 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Lokpal & Lokayukta Act, 2013, Purchase/Contract Procedures, RTI Act, Conduct, Discipline & Rules, system and procedures followed in SAIL, etc.
- Periodic surprise checks including joint checks were conducted regularly in vulnerable areas of the Company. A total of 3174 periodic checks including file scrutiny and Joint Checks were conducted at different Plants / Units. Saving of approx. Rs. 19.93 Crores accrued from the preventive vigilance activities mainly on account of these Surprise Checks.
- Vigilance provides vital inputs to the operating authorities for improving the prevailing systems for bringing about more transparency. Accordingly, eight major System Improvement Projects (SIPs) were undertaken at different Plants/Units of SAIL.
- 13 cases were taken up for Intensive Examination at different Plants and Units. During Intensive Examination, high value procurement / contracts are scrutinized comprehensively and necessary recommendations are forwarded to concerned departments for implementing suggestions for improvement.
- As decided by the Central Vigilance Commission, Vigilance Awareness Week was observed in all the Plants and Units of SAIL during the period 27.10.2014 to 01.11.2014, on the theme of "Combating Corruption – Technology as an enabler".

During the week, various events including Quiz, Debate & Essay competition and workshops on revised Purchase/Contract Procedure, 2014 (PCP-14) were organized across all Plants and Units. Further, interactive awareness sessions with major customers / stakeholders were also conducted. On the closing day, Chairman, SAIL released the 12th issue of 'INSPIRATION' in-house journal of SAIL Vigilance. Chairman, SAIL also formally released the revised Purchase / Contract Procedure of SAIL, 2014 (PCP-14) which has become effective from 01.09.2014.

- The following four (4) thrust areas were identified for SAIL Vigilance:
 - i) Increase e-auction (Reverse Auction & Forward Auction) in all spheres.
 - ii) Scrutiny of files pertaining to 13 high value projects being undertaken at various Plants and Units, in line with the Guidelines of Chief Technical Examiner of CVC.
 - iii) Scrutiny of the contracts awarded on single tender enquiry (nomination basis)
 - iv) Increased surveillance in the areas of receipt, sampling & testing of high value raw materials and installing auto analyzers & auto samplers for raw material testing and sampling
- **Revision of Purchase/Contract Procedure (PCP) 2009:**

After incorporating the concepts of Expression of Interest (EOI) route & pre-bid discussions for technically complex projects, freezing of estimates before NIT, etc. along with the other CVC Guidelines issued relating to tenders and procurement, the revised PCP-2014 was brought out, which became effective from 1st September, 2014.
- **Revision of Standard Bidding Document (SBD) 2009 of SAIL:**

After incorporating the suggestions of Vigilance Department amongst others, the updated SBD, was implemented w.e.f. October, 2014.
- **Revision in the list of Sensitive Areas (2009):**

The following three areas have been added to the existing list of 22 sensitive areas from 20th June 2014:

 - i. Corporate Social Responsibility Group.
 - ii. Contract Labour Cell.
 - iii. Section of Personnel Department dealing with the Appraisals and Promotion of Executives
- **Revision of SAIL Vigilance Manual 2011:**

After incorporating new CVC Guidelines relating to tenders, whistle blower complaints, disciplinary proceedings, Lokpal & Lokayukta Act 2013 and updating the existing clauses related to sanction of prosecution, sensitive areas and job rotation, Quality Management System, etc., SAIL Vigilance Manual - 2015 has been released on 23rd March 2015.

• Vendors' Meet:

A Vendors' Meet was organized on "Implementation of Integrity Pact" on 24.02.2015. The last such Vendors' meet was organised in the year 2009. Around 30 renowned Indian and Foreign Vendors for Projects, Corporate Material Management Group (CMMG) and Coal Import Group (CIG) attended the programme. Chairman, SAIL, three Independent External Monitors (IEMs), Functional Directors of SAIL and Chief Vigilance Officer were present during the meet.

- 'Inspiration- Prerna', an in-house publication of SAIL Vigilance is being published regularly. The above publication contains case studies, articles from the employees, quiz on policy matters, important CVC circulars etc. to enhance awareness of the readers.

Vigil Mechanism

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report covering the performance and outlook of the Company is enclosed.

AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2015 along with Management's replies thereon is placed at **Annexure-I**. The Comments of Comptroller and Auditor General of India (C&AG) on the accounts of the Company for the Financial Year ended 31st March, 2015 under section 143(6) of the Companies Act, 2013 and the Managements replies thereto are placed at **Annexure-II**.

COST AUDITORS

Pursuant to the direction of the Central Government for audit of cost accounts, the Company has appointed M/s. Sanjay Gupta & Associates, M/s. K.C. Kohli & Co. and M/s. R.J. Goel & Co. as Cost Auditor(s) for the Financial Year 2015-16.

SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended on 31st March, 2015. Secretarial Audit Report issued by M/s. Agarwal S. & Associates is placed at **Annexure -III**. With regard to

the observation of the Secretarial Auditor that composition of the Board of Directors of the Company was not in compliance with Clause 49(II) of the Listing Agreement, para 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance and Section 149(4) of the Companies Act, 2013, it is stated that SAIL is a Government Company and in terms of its Articles of Association, the Directors on its Board are appointed by Government of India or by the Board of Directors and Shareholders on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for appointment/nomination of requisite number of Independent Directors on its Board.

CORPORATE GOVERNANCE

In terms of Listing Agreement with the Stock Exchanges, a Report on Corporate Governance is given at **Annexure-IV**. A certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance is placed at **Annexure-V**. In terms of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

Business Responsibility Report

In terms of Circular CIR/CFD/DIL/8/2012 dated August 13, 2012 issued by SEBI, the Business Responsibility Report describing the initiatives taken by the Company from Environmental, Social and Governance perspective is placed at **Annexure VI**.

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. The assets of the Company have been realized and the settlement of claims is in process.

Your Company has four other wholly owned subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL has taken over the Salem Refractory Unit of Burn Standard Company Limited on 16th December, 2011 and is operating the same. SAIL Jagdishpur Power Plant Limited, incorporated for setting up of Gas based power Plant at Jagdishpur and SAIL Sindri Projects Limited, incorporated for revival of Sindri Unit of Fertilizer Corporation of India Limited are yet to commence operations pending relevant approvals. Chhattisgarh Mega Steel Limited has been incorporated on 20th January, 2015, as a Special Purpose Vehicle for setting up of an Ultra Mega Steel Plant of 6 Million Tonnes per annum as a green field steel project under Joint Venture.

The Annual Accounts of the subsidiary Companies and related detailed information shall be made available to the Shareholders of the holding and subsidiary companies, seeking such information at any point of time. Further, the Annual Accounts of the subsidiary companies are available for inspection by any Shareholder in the

Registered Office of the Company and of the subsidiary companies concerned during the office hours between 11 AM to 1 PM. A hard copy of the details of accounts of subsidiaries shall be furnished to the shareholders on receipt of written request.

During the year, Chhattisgarh Mega Steel Limited was incorporated as a subsidiary company. Further, your Company sold its entire stake of 26% in Bokaro Jaypee Cement Limited (BoJCL) on 26th November, 2014 and consequently, BoJCL ceased to be a joint venture company of SAIL.

Consolidated Financial Statements

Pursuant to provisions of Section 129 (3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements are placed at **Annexure-VII**. The Statutory Auditors' Report on the Consolidated Financial Statements along with the Management's replies thereon is placed at **Annexure-VIII**. The Comments of Comptroller and Auditor General of India (C&AG) on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the Management's replies thereto are placed at **Annexure-IX**. 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-X**.

Extract of Annual Return

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

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 placed at **Annexure-IV**.

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 and as on 31.03.2015, it consisted of Dr. Atmanand, Shri J.M. Mauskar and Shri S.S. Mohanty. During the last year, the Audit Committee met 10 times. The minutes of the Audit Committee meetings are circulated to the Board, discussed, and taken note of.

Internal Financial Control System

The Company has an internal control system with reference to the Financial Statements commensurate with the size and nature of its business. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the Financial Reports; the Company's systems of internal controls regarding finance, accounting and legal compliance that Management and the Board have established; and the Company's auditing, accounting and financial reporting process generally. The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors, discusses their findings, suggestions and other related matters and reviews major Accounting Policies followed by the Company. The Audit Committee reviews with management, the Quarterly and Annual Financial Statements before their submission to the Board.

The Audit Committee in its meetings with the Company's Statutory Auditors also ascertains their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's recommendations are acted upon by the Management.

Directors' Responsibility Statement

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

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

Independent Directors Declaration

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

Particulars of Loans, Guarantees or Investments under Section 186

The details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2015 are given in **Annexure-XII** in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188

All the contracts / arrangements / transactions entered by the Company during the financial year with 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 does not form part of the report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Risk Management Policy

Your Company had envisaged the need and benefits of the Risk Management at the enterprise level through a laid down procedure and rules as early as in 2007. Risks are inherent as a result of the uncertainties emerging from the business environment in which the Company operates. It is critical that these risks are addressed by the Company to derive sustainable value. Consequently, Risk Policy for SAIL was approved by the SAIL Board in August 2009. The Policy provides guidance for the management of the business and operational risks across SAIL. In line with the same, the Enterprise Risk Management System (ERM) was rolled out in 2009-10 and is now well established in the Company. The ERM in SAIL focuses on ensuring that risks are identified, evaluated and mitigated on a regular basis.

Currently, the "Enterprise Risk Management in SAIL" - a well designed, multi-layered organization structure - exists for efficient monitoring and mitigation of Risks. The risk management structure in SAIL starts with the identification of risk at the Unit or at Corporate level along-with outlining a detailed plan for addressing/ controlling the risk within specified time schedule and through identified risk owners and risk champions. At SAIL, Risks have been identified in wide ranging areas and mitigations plans drawn up to address these risks.

The monitoring of the ERM function in SAIL, under the SAIL Board, lies with the Audit Committee and the SAIL Risk Management Committee. In line with the recent changes in the Listing Agreement, setting up of the SAIL Risk Management Committee (SRMC) had been approved by the Board of Directors in December, 2014. 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. It is also to assist the Board in framing and monitoring the Risk management system for the Company and guiding the Risk Policy.

Corporate Social Responsibility

Your Company has adopted a balanced approach towards inclusive growth consistent with socio-economic environment. The Company continued to focus on helping the downtrodden and the underprivileged with its development oriented Corporate Social Responsibility (CSR) projects in the areas of Healthcare, Drinking water, Sanitation, Education, Women Empowerment, Livelihood Generation, and many more.

Inspired by clarion call of the Hon'ble Prime Minister for construction of toilets in schools under "Swachha Vidyalaya Campaign", a drive to promote sanitation and hygiene in remote

areas, SAIL has undertaken construction of toilets in schools without toilets/having dysfunctional toilets falling within the peripheral areas of SAIL Plants & Units which have been allocated to SAIL by Ministry of HRD on its website.

In compliance of the provisions of the Companies Act, 2013 and Rules framed thereunder, a Board level CSR Committee is functioning under the Chairmanship of an Independent Director with Director (Finance), Director (Technical) and Director (Personnel) as members. A CSR Policy for the Company has been formulated with the approval of the Board and displayed on website of the Company.

In view of changing CSR façade of the Country, SAIL has modified the CSR focus of the Company to accommodate a few large scale CSR projects in mission mode which are expected to have major impact on the Socio-Economic Development of the targeted groups in peripheral areas. These Mission Projects embark on the focus areas of education, sanitation, environment conservation, watershed development and skill development in line with Schedule VII of the Companies Act, 2013.

SAIL is providing specialized and basic healthcare to more than 39.11 million rural people through its well-established 53 Primary Health Centers, 23 Hospitals, 7 Reproductive and Child Health Centers and 7 Special Hospitals.

Endeavoring to facilitate the free medical and health check-up, path lab, treatment, medicine, immunization, etc. in remote areas, SAIL approached the doorsteps of 1.5 lakh underprivileged populace through its Mobile Medical Units (MMUs)/Ambulances and 2500 health camps in 2014-15. In 2014-15, more than 1 Lakh needy people availed free medical care including medicines at our exclusive Seven Health centres (Kalyan Chikitsalaya) for poor.

Over 80 lakh people across 450 villages have been connected to mainstream India by SAIL since its inception by construction and repair of roads. Over 10100 water resources have been installed during past five years thereby providing easy access to drinking water and benefitting over 43 lakh people living in far-flung areas.

Your Company envisions the aptitude and faculties of the learned, enlightened citizens who can transform the society. The Company owns and run over 129 schools in its townships to provide holistic education to about 60,000 children and is providing assistance to another 629 schools having 95,000 students. Seven Special Schools (Kalyan Vidyalaya), established at Steel Plants' locations exclusively for BPL families, are providing free education, mid-day meals, uniform including shoes, text books, stationary items, school bags, water bottles and transportation to around 1600 students. Scholarships to 1670 deserving undergraduate & postgraduate engineering students, adoption of 152 tribal children in naxal affected areas, nearly extinct Birhore tribes, sponsoring youths for Industrial Training & Nursing course, etc. are the major steps taken for uplifting poor, including OBC, SC, ST, etc. The Company, in association with Akshya Patra Foundation, is providing mid-day meals to 63,000 students of 570 Govt. schools every day in and around Bhilai and Rourkela.

In order to bridge the disparity between rural and urban areas and also for comprehensive development of both physical and social

infrastructure, 79 villages have been developed as “Model Steel Villages” across the Country (in eight States).

To promote use of renewable sources of energy, Solar street lights have been installed, Solar Lanterns and smokeless chullahs have been distributed among the rural people, over 20000 trees have been planted and maintained at various locations.

In an effort to align the marginalized masses of remote Saranda forest with the mainstream, SAIL provided ambulances, bicycles, transistors, solar lanterns and has set up an Integrated Development Centre at Digha village in Saranda.

SAIL, as a responsible Corporate Citizen, supported the rehabilitation initiatives for the people affected by Natural Calamities like floods in Jammu & Kashmir, Phyllin cyclone in Odisha, Flash Floods in Uttarakhand, etc.

Vocational and specialised skill development training targeted towards sustainable income generation has been provided to 3000 village youths and 7000 women folks of peripheral villages in 2014-15, in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter & Electrician Training, Improved agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Piggery, Achar/Pappad/Agarbati making, Screen printing, Handicrafts, Sericulture, Yarn Weaving, Tailoring, Sewing & embroidery, Smokeless chullah making, being a means to live a dignified life. Vocational Training centre for rural and unemployed youths - ‘Bhilai Ispat Kaushal Kutir’ & Swayamsiddha at Bhilai, Skill Development and Self Employment Training Institute (SDSETI) at Durgapur, Garment Technician Training at Salem, JHARCRAFT centre at Bokaro and Self employment centre “KIRAN” at Kiriburu Ore Mines are benefitting common masses by way of financial inclusion/ SHG/training for income generation and then empowering them to bond with mainstream. Over 800 youths have been sponsored for ITI training at ITCs Bolani & Bargaon and Bokaro Pvt ITI, etc.

Over 20,000 rural youth/school students participated in varied events organized by SAIL for promoting the local art, culture and sports at different locations throughout the year. To elucidate Chhattisgarh Lok Kala Mahotsav, Lok Samskrutik Mahotsav, Gramin Lokotsav, Samvardhan : Rural Sports events, Gamin Athletics Competition, inter-village sports tournaments, inter-school girls’ sports events and SAIL Khel Mela, being the major events organized during 2014-15.

SAIL’s efforts as a responsible corporate citizen in Nation building have been recognized by various organizations in the form of awards and accolades during the year such as Golden Peacock Award, PHD Meritorious Award : ‘Best Companies for CSR, 2014’; Skoch Order-of-Merit for the Skoch Renaissance Award-2014; Good Corporate Citizen Award-2014; Greentech Gold Award for CSR-2015, etc..

In terms of provisions of the Companies Act, 2013, the Report on Corporate Social Responsibility in the prescribed format is placed at **Annexure-XIV**. The reasons for not spending the prescribed amount have also been disclosed in the 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Shri N.C. Jha and Mrs. Parminder Hira Mathur resigned from the Board of Directors of the Company w.e.f. 19.09.2014.
- Shri R.S. Sharma and Shri D.K. Mittal ceased to be Director of the Company w.e.f. 23.09.2014.
- Shri U.P. Singh ceased to be Government Director of the Company w.e.f. 29.09.2014.
- Dr. Isher Judge Ahluwalia resigned from the Board of Directors of the Company w.e.f. 10.11.2014.
- Shri Sunil Barthwal has been appointed as Government Director on the Board of the Company on 22.12.2014.
- Shri Sujit Banerjee and CA Arun Kumar Srivastava ceased to be Directors of the Company w.e.f. 15.01.2015.
- Shri Vinod Kumar Thakral ceased to be Government Director of the Company w.e.f. 12.03.2015.
- Smt. Bharathi S. Sihag has been appointed as Government Director on the Board of the Company on 16.03.2015.
- Shri H.S. Pati ceased to be Director of the Company w.e.f. 31.03.2015.
- Shri T.S. Suresh ceased to be Director of the Company w.e.f. 31.05.2015.
- Shri C.S. Verma ceased to be Chairman & Managing Director of the Company w.e.f. 10.06.2015(A/N)
- Shri Rakesh Singh, Secretary to the Government of India, Ministry of Steel assumed Additional Charge as Chairman & Managing Director of the Company w.e.f. 11.06.2015(F/N).

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors



(Rakesh Singh)

Secretary, Ministry of Steel,
Government of India &
Chairman & Managing Director, SAIL
(Additional Charge)

Place: New Delhi

Dated: 14th August, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

The Global economy is estimated to have grown at 3.4% in 2014 (IMF, WEO update April, 2015) - a growth similar to that in 2013. The projected growth rate for World economy for 2015 is 3.5%, based on a growth of 2.4% in the advanced economies and 4.3% in the emerging and developing economies.

The improvement in anticipated growth is on account of the optimistic outlook for advanced economies. The decline in crude oil prices which is likely to lead to a higher purchasing power in advanced economies is likely to boost Global growth for next two years or so by its positive impact on the oil importers. The growth in emerging markets and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries.

Amongst the advanced economies, US is expected to exceed 3% growth in 2015, while the other economies - specifically Japan - are expected to pick up, sustained by a weaker Yen and lower oil prices. The projected growth for Euro Zone and Japan for 2015 is 1.5% and 1.0% respectively.

The overall growth for emerging and developing economies for 2015 is projected to be slightly lower by 0.3% than that in 2014, and rise only in 2016 to 4.7%. The growth prospects for emerging and developing economies have been impacted by lower anticipated growth in China, especially as its investment growth declined in Q-4 of 2014. For Russia the outlook continues to look weak under the impact of low oil prices and continued geopolitical tensions. For the oil and commodity exporters in the developing countries, the recovery in growth would be delayed as the impact of lower commodity prices is likely to dent their medium term growth. IMF has forecast a growth of 6.8% for China for 2015 which will further drop to 6.3% in 2016.

World Steel Scenario

World crude steel production reached 1,665 million tonnes for the year 2014, marginally up by 1% compared to 2013. The growth was moderate in Asia and North America, while it was flat in Europe, largely on account of a negative growth of 2.8% in CIS countries. Annual production for Asia was 1,161 million tonnes of crude steel in 2014 (including 29 million tonnes from Middle East), an increase of 1.5% compared to 2013. In 2014, Asia continues to dominate the world steel with a 70% share in the total crude steel production output. China's crude steel production remained flat with 1% growth. With 823 million tonnes steel production, China's share of World crude steel production was almost 50% in 2014. South Korea's crude steel production was 71 million tonne, a big jump of 7.5% compared to 2013. The European Union recorded a minor recovery of 1.7% compared to 2013, producing 169 million tonnes of crude steel in 2014.

Post Global financial crisis, Gross Domestic Product (GDP) growth for a majority of the World economies has shifted to a lower growth trajectory as compared to pre-crisis levels. At the same time, the steel industry's perennial concern, overcapacity, has intensified due to economic slowdown in China, the largest steel consumer and accounting for almost half of Global steel consumption. Led by sluggish steel demand in China, the total Global steel consumption is expected to slow down with only 0.5% growth in 2015.

Indian Economic Environment

The Indian Economy has been on the recovery path with GDP growth estimated at 7.3% for fiscal 2014-15, CPI inflation is at a low level of

around 5% and fiscal deficit is around 4% of the GDP. Macro-economic stability has been restored and conditions have been created for durable higher economic growth in the coming years. The year has witnessed key policy reforms, aimed at aiding growth revival and overcoming the structural constraints in the economy. The advance estimates by Central Statistical Organisation, GoI, indicate that industrial growth has reversed the trend. Provisionally estimated growth of 6.1 per cent in 2014-15 indicates an emphatic improvement from 2.4 per cent and 4.5 per cent growth during 2012-13 and 2013-14 respectively. An impetus on investment in infrastructure will also act in the same direction.

For the Index of Industrial Production (IIP), 2014-15, the growth in the 'Mining', 'Manufacturing' and 'Electricity' sectors has been estimated to be at 1.4%, 2.3% and 8.4% respectively, which is higher than that observed in the same period last year. In terms of use-based classification, basic goods and capital goods witnessed marked improvement in growth during 2014-15. While the growth in intermediate goods remained sluggish, the consumer goods contracted in April-March 2014-15, particularly due to contraction in consumer durables sector.

IMF, in its latest outlook (April, 2015) has indicated that India's growth trajectory will benefit from the Government's commitment to reforms. Favourable situation on account of the reduced international prices of oil, benign inflationary outlook which could provide room to RBI for easing the monetary policy and the industry gradually gaining momentum point towards improved prospects for growth in 2015-16.

Indian Steel Scenario

India continues to hold its position as the 3rd largest steel making nation in the World in the current calendar year. During the year 2014-15, domestic crude steel production was 88.1 million tonnes, registering a growth of around 7.9% over the previous year. Further, finished steel production registered a growth of 3.3% during 2014-15. Due to adverse Global conditions, there has been a large inflow of imports, which surged by more than 70% in 2014-15, while overall domestic consumption registered a growth of 3.1% only. In case of carbon steel, the consumption growth remained almost flat at 0.5%. This has also manifested in a series of price cuts for the domestic steel industry during the year, leading to a squeeze on margins earned by steel producers.

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

B. OPPORTUNITIES & THREATS FOR SAIL

Opportunities:

- With an accelerated push from the policies proposed by the Government regarding steel intensive segments such as infrastructure, capital goods and construction, India is all set to become the 2nd largest steel consumer in the World in next 4 to 5 years
- High export potential for markets of Middle East and South East Asia
- Potential for improving product quality and reducing cost through operational efficiency

Threats:

- Increased competition from domestic and international steel companies located in India. Dumping of steel from abroad, particularly from China due to its large surplus capacity and slowing domestic consumption
- Cheap sourcing of steel from countries with whom India has Free Trade Agreements (FTA) viz. Japan, Korea and ASEAN

C. RISKS AND CONCERNS

- With most of the domestic players expanding their production capacities, there is a possibility for an excess capacity situation, especially in flat products if the demand growth remains sluggish
- Out of 13 iron ore leases in the State of Jharkhand, lease extension of six sub-judice iron ore leases is awaited.
- In view of revised Guidelines dated 1st April, 2015 issued by the Ministry of Environment & Forest and Climate Change (MoEF&CC), Government of India, there is a requirement for payment of Net Present Value (NPV) for entire forest land within mining lease area. The matter has been taken up with MoEF&CC for granting exemption to SAIL, being a Government Company.
- With the enactment of MMDR Amendment Act, 2015 a provision of District Mineral Foundation (DMF) has been introduced. The details of amount payable in the DMF are awaited.

D. OUTLOOK

For the Financial Year 2015-16, the thrust is on infrastructure sector, which will both spur domestic demand and ease supply side constraints. Setting up of 5 Ultra Mega Power Projects and announcement of similar projects for roads, rail and ports would also provide a thrust to the economy. Similarly, National Investment and Infrastructure Fund will help in easing the funds flow for the infrastructure sector. Further, in the Union Budget for 2015-16, 'Make in India' has got a boost by a slew of measures aimed at improving the ease of doing business in the Country. Small and medium industry – a major employment generator for the economy – has been liberated to participate in the Nation's development in accordance with its potential. Measures such as Mudra Bank, technological facilitation agencies, etc. are likely to foster the entrepreneurial spirit and see emergence of numerous start-ups.

The issue of 'ease of doing business' has been addressed by the Finance Minister by introduction of measures such as Procurement Law, Public Contract Dispute Resolution Bill, Regulatory Reform Law, etc. Similarly a low and stable Corporate Tax regime without multiple exemptions will reduce litigations and improve business sentiments.

Bold measures by the Government such as improved targeting of subsidy, broadening of the tax base and expected buoyancy in tax revenue are all aimed at achieving the fiscal consolidation which had been an area of concern in recent past.

E. STRENGTHS & WEAKNESSES

Strengths

Strengths of SAIL include diversified product mix, well established nationwide marketing network, captive iron ore resources, skilled manpower, captive power plants, land bank for future expansion, dedicated R&D wing and strong balance sheet.

Further, the on-going modernisation is going to take SAIL ahead in terms of modern technology adoption, automation, enhanced production, product quality, wider product basket, process efficiency & diversification opportunities.

The diversified product mix and multi-location production units are an area of strength for the Company. SAIL, as a single source, is able to cater to the entire steel requirement of any customer. Also, it has a nationwide distribution network, with presence in every district in India. This makes quality steel available throughout the length and breadth of the country.

SAIL has the largest captive iron ore operations in India, which take care of its entire requirement. With plans in place to expand the mining operations, the Company will continue to be self-sufficient in iron ore after completion of the on-going phase of expansion.

SAIL's large skilled manpower base is a source of strength. With continuous emphasis on skill based and multi-skill training, SAIL has achieved Labour Productivity of 302 tonnes of Crude Steel per man per year during 2014-15. With emphasis on selective skilled recruitment for

manning of upcoming facilities and recoupment against superannuating manpower, the manpower profile as well as the labour productivity will improve gradually over the years.

SAIL's captive Power Plants take care of about 70% of its total power need. With augmentation of capacities of Power Plants operated under Joint Venture, the Company will continue to have security in this key input in future as well.

The Company has one of the biggest in-house research and development centers for Iron & Steel in Asia. SAIL's Research & Development Centre for Iron & Steel is a source of regular product and process innovation.

Low overall borrowings lend strength to the Company's Balance Sheet as it can mobilize resources while keeping the leveraging at manageable levels.

Weaknesses

- Dependence on external sources for key input - coking coal leads to exposure of the Company to the market risk.
- Adverse employee age-mix, with the average age of 46.7 years, is a concern area. Skilled and competent manpower is being inducted for improving the manpower mix (age & qualification).
- Currently, around 19% of the products are in the form of semi-finished steel, resulting in lower value addition to the product portfolio. This trend is expected to continue for one more year till new rolling mills become fully operational.
- High manpower cost and relatively low manpower productivity.

F. REVIEW OF FINANCIAL PERFORMANCE

1. FINANCIAL OVERVIEW OF SAIL

SAIL achieved a sales turnover of ₹50,627 crore during the Financial Year 2014-15, which was lower by 2% over turnover of ₹51,866 crore in the previous Financial Year. The profit after tax of ₹2,093 crore was lower by ₹523 crore over last year (₹2,616 crore). The comparative performance of major financial parameters during the Financial Years 2014-15 and 2013-14 is given below:

(₹ crore)		
Particulars	2014-15	2013-14
Sales Turnover	50,626.65	51,865.99
Profit before interest, depreciation, exceptional items and tax (EBITDA)	5,586.42	4,852.62
Less: Interest and Finance Charges	1,454.23	967.64
Less: Depreciation	1,773.28	1,716.69
Profit before tax (PBT) before exceptional items	2,358.91	2,168.29
Exceptional items : Loss(-)/Gain(+)		1,056.26
Profit before tax (PBT) after exceptional items	2,358.91	3,224.55
Less: Provision for taxation	266.23	608.07
Profit after tax (PAT)	2,092.68	2,616.48
Dividend (as a % of Equity)		
Interim Dividend (%)	17.50	20.20
Final Dividend (%) -Proposed	2.50	-
Net Worth	43,505	42,666
EBITDA to Net Sales (%)	12.4	10.5
Return (PAT) on Net Worth (%)	4.8	6.1
EBITDA to average capital employed (%)	12.9	14.0
Earning Per Share of Rupee 10/- each	5.1	6.3
Debt Equity Ratio	0.69:1	0.59:1

The profit of your Company for the Financial Year 2014-15 was favourably impacted by profit on sale of its investment in Bokaro Jaypee Cement Limited, lower coke rate & energy consumption, reduction in usage of external BF Coke, lower imported coal price, higher CDI usage, lower loss on account of foreign exchange fluctuation,

etc. The profit has been adversely affected mainly due to stagnant Saleable Steel production and lower sales volume, higher salaries and wages, higher stores and spares expenditure, higher repairs & maintenance expenditure, increase in royalty on iron ore, increase in purchased power rate, lower BF productivity, higher usage of imported coal in the blend due to lower availability of indigenous coal, higher interest charges, higher depreciation due to capitalisation of new facilities and reduction in interest earning on term deposits.

1.2 Initiatives taken by the SAIL Management

1.2.1 Cost Control Measures

- Emphasis on cost reduction and productivity improvement continued during the year through systematic application of new technology, process improvement through R&D efforts and strong awareness to control cost at all levels of operation.
- Continuous monitoring of procurement of high value items, maximising use of in-house engineering shops and optimisation in procurement including negotiations with suppliers for price reduction.
- Several strategic actions were taken to achieve cost control savings in major areas of operation viz. Optimisation of coal blend, higher yield, higher CC production and improvement in revenue maximisations areas.

1.2.2 Marketing

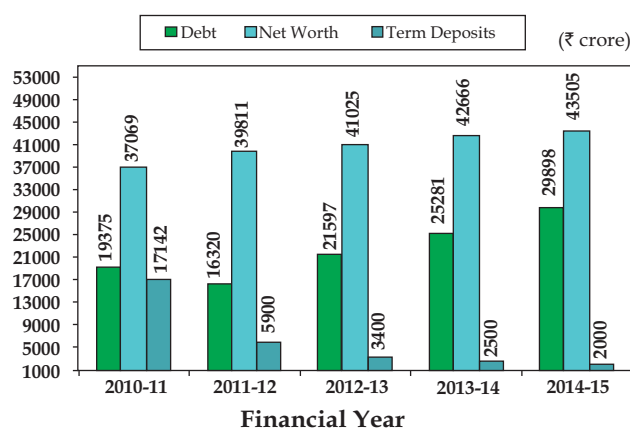
Number of initiatives were taken during 2014-15 for improving customer satisfaction and strengthening our position in the steel market, including the following –

- Promotion of new products (universal sections, wide plates, high quality wire rods, etc.) was undertaken during the course of the year through road shows/presentations by a Cross Functional Team (CFT) of R&D, Plants and Marketing to create awareness about the products coming from new mills of SAIL among the target customers.
- 24 new products were developed during the year for a wide variety of application. Some of the products developed are mentioned below-
 - ✓ JISG3136 SN490B Grade Plates for Construction
 - ✓ ASTM A 131 FH 36 Grade HR Coil for containers
 - ✓ ASTM A387 Gr. 22 Cl. 2 Plates for Boilers and Pressure Vessels for elevated temperature applications
 - ✓ Armour Plates for Bullet Proof Application
 - ✓ DMR 292 A Grade Plates through CC route for Defence
 - ✓ SAILFORMING 410 Grade HR Coils for Auto (Axle beams)
- Supply of Long Rails to the Indian Railways was further increased during 2014-15 registering a growth of 3% over previous year.
- New WAP-5 Loco Wheel was developed for the Indian Railways.
- Uniform embossing was started on TMT Bars from all SAIL Plants for better product positioning.
- Delhi and Vizag warehouses of SAIL were recommended by TUV in 2014-15 for certification of ISO 140001 as per the norms of the Environment Management Systems (EMS) taking the total number of green SAIL warehouses to eight.
- SAIL has the largest marketing network among all steel producers in the Country. As on 1st April, 2015 SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 27 Customer Contact Offices, 25 Departmental Warehouses and 24 Functional Consignment Agency yards. In addition, marketing effort is supplemented by a strong dealer network of 2711 dealers spread across the Country. The dealer network was further expanded by adding 532 new dealers during the year.

1.3 Funds Management

During the year, the Company continued its thrust on better funds management. The high cost short-term loans were replaced with low

cost debts. Also, the Company earned interest of ₹256 crore through short-term deposits with scheduled banks. The Company has maintained term deposits with Banks of ₹2,000 crore against borrowings of ₹29,898 crore as at the year-end. The total debt during the current year increased by ₹4,617 crore. The Company hedged the foreign currency risk on Buyers' Credit availed during the year. M/s India Ratings & Research Pvt. Ltd. (erstwhile FITCH) and M/s CARE, RBI approved credit rating agencies maintained "AAA" ratings indicating the highest rating to SAIL's long-term borrowing programme. The International borrowings programme of the Company has been rated at 'BBB-' by M/s FITCH Ratings. The trend of borrowings, net worth and term deposits is given as under:-



1.4 Contribution to SAIL Gratuity Trust

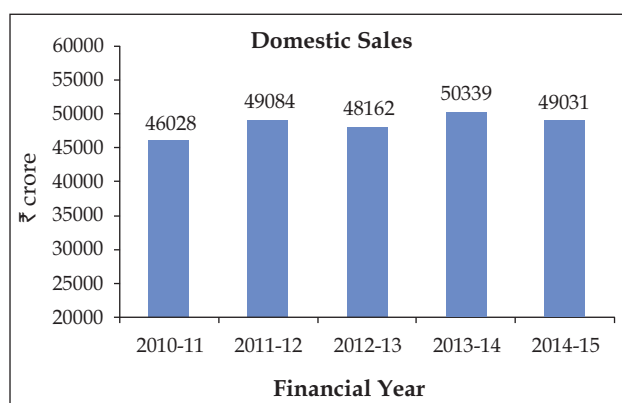
The total contribution made by the Company to SAIL Gratuity Trust upto 31.03.2015 was ₹3,349.09crore. The fund size has grown to ₹5,061.04crore as on 31.03.2015, net of settlement done towards payment of Gratuity.

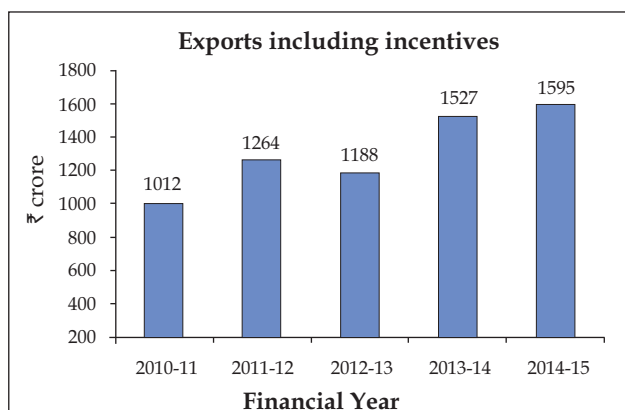
2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

2.1 Revenue from Operations

(₹ crore)			
a) Sale of Products			
Particulars	FY 2014-15	FY 2013-14	Change %
Sales of Saleable Steel Products	48,343.78	49,660.42	-2.6
Sales of Other Products	2,282.87	2,205.57	3.5
Total Sales Turnover	50,626.65	51,865.99	-2.3
Less: Excise Duty	5,418.60	5,677.29	-4.5
Net Sales Turnover	45,208.05	46,188.70	-2.1

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, Forged rail Wheels and Silicon Steel Sheets formed part of Company's rich product-mix. The product category-wise sales turnover during 2014-15 is given as under:-

Products Category	% of Sales value
Saleable Steel:	
Flat Products (including Pipes & Electrical sheets) (a)	52
Long Products (b)	38
Integrated Steel Plants - Mild Steel (c = a + b)	90
Alloy & Special Steel Plants - Alloy & Special Steel (d)	6
Total Saleable Steel (e = c + d)	96
Secondary Products (Pig Iron, Scrap, Coal Chemicals etc.) (f)	4
Total (g = e + f)	100

c) Sale of Services - Service Charges

(₹ crore)

FY 2014-15	FY 2013-14	Change %
24.11	25.91	-6.9

Revenue from sale of services decreased by about ₹2 crore during the current year.

d) Other Operating Revenues

(₹ crore)

FY 2014-15	FY 2013-14	Change %
478.62	467.77	2.3

Other operating revenues increased by about ₹11 crore over previous year primarily on account of higher realisation from social amenities and sale of empties.

2.2 Other Income

(₹ crore)

FY 2014-15	FY 2013-14	Change %
1020.78	897.44	13.7

Other income increased by about ₹123 crore over previous year mainly due to profit on sale of investment in Bokaro Jaypee Cement Limited.

2.3 Expenditure

(₹ crore)

Particulars	FY 2014-15	FY 2013-14	% Change
Raw Materials Consumed	18,523	19,272	-3.8
Employee Remuneration & Benefits	9,736	9,579	1.6
Finance Cost	1,454	968	50.2
Depreciation	1,773	1,717	3.2
Other Expenses	14,205	13,132	8.1

The decrease in raw material cost was on account of reduction in input prices, particularly of imported coal and lower consumption of purchased BF coke, etc. During the year, the Employees' Remuneration & Benefits has increased mainly due to leave encashment & welfare expenses. Higher finance cost was due to increase in borrowings and increase in depreciation was due to capitalization of new facilities. The increase in other expenses was on account of increase in the cost of stores & spares, power & fuel, repairs & maintenance, freight outward, security expenses, royalty & cess, etc.

2.4 Contribution to Exchequer

During the year, SAIL contributed ₹11,110 crore to the national exchequer by way of payment of dividend, taxes and duties to various Government agencies.

2.5 Non-Current/Current Assets

(₹ crore)

Particulars	2014-15	2013-14	Change
a Non Current Assets			
Fixed Assets			
- Tangible	34,658.40	25,256.52	37.2
- Intangible	1,510.21	1,514.13	-0.3
Capital Work-in-Progress	29,195.82	33,650.54	-13.2
Non Current Investments	919.07	720.20	27.6
Long Term Loans & Advances	4,514.73	3,815.53	18.3
Other Non- Current Assets	53.83	135.43	-60.3
Total Non Current Assets (a)	70,852.06	65,092.35	
b Current Assets			
Inventories	17,736.37	15,200.82	16.7
Trade Receivables	3,192.00	5,482.28	-41.8
Cash & Bank Balances	2,305.24	2,855.95	-19.3
Short Term Loans & Advances	3,048.85	1,155.69	163.8
Other Current Assets	2,192.35	2,174.80	0.8
Total Current Assets (b)	28,474.81	26,869.54	
Total (a + b)	99,326.87	91,961.89	

- The capital work-in-progress decreased by ₹4,455 crore on account of capitalization of various capital schemes in steel plants.
- Long Term Loans & Advances increased by ₹699 crore. The increase was on account of Minimum Alternate Tax (MAT) credit and Deposits with other agencies.
- Other Non-Current Assets decreased by ₹82 crore mainly due to decrease in Long Term Claims Recoverable.
- The inventories increased by ₹2,536 crore mainly on account of increase in raw materials inventory by ₹811 crore, finished/semi-finished products inventory by ₹1,644 crore and stores & spares inventory by ₹81 crore.
- Decrease in trade receivables was by ₹2,290 crore mainly on account of reduction in debtors.
- The cash & bank balances decreased by ₹551 crore on account of decrease in term deposits & cheques on hand.

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- Short Term Loans & Advances increased by ₹1,893 crore. The increase was mainly on account of bills receivable and advances recoverable from others.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	2014-15	2013-14	Change %
a Non Current Liabilities			
Long-Term Borrowing	14,025.56	13,632.22	2.9
Deferred Tax Liability (Net)	2,395.19	2,040.46	17.4
Other Long-Term Liabilities	1,239.22	1,381.30	-10.3
Long-Term Provisions	3,705.34	3,901.28	-5.0
Total Non Current Liabilities (a)	21,365.31	20,955.26	
b Current Liabilities			
Short-Term Borrowings	14,195.16	10,634.48	33.5
Trade Payables	3,606.38	3,205.34	12.5
Other Current Liabilities	14,016.53	12,478.51	12.3
Short-Term Provisions	2,638.71	2,021.95	30.5
Total Current Liabilities (b)	34,456.78	28,340.28	
Total (a + b)	55,822.09	49,295.54	

- Increase in long term borrowing by 3% was due to issue of non-convertible bonds.
- The decrease in long term provisions by ₹196 crore was mainly on account of reduction in the gratuity and others.
- The short term borrowing increased by ₹3,561 crore on account of raising of loans from Banks.

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

(₹ crore)

Plant/Unit	2014-15	2013-14
Bhilai Steel Plant (BSP)	2,232.42	2,084.84
Durgapur Steel Plant (DSP)	506.12	415.60
Rourkela Steel Plant (RSP)	232.04	212.20
Bokaro Steel Plant (BSL)	451.37	202.01
IISCO Steel Plant (ISP)	-1,072.17	-653.05
Alloy Steels Plant (ASP)	-134.15	-92.59
Salem Steel Plant (SSP)	-355.09	-375.55
Visvesvaraya Iron & Steel Plant (VISP)	-97.31	-122.68
SAIL Refractory Unit (SRU)	7.42	3.00
Chandrapur Ferro Alloys Plant (CFP)	-45.22	-77.65
Raw Materials Division/Central Units*	633.48	1,628.42
SAIL: Profit Before Tax (PBT)	2,358.91	3,224.55
SAIL: Profit After Tax (PAT)	2,092.68	2,616.48

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

G. MATERIALS MANAGEMENT

A number of initiatives were taken to reduce cost of inputs and improve the performance in the area of materials management. Salient points are summarized as under-

Cost Reduction

- Procurement value through Global tender increased to 15.98% in 2014-15 from 12.73% in 2013-14. Similarly, e-procurement including use of SRM / EPS platform increased to 36.83% from 28.31% on Y-o-Y basis.
- MOU for grease including Vendor Managed Inventory (VMI) started in all Plants.

- VMI initiated for general purpose bearings.
- Consolidated procurement items increased with addition of 5 new items. Total number of such items is now 46.
- Agreement for chartering of vessels (ships) with mjunction services limited.
- Procurement of Mn-ore through auctions.
- Global specifications for CRM rolls at BSL.

Systems Improvement

- Purchase/Contracts Procedure-2014 (PCP-14) issued, which is effective from 1st Sep'2014.
- Standard Sampling Procedure for testing of ferro-alloys issued.

Other Highlights

- Procurement through Reverse Auction was ₹ 4,829.24 Crore.
- Sale of Secondary Products through Forward Auction was ₹ 2,915.41 Crore.

H. FOREIGN EXCHANGE CONSERVATION

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

I. PROJECT MANAGEMENT

AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement (AMR) Schemes have also been taken up which are required for management of existing operations and primarily focuses on improving the current level of efficiency & output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facilities for sustaining the existing operations, balancing/debottlenecking of production processes, improvement in energy & other resource consumption/services/safety and environment. Replacement includes mostly replacing the existing Plant & Equipment/facilities with better performance Plant & Equipment/facilities; Re-building of certain facilities like Coke Oven Batteries (COB) after its useful life is one of the types of replacement scheme. Accordingly, a number of AMR schemes costing around ₹ 3,201 Crores are under implementation in different SAIL Plants as under:

- ❖ Installation of Oxygen Evacuation Facilities for 2x1250 TPD New Oxygen Plant; Cold Repair of COB-9, Up-gradation of Stoves of BF-4, Modification of Mid stack Cooling System of BF-7, Detailed Project report for development of Rowghat Iron Ore Deposit and Construction of Permanent Barrack at 21 locations for Rowghat Deposit at Bhilai Steel Plant.
- ❖ Rebuilding of COB-3; Installation of Additional Heat Treatment Facilities in SPP; Re-habilitation of Mandira Dam; Up-gradation of BF-1 and Installation of 125 tpd Sulphuric Acid Plant at Rourkela Steel Plant.
- ❖ Re-building of COB-5, Upgradation of Wheel Press Electronics and Hydraulic system of Wheel & Axle Plant, Augmentation of

Wheel Machining Facilities of Wheel & Axle Plant and installation of new Rotary Health Furnace at Wheel & Axle Plant at Durgapur Steel Plant.

- ❖ Replacement of Battery Cyclones with ESPs in Sinter Plant, Replacement of Converter Shell Trunion Ring and Pedestal Assembly in SMS-2, Rebuilding of COB-7 and provision of Hydraulic Mudgun cum drill machine for BF-1 at Bokaro Steel Plant.
- ❖ Installation of One 45MVA Sub-merged Arc Furnace; 4 MW Power Plant and 220 kV Sub-station at Chandrapur Ferro Alloy Plant.

J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the in-house design, engineering & consultancy unit of SAIL provides the complete range of services from concept to successful commissioning of projects in the complete value chain of integrated steel plant and its mines. With a strength of 260 qualified, trained and experienced engineers, CET is now taking leadership role in mineral beneficiation, pellet plant, material handling, power plant, slag granulation plant, stoves, water management, IT services, automation and many other related areas. The current major projects in its basket include the new 3.0 Mt Hot Strip Mill at RSP, Up-gradation of BF #1 at RSP, Pellet and Beneficiation Plants at RSP and Dalli, Modernisation of SMS-1 at BSL and New Sinter Plant at BSL and Rebuilding of a number of Coke Oven batteries/ new batteries at all SAIL Plants.

K. CONSULTANCY SERVICES

Your Company has one of the largest pool of qualified and experienced engineers, technologists, and professionally qualified HR & training experts. Based on its large and varied expertise and experience acquired over the last five decades, SAIL, through SAILCON, provides design, engineering, training, technical & management consultancy services in Iron & Steel and related areas and offers a wide range of services to clients globally. Technical and Management Training services are its forte and these services have been availed of by several organizations in private and public sector within India and abroad. To scale up the activities and to further reinforce the brand image of SAIL as a consultant, SAILCON is continuously exploring the market, both within and outside the Country for possible business opportunities as well as joint ventures with Global consultants for commercialization of SAIL's expertise.

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

During the Financial Year 2014-15, SAILCON laid enhanced focus on taking up training assignments along with technical consultancy in setting up of steel plants for some leading organizations. Consultancy is also being extended for setting up of Power Plants, based on waste heat recovery from the flue gases released out of Blast Furnace and non-recovery type of Coke Oven batteries, as an environment friendly measure and as a step to combat global warming.

L. RESEARCH & DEVELOPMENT

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

metallurgy. Recognizing that development and assimilation of new technologies & process innovations are basic tenets for sustainable growth, the Company gives thrust to 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 making starting from raw materials to finished products. In the year 2014-15, 80 projects were pursued and 48 projects, as scheduled, were completed with substantial benefits to the organization.

R&D Centre also pursues pioneering work in the area of development of niche products as per market requirements aiming at superior performance based on application. During the year, 24 products have been developed and some of the noteworthy products include seismic resistant steels for Indian construction segment, Steel for Lighter and Safer Indian Domestic Cylinder, Boiler Quality Plates, Armour Plates for Bullet Proof Application, etc.

The Centre in its pursuit for excellence in various research fields enters into collaboration for research in specific areas with renowned research institutions and academia. During the year 2014-15, MOU/Collaboration agreements have been entered into with institutions such as Deakin University, Australia; National Metallurgical Laboratory, Jamshedpur; Institute of Minerals and Materials Technology, Bhubaneswar; Liquid Propulsions Systems Centre, ISRO, Thiruvananthapuram; IIT, Kharagpur, etc.

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

The efforts of RDCIS engineers and scientists in association with SAIL Plants have culminated in filing of 37 patents and 36 copy rights during 2014-15. As many as 90 technical papers (38 international) were published and 118 papers (45 international) were presented. In recognition of the contributions made, RDCIS bagged several prestigious awards (14 in total) during 2014-15 like Metallurgist of the Year, O.P. Jindal Gold Medal, Dr. M. Visvesvaraya Award 2014, etc.

M. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

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

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

- Issue of unauthorized occupation of Land and quarters in SAIL Townships.
- Usage, availability and future requirement of coking coal in Steel Plants including Backward Integration of coal mines for

improving the quality of Coal by setting up Beneficiation Plant and Coal washeries.

- Organisational Support with requisite skill mix for expeditious completion of projects.
- Energy Audit.
- IT strategy and ERP implementation at Plants and Units of SAIL.
- Reconciliation of Title Deeds of land at different Plants/Units.
- Periodic review of Enterprise Risk Management (ERM).

The Internal Audit system is supplemented by well-documented policies, guidelines and procedures and regular reviews are being carried out by our Internal Audit Department. The reports containing Significant Audit Findings are periodically submitted to the Management and Audit Committee of the Company.

CAUTIONARY STATEMENT

Statement 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 security Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

Balance Sheet

As at 31st March, 2015

(₹ crore)

	Note No.	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	4130.53	4130.53
(b) Reserves and Surplus	3	39374.25	38535.82
Non-Current Liabilities			
(a) Long-Term Borrowings	4	14025.56	13632.22
(b) Deferred Tax Liabilities (Net)		2395.19	2040.46
(c) Other Long Term Liabilities	5	1239.22	1381.30
(d) Long-Term Provisions	6	3705.34	3901.28
Current Liabilities			
(a) Short-Term Borrowings	7	14195.16	10634.48
(b) Trade Payables	8	3606.38	3205.34
(c) Other Current Liabilities	9	14016.53	12478.51
(d) Short-Term Provisions	10	2638.71	2021.95
TOTAL		99326.87	91961.89
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	34658.40	25256.52
(ii) Intangible Assets	11B	1510.21	1514.13
(iii) Capital Work-in-Progress	12	29195.82	33650.54
(b) Non-Current investments	13	919.07	720.20
(c) Long-Term Loans and Advances	14	4507.25	3815.53
(d) Other Non-Current Assets	15	53.83	135.43
Current Assets			
(a) Current Investments			
(a) Inventories	16	17736.37	15200.82
(b) Trade Receivables	17	3192.00	5482.28
(c) Cash and Bank Balances	18	2305.24	2855.95
(d) Short-Term Loans and Advances	19	3056.33	1155.69
(e) Other Current Assets	20	2192.35	2174.80
TOTAL		99326.87	91961.89

Significant Accounting Policies

1

Other Notes to Financial Statements

29-41

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

Sd/-
(M.C.Jain)
Secretary

For O.P.Totla & Co.
Chartered Accountants
Firm Registration no.000734C
Sd/-
[Rajendra P Totla]
Partner
(M. No. 400658)

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

In terms of our report of even date

For B.N.Misra & Co.
Chartered Accountants
Firm Registration no.321095E
Sd/-
[B N Misra]
Partner
(M. No. 083927)

Sd/-
(C.S.Verma)
Chairman

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration no.000643N
Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

Place : New Delhi
Dated : May 29, 2015

Statement of Profit & Loss

For the year ended 31st March, 2015

(₹ crore)

	Note No.		Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations	21	51129.38		52359.65
Less : Excise Duty		5418.60	45710.78	5677.29
Other Income	22		1020.78	898.61
Total Revenue			46731.56	47580.99
Expenses				
Cost of Materials Consumed	23	18522.90		19271.16
Purchase of Stock in Trade		0.48		0.78
Changes in Inventories of Finished Goods & Work in Progress	24	-1408.12		894.63
Employee Benefits Expense	25	9736.33		9578.51
Finance Costs	26	1454.23		967.64
Depreciation and Amortisation Expense		1773.28		1716.69
Other Expenses	27	14205.32	44284.42	13133.37
			2447.14	2018.21
Add: Adjustments pertaining to Earlier Years	28		-88.23	150.08
Profit before Tax and Exceptional Item			2358.91	2168.29
Add: Exceptional Item:				
Compensation received for Non Performance of Contract			-	1056.26
Profit before Tax			2358.91	3224.55
Less : Tax Expense				
Current Tax		499.15		683.26
Deferred Tax		282.76		331.97
MAT Credit		-499.15		-520.11
Earlier Years		-16.53	266.23	112.95
Profit after Tax			2092.68	2616.48
Earnings per Share				
Profit after Tax			2092.68	2616.48
Average Number of Equity Shares (Face Value Rupees 10/- each)			4130525289	4130525289
Basic and Diluted Earnings per Share (Rupees)			5.07	6.33
Significant Accounting Policies	1			
Other Notes to Financial Statements	29-41			
The Notes referred to above form integral part of these financial statements				

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
SecretarySd/-
(Anil Kumar Chaudhary)
Director (Finance)Sd/-
(C.S.Verma)
ChairmanFor O.P.Totla & Co.
Chartered Accountants
Firm Registration no.000734CIn terms of our report of even date
For B.N.Misra & Co.
Chartered Accountants
Firm Registration no.321095EFor Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration no.000643NSd/-
[Rajendra P Totla]
Partner
(M. No. 400658)Sd/-
[B N Misra]
Partner
(M. No. 083927)Sd/-
[Amar Mittal]
Partner
(M. No. 017755)Place : New Delhi
Dated : May 29, 2015

Cash Flow Statement

	(₹ crore)	
For the Year	2014-15	2013-14
A. Cash flow from Operating Activities		
Net Profit / loss (-) before taxation	2358.91	3224.55
Add / (Less) Adjustments for :		
Depreciation	1790.42	1599.49
Interest and Finance Charges	1454.23	967.64
Bad debts written-off	0.33	7.71
Provision for Others	336.60	(652.28)
Profit on sale of Investments	(199.81)	-
Profit on sale of Fixed Assets	(11.40)	(7.78)
Interest Income	(475.10)	(584.13)
Dividend Income	(103.00)	(124.91)
Operating cash flow before working capital change	5151.18	4430.29
Adjustments for changes in :-		
(Increase) / Decrease in Inventories	(2535.55)	807.39
(Increase) / Decrease in Sundry Debtors	2275.04	(1077.04)
Decrease in Loans and Advances	(2043.04)	(337.49)
Increase in Current liabilities	334.19	2761.96
Decrease in Other Current Assets	81.99	62.27
Cash generated from Operations	3263.81	6647.38
Direct Taxes Paid	(519.69)	(764.29)
Net Cash from Operating Activities	2744.12	5883.09
B. Cash flow from Investing Activities		
(Purchase) of Fixed Assets	(6326.72)	(8871.46)
Proceeds from sale of Fixed Assets	93.16	34.42
Loans to Other Companies	1.21	0.14
(Increase) / Decrease in Term Deposits with Banks	495.84	932.08
(Purchase)/Sale of investments (net)	0.94	(1.84)
Interest received	472.07	589.63
Dividend received	103.00	124.91
Net Cash from/ (used in) Investing Activities	(5160.50)	(7192.12)
C. Cash flow from Financing Activities		
Prime Minister's Trophy Award Fund	1.34	1.25
Proceeds from borrowings (Net)	4682.90	3344.01
Interest and Finance Charges paid	(1421.08)	(929.20)
Dividend Paid	(722.84)	(999.60)
Tax on Dividend paid	(143.77)	(169.75)
Net Cash from/ (used in) Financing Activities	2396.55	1246.71
Cash Flow used in CSR Activities	(35.04)	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(54.87)	(62.32)
Cash & Cash Equivalents (Opening) (Refer note 18)	214.91	277.23
Cash & Cash Equivalents (Closing) (Refer note 18)	160.04	214.91
(Represented by Cash & Bank balances)		

Notes:

- The above Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchanges and under the indirect method set out in Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.
- Significant Accounting Policies and Other Notes to Financial Statements (29 to 41) form an integral part of the Cash Flow Statement.
- Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

Sd/-
(M.C.Jain)
Secretary

For O.P.Totla & Co.
Chartered Accountants
Firm Registration no.000734C
Sd/-
[Rajendra P Totla]
Partner
(M. No. 400658)

For and on behalf of Board of Directors
Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

In terms of our report of even date
For B.N.Misra & Co.
Chartered Accountants
Firm Registration no.321095E
Sd/-
[B N Misra]
Partner
(M. No. 083927)

Sd/-
(C.S.Verma)
Chairman

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration no.000643N
Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

Place : New Delhi
Dated : May 29, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Use of estimates

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

C. Fixed Assets

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

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

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

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

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

D. Borrowing Costs

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

E. Depreciation

Depreciation is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013. However, 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 Rs.5000/- are fully depreciated in the year in which they are put to use.

F. Investments

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

G. Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & spares - Moving weighted average cost

Materials in-transit - at cost

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

H. Grants

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

I. Foreign Currency Transactions

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

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

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011). Accordingly, exchange differences (including arising out of forward exchange contracts) relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

J. Employees' Benefits

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

K. Adjustments pertaining to earlier years and prepaid expenses

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

L. Revenue recognition

Sales include excise duty and are net of rebates and price concessions. Sales are recognised at the time of dispatch of materials to the buyers including the cases where delivery documents are endorsed in favour of the buyers. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

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

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

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

M. Claims for Liquidated Damages/Price Escalation

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

settlement.

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

N. Deferred Tax

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

O. Overburden Removal

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

P. Contingent Liabilities

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

Note (Forming Part of the Balance Sheet)

2: SHARE CAPITAL

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014
Authorised		
5,00,00,00,000 equity shares of Rs. 10 each	5000.00	5000.00
(5,00,00,00,000 equity shares of Rs. 10 each)		
Issued, Subscribed & Fully Paid-up		
4,13,05,25,289 equity shares of Rs.10 each fully paid.	4130.53	4130.53

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Numbers	Amount (₹)	Numbers	Amount (₹)
- Equity shares with voting rights				
Shares outstanding at the beginning of the year	4130071104	41300711040	4130071104	41300711040
Shares Converted into shares with Voting Rights during the year	21050	210500	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4130092154	41300921540	4130071104	41300711040
- Equity shares without voting rights *				
Shares outstanding at the beginning of the year	454185	4541850	454185	4541850
Shares Issued during the year	-	-	-	-
Shares Converted into shares with Voting Rights during the year	21050	210500	-	-
Shares outstanding at the end of the year	433135	4331350	454185	4541850

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

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

(iii) The Company does not have a holding company.

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

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75.00	3304293713	80.00
LIC of India	417717206	10.11	273321731	6.62

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

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

Note (Forming Part of the Balance Sheet)

3 : RESERVES AND SURPLUS

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve	2.99	2.99
Securities Premium Reserve		
As per last Balance Sheet	235.10	235.12
Less : Adjustment towards Bond Issue Expenses	-	0.02
	235.10	235.10
Bond Redemption Reserve		
As per last Balance Sheet	817.21	585.43
Additions during the year	270.49	251.13
Deductons during the year	78.82	19.35
	1008.88	817.21
General Reserve		
As per last Balance Sheet	5095.13	4831.13
Additions during the year	-	264.00
	5095.13	5095.13
Prime Minister's Trophy Award Fund *		
As per last Balance Sheet	25.29	24.02
Additions	2.33	2.25
Less: Utilisation	0.99	0.98
	26.63	25.29
Surplus in Statement of Profit & Loss		
Balance as per last account	32360.10	31215.42
Add: Surplus of Current Year	2092.68	2616.48
Less Expenditure on Corporate Social Responsibility	35.04	-
Less: Impact of Depreciation on account of Schedule II of Companies Act 2013	229.66	-
Less: Proposed Dividend	103.26	-
Less: Interim Dividend Paid	722.84	834.35
Less: Tax on Proposed Dividend	21.02	-
Less: Tax on Interim Dividend paid #	143.77	141.67
Less: Transfer to Bond Redemption Reserve	191.67	231.78
Less: Transfer to General Reserve	-	264.00
	33005.52	32360.10
	39374.25	38535.82

* Prime Minister's Trophy Award Fund

The Fund has been created out of award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the Fund are utilised for the welfare of employees in Bhilai.

Tax on Interim Dividend paid is net of reversal of excess provision of previous year.

Note (Forming Part of the Balance Sheet)

4 : LONG TERM BORROWINGS

(₹ crore)

		As at 31st March, 2015		As at 31st March, 2014	
SL No.	INT%	MATURITY CALL/PUT option (yr)	SECURITY REF		
SECURED					
A. Taxable Redeemable Non-convertible bonds					
1	9.35	9-Sep-2026	12/nil (a)	455.00	455.00
2	9.00	14-Oct-2024	(a)	1000.00	-
3	8.70	25-Aug-2024	(a)	300.00	300.00
4	9.30	23-Aug-2021	(a)	400.00	400.00
5	8.55	11-Aug-2021	(a)	700.00	700.00
6	8.72	30-Apr-2020	(a)	660.00	660.00
7	8.75	23-Apr-2020	(a)	545.00	545.00
8	8.65	1-Feb-2020	5/nil (a)	242.00	242.00
9	8.30	21-Jan-2020	(a)	500.00	-
10	8.65	30-Dec-2019	(a)	450.00	450.00
11	8.00	7-Dec-2019	5/nil (a)	-	30.00
12	8.50	7-Dec-2019	(a)	120.00	120.00
13	8.60	19-Nov-2019	(a)	335.00	335.00
14	8.75	15-Sep-2019	(b,d)	100.00	100.00
15	8.80	22-Jun-2019	(a)	825.00	825.00
16	7.70	11-May-2019	5/5 (a)	25.00	-
17	8.90	1-May-2019	5/nil (b)	950.00	950.00
18	9.30	25-May-2018	(a, k)	360.00	360.00
19	8.25	6-May-2018	3/3 (a)	800.00	800.00
20	8.38	16-Dec-2017	(a)	645.00	-
21	8.75	8-Nov-2017	3/3 (a)	500.00	300.00
22	9.18	27-Aug-2017	(a)	300.00	500.00
23	8.80	26-Oct-2016	(b,c)	140.00	154.00
				10352.00	8226.00
UNSECURED					
B Term Loans					
1			(e) KFW, Germany	355.19	458.22
2			(f) Bank of Tokyo Mitsubishi	416.67	798.93
3			(g) Bank of Tokyo Mitsubishi	833.33	1198.40
4			(h) Sumitomo Mitsubishi Banking Corp	1018.40	1527.60
5	2.00		(i) Natexis Banque	17.96	24.22
6			(j) State Bank Of India	-	366.84
			(l) Mizuho Corporate Bank Ltd	827.85	827.85
				3469.40	5202.06
C Steel Development fund					
			(m)	204.16	204.16
				14025.56	13632.22

- (a) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).
- (b) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant. (DSP).
- (c) Redeemable in 12 equal yearly instalments of Rs. 14 crore each starting w.e.f 26th October 2014. Instalment payable on 26th October 2014 has been shown in Other Current Liabilities
- (d) Redeemable in 3 equal instalments of Rs.50 crore each on 15th September of 2014, 2019 and 2024. Instalment payable on 15th September, 2014 has been shown in Other Current Liabilities
- (e) The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1 (b) the Interest is 3.66% p.a and balance 5.09% p.a is towards periphery development. The Interest on 1(c) is 0.75% p.a and the balance 8 % p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is Guaranteed by Government of India.
- (f) The loan is repayable in 3 equal yearly instalments on 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly.
- (g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1% . Interest is paid half yearly.
- (h) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.
- (i) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- (j) The loan is at an interest rate of 6 month EURIBOR +1.24%. Interest is paid half yearly. Principal Repayable 3 yrs from the date of Bill of lading.
- (k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May 2018.
- (l) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.
- (m) Terms of Repayment is to be decided by SDF management Committee.

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
5 : OTHER LONG TERM LIABILITIES		
Interest accrued and not due on borrowings	700.46	707.46
Trade payables	0.71	0.71
Others	538.05	673.13
	<u>1239.22</u>	<u>1381.30</u>

6 : LONG TERM PROVISIONS

Provisions for Employee Benefits		
- Gratuity	182.62	440.19
- Accrued Leave	2190.68	2074.48
- Employee Defined Benefit Schemes	1172.09	1160.34
Others		
- Mines closure	118.01	104.21
- Others	41.94	122.06
	<u>3705.34</u>	<u>3901.28</u>

7 : SHORT TERM BORROWINGS

Secured		
Loans repayable on demand		
- From banks (a)	5552.55	3334.89
Other loans and advances		
From Banks (a)	1005.00	-
Unsecured		
Other Loans and Advances		
Other Loans	800.00	-
Foreign Currency Loans	6837.61	7299.59
	<u>14195.16</u>	<u>10634.48</u>

(a) Secured by hypothecation of all Current Assets

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

8 : TRADE PAYABLES

Micro and Small Enterprises	27.27	21.44
Subsidiary Company	7.38	5.43
Others	3571.73	3178.47
	<u>3606.38</u>	<u>3205.34</u>

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
9 : OTHER CURRENT LIABILITIES		
Current maturities of long term debt	1677.01	1014.70
Interest accrued but not due on borrowings	666.78	626.63
Income received in advance from		
Customers	801.07	858.60
Others	53.67	43.98
	<u>854.74</u>	<u>902.58</u>
Liability towards Investor Education and Protection Fund, not due		
Unpaid Dividends	11.73	13.58
Unclaimed Matured Deposits and Interest Accrued thereon	1.03	1.03
	<u>12.76</u>	<u>14.61</u>
Security deposits	730.50	568.12
Less : Investments received as Security deposit	0.01	0.01
	<u>730.49</u>	<u>568.11</u>
Other payables		
For Capital works	2246.92	1479.59
Others	7827.83	7872.29
	<u>14016.53</u>	<u>12478.51</u>

10 : SHORT TERM PROVISIONS

Provisions for Employee Benefits		
- Gratuity	213.82	50.63
- Accrued Leave	221.16	188.94
- Employee Defined Benefit Schemes	167.28	146.40
Others		
- Taxation	11.90	51.96
- Pollution Control & Peripheral Development	83.93	106.62
- Exchange Fluctuation	15.29	-
- Proposed dividend	103.26	-
- Tax on Dividend	21.02	-
- Wage Revision	1279.58	1130.39
- Mines Afforestation/Overburden removal	280.98	262.59
- Others	240.49	84.42
Total	<u>2638.71</u>	<u>2021.95</u>

Note (Forming Part of the Balance Sheet)

11A : TANGIBLE FIXED ASSETS

Description	GROSS BLOCK(AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 31st March, 2014	Additions / Deductions	As at 31st March, 2015	Up to 31st March, 2014	For Less: On Sales/ the Adjustments Year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
A. PLANTS, MINES & OTHERS								
Land(including cost of development)								
-Freehold Land	257.40	3.76	0.01	0.87	-	0.87	260.28	256.53
-Leasehold Land	356.05	289.33	-	79.33	-0.29	113.86	531.52	276.72
Buildings	2798.50	1165.34	23.15	1280.09	-14.33	1386.01	2554.68	1518.41
Plant & Machinery								
-Steel Plant	41868.53	9468.58	359.89	21677.52	1283.22	22667.00	28310.22	20191.01
-Others	2505.72	100.47	37.77	1720.68	119.05	1825.13	743.29	785.04
Furniture & Fittings	124.80	6.93	0.58	81.66	6.51	88.46	42.69	43.14
Vehicles	1214.35	61.83	7.34	577.70	66.06	643.32	625.52	636.65
Office Equipments	56.53	2.70	1.70	34.86	4.05	44.58	12.95	21.67
Miscellaneous Articles	283.12	22.25	3.01	175.74	15.74	198.39	103.97	107.38
Roads,Bridges & Culverts	217.70	41.32	1.47	68.65	17.97	175.53	82.02	149.05
Water Supply & Sewerage	583.10	53.42	0.30	296.44	17.04	314.15	322.07	286.66
EDP Equipments	392.73	9.80	10.07	285.68	41.38	323.26	69.20	107.05
Railway Lines & Sidings	464.98	151.58	7.19	206.89	27.30	239.59	369.78	258.09
Sub-total 'A'	51123.51	11377.31	452.48	26486.11	1724.15	28020.15	34028.19	24637.40
Figures for the previous year	39721.93	11539.83	138.25	25085.05	1525.84	26486.11	24637.40	
B. SOCIAL FACILITIES								
Land(including cost of development)								
-Freehold Land	10.92	-	0.04	-	-	-	10.88	10.92
-Leasehold Land	6.89	-	-	5.66	0.12	5.78	1.11	1.23
Buildings	613.30	13.51	0.05	257.23	14.39	284.70	342.06	356.07
Plant & Machinery-Others	129.00	5.85	0.68	81.26	6.46	89.12	45.05	47.74
Furniture & Fittings	24.14	2.24	0.96	16.03	2.21	17.96	7.46	8.11
Vehicles	11.41	0.11	0.33	8.70	0.74	9.23	1.96	2.71
Office Equipments	4.29	0.15	0.24	2.25	0.54	3.41	0.79	2.04
Miscellaneous Articles	199.40	12.85	6.88	105.67	12.07	115.33	90.04	93.73
Roads,Bridges & Culverts	77.97	15.89	0.50	25.17	8.55	55.53	37.83	52.80
Water Supply & Sewerage	117.67	5.48	0.44	105.13	0.88	107.28	15.43	12.54
EDP Equipments	12.63	0.73	0.62	10.50	0.88	11.12	1.62	2.13
Sub-total 'B'	1207.62	56.81	10.74	617.60	46.84	699.46	554.23	590.02
Figures for the previous year	1165.90	56.23	14.51	598.65	28.04	617.60	590.02	
C. ASSETS RETIRED FROM ACTIVE USE								
Unserviceable / Obsolete Assets	29.10	49.97	3.09	-	-	-	75.98	29.10
Figures for the previous year	30.50	6.33	7.73	-	-	-	29.10	
Total ('A'+ 'B'+ 'C')	52360.23	11484.09	466.31	27103.71	1770.99	28719.61	34658.40	25256.52
Figures for the previous year	40918.33	11602.39	160.49	25683.70	1553.88	27103.71	25256.52	

Note (Forming Part of the Balance Sheet)

11B : INTANGIBLE FIXED ASSETS

Description	GROSS BLOCK(AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 31st March, 2014	Additions / Adjustments	Deductions	As at 31st March, 2015	Up to 31st March, 2014	For Less : On Sales/ the Adjustments Year	Up to 31st March, 2015	As at 31st March, 2014
A. PLANTS, MINES & OTHERS								
Computer Software	102.89	1.12	4.67	99.34	84.34	10.93	90.80	18.55
Mining Rights	1704.61	22.66	-	1727.27	209.07	16.67	225.74	1495.54
Sub-total 'A'	1807.50	23.78	4.67	1826.61	293.41	27.60	316.54	1514.09
Figures for the previous year	1783.46	24.10	0.06	1807.50	240.73	52.74	293.41	1514.09
B. SOCIAL FACILITIES								
Computer Software	0.63	0.12	-	0.75	0.59	0.02	0.61	0.04
Sub-total 'B'	0.63	0.12	-	0.75	0.59	0.02	0.61	0.04
Figures for the previous year	0.63	0.01	0.01	0.63	0.59	-0.01	0.59	0.04
Total ('A'+ 'B')	1808.13	23.90	4.67	1827.36	294.00	27.62	317.15	1514.13
Figures for the previous year	1784.09	24.11	0.07	1808.13	241.32	52.73	294.00	1514.13

(₹ crore)

Note : Allocation of Depreciation

	Current Year	Previous Year
(a) Charged to Profit & Loss Account	1773.28	1716.69
(b) Charged to expenditure during construction	8.19	7.12
(c) Adjustments pertaining to earlier years	17.14	-117.20
Total	1798.61	1606.61

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
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12 : CAPITAL WORK-IN-PROGRESS

Expenditure during construction pending allocation (Note 12.1)	5.58	4.40
Capital Work-in-progress		
Steel Plants & Units	28872.07	33374.99
Township	153.85	104.12
Ore Mines and Quarries	262.79	259.40
	<u>29288.71</u>	<u>33738.51</u>
Less: Provisions	131.77	132.42
	<u>29156.94</u>	<u>33606.09</u>
Construction Stores and Spares	36.07	41.76
Less: Provision for non-moving items	2.77	1.71
	<u>33.30</u>	<u>40.05</u>
	<u>29195.82</u>	<u>33650.54</u>

12.1 : EXPENDITURE DURING CONSTRUCTION (pending allocation)

Opening balance (a)	4.40	2.80
Expenditure incurred during the year		
Employees' Remuneration & Benefits		
Salaries & Wages	141.82	128.73
Company's contribution to Provident fund	13.73	10.94
Travel Concession	2.87	3.04
Welfare Expenses	-	0.19
Gratuity	1.22	7.65
	<u>159.64</u>	<u>150.55</u>
Technical Consultants' fees & know-how	18.89	8.77
Power & Fuel	198.69	99.68
Other expenses	47.67	96.72
Interest & Finance charges	637.89	844.55
Depreciation	8.19	7.12
	<u>1070.97</u>	<u>1207.39</u>
Less: Recoveries		
Interest Earned	1.68	1.66
Liquidated Damages	0.58	4.55
Hire Charges	0.71	0.50
Sundries	-	1.44
	<u>2.97</u>	<u>8.15</u>
Net expenditure during the year (b)	<u>1068.00</u>	<u>1199.24</u>
Total (a)+(b)	<u>1072.40</u>	<u>1202.04</u>
Less : Amount allocated to Fixed Assets/ Capital Work-in-progress	<u>1066.82</u>	<u>1197.64</u>
Balance carried forward	<u>5.58</u>	<u>4.40</u>

Note (Forming Part of the Balance Sheet)

(₹ crore)

	Number of Fully Paid up equity shares	Face Value Per Share (₹)	As at 31st March, 2015	As at 31st March, 2014
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13 : NON CURRENT INVESTMENTS (AT COST)

(A) Unquoted

Trade Investments

Subsidiary Companies

SAIL Refractory Company Limited	50,000 (50,000)	10	0.05	0.05	
SAIL- Jagdishpur Power Plant Ltd	50000 (50,000)	10	0.05	0.05	
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)	30,00,000 (30,00,000)	10	3.00	3.00	
SAIL Sindri Projects Limited	50000 (50,000)	10	0.05	3.15	0.05 3.15
Joint Venture Companies					..
UEC SAIL Information Technology Limited	1,80,000 (1,80,000)	10	0.18	0.18	
North Bengal Dolomite Limited	97,900 (97,900)	100	0.98	0.98	
NTPC- SAIL Power Company Pvt Limited	49,02,50,050 (49,02,50,050)	10	490.25	490.25	
Bokaro Power Supply Company Pvt Limited	12,40,25,000 (8,40,25,000)	10	124.03	84.02	
Bhilai Jaypee Cement Limited	9,87,18,048 (9,87,18,048)	10	52.51	52.51	
Bokaro Jaypee Cement Limited	0# (3,47,49,000)	10	-	34.75	
SAIL- Bansal Service Centre Limited	32,00,000 (32,00,000)	10	3.20	3.20	
MJunction services limited	40,00,000 (40,00,000)	10	4.00	4.00	
S&T Mining Company Private Limited	129,41,400 (92,91,400)	10	12.94	9.29	
SAIL MOIL Ferro Alloy Pvt. Ltd.	1,00,000 (1,00,000)	10	0.10	0.10	
International Coal Ventures Pvt. Ltd.	18,20,00,000 (28,00,000)	10	182.00	2.80	
SAIL-SCL Kerala Ltd.	1,27,79,850 (1,27,79,850)	10	18.10	18.10	
SAIL-SCI Shipping Private Limited	1,00,000 (1,00,000)	10	0.10	0.10	
Romelt SAIL (India) Limited	63,000 (63,000)	10	0.06	0.06	
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	1,49,00,000 (120,00,000)	10	14.90	12.00	
SAIL-KOBE Iron India Pvt. Ltd.	2,50,000 (0)	10	0.25	-	
Prime Gold -SAIL JVC Ltd.	25,99,999 (0)	10	2.60	-	
SAIL-Bengal Alloy Castings Pvt. Ltd.	10000 (0)	10	0.01	906.21	- 712.34

Note (Forming Part of the Balance Sheet)

(₹ crore)

	Number of Fully Paid up equity shares	Face Value Per Share (₹)	As at 31st March, 2015	As at 31st March, 2014
13 : NON CURRENT INVESTMENTS (AT COST) (Contd.)				
Others				
TRL Krozaki Refractories Limited	22,03,150 (22,03,150)	10	11.35	11.35
Almora Magnesite Limited	40,000 (40,000)	100	0.40	0.40
Indian Potash Limited	3,60,000 (3,60,000)	10	0.18	0.18
Haridaspur Paradeep Railway Co Ltd	50,00,000 (0)	10	5.00	-
Cement & Allied Products (Bihar) Limited	2 (2)	10	—*	—*
Chemical & Fertilizer Corporation (Bihar) Limited	1 (1)	10	—*	—*
Bhilai Power Supply Company Limited	5 (5)	10	—*	—*
MSTC Limited	80,000 (80,000)	10	0.01	0.01
Bihar State Finance Corporation	500 (500)	100	0.01	0.01
Shares in Co.-operative Societies (Note No. 13.1)			0.18	17.13
Total (A)			<u>926.49</u>	<u>12.13</u>
(B) Quoted				
HDFC Limited	60,000 (60,000)	2	0.01	0.01
HDFC Bank Limited	2500 (2,500)	2	—*	—*
ICICI Bank Limited	28600 (28,600)	10	0.05	0.06
Total (B)			<u>0.06@</u>	<u>0.06</u>
Total (A+B)			<u>926.55</u>	<u>727.68</u>
Less : Provision for diminution in value of investments			<u>7.48</u>	<u>7.48</u>
			<u>919.07</u>	<u>720.20</u>

@ Market value of quoted investments

11.40

8.27

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

Shares in the JV disposed during the year

Note (Forming Part of the Balance Sheet)

				(₹)
	Number of Fully Paid up Equity Shares	Face Value Per Share (₹)	As at 31st March, 2015	As at 31st March, 2014
13.1 : SHARES IN CO-OPERATIVE SOCIETIES				
Bokaro Steel Employees' Co.-operative Credit Society Limited	116500 (116500)	10	1165000	1165000
Bokaro Steel City Central Consumers' Co.-operative Stores Limited	250 (250)	10	2500	2500
NMDC Meghahatuburu Employees' Consumers Co-operative Society Limited	25 (25)	100	2500	2500
DSP Employees' Co-operative Society Limited	1377 (1377)	100	137700	137700
Bolani Ores Employees' Consumer Co.-operative Society Limited	200 (200)	25	5000	5000
IISCO Employees Primary Co-operative Stores Limited	23000 (23000)	20	460000	460000
			1772700	1772700

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015		As at 31st March, 2014	
14 : LONG TERM LOANS AND ADVANCES				
Capital Advances	125.07		142.66	
Less: Provision for doubtful capital advances	<u>1.01</u>	124.06	<u>1.00</u>	141.66
Security Deposits		68.48		59.69
Loans and advances to related parties	10.53		10.53	
Less: Provision for doubtful related party advances	<u>2.53</u>	8.00	<u>2.53</u>	8.00
Other loans and advances				
Loans				
Employees	270.21		324.03	
Others	<u>1.11</u>	271.32	<u>1.14</u>	325.17
Advances recoverable in cash or in kind or for value to be received				
Contractors & suppliers	173.94		187.73	
Employees	0.79		0.97	
Income tax paid in advance / recoverable	224.82		414.28	
MAT Credit Entitlement	1088.24		520.11	
Others	<u>4.31</u>	1492.10	<u>4.66</u>	1127.75
Deposits				
Port trust, Excise authorities, Railways etc.	75.14		53.09	
Others	<u>2508.20</u>	2583.34	<u>2142.94</u>	2196.03
		4547.30		3858.30
Less : Provision for other Loans & advances		40.05		42.77
		<u>4507.25</u>		<u>3815.53</u>
Particulars of long term loans and advances				
Secured, Considered Good		220.33		257.65
Unsecured, Considered Good		4286.92		3557.88
Doubtful		<u>43.59</u>		<u>46.30</u>
		4550.84		3861.83

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
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15 : OTHER NON CURRENT ASSETS

Long Term Trade Receivables	65.37		50.46	
Less : Provision	<u>34.98</u>	30.39	<u>28.55</u>	21.91
Unsecured, considered good		30.39		21.91
Doubtful		<u>34.98</u>		<u>28.55</u>
		<u>65.37</u>		<u>50.46</u>
Long Term Claims Recoverable		21.39		111.00
Interest Receivable/ Accrued - Employees		<u>2.05</u>		<u>2.52</u>
		<u>53.83</u>		<u>135.43</u>

16 : INVENTORIES*

Stores & spares				
Production	2676.20		2605.74	
Fuel Stores	119.38		123.64	
Others	<u>28.86</u>		<u>24.93</u>	
	2824.44		2754.31	
Add: In-transit	<u>169.74</u>		<u>148.59</u>	
	2994.18		2902.90	
Less: Provision for Non Moving/Obsolete items	<u>205.37</u>	2788.81	<u>194.91</u>	2707.99
Raw materials	3126.56		2525.12	
Add: In-transit	<u>1215.43</u>		<u>1004.32</u>	
	4341.99		3529.44	
Less: Provision for unusable materials	<u>9.81</u>	4332.18	<u>8.13</u>	3521.31
Finished / Semi-finished products				
-- Finished Goods	6912.59		6368.27	
-- Work in Progress	<u>3312.80</u>		<u>2437.42</u>	
	10225.39		8805.69	
Add: In-transit	<u>389.99</u>	10615.38	<u>165.83</u>	8971.52
		<u>17736.37</u>		<u>15200.82</u>

* Valued as per Accounting Policy 'G'

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015		As at 31st March, 2014	
17: TRADE RECEIVABLES				
Trade Receivables over six months	820.17		566.30	
Less : Provision	<u>122.03</u>	698.14	<u>130.59</u>	435.71
Trade Receivables less than six months	2493.86		5046.57	
Less : Provision	<u>-</u>	2493.86	<u>-</u>	5046.57
		<u>3192.00</u>		<u>5482.28</u>
Particulars				
Unsecured, considered good		3192.00		5482.28
Doubtful		<u>122.03</u>		<u>130.59</u>
		<u>3314.03</u>		<u>5612.87</u>
18: CASH & BANK BALANCES				
(i) Cash and Cash Equivalents				
Balance with Banks *				
Current account	1.87		5.03	
Term Deposits with maturity upto 3 months	0.14		0.14	
Term Deposits under Bank Lien / pledge against loan	0.14		0.14	
Term Deposits as per court orders with maturity upto 3 months	0.38		0.42	
Unpaid Dividend account	<u>11.73</u>	14.26	<u>13.58</u>	19.31
Cheques on hand		144.78		194.59
Cash and Stamps on hand		<u>1.00</u>		<u>1.01</u>
		<u>160.04</u>		<u>214.91</u>
(ii) Other Bank Balances *				
Term Deposits with maturity more than 3 months	2000.00		2500.00	
Term Deposits as per court orders	101.12		95.64	
Earmarked Term Deposits	<u>44.08</u>	2145.20	<u>45.40</u>	2641.04
		<u>2305.24</u>		<u>2855.95</u>
* Includes				
- Maturity period upto 12 months		2145.86		2641.74
- Maturity period more than 12 months		-		1.91

Note (Forming Part of the Balance Sheet)

(₹ crore)

	As at 31st March, 2015		As at 31st March, 2014	
19: SHORT TERM LOANS AND ADVANCES				
Loans and advances to related parties	127.95		126.25	
Less: Provision for doubtful related parties advances	<u>1.39</u>	126.56	<u>1.39</u>	124.86
Other loans and advances				
Loans				
Employees	71.04		92.05	
Others	<u>2.38</u>	73.42	<u>3.56</u>	95.61
Advances recoverable in cash or in kind or for value to be received				
Contractors & suppliers	241.90		195.81	
Employees	19.17		6.89	
Income tax paid in advance / recoverable	385.08		1.24	
Bills receivable.	1181.12		-	
For purchase of shares	214.27		51.21	
Others	<u>767.33</u>	2808.87	<u>628.47</u>	883.62
Deposits				
Port trust, Excise authorities, Railways etc.	0.13		0.13	
Others	<u>91.27</u>	91.40	<u>96.28</u>	96.41
		3100.25		1200.50
Less : Provision for other Loans & advances		<u>43.92</u>		<u>44.81</u>
		3056.33		1155.69
Particulars of short term loans and advances				
Secured, Considered Good		34.58		41.28
Unsecured, Considered Good		3021.75		1114.41
Doubtful		<u>45.31</u>		<u>46.20</u>
		3101.64		1201.89
20: OTHER CURRENT ASSETS				
Gold Coins on hand				
		0.23		0.26
Interest Receivable/Accrued				
Loans to other companies	0.29		-	
Term Deposits	6.69		7.38	
Employees	3.41		4.35	
Others	<u>41.23</u>		<u>36.39</u>	
	51.62		48.12	
Less Provision for doubtful interest	<u>3.39</u>	48.23	<u>3.39</u>	44.73
Others				
Receivables other than Trade	136.51		101.03	
Claims recoverable	2121.66		2107.40	
Export Incentive	<u>18.04</u>		<u>23.18</u>	
	2276.21		2231.61	
Less Provision	<u>132.32</u>	2143.89	<u>101.8</u>	2129.81
		2192.35		2174.80

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

		(₹ crore)	
		Year ended 31st March, 2015	Year ended 31st March, 2014
21 : REVENUE FROM OPERATIONS			
Sale of Products			
Domestic		49031.48	50339.29
Exports		1567.68	1497.01
Export Incentives		27.49	29.69
Sub Total	(a)	50626.65	51865.99
Sale of Services			
Service charges		24.11	25.91
Sub Total	(b)	24.11	25.91
Other Operating Revenues			
Social amenities-recoveries		301.34	248.32
Sale of empties etc.		57.62	39.82
Sundries		119.66	179.63
Sub Total	(c)	478.62	467.77
Total	(a+b+c)	51129.38	52359.67
22 : OTHER INCOME			
Interest Income			
Loans and advances to other Companies		0.29	-
Customers		136.06	159.12
Employees		19.38	24.77
Term Deposits		256.16	360.27
Others		63.21	39.97
Sub Total	(a)	475.10	584.13
Dividend Income			
Dividend from Subsidiaries		3.00	-
Dividend from Investments		100.00	124.91
Sub Total	(b)	103.00	124.91
Gain on Sale of Investment (Net)	Sub Total	(c)	199.81
Other Non-operating Income			
Subsidy, relief and concession		25.57	16.51
Profit on sale of fixed assets (net)		11.40	7.78
Other Non-operating income		52.54	21.08
Write back of Other liabilities		98.31	73.19
Liquidated damages		18.01	23.40
Sub Total	(d)	205.83	141.96
Provisions no longer required written back			
Loans & Advances		5.30	14.59
Sundry Debtors		7.19	13.14
Stores & Spares		15.07	8.45
Others		9.48	11.43
Sub Total	(e)	37.04	47.61
Total	(a+b+c+d+e)	1020.78	898.61

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

(₹ crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
23 : COST OF MATERIALS CONSUMED		
Iron ore	3908.52	3238.63
Coal	13440.31	14443.74
Coke	106.36	644.34
Limestone	1080.70	1021.69
Dolomite	478.41	431.47
Ferro Manganese	418.28	547.10
Ferro Silicon	204.97	168.50
Silico Manganese	868.15	744.34
Intermediary Products	31.76	2.70
Zinc	99.99	97.09
Aluminium	260.46	247.06
Others	1305.19	1443.09
	<u>22203.10</u>	<u>23029.75</u>
Less :Inter Account adjustments	<u>3680.20</u>	<u>3758.59</u>
	<u>18522.90</u>	<u>19271.16</u>

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

Opening stock				
-- Finished Goods	6534.10		7976.53	
-- Work in Progress	<u>2437.42</u>	8971.52	<u>1960.82</u>	9937.35
Less : Closing stock				
-- Finished Goods	7302.58		6534.10	
-- Work in Progress	<u>3312.80</u>	10615.38	<u>2437.42</u>	8971.52
		<u>-1643.86</u>		965.83
Less : Excise Duty on accretion(-) /Depletion to stock		<u>-235.74</u>		71.20
Net Accretion(-)/Depletion to stock		<u>-1408.12</u>		<u>894.63</u>

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

(₹ crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
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25 : EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	6971.55	7398.69
Leave Encashment	702.28	240.18
Company's contribution to Provident & other Funds	859.47	861.56
Travel Concession	32.52	128.32
Welfare Expenses	481.18	51.57
Gratuity	689.33	898.34
	<u>9736.33</u>	<u>9578.66</u>
Less : Grants in Aid received from Government of Karnataka	-	0.15
	<u>9736.33</u>	<u>9578.51</u>

26 : FINANCE COSTS

Interest Cost

-- Foreign Currency Loans	617.58	569.46
-- Non Convertible Bonds	350.54	145.61
-- Bank Borrowings - working capital	153.20	71.52
-- Steel Development Fund Loans	3.73	7.58
-- Others	322.11	166.29
Other Borrowing Costs	6.52	4.51
Interest under Income Tax Act	0.55	2.67
	<u>1454.23</u>	<u>967.64</u>

Note :

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

Expenditure During Construction

Interest Cost

Foreign currency loans	188.15	220.63
Non Convertible Bonds	445.31	619.07
Steel Development Fund loans - Interest	4.43	4.85
	<u>637.89</u>	<u>844.55</u>

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

(₹ crore)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
27: OTHER EXPENSES				
Consumption of Stores & Spares Parts				
Consumption of Stores & Spares Parts	4280.46		4151.58	
Less: Departmentally manufactured stores	975.39		973.95	
Less: Finished products internally consumed as stores and spares	670.89	2634.18	839.35	2338.28
Power and Fuel		5423.53		4943.90
Repairs & Maintenance				
Buildings	223.31		216.07	
Plant & Machinery	610.59		533.71	
Others	208.13	1042.03	181.75	931.53
Freight Outward		993.06		976.43
Handling Expenses				
- Raw Material	278.80		251.79	
- Scrap Recovery	289.90	568.70	224.85	476.64
Royalty and Cess		1222.78		915.56
Conversion Charges		332.66		277.65
Excise Duty on Inter-Plant Transfer / Internal Consumption		367.97		461.94
Demurrage & Wharfage		100.17		93.72
Water Charges & Cess on Water Pollution		162.35		92.75
Insurance		21.34		17.06
Postage, Telegram & Telephone		22.80		20.60
Printing & Stationery		10.80		9.40
Rates & Taxes		44.93		67.72
Rent		27.09		24.77
Security Expenses		370.47		344.04
Travelling Expenses		186.54		184.18
Training Expenses *		46.81		38.81
Foreign Exchange Fluctuation (Net)		46.16		97.14
Remuneration to Auditors				
- Audit Fees	1.41		1.41	
- Tax Audit Fees	0.39		0.43	
- In other Services	1.13		0.94	
- Out of Pocket Expenses	0.87	3.80	0.79	3.57
Cost Audit Fee and Reimbursement of Expenses		0.14		0.15
Provisions				
- Doubtful Debts, Loans and Advances	46.32		63.04	
- Investments	0.00		0.00	
- Stores , Spares and Sundries	54.36	100.68	135.42	198.46
Write-Offs - Miscellaneous		0.33		7.71
Voluntary Retirement Compensation		-		0.01
Handling Expenses - Finished goods		142.01		121.73
Cash Discount (net)		70.82		75.28
Commission to Selling Agents		5.03		7.60
Export Sales Expenses		24.39		25.36
Miscellaneous		233.75		381.38
		14205.32		13133.37
* Training expenses not included above and charged to primary heads of account		62.34		58.83

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

28 : ADJUSTMENTS PERTAINING TO EARLIER YEARS

(₹ crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Sales	-1.68	-5.62
Other revenues	4.28	-
Raw materials consumed	-3.42	-4.76
Stores & spares consumed	-10.57	-1.98
Power & fuel	-	-1.43
Employee Remuneration and Benefits	-4.46	-
Repair & Maintenance	-2.80	1.13
Other expenses	89.74	0.97
Depreciation	17.14	-117.20
Interest	-	-21.19
Net Debit / Credit (-)	<u>88.23</u>	<u>-150.08</u>

(-) indicate credit

Other Notes to Financial Statements

29.1 : CONTINGENT LIABILITIES

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
(i) Claims against the Company pending appellate/judicial decisions :		
a) Excise Duty	1667.93	1350.97
b) Sales Tax on inter-state stock transfers from plants to stockyards*.	739.33	743.49
c) Other sales tax matters	230.14	170.79
d) Income Tax	1185.57	1028.85
e) Other duties, cess and levies	2919.26	5274.76
f) Civil matters **	2776.79	1918.04
g) Entry Tax	1647.65	1443.85
h) Miscellaneous **	2555.66	561.09
* No liability is expected to arise, as sales tax has been paid on eventual sales.		
** includes claims of ₹47.43 crore (₹45.88 crore), against which there are counter-claims of ₹28.06 crore (₹26.85 crore).		
(ii) Other claims against the Company not acknowledged as debt:		
a) Sales Tax	16.60	19.33
b) Duties, cess and levies	261.89	257.14
c) Civil Matters	55.23	50.31
d) Miscellaneous \$	9522.14	7116.22
\$ includes claims of ₹100.94 crore (₹100.94 crore), against which there are counter-claims of ₹103.95 crore (₹103.95 crore).		
(iii) Disputed income tax/service tax/ other demand on joint venture company for which Company may be contingently liable under the joint venture agreement	31.59	30.39
(iv) Bills drawn on customers and discounted with banks	420.15	47.94
(v) Price escalation claims by contractors/suppliers and claims by certain employees, extent whereof is not ascertainable	246.25	31.28

- 29.2 a) Pending final decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Allahabad dismissing the writ petition of the Company, on levy of entry tax in the state of Uttar Pradesh, the entry tax amount included in Note No. 29.1(i)(g), includes disputed demand of ₹94.89 crore (₹91.55 crore). The Company has deposited ₹96.45 crore (₹79.21 crore) against the said demand which has been shown as deposit and disclosed under Long term Loans and Advances.

Pending final decision by the Hon'ble Supreme Court of India in SLP against order by the respective Hon'ble High Courts dismissing the writ petitions of the Company, the entry tax amount in Note No. 29.1 (i)(g) includes disputed demands of ₹1084.32 crore (₹1071.28 crore) in Chhattisgarh State and ₹333.95 crore (₹214.81 crore) in Odisha State respectively.

In respect of the case pertaining to Chhattisgarh State, liability of ₹1251.41 crore (₹1071.15 crore), based on legal opinion, has been provided in the books towards entry tax @3% against the demand @6%. The Company has deposited ₹1251.41 crore (₹1071.15 crore) and ₹103.27 crore (₹78.12 crore) in Chhattisgarh and Odisha State respectively against the said demand which has been treated as Deposit and disclosed under Long term Loans and Advances.

- b) Pending decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Jharkhand dismissing the writ petition of the Company, claims of ₹393.59 crore (₹291.76 crore) made by Damodar Valley Corporation (DVC) in respect of electricity supplied to Bokaro Steel Plant of the Company, have been disclosed as contingent liability included in Note No. 29.1(i)(f). Against the said claims, the entire amount have been paid to DVC against bills raised by them, and disclosed under short term loans and advances.
- c) The unpaid amount of ₹63.61 crore claimed by BCCL towards MADA Cess @1% on the invoices raised by it, has been disclosed as contingent liability, as the matter is sub-judice.

30. FIXED ASSETS

30.1 Land:

- Includes 66484.91 acres (66484.91 acres) owned/ possessed/ taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- Includes 35334.08 acres (35937.55 acres) in respect of which title is under dispute.
- 8851.69 acres (8200.76 acres) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.
- 6345.43 acres (6345.43 acres) given on lease to various agencies/employees/ex-employees.
- Includes 4075.67 acres (4066.88 acres) under unauthorised occupation.
- 824.86 acres (824.86 acres) of Land which is not in the actual possession, shown as deemed possession.
- ₹59.88 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

- Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484 E dated 13.10.2012, National Highway Authority of India Ltd (NHAI) has acquired 9.553 acres of Land of DSP. The compensation for 8.0013 acres of Land has already been received & accounted for and for balance 1.5517 acres of Land, compensation is under determination by NHAI.

- 30.2 Buildings include net block of ₹22.15 crore (₹22.58 crore) for which conveyance deed is yet to be registered in the name of the Company.

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

- 30.4 Capital Work in Progress includes ₹126.25 crore (₹122.03 crore) in respect of 20 Hi Sendzemir Mill which could not be completed due to accident in the trailer carrying Mill Housing. The case filed by M/s. Waterbury Farrel, original supplier, was dismissed by Hon'ble District Court of Salem by its order dated 13.08.2013. To complete the balance portion of work on risk purchase basis, retendering process was completed and orders have been placed in respect of electrical, major mechanical & erection work during the year 2014-15. The jobs are in progress. For balance work, the retendering process is in progress.

- 30.5 The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Notification dated 31st March, 2009 issued by Ministry of Corporate Affairs on Accounting Standard 11- 'The Effects of Changes in Foreign Exchange Rates'. During the Year ended 31st March, 2015, the net foreign exchange variations of ₹66.57 crore (net credit) [Year ended 31st March 2014- ₹340.44 crore (net debit)] on foreign currency loans have been adjusted in the carrying amount of fixed assets/capital work-in-progress. Out of the exchange differences adjusted from 1st April, 2008 to 31st March, 2015, an amount of ₹414.55 crore (net debit) [₹433.70 crore (net debit)] is yet to be depreciated/amortised as at 31st March, 2015.

- 30.6 Estimated amount of contracts remaining to be executed and not provided for (net of advances), on capital account are ₹13013.17 crore (₹13724.69 crore) and on revenue account are ₹1399.69 crore (₹1459.72 crore).

- 30.7 Boiler 3 (appearing in Note No. 12- CWIP at a value ₹ 37.00 crores) was damaged on 12th March 2013 due to explosion. A contract has been awarded to the same contractor for repairing the Boiler at a value of ₹22.00 crore, net of CENVAT and ₹9.27 crore incurred for restoration of damages has been charged to the statement of Profit and Loss in F.Y. 2014-15. It may also be noted that ISP has obtained a report from a Boiler Expert for analysing the cause of explosion and it was confirmed that all operational requirements in connection with the lighting of the Boiler were duly complied with. Based on such report, in a joint meeting between ISP and the vendor, it is decided that the matter shall be placed before the surveyor for consideration. Insurance claim, lodged by the contractor for damages caused, are also under active consideration at the end of Insurer as confirmed by them vide Insurer's letter dated 19th May, 2015.

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

- 31.1 The Central Board of Direct Taxes vide its Notification dated 25th December 2001 revised the rules for computation of certain perquisites. The Unions of non-executives filed writ petition with

the Hon'ble High Court at Kolkata challenging the above Notification. In pursuance of the Hon'ble Court's orders, the term deposits (including interest earned thereon) amounting to ₹101.20 crore (₹95.48 crore), in respect of tax deducted at source, have been kept separately with bank(s). Such deductions and deposits after 31st Dec. 2005 have been made in accordance with amended law/judicial decisions. The writ petition filed by Steel Workers Federation of India is still pending before the Hon'ble Court. However, there is no impact on accounts of the Company as the additional tax, if required, shall be recoverable from the employees.

- 31.2** The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 8- Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2015 are as under:

(₹ crore)

No.	Description	As at 2015 31st March	As at 31st March 2014
i.	The principal amount remaining unpaid to supplier as at the end of the year.	27.27	21.44
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the year.		
		For the Year ended	
		31st March 2015	31st March 2014
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.	-	-

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

- 31.4** The Company has stock of iron ore fines of 41.09 million tonnes (41.12 million tonnes) at various mines of the Company. Since the usage/sale of such iron ore fines, involves elements of

uncertainties, as a matter of prudence, no valuation of such fines has been made in the accounts. However, the revenue earned from actual disposal thereof during the year has been recognised in the books of accounts.

32. STATEMENT OF PROFIT & LOSS

- 32.1** Net Sales include sales to Government agencies recognised on provisional contract prices during the year ended 31st March 2015: ₹2907.36 crore (Previous year: ₹3257.40 crore) and cumulatively upto 31st March 2015: ₹9750.99 crore (Previous year: ₹6900.19 crore).
- 32.2** 'Other income' includes ₹199.81 crore towards profit on sale of investment in one of the Joint Ventures of the Company.
- 32.3** Sales include Railway Receipts (RR) made upto 31st March, 2015 and endorsed in favour of the customers and retired upto 21st April, 2015.
- 32.4** Power & Fuel does not include expenses for generation of power and consumption of certain fuel elements produced by the Plants which have been included under the primary heads of account.
- 32.5** The research and development expenditure charged to Statement of Profit & Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the Year, amount to ₹232.06 crore (₹106.05 crore) and ₹32.14 crore (₹4.38 crore) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

Head of Account	For the Year Ended	
	31 st March, 2015	31 st March, 2014
Raw Materials	41.86	0.12
Employees Benefits Expenses	100.94	70.17
Stores & Spares Consumed	7.67	2.95
Power & Fuel	9.30	1.81
Repairs & Maintenance	4.65	2.62
Depreciation and		
Amortisation Expenses	9.06	3.73
Other Expenses	58.21	26.18
Finance Cost	0.53	0.08
Sub-total	232.22	107.66
Less : Transferred to Inter Account Adjustments	0.16	1.6
Total	232.06	106.05

- 32.6** The Company reviews the carrying amount of its fixed assets on each balance sheet date for the purpose of ascertaining impairment, if any, by considering assets of entire one plant as Cash Generating Unit (CGU). If any such indication exists, the assets recoverable amount is estimated, as higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The net selling price of the CGU is determined once in every three years. On such review as on 31st March 2015, no provision for the loss making units is required to be made, as the net realisable value thereof, assessed by an independent agencies, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2014, for IISCO Steel Plant, Alloy Steels Plant, Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

In the opinion of the management, there is no impairment of assets in the Polisher unit in Salem amounting to ₹7.97 crore as the net realisable value is higher than the book value. Similarly, the net realizable value of Pipe Coating Plant at RSP is higher than the book value at ₹38.39 crore.

- 32.7 As per section 135 of the Companies Act, 2013 effective from 1st April 2014, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Based on above, the CSR amount has been budgeted at ₹78.00 crore for the year 2014-15. The Company has spent an amount of ₹35.04 crore on CSR activities during the year 2014-15 under the following heads:

Particulars	₹ crore
Education	7.59
Healthcare	3.92
Livelihood Generation	3.24
Women Empowerment	2.06
Drinking Water and Sanitation	7.11
Sports, Art & Culture	2.34
Rural Development	2.05
Social security	0.90
Environment Sustainability	4.79
Capacity Building of Personnel	1.04
Total	35.04

The balance unspent amount of ₹42.96 crore will be spent in due course.

- 32.8 The Company has revised the accounting policy for depreciation of assets in alignment with Schedule II to the Companies Act, 2013 which has become applicable from 1st April, 2014. Consequently, profit for the year ended 31st March, 2015, is higher by ₹438.50 crore and the fixed assets (net block), as at 31st March, 2015 are higher by ₹208.84 crore. Further, an amount of ₹229.66 crore has been recognised in the opening balance of the retained earnings where the remaining useful life of such tangible assets is Nil as at 1st April, 2014 in line with the provisions of Schedule - II to the Companies Act, 2013.
- 32.9 The Company has adopted the useful lives of the Plant and Machinery used in manufacture of Steel, as defined in Clause 5 (iv) (g) of Part 'C' of the Schedule II to the Companies Act. The depreciation rates, derived on above-mentioned basis correspond with the useful lives applicable on 'No Extra Shift Depreciation (NESD)' basis. Therefore, the Company has considered the depreciation rates based on above-mentioned useful lives of Plant and Machinery used in manufacture of steel on 'NESD' basis, based on technical opinion obtained by the Company from an independent expert.
- 32.10 The Government of India has promulgated Mines and Minerals (Development & Regulation), Amendment Act, 2015, w.e.f 12th January, 2015. As per the Act, the State Government is empowered to set up a Foundation Trust by notification, called the District Mineral Foundation for specified purposes, for which, the existing mining lease holder, in addition to royalty, shall pay to the Foundation Trust of the District, an amount not exceeding royalty amount, in such manner as may be prescribed and to establish a National Mineral Exploration Trust (NMET), for utilising the funds for regional and detailed exploration in the prescribed manner. The mining lease holder shall pay an amount

of 2% of royalty to NMET, in such manner as may be prescribed by the Central Government. As the above amounts are payable after issue of notification(s) and formation of trusts by the State Governments & Central Government respectively and since so far neither any notification has been issued nor any trust has been formed, no liability has been considered in the accounts.

32.11 Information on leases as per Accounting Standard 19 on 'Leases':

- (a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received up-front, after adjusting against book value, is booked to other revenues in the year of lease. Renewal premium, ground rent and service charges of properties, pending for renewal, given on lease are treated as income in the Year of receipt.
- (b) In respect of assets taken on lease/rent: The Company has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the Year is ₹12.86 crore (₹12.11 crore).

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

The cumulative provision/liability towards pension benefit for executive (w.e.f. 1st January, 2007) & non-executive (w.e.f. 1st January, 2012) employees, amounting to ₹1614.18 crore (₹382.08 crore for the year) and ₹36.48 crore (₹8.44 crore for the year) have been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively.

33. GENERAL

33.1 DEFINED BENEFIT SCHEMES

33.1.1. General Description of Defined Benefit Schemes:

Gratuity: Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more. Maximum amount of ₹10 lakhs for executives & non-executives joined on or after 1st July, 2014 and without any monetary limit for other non-executives, has been considered for actuarial valuation.

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

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

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

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

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

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

33.1.2 Other disclosures, as required under Accounting Standard (AS)-15 (revised) on 'Employees Benefits', in respect of defined benefit obligations are:

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award	Employees' Family Benefit Scheme
i)	Present Value of projected benefit obligations, as at the beginning of the year	5085.19 (4508.07)	2263.42 (2454.02)	843.22 (1230.01)	109.65 (117.43)	22.02 (23.07)	331.85 (317.86)
ii)	Service Cost	209.88 (187.08)	132.93 (118.20)	8.26 (9.08)	5.75 (5.48)	2.76 (2.77)	- (-)
iii)	Interest Cost	450.04 (352.90)	190.12 (191.10)	74.64 (97.43)	10.26 (9.62)	2.18 (1.98)	26.69 (22.80)
iv)	Actuarial Gains(-) / Losses(+)	497.21 (757.11)	390.61 (-65.70)	-3.82 (-407.76)	-12.34 (-13.18)	-3.47 (3.31)	87.89 (65.67)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	784.92 (719.97)	565.24 (434.20)	76.34 (85.54)	7.21 (9.70)	2.33 (2.49)	80.29 (74.48)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	5457.40 (5085.19)	2411.84 (2263.42)	845.96 (843.22)	106.11 (109.65)	21.16 (22.02)	366.14 (331.85)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

Sl.No.	Particulars	2014-15	2013-14
i)	Fair Value of plan assets as at the beginning of the year	4594.37	4203.26
ii)	Expected return on plan assets	367.55	336.27
iii)	Actual Company's contribution	784.92	719.92
iv)	Actuarial gain/(loss)	99.04	54.89
v)	Benefits payments	784.92	719.97
vi)	Fair value of plan assets as at the end of the year	5060.96	4594.37
vii)	Present value of defined benefit obligation [33.1.2)(a)(vii)]	5457.40	5085.19
viii)	Net liability recognised in the Balance Sheet (vii)-(vi) *	396.44	490.82

* The Company does not expect to contribute any amount to the Gratuity Fund during the year 2015-16, after considering the return on the investments.

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

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

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award	Employees' Family Benefit Scheme
i)	Service Cost	209.88 (187.08)	132.93 (118.20)	8.26 (9.08)	5.75 (5.48)	2.76 (2.77)	0.00 (0.00)
ii)	Interest Cost	450.04 (352.90)	190.12 (191.10)	74.64 (97.43)	10.26 (9.62)	2.18 (1.98)	26.69 (22.80)
iii)	Actuarial Gains(-)/Losses (+)	398.17 (702.22)	390.61 (-65.70)	-3.82 (-407.76)	-12.34 (-13.18)	-3.47 (-3.31)	87.89 (65.67)
iv)	Past Service Cost	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
v)	Expected Return on Plan Assets	367.55 (336.27)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
vi)	Total (i+ii+iii+iv-v)	690.54 (905.93)	713.66 (243.60)	79.08 (-301.25)	3.67 (1.92)	1.47 (1.44)	114.58 (88.47)
vii)	Employees' Benefits Expenses :						
a)	Charged to Profit & Loss Account (Note 24)	689.33 (898.34)	702.28 (240.18)	78.39 (-301.16)	- (-)	1.47 (1.44)	114.58 (88.47)
b)	Charged to Expenditure During Construction (Note 11.1)	1.21 (7.59)	11.38 (3.42)	0.69 (-0.09)	- (-)	- (-)	- (-)
c)	Other Expenses Charged to Profit & Loss Account (Note 27)	-	-	-	3.67 (1.92)	-	-
viii)	Actual Return on Plan Assets	466.61 (391.14)					

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

(₹ crore)

Sl.No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Increase/(decrease) on aggregate service and interest cost of post-retirement medical benefits	0.53	(0.46)
ii)	Increase/(decrease) on present value of defined benefit obligations as at 31st March, 2015	23.28	(20.24)

(f) Actuarial Assumptions :

Sl. No.	Description	As at 31st March, 2015	As at 1st April, 2014
i)	Discount Rate (per annum)	8%	9.19%
ii)	Mortality Rate	IALM (2006-08) Ultimate	IALM (1994-96) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	8% p.a.	8% p.a.
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 7% p.a. Non-Executives : 6% p.a. All employees- 7.5% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors.	

33.2 Segment Reporting

- Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under 'Accounting Standard-17 - Segment Reporting' issued by Ministry of Corporate Affairs.
- Geographical segments have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.
- In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Accounting Standard-17 - 'Segment Reporting', issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

The disclosure of segment wise information is given at Annexure-I

33.3 Related Party

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

A.	
Nature of Relationship	Name of the related party
Joint Venture	SAIL Bansal Service Centre Limited Mjunction Services Limited UEC-SAIL Information Technology Limited Romelt SAIL (India) Limited Bhilai Jaypee Cement Limited N.E Steel & Galvanising Pvt. Limited Bokaro Jaypee Cement Limited (Upto 26.11.2014) S & T Mining Co. Pvt. Limited SAIL Kobe Iron India Pvt. Limited TMTSAL SAIL JV Limited SAL SAIL JVC Limited Prime Gold-SAIL JVC Limited VSL SAIL JVC Limited Abhinav SAIL JVC Ltd
Nature of Relationship	Name of the related party
Key Management Personnel	Shri C.S.Verma Shri Anil Kumar Chaudhary Shri S.S. Mohanty Shri H.S. Pati Shri T.S.Suresh Shri Kalyan Maity Shri Binod Kumar Shri N.K. Kothari (upto 20.04.2014) Shri I.C. Sahu (w.e.f. 21.04.2014) Shri A. Maitra Shri P.K. Singh Shri S. Chandrasekaran Shri G.S. Prasad Shri P.S. Bhadauria Shri M.N. Rai (upto 31.07.2014) Shri A. Shrivastava (w.e.f. 01.08.2014) Shri M. Ravi Shri M.R. Panda Shri R.K.Rathi (upto 31.07.2014) Shri B.K.Jha (w.e.f. 01.08.2014) Shri Neeraj Mathur Shri Raman Shri Somdev Das Shri M. Akhouri (upto 31.07.2014) Shri N.K. Bhattacharya (upto 31.07.2014) Shri Siddharth Kaul Shri A.K. Dutta (from 01.08.2014 to 31.12.2014)

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

(₹ in crore)

Sl.No.	Particulars	Associate/ Joint Ventures	Key Management Personnel	Total	Note No. and Account Head
i)	Purchase of Investment	6.50 (1.84)	-	6.50 (1.84)	13 : Non-Current Investment
ii)	Advance for purchase of Shares	- (0.15)	-	- (0.15)	19 : Short Term Loans and Advances
iii)	Other Loans and Advances	-	-	-	14 : Long Term Loans and Advances
iv)	Services Rendered	1.55 (4.34)	-	1.55 (4.34)	22 : Other income
v)	Rental Income	0.07 (0.19)	-	0.07 (0.19)	
vi)	Dividend Received	13.69 (56.69)	-	13.69 (56.69)	
vii)	Sale of Goods	40.60 (70.78)	-	40.60 (70.78)	21 : Revenue from Operations
viii)	Services Received	33.41 (41.16)	-	33.41 (41.16)	27 : Other Expenses
		2.23 (2.02)	-	2.23 (2.02)	12 : Capital WIP
ix)	Managerial Remuneration	-	7.53 (6.75)	7.53 (6.75)	25 : Employees' Benefits Expenses

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

(₹ in crore)

Sl. No.	Particulars	Associate/ Joint Ventures	Note No. and Account Head
i)	Investments	75.74 (103.99)	12 : Non-Current Investment
ii)	Provision for Investments	3.44 (3.44)	
iii)	Other Loans and Advances	1.39 (1.39)	13 : Long Term Loans and Advances
iv)	Provision for Loans and Advances	1.39 (1.39)	
v)	Advance for Purchase of Shares	0.03 (0.15)	18 : Short Term Loans and Advances
vi)	Trade Receivable	0.66 (2.88)	16 : Trade Receivables
vii)	Trade Payable	3.00 (5.03)	7 : Trade Payables
viii)	Security Deposit	0.33 (0.33)	4 : Other Long Term Liabilities

D. Disclosure of Material Transactions with Related Parties

(₹ in crore)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014	Note No. and account head
Purchase of Investment			
S & T Mining Co. Pvt. Limited	3.65	1.84	13 : Non-Current Investment
Prime Gold SAIL JVC Limited	2.60		
SAIL Kobe Iron India Pvt. Limited	0.25		
Advance for Purchase of Shares			
Prime Gold SAIL JVC Limited	-	0.12	19 : Short Term Loans and Advances
VSL SAIL JVC Limited	-	0.01	
TMTSAL SAIL JV Limited	-	0.01	
VSL SAIL JVC Limited	-	0.01	
Sale of Goods			
Bhilai Jaypee Cement Limited	18.61	25.76	21 : Revenue from Operations
Bokaro Jaypee Cement Limited	21.99	45.02	
Services Rendered			
Bhilai Jaypee Cement Limited	1.52	4.34	22 : Other Income
Bokaro Jaypee Cement Limited	0.02	0.17	
Mjunction Services Limited	0.06	0.02	-
SAIL-Bansal Services Centre Ltd.	0.02		
Dividend Income			
Bokaro Jaypee Cement Limited	8.69	8.69	
Mjunction Services Limited	5.00	48.00	
Auction Services			
Mjunction Services Limited	32.57	38.16	27 : Other Expenses
	2.23	2.02	12 : Capital WIP
Consultancy Received			
S & T Mining Co. Pvt. Limited		1.22	12 : Capital WIP
Conversion Charges			
SAIL-Bansal Services Centre Ltd.	0.84	1.78	27 : Other Expenses

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

(₹ in crore)

	As on 31st March, 2015	As on 31st March, 2014
Deferred Tax Liability		
Difference between book and tax depreciation	4526.61	3527.79
Total	4526.61	3527.79
Deferred Tax Assets		
Retirement Benefits	135.08	164.76
Others	1996.34	1322.57
Total	2131.42	1487.33
Net Deferred Tax Liability	2395.19	2040.46

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

(₹ in crore)

Sl. No.	Name of the Joint Venture Company	% of Company's ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	NTPC SAIL Power Company Pvt. Ltd. (*)	50	1671.00	849.80	811.50	677.79	41.62	114.13
2.	Bokaro Power Supply Co. Pvt. Ltd. (@)	50	539.23	255.54	396.29	380.59	3.48	19.46
3.	Mjunction Services Limited (@)	50	118.25	47.32	68.40	42.39	-	3.55
4.	SAIL Bansal Service Centre Ltd (\$)	40	-	-	-	-	-	-
5.	Romelt SAIL (India) Ltd (\$)	15	-	-	-	-	-	-
6.	UEC SAIL Information Technology Limited (\$\$)	40	-	-	-	-	-	-
7.	North Bengal Dolomite Ltd (\$)	50	-	-	-	-	-	-
8.	N.E Steel & Galvanising Pvt. Limited (\$\$)	49	-	-	-	-	-	-
9.	Bhilai Jaypee Cement Limited (@)	26	232.03	162.24	181.43	192.93	5.19	1.53
10.	S & T Mining Co. Pvt. Limited (*)	50	4.91	0.81	0.16	2.29	-	0.07
11.	International Coal Ventures Private Limited (**)	49.59	424.02	2.10	-	-	-	-
12.	SAIL-MOIL Ferro Alloys Private Limited(@@)	50	6.92	6.00	0.07	0.26	-	0.09
13.	SAIL SCI Shipping Pvt. Limited (**)	50	0.07	-	-	-	-	-
14.	SAIL SCL Kerala Limited (@)	48.36	26.34	27.00	10.84	13.97	1.01	-
15.	SAIL RITES Bengal Industry Pvt. Limited (@)	50	31.26	16.28	0.06	0.01	-	18.15
16.	SAIL Kobe Iron India Pvt. Limited(@@)	50	0.25	-	-	0.14	-	-
17.	SAL SAIL JVC Limited(@@)	26	0.07	0.06	-	-	-	-
18.	TMT SAL SAIL JV Limited(@@)	26	0.01	-	-	-	-	-
19.	SAIL-BENGAL Alloy Castings Private Limited (@)	50	0.45	0.45	-	-	-	-
20.	Prime Gold-SAIL JVC Limited(@)	26	0.37	-	-	-	-	-
21.	VSL SAIL JVC Limited (@)	26	0.28	0.06	-	-	-	-
22.	Abhinav SAIL JVC Ltd (@)	26	0.02	0.01	-	-	-	-

* Based on audited accounts for the year 2014-15

** Based on unaudited accounts for the year 2014-15

@ Based on audited accounts for the year 2013-14

@@ Based on unaudited accounts for the year 2013-14

\$ Information not available

\$\$ Under winding up

Note: Investment in Bokaro Jaypee Cement Limited sold on 26th November, 2014.

33.6 Disclosures of provisions required by Accounting Standard (AS) 29 - 'Provisions, Contingent Liabilities and Contingent Assets:
Brief Description of Provisions :

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

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2014	204.47	104.21	58.12	366.80
Additions during the Year	20.62	13.80	21.83	56.25
Amounts utilised during the Year	13.71	-	6.84	20.55
Unused amount reversed during the Year	-	-	3.51	3.51
Balance as at 31st March, 2015	211.38	118.01	69.60	398.99

- 33.7 i) As per requirement of the listing agreements with the stock exchanges, the requisite details of loans and advances in the nature of loans, given by the Company are given below:

(₹ crore)

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

* ₹ 2.53 crore (₹2.53 crore), being doubtful of recovery, has been provided for.

- ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
- ii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

34. Opening Stock, Purchases, Turnover and Closing Stock

(Quantity : Tonnes)

(Value : ₹ crore)

Class of Products	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value

OWN PRODUCTS**Main Steel Plants**

Pig Iron	43951	104.06	-	-	320140	757.84	250454	512.10
	(58372)	(144.04)	(-)	(-)	(166888)	(423.34)	(42069)	(104.06)
Steel Ingots	101120	306.97	-	-	1540	4.77	77893	229.31
	(217492)	(669.99)	(-)	(-)	(2056)	(5.64)	(107613)	(306.97)
Saleable steel	1006565	3590.32	-	-	11230046	45373.33	1358118	4343.80
	(1090219)	(3941.64)	(-)	(-)	(11611314)	(46923.37)	(1006566)	(3590.32)
In process material	514706	1404.34	-	-	-	-	852062	2431.24
	(401630)	(1287.94)	(-)	(-)	(-)	(-)	(526662)	(1404.34)

ALLOY STEELS PLANTS

Pig Iron	7831	23.32	-	-	1016	3.24	15722	45.46
	(7201)	(21.60)	(-)	(-)	(2798)	(8.62)	(7831)	(23.32)
Steel Ingots	21695	85.16	-	-	-	-	28181	127.33
	(31028)	(118.54)	(-)	(-)	(-)	(-)	(21459)	(85.16)
Saleable steel	95283	644.34	-	-	479474	2970.76	79291	550.73
	(131627)	(798.43)	(-)	(-)	(460543)	(2737.05)	(95283)	(644.34)
In process material	68836	560.85	-	-	-	-	55092	461.13
	(80345)	(679.11)	(-)	(-)	(-)	(-)	(73559)	(560.85)

SUNDRIES

Calcium Ammonium	1023	-	-	-	-	-	1023	-
Nitrate(in terms of 25% N)	(1023)	(-)	(-)	(-)	(-)	(-)	(1023)	(-)
Middlings/Rejects	785677	-	-	-	161340	66.31	798785	-
	(649475)	(-)	(-)	(-)	(52278)	(16.51)	(785677)	(-)
Others (By-products etc.)		2252.16		0.48		1450.40		1914.28
		(2276.06)		(0.78)		(1751.46)		(2252.16)

TRADING ACTIVITIES

Saleable Steel	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		8971.52		0.48		50626.65		10615.38
		(9937.35)		(0.78)		(51865.99)		(8971.52)



सेल SAIL

(₹ crore)

		Year ended 31st March, 2015	Year ended 31st March, 2014	
35. Expenditure incurred in foreign currency on account of				
Know-how		53.12	83.45	
Interest		230.81	233.99	
Professional and consultation fees		72.55	45.56	
Others		165.14	95.34	
Total		521.62	458.34	
36. Earnings in foreign exchange on account of				
Export of goods(Calculated on FOB basis)		1567.71	1496.96	
Other Income		-	1056.26	
		1567.71	2553.22	
37. Value of imports (Calculated on CIF basis)				
Raw materials		12058.91	13404.62	
Capital goods		584.39	1706.80	
Components & Spare parts		419.15	486.32	
Total		13062.45	15597.74	
38. Value of raw materials consumed				
	₹ crore	%	₹ crore	%
Imported	10555.91	47.54	13333.85	57.90
Indigenous	11647.19	52.46	9695.90	42.10
	22203.10	100.00	23029.75	100.00
Less: Inter Account Adjustments	3680.20		3758.59	
	18522.90		19271.16	
39. Value of Components and Spare Parts consumed				
Imported	416.88	9.74	397.98	9.59
Indigenous	3863.58	90.26	3753.60	90.41
	4280.46	100.00	4151.58	100.00
Less: Inter Account Adjustments	1646.28		1813.30	
	2634.18		2338.28	

40. Remittance in foreign currencies for dividends :

The Company has not remitted any amount in foreign currencies on account of interim / final dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of interim / final dividends have been made by / on behalf of non-resident shareholders. The particulars of final dividend for the year 2013-14 and interim dividend for the year 2014-15 on account of non-resident shareholders are as under :-

	Current Year	Previous Year
Final Dividend (2013-14)		
a) Number of non-resident shareholders	*	5050
b) Number of ordinary shares held by them	*	226976379
c) Amount of Dividend (₹'crore)	*	9.08
* No Final Dividend was declared in 2013-14		
Interim Dividend (2014-15)		
a) Number of non-resident shareholders	4655	4693
b) Number of ordinary shares held by them	276474036	259305842
c) Amount of Dividend (₹'crore)	48.38	52.38

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

Segment Information for the Year ended 31st March 2015

Annexure - I

A. BUSINESS SEGMENT

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	SAIL
REVENUE											
- External Sales											
Current Year	16650.74	7643.11	9283.60	12890.53	1081.68	552.61	2206.95	233.04	84.39		50626.65
Previous Year	(17612.78)	(7521.71)	(9093.01)	(13624.87)	(1176.54)	(531.11)	(2039.11)	(202.06)	(64.80)		(51865.99)
- Inter Segment Sales											
Current Year	1075.80	369.42	299.45	284.84	833.28	227.42	9.10	46.29	3630.52	-6776.12	0.00
Previous Year	(1387.52)	(621.18)	(294.79)	(374.05)	(1848.13)	(264.50)	(6.76)	(41.39)	(3341.42)	(-8179.74)	(0.00)
- Total Revenue											
Current Year	17726.54	8012.53	9583.05	13175.37	1914.96	780.03	2216.05	279.33	3714.91	-6776.12	50626.65
Previous Year	(19000.30)	(8142.89)	(9387.80)	(13998.92)	(3024.67)	(795.61)	(2045.87)	(243.45)	(3406.22)	(-8179.74)	(51865.99)
RESULT											
- Operating profit / (-) loss (Before Interest expenses and exceptional items)											
Current Year	2490.04	622.05	618.63	786.49	-835.85	-117.72	-249.55	-97.29	596.34		3813.14
Previous Year	(2320.31)	(519.55)	(422.29)	(400.50)	(-539.40)	(-84.19)	(-281.58)	(-122.62)	(501.07)		3135.93
- Interest expenses											
Current Year											1454.23
Previous Year											(967.64)
- Exceptional items (Foreign exchange variation & write back of entry tax liability)											
Current Year											0.00
Previous Year											(1056.26)
- Income tax											
Current Year											266.23
Previous Year											(608.07)
- Net Profit / Loss (-)											
Current Year											2092.68
Previous Year											(2616.48)
OTHER INFORMATION											
- Segment assets											
Current Year	22811.33	5227.07	18544.86	13817.64	18308.44	630.54	3038.27	631.46	16317.26		99326.87
Previous Year	(20470.79)	(4789.09)	(16387.48)	(13383.87)	(16684.61)	(668.50)	(3187.49)	(551.04)	(15839.02)		(91961.89)
- Segment Liabilities											
Current Year	6092.97	1893.89	3637.46	2743.51	1211.75	231.16	342.07	173.04	23075.49		39401.34
Previous Year	(5520.31)	(1711.86)	(3011.73)	(2981.27)	(1183.51)	(245.15)	(374.20)	(159.14)	(18435.69)		(33622.86)
- Capital expenditure											
Current Year	2219.69	659.74	1448.63	804.91	1389.04	5.10	-6.12	4.71	545.74		7071.44
Previous Year	(3714.33)	(597.01)	(2331.92)	(1106.95)	(1304.17)	(7.19)	(-14.05)	(2.39)	(336.78)		(9386.69)
- Depreciation											
Current Year	304.25	128.50	440.34	270.47	317.90	10.87	103.16	5.89	191.90		1773.28
Previous Year	(331.61)	(259.36)	(370.31)	(315.10)	(131.84)	(14.80)	(145.68)	(13.82)	(134.17)		(1716.69)
- Non Cash expenses other than depreciation											
Current Year	14.85	18.94	7.51	8.48	5.31	15.33	1.03	1.40	27.83		100.68
Previous Year	(26.35)	(60.69)	(15.72)	(24.90)	(25.92)	(7.26)	(0.19)	(4.86)	(32.57)		(198.46)

B. GEOGRAPHICAL SEGMENT

(₹ crore)

Particulars	Current Year	Previous Year
Sales Revenue		
India	49058.97	50368.98
Foreign Countries	1567.68	1497.01
Total	50626.65	51865.99

Notes : (1) Segment assets / liabilities exclude inter-unit balances

(2) Total carrying amount of segment assets by geographical location of assets, for the Company's overseas operations are below 10% of the total assets of all segments, and hence not disclosed.

SOCIAL AMENITIES

								(₹ crore)
Expenses	Township	Education	Medical	Social & Cultural activities	Cooperative Societies	Transport & Dairy	Total	Previous Year
Employees' Remuneration & Benefits								
-Salaries & wages	223.34	114.45	318.91	7.71	2.16	8.93	675.50	630.72
-Company contribution to Provident Fund	25.49	12.85	34.34	1.03	0.23	1.13	75.07	57.55
-Travel concessions	2.40	0.13	-0.63	-0.01	-	1.20	3.09	16.11
-Welfare expenses	9.70	13.14	79.28	2.31	-	1.21	105.64	92.33
- Consumption of medicines	4.21	0.70	63.27	1.29	0.22	0.40	70.09	62.31
-Gratuity	26.18	18.65	24.47	0.82	0.07	1.11	71.30	93.36
Sub total	291.32	159.92	519.64	13.15	2.68	13.98	1000.69	952.38
Stores & Spares	26.01	0.72	6.64	1.17	0.04	0.48	35.06	32.48
Repair & maintenance	121.51	1.47	20.69	0.37	0.22	0.30	144.56	141.24
Power & fuel	407.16	3.39	2.69	1.69	-	0.26	415.19	393.56
Miscellaneous expenses	89.15	5.73	23.79	1.67	-	5.52	125.86	86.96
Depreciation	33.32	1.59	11.74	0.20	-	0.01	46.86	28.03
Total	968.47	172.82	585.19	18.25	2.94	20.55	1768.22	1634.65
Less: Income	211.29	6.74	80.89	2.13	-	0.29	301.34	249.93
Net Deficit	757.18	166.08	504.30	16.12	2.94	20.26	1466.88	1384.72

Independent Auditors' Report

Comments	Management 's Replies
To the Members of Steel Authority of India Limited Report on the Standalone Financial Statements We have audited the accompanying Standalone financial statements of Steel Authority of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended. Management's Responsibility for the Standalone Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. Auditor's Responsibility Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements. Basis for Qualified Opinion 1. <i>The Company has not provided for;</i> a) <i>entry tax amounting to ₹94.89 crore (current year ₹3.34 crore) in the state of Uttar Pradesh, ₹1084.32 crore (current year ₹13.04 crore) in the state of Chhatisgarh and ₹333.95 crore (current year ₹119.14 crore) in the state of Odisha (refer note no.29.2(a));</i> b) <i>amount paid to DVC against bills raised for supply of power and retained as advance by Bokaro Steel Plant amounting to ₹393.59 crore (current year ₹101.83 crore) (refer note no. 29.2(b));</i> 2. <i>At Salem Steel Plant, inventory includes estimated quantity of 9089 MT of skull extractable from slag valued at ₹51.80 Crore. Valuation of skull was not justified since there is no separate distinguishable physical existence of 9089 MT of skull and therefore cannot be considered as inventory as on 31-03-2015. Further, this constitutes a departure from Para 9</i>	The mentioned cases are sub-judice and pending before the Hon'ble Supreme Court and other various courts. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist on the Balance Sheet date. Therefore, there is no adverse impact on profit. These cases were sub-judice as on 31st March, 2012 also and there is no change in the status of these cases during the Financial Years 2012-13, 2013-14 & 2014-15. During the Year 2014-15, Salem Steel Plant has extracted 1124 MT of Skull from Slag, out of which 615 MT has been consumed as melting scrap during 2014-15. Thus existence of skull in Slag has been established. The award of contract for extraction of skull from

Comments	Management's Replies
<i>of the Guidance note on Audit of inventories, which states that all recorded inventories should exist at year end, as there is no identifiable skull as such and hence should not have been considered as inventory to that extent.</i> <i>The total impact of above para (1) to (2) has resulted in, overstatement of Profit before Tax for the year by ₹289.15 crore, overstatement of Reserves & Surplus by ₹1958.55 crore (Previous Year ₹1669.40 crore), understatement of Current Liabilities by ₹1906.75 crore (Previous Year ₹1669.40 crore) and overstatement of Current Assets by ₹51.80 crore (Previous Year ₹Nil).</i>	inventory of Slag is in process. Thus the 9089 MTs of Slag extractable from Skull is in existence and inventory of skull has been considered correctly.
Qualified Opinion	
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion above, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	
(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.	
Emphasis of Matter	
We draw attention to;	
i. net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no.32.1); ii. based on technical opinion, the Co. has adopted effective useful life of Plant & Machinery used in the manufacture of steel as a continuous process plant working on three shift basis, which is different from useful life as prescribed in Schedule II of the Companies Act, 2013 (refer note no.32.9);	
Our opinion is not qualified in respect of these matters.	
Other Matter	
We did not audit the financial statements of 9(Nine) Plants/Units included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹74,872.72 crore as at 31st March, 2015 and total revenues of ₹23,883.15 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these Plants/Units have been audited by the branch auditors, appointed by Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these Plants/Units, is based solely on the report of such Plants/Units auditors.	
Our opinion is not qualified in respect of this matter.	
Report on Other Legal and Regulatory Requirements	
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub section 11 of Section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order. 2. As required by Section 143 (3) of the Act, we report that: (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. (b) Except for the effect of the matter described in the Basis for Qualified opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Plants/ Units not visited by us. (c) The reports on the accounts of the Plants/Units of the Company audited under Section 143 (8) of the Act by Plants/Units auditors have been sent to us and have been properly dealt with by us in preparing this report. (d) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account. (e) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.	

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Comments	Management 's Replies
(f) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company. (g) On the basis of the written representations received from the Directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013. (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements; ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by Company. 3. As required by section 143(5) of the Act, we give in Annexure - B, a statement on the matters specified by the Comptroller and Auditor General of India for the Company.	

For O.P. Totla & Co.
Chartered Accountants
Firm Registration No.
000734C
Sd/-
[Rajendra P. Totla]
Partner
(M. No. 400658)

For B.N. Misra & Co.
Chartered Accountants
Firm Registration No.
321095E
Sd/-
[B. N. Misra]
Partner
(M. No. 083927)

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration No.
000643N
Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For and on behalf of the Board of Directors

Sd/-
(Rakesh Singh)
Chairman

Place : New Delhi
Dated : 29th May, 2015

Place : New Delhi
Dated : 3rd July, 2015

Independent Auditors' Report

Annexure-A to the Independent Auditors' Report

Comments	Management's Replies
(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraph 3 & 4 of "the Order")	
(i) In respect of its fixed assets:	
(a) The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets. <i>However the location and extent of area in few of the plants in respect of land needs to be updated in the fixed assets registers and have to be reconciled with the revenue records as to the extent of holding and location of land.</i> The delay is attributable to procedural matters involved in ascertaining and reconciling with revenue records maintained by the revenue departments of the state governments involved.	Necessary action is being taken to update the location and extent of area in respective plants in the fixed assets registers. This is a continuous process.
(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the assets once in three years. <i>However, it is observed that certain land and buildings are under encroachment/unauthorised occupation.</i> As informed to us, no material discrepancies have been noticed on such verification.	Necessary action is being taken to evict the occupants from land and buildings under encroachment/unauthorised occupation.
(ii) In respect of physical verification of Inventory:	
a) The inventories have been physically verified by the management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey/estimates.	
b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.	
c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.	
(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a) and (iii) (b) of Paragraph 3 of the Order are not applicable to the Company.	
iv) In our opinion and according to the information and explanations given to us, there are internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.	
v) According to the information and explanations given to us, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies Acceptance of deposits) Rules, 2014.	
vi) The Company has made and maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.	
vii) According to the information and explanations given to us in respect of statutory dues:	
a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess and other Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2015	
b) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2015 as given herein below:	

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Comments		Management's Replies	
Statute	Nature of Dues	Amount (₹ crore)	Forum where disputes are pending.
Sales Tax & VAT	Demand by Appellate Authorities	3.04	Supreme Court
		184.55	High Courts
		576.67	Sales Tax Tribunals
		124.22	Sales Tax Departments
Central Excise Act, 1944 (including service tax)	Excise Duty and Service Tax	19.74	Supreme Court
		209.56	High Courts
		1265.24	CESTAT
		249.77	Department of Excise
Income Tax Act, 1961	TDS on Perks TDS Refund Claim Income Tax Disputes	46.74	High Courts
		124.13	High Courts
		516.40	Department of Income Tax
		566.03	ITAT
Other Statutes	Other Statutory Dues (including Cess)	3505.64	Supreme Court
		498.76	High Courts
		21.02	Lower Courts
		253.76	Concerned Department
	TOTAL	8165.27	

- c) According to the information and explanations given to us, amounts which were to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund.
- viii) There are no accumulated losses of the company as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions
- xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained other than temporary deployment pending application.
- xii) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For O.P. Totla & Co.
Chartered Accountants
Firm Registration No.
000734C
Sd/-
[**Rajendra P. Totla**]
Partner
(M. No. 400658)

For B.N. Misra & Co.
Chartered Accountants
Firm Registration No.
321095E
Sd/-
[**B. N. Misra**]
Partner
(M. No. 083927)

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration No.
000643N
Sd/-
[**Amar Mittal**]
Partner
(M. No. 017755)

For and on behalf of the Board of Directors

Sd/-
(**Rakesh Singh**)
Chairman

Place : New Delhi
Dated : 29th May, 2015

Place : New Delhi
Dated : 3rd July, 2015

Independent Auditors' Report

Annexure B to the Independent Auditors' Report

Directions under section 143(5) of Companies Act 2013		
Questions	Auditors Comments	Management's Replies
1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Government of India has disinvested 20,65,26,264 equity shares, representing 5 % of total share capital, out of the shareholding of the President of India in the share Capital of Steel Authority of India Limited. The Disinvestment was completed on 05th December, 2014 by way of 'Offer For Sale' (OFS) through Stock Exchange(s) mechanism as per the SEBI Guidelines. After the Disinvestment, the shareholding of the Government of India in SAIL has been reduced to 75% from 80%.	No comments
2. Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Write offs are done on case to case basis with the approval of competent authorities. Please refer Annexure I for the reasons thereof and the amount involved.	No comments
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As informed to us, the details of inventories lying with third parties are maintained at plants. There are no assets received as gifts from the government or other authorities during the year.	No comments
4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.	Please refer Annexure II for age-wise analysis of pending legal/ arbitration cases. The major reasons for most of the pendency's are: i) The cases not listed for hearing for a long time. ii) The cases are adjourned by Court suo-moto. iii) Final disposal not taking place for a long time. In respect of legal cases pending before the courts and arbitrator, the amount involved has been treated as contingent liability by the Company. The legal charges / expenses are finalized based on case to case basis. The professional fees are paid, on due scrutiny by the concerned department with the approval of the competent authority.	No comments

ANNEXURE-I
DETAILS OF WAIVAL DURING THE YEAR 2014-15
(1) Rourkela Steel Plant (RSP) - Statement of waiver of hospital charges of poor non-entitled patients in IGH during the year 2014-15 :
a) By CEO, RSP

Sl. No.	Name	Address	BHT No.	Date of Admission	Date of Discharge/ Death	Total Bill Deposited (in Rs.)	Amount for Waival (in Rs.)	Remarks
1	Meena Lohar	Tilkanagar, Bondamunda	53271	04/02/2014	04/05/2014	9979.00	4000.00	"Patient is a BPL card holder and unable to pay further. ADM, Rourkela, requested for waiver."
2	Preeti Kour	Contractor colony, Burla, Sambalpur	53304	04/03/2014	05/03/2014	103501.00	25000.00	Patient expired. Party unable to pay further and applied for waiver.
3	Prince Lohar	Qrs.No. A/50, Sector-5, Rourkela	53328	04/04/2014	04/09/2014	5269.00	2500.00	Waival committee approved
4	Joginder Choudhury	Sector-8, Near Laxmi Puja Mandap, Rourkela	53462	04/08/2014	04/21/2014	38425.00	6500.00	Treating doctor recommended and Waival committee approved.
5	Jevalit Toppo	Jharanmal, P.S. Kinjirkela, Sundargarh	53609	04/12/2014	05/28/2014	113212.00	30000.00	ADM, Rourkela requested for free treatment. Waival committee approved.
6	Pradeep Sandha	At.Kuturma,P.S. Lephripada, Sundargarh	53761	04/17/2014	06/03/2014	40876.00	22000.00	Patient is poor. Waival committee approved.
7	Kundula Ekka	At/Po./P.S. Kurdeg,Dt. Simdega,Jharkhand	53825	04/18/2014	04/19/2014	6073.00	3000.00	Patient is BPL card holder & expired.
8	Mukesh Singh	At.Budham,P.S. Rajgangpur	54041	04/24/2014	04/29/2014	6752.00	3500.00	very poor person and has applied for waiver of balance amount.
9	Jaidev Gope	Tutikole,P.S.Kolabira,Simdega,Jharkhand	54062	04/25/2014	04/25/2014	18341.00	0.00	Patient expired. Patient was brought by police. Waival committee approved.
10	Rita Puri	Tamlapara, Sambalpur	54096	04/26/2014	04/29/2014	20373.00	15000.00	Patient expired. ADM, Rourkela requested for waiver.
11	Pratima Meher	At/Po.Puruna Basti, Jharsuguda	54132	04/26/2014	04/05/2014	28193.00	5000.00	MLA, Jharsuguda requested .
12	Santu Badaik	Janudihii,P.S.Kolabira,Simdega,Jharkhand	54149	04/27/2014	12/05/2014	36582.00	0.00	Patient is very poor. Bisra P'S requested for waiver. Waival committee approved.
13	Chandani Badaik	Disel colony, Bondamunda	54958	05/18/2014	05/24/2014	17984.00	2000.00	ADM, Rourkela requested .
14	Rajesh Badaik	Disel colony, Bondamunda	54959	05/18/2014	13/13/2014	57049.00	2000.00	Patient is very poor. ADM, Rourkela requested for free treatment. Waival committee approved.
15	Binod Kumbhar	Hamirpur, Bithani Church, Sector-19, Rourkela	54974	05/18/2014	07/06/2014	40893.00	22000.00	MLA, Raghunath Palli and ADM, Rourkela requested.
16	Alok Majhi	Balupara, Rajgangpur	55153	05/23/2014	04/06/2014	27905.00	19000.00	BPL card holder.ADM, Rourkela, requested to exempt the balance amount. Waival committee approved.
17	Neha Rani Rout	Jail Road, Near Music Circle, Rourkela	55387	05/29/2014	05/31/2014	2706.00	0.00	ADM, Rourkela has requested for free treatment.
18	Sashikant Singh	At/Po./P.S. Madaria, Dt.Ara, Bihar	55824	06/09/2014	06/30/2014	25196.00	16500.00	ADM, Rourkela has requested for waiver of balance amount, as the party is a poor person.
19	Anandini Nag	Ward No.2, Kousal Nagar, Dt. Balangir	55938	06/12/2014	07/13/2014	102568.00	95000.00	The husband of the patient has prayed for waiver of balance amount, as he is not able to pay further.

20	Rajesh Kalundia	Nayabazar Pahad Kinar, Rourkela	56006	06/13/2014	06/24/2014	10802.00	0.00	10802.00	Waival committee approved.
21	B/o Anita Ray	Khuntagaon, Bisra, Sundargarh	56308	06/20/2014	06/22/2014	9129.00	3000.00	6129.00	Waival committee approved.
22	Raja Sao	MS Palli, Ward No.11, Rourkela	56946	07/06/2014	07/12/2014	12553.00	2000.00	10553.00	Party is very poor. Waival committee approved.
23	Sahil Nayak	Haripur Basti, Near Fly Over, Basanti Colony, Rourkela	57291	07/14/2014	08/09/2014	26875.00	0.00	26875.00	ADM, Rourkela requested for free medical assistance. Waival committee approved.
24	Piyali Patra	MIG-II-52, Phase-III, Kalinga Vihar, Chhend, Rourkela	57384	07/16/2014	07/28/2014	22877.00	11000.00	11877.00	Patient is poor and unable to pay. Waival committee approved.
25	Pushpa Patra	Bramhan Nali, Bonai, Dt.Sundargarh	57546	07/21/2014	07/29/2014	23701.00	10000.00	13701.00	Patient poor, unable to pay further.
26	Anmol	At.Bijala Tola, Po.Vedvyas, Dt. Sundargarh	57559	07/21/2014	07/30/2014	7982.00	3000.00	4982.00	Waival committee approved.
27	Amiya Ranjan Mohanty	Qrs. A/198, Sector-14, Rourkela	57916	07/29/2014	07/31/2014	4377.00	1000.00	3377.00	Patient is very poor. Waival committee approved for waiver.
28	Samsung Munda	At. Kenseda, Po. Bhotuda, P.S. Lahunipada, Dt.Sundargarh	58089	08/03/2014	08/21/2014	15169.00	3000.00	12169.00	Patient is very poor and unable to pay. Waival committee approved.
29	Firu Mahanandia	Hamirpur, Taneza Batta, Sector-19, Rourkela	58133	08/04/2014	08/14/2014	15378.00	8000.00	7378.00	father of the patient is a BPL card holder. MLA, Raghunath Palli requested for free treatment. Waival committee approved.
30	Sanoj Yadav	Sector A Bhoot Bangla Khatal, Bondamunda	58167	08/04/2014	08/16/2014	18811.00	16000.00	2811.00	BPL card holder. Waival committee approved.
31	Sasmita Mishra	Khamarsahi, Dhenkanal	58535	08/13/2014	08/13/2014	2882.00	0.00	2882.00	Waival Committee approved for waiver.
32	Geeta Sahoo	Panposh Basti, Panposh, Rourkela	58789	08/19/2014	08/28/2014	18309.00	3000.00	15309.00	Patient is widow and nobody to support her. Waival committee approved.
33	Babula Biswal	Qrs.No. D/80, Sector-15, Rourkela	58933	08/23/2014	08/27/2014	14072.00	5500.00	8572.00	Patient is very poor and unable to pay.
34	Banita Biswal	Qrs.No. D/80, Sector-15, Rourkela	58934	08/23/2014	08/25/2014	7414.00	1000.00	6414.00	A case of 100% deep burn injury. Patient expired.
35	Pradeep Ojha	B/4/4, Jhumpudi, Civil Township, Rourkela	58998	08/24/2014	09/22/2014	73211.00	30000.00	43211.00	BPL card holder Recommended by treating doctor & J.D & HOD, Medicine.
36	Nirmala Jojo	At/ Po. Kuarboga, P.S. Sadar, Dt.Sundargarh	59068	06/26/2014	08/31/2014	12837.00	5000.00	7837.00	the patient is a poor daily wage labourer. Waival committee approved.
37	Ram Chandra Patra	At/ Po. Kantapali, P.S. Gurundia, Dt. Sundargarh	59264	08/30/2014	04/09/2014	8121.00	0.00	8121.00	patient is poor. Waival committee approved.
38	Malati Cope	Jareikela, Dist. Sundargarh	59933	09/13/2014	08/10/2014	27834.00	3000.00	24834.00	BPL card holder. Waival committee approved.
39	Punam Bara	B/318, Construction Colony, Rourkela	60436	09/24/2014	10/01/2014	16378.00	10000.00	6378.00	party is poor. Waival committee approved.
40	Rahul Jaipuria	Rajgangpur	60484	09/25/2014	09/30/2014	16787.00	6741.00	10046.00	The party is very poor. Waival committee approved.
41	Malati Kusum	Mundari Basti, Sector-7, Rourkela	60527	09/26/2014	10/07/2014	27481.00	16000.00	11481.00	Patient is very poor. Waival committee approved.
42	Yatni Tirkey	At Unduda, Po. Rajnandpur, Manoharpur, Jharkhand	60566	09/27/2014	09/10/2014	28758.00	23427.00	5331.00	Very poor, waival committee approved.
43	Jayanti Majhi	At. Deogaon, P.S. R.N. Palli, Dist. Sundargarh	60811	10/02/2014	10/16/2014	17614.00	9000.00	8614.00	expired. Patient is a beggar.

44	Pradeep Kumar	At. Nayabazar Girdhari pada, P.S. Plantsite, Rourkela	60880	10/03/2014	10/08/2014	14474.00	10429.00	4045.00	Sub Collector, Sundargarh requested for waiver, waival committee approved.
45	Boby Munda	At./Po./P.S. Tensa, Dist. Sundargarh	60977	10/06/2014	10/25/2014	32399.00	17000.00	15399.00	BPL card holder, prayed for waiver.
46	Patras Toppo	Gopapali, Vedvyas, Dt.Sundargarh	61274	10/12/2014	11/29/2014	73583.00	50000.00	23583.00	Patient is BPL card holder. Waival committee approved.
47	Pukli Toppo	At. Tumbai, Po. Gurundia, Dt. Sundargarh	63124	11/24/2014	12/13/2014	28135.00	23000.00	5135.00	The patient is a BPL card holder. Waival committee approved.
48	Janhalata Dansana	At./Po. Sargibahal, P.S. Padmaposh, Dt. Bargarh	63501	12/05/2014	12/10/2014	17397.00	12000.00	5397.00	Patient expired. Waival committee approved.
49	Sehnaz Begum	At. Anand Bhawan Lane, Rourkela	63520	12/05/2014	12/24/2014	16794.00	14100.00	2694.00	Patient is unable to pay further. Waival committee approved.
50	Buli Prasad	At Telephone Bhawan, Sector-6, Rourkela	51344	02/08/2014	06/26/2014	124696.00	5000.00	119696.00	The patient is poor and prayed for waiver. ADM, Rourkela, requested for waiver.
51	Bechu Prasad	Ispat Market, Sector-19, Rourkela	54430	05/04/2014	05/24/2014	38458.00	23000.00	15458.00	ADM, Rourkela, requested for waiver as the patient is very poor.
52	Iswari	Malgodam Ashram, Rourkela	56517	06/25/2014	07/05/2014	17769.00	0.00	17769.00	The child is an orphanage from Sishu Ashram. Waival committee approved.
53	Phulo Routia	At. Lanapande, Po. Anandpur, P.S. Manoharpur, Jharkhand	50211	01/06/2015	01/29/2015	59231.00	2000.00	57231.00	Patient is a BPL card holder. Waival committee approved.
	TOTAL							964968.00	

(b) By Director I/C (Medical & Health Services), RSP

Sl. No.	Name	Address	BHT No.	Date of Admission	Total Discharge/Death	Amount Bill (in Rs.)	Amount Deposited (in Rs.)	Remarks for Waival
1	Geeta Nag	Bauigani, Birmitrapur	51223	02/04/2014	6789.00	5000.00	1789.00	Poor patient, DMHS I/C approved
2	Neora Baguhar	Jagannath Pali, Sector-16, Rourkela	51371	02/09/2014	3563.00	1500.00	2063.00	ADM requested
3	Suiyasnata Parida	A/37, Shakti Nagar, Rourkela	51793	02/21/2014	4897.00	4000.00	897.00	Poor patient, DMHS I/C approved
4	Mamata Parida	A/37, Shakti Nagar, Rourkela	51794	02/21/2014	5061.00	4000.00	1061.00	Poor patient, DMHS I/C approved
5	Satyapir Purohit	PWD/9, Panposh Basti, Rourkela	52582	03/14/2014	6541.00	5000.00	1541.00	Poor patient, DMHS approved
6	Kalindi Badjena	Daily Market, Rourkela	52613	03/15/2014	3718.00	3000.00	718.00	Poor patient, DMHS approved
7	Raj Kishore Sahoo	K.S Pali, Sector-5, Rourkela	52958	03/25/2014	4583.00	3000.00	1583.00	Treating doctor recommended
8	Rajesh Kerketta	Bad Nuagaon, Kansbahal	53215	04/01/2014	20381.00	20000.00	381.00	ADM requested
9	Anwari Khatoun	Nala Road, Rourkela	54112	04/26/2014	17635.00	17082.00	553.00	Waival Comm. Approved
10	B/o Phul Kumari Munda	Budhabhui, Lahunipada	54797	05/14/2014	1385.00	1000.00	385.00	Waival Comm. Approved
11	Md. Rizwan	Omari Colony, Rourkela	55129	05/22/2014	1894.00	500.00	1394.00	Patient absconded
12	Sabita Ojha	D/130, Sector-1, Rourkela	55256	05/26/2014	4479.00	3000.00	1479.00	Waival Comm. Approved
13	Duleswar Mishra	Biringatoli, Kutra, Sundargarh	57453	07/18/2014	30102.00	28700.00	1402.00	Waival Comm. Approved
14	Lalita Banchor	Railway Colony, Rourkela	58050	08/02/2014	3628.00	2000.00	1628.00	Waival Comm. Approved
15	Md. Saifullah	Hasanpur, Nala Road, Rourkela	53438	04/07/2014	40326.00	38500.00	1826.00	Waival committee approved
16	Prem Sha	Manoharpur, Jharkhand	53818	04/18/2014	9006.00	7885.00	1121.00	ADM, Rourkela requested
17	Birsa Munda	Budakala, Kutra, Dt.Sundargarh	54778	05/13/2014	13484.00	11318.00	2166.00	Waival committee approved
18	Depika Lakra	At.kantajhor, Po. Jabaghat, P.S. Jhirpani, Dist. Sundargarh	55561	06/02/2014	1452.00	Nil	1452.00	Waival committee approved
19	Nirmal Yadav	Azad Basti, Sector-20, Rourkela	55988	06/13/2014	1324.00	1000.00	324.00	Waival committee approved
20	Shree Krishna	Lal Building, Daily Market, Rourkela	56214	06/18/2014	6124.00	6000.00	124.00	Waival committee approved
21	Sumitra Munda	Jirudih, Joda, Keonjhar	56683	06/30/2014	11756.00	11000.00	756.00	Waival committee approved
22	Reshma Nagbanshi	ITI, Shanti Nagar, P.S. Raghunath Pali, Rourkela	57654	07/23/2014	14511.00	12500.00	2011.00	Waival committee approved
23	Prahalad Biskarna	Malgodam, Rourkela	61437	10/16/2014	998.00	500.00	498.00	Waival committee approved
24	Sapna Paswan	Mundari Basti, Sector-7, Rourkela	61862	10/25/2014	605.00	0.00	605.00	Waival committee approved
25	Lucky Singhdeo	Vill/Po. Udas, Nagpur, Maharashtra	62539	11/10/2014	14564.00	13000.00	1564.00	Waival committee approved
26	Rushali Patra	Qrs.No. E/17, Sector-18, Rourkela	50909	01/22/2015	9589.00	7589.00	2000.00	Waival committee approved
27	Phulamani Samasi	Tumkela, Sector-15, Rourkela	52258	02/26/2015	3219.00	2000.00	1219.00	Waival committee approved
28	Manju Topno	Girija Toli, Shakti Nagar, Rourkela	52898	03/16/2015	6751.00	5000.00	1751.00	Waival committee approved
	TOTAL						34291.00	
	GRAND TOTAL						999259.00	

(2) Central Marketing Organisation - Details of Waiver of Interest Period during the year 2014 - 15

BRANCH	NAME OF THE CUSTOMER	AMOUNT (2014-15) Rs Lacs	REASONS FOR WAIVER
FARIDABAD	Balmer Lawrie & Co.	0.084	Being PSU/GOVT PARTIES
FARIDABAD	ARAVALLI POWER COMPANY PVT LTD (NTPC)	0.503	Being PSU/GOVT PARTIES
FARIDABAD	HPCL	2.286	Being PSU/GOVT PARTIES
DELHI	NTPC	24.264	Being PSU/GOVT PARTIES
DELHI	IOCL	10.922	Being PSU/GOVT PARTIES
DEH	BRITF	3.257	Being PSU/GOVT PARTIES
GHA	NTPC	6.571	Being PSU/GOVT PARTIES
GHA	BHEL	22.594	Being PSU/GOVT PARTIES
JAMMU	BRITF	29.259	Being PSU/GOVT PARTIES
JAMMU	ARMY	9.769	Being PSU/GOVT PARTIES
LUD	BHEL	0.532	Being PSU/GOVT PARTIES
ALLAHABAD	M/S BHEL	22.523	Being PSU/GOVT PARTIES
ALLAHABAD	BPCL	0.169	Being PSU/GOVT PARTIES
ALLAHABAD	M/S MEJA URJA	51.244	Being PSU/GOVT PARTIES
ALLAHABAD	M/S NBPPL	19.915	Being PSU/GOVT PARTIES
ALLAHABAD	GARRISON ENGR	0.000	Being PSU/GOVT PARTIES
ALLAHABAD	HPCL	0.000	Being PSU/GOVT PARTIES
ALLAHABAD	NTPC	32.640	Being PSU/GOVT PARTIES
AGRA	BHEL	7.867	Being PSU/GOVT PARTIES
KAN	BHEL	161.448	Being PSU/GOVT PARTIES
KAN	IOCL	5.907	Being PSU/GOVT PARTIES
KAN	HPCL	21.217	Being PSU/GOVT PARTIES
KAN	NTPC	11.599	Being PSU/GOVT PARTIES
KAN	MEJA URJA NIGAM LTD	2.990	Being PSU/GOVT PARTIES
KAN	RAIL VIKAS NIGAM LTD	0.167	Being PSU/GOVT PARTIES

(3) Bhilai Steel Plant

S.NO.	SEC.	PLOT	NAME	LOCATION	BILL AMOUNT WITHOUT INTT. (W/OFF AMOUNT)	OLDEST BILL DATE	LATEST BILL DATE	REMARKS
1	13	299	NIRMALA RANI VIDYALDRATNA	11007004A	262	01-SEP-01	01-SEP-01	LAST BILL AFTER VACATION OF QUARTER
2	13	059	HON.SECTY STEEL CLUB	08011003C	208	01-FEB-91	01-FEB-91	- DO -
3	13	072	SECY. BHILAI CLUB	1028A008E	217	31-OCT-91	31-OCT-91	- DO -
4	13	236	CHAIRMAN MUKBADHIR	06056005D	419	31-AUG-92	31-AUG-92	- DO -
5	13	247	CHAIRMAN MUKBADHIR SALA	06019006K	84	01-NOV-96	01-NOV-96	- DO -
6	13	281	SECY DS MEMO SCHOOL	06012001B	844	30-SEP-95	30-SEP-95	- DO -
7	21	056	NAND KUMAR JOSHI C-EX	07033002D	1221	31-JUL-95	31-JUL-95	- DO -
8	23	011A	REG DTR WORK EDN CENTRE	08STA009B	1666	01-SEP-03	01-OCT-03	- DO -
9	24	445	ASSTT. LABOUR COMMISSIONER	06072001D	1814	01-MAY-01	01-JUN-01	- DO -
10	24	365	REGL.MGR.BEML	04026001B	1488	01-AUG-93	01-AUG-93	- DO -
11	24	438	PRINCIPAL GOVT.SEC.MARO	10040006A	1582	01-JUN-02	01-JUN-02	- DO -
12	24	608	GANPAT RAO,DIST.SESS.JUDGE	10047002B	2959	01-SEP-07	01-SEP-07	- DO -
13	24	484	DIR EDUCATION DURG	02CAV0402	459	01-JUL-99	01-AUG-99	- DO -
14	24	309	OFFICER COMM.NCC	NULL	174	01-FEB-91	01-MAR-91	- DO -
15	24	449B	BHILAI MEDICAL TRUST(S.PRASA)	060100014	102	01-MAR-96	01-APR-96	- DO -
16	24	622	SMT JAGMANI KUJUR ORAON AC COM	HS012001B	3910	01-JAN-08	01-FEB-08	- DO -
17	25	009	DN EMP OFFICER BHILAI	11AVA004C	864	29-FEB-92	29-FEB-92	- DO -
18	25	009A	DN EMP OFFICER BHILAI	11AVA004C	586	29-FEB-92	29-FEB-92	- DO -
19	25	002	DN EMP OFFICER BHILAI	01007007B	1160	01-MAY-01	01-JUN-01	- DO -
20	25	002A	DN EMP OFF. BHILAI(NP DHURANDHAR)	01007007B	1372	01-MAY-01	01-JUN-01	- DO -
21	26	013	SUPDT ENGG MPEB	09037002C	3014	01-OCT-01	01-NOV-01	- DO -
22	26	012	CHIEF SUPDT ENGR M	09029001B	1538	30-SEP-93	30-SEP-93	- DO -
23	27	003	STEEL WORKER UNION	15B81	708	31-MAY-79	31-MAY-79	- DO -
24	31	238A	S.P. DURG	06018002E	723	01-MAY-00	01-JUN-00	- DO -
25	31	246A	S.P. DURG	0904B002C	934	01-SEP-05	01-SEP-05	- DO -
26	31	111S	S.P. DURG	07029002C	65	01-DEC-94	01-DEC-94	- DO -
27	31	148	S.P. DURG	02002018A	225	01-OCT-99	01-OCT-99	- DO -

28	31	173	S.P. DURG	10044003A	30	01-OCT-90	01-OCT-90	- DO -
29	31	196A	S.P. DURG	07040003D	265	01-NOV-98	01-NOV-98	- DO -
30	31	141A	S.P. DURG(JAIMAIL SINGH)	90100001	599	01-MAY-88	01-JUN-88	- DO -
31	34	014	DIST EXCISE OFFICER	06025002K	400	01-FEB-06	01-FEB-06	- DO -
32	34	014A	DIST EXCISE OFFICER	06025002K	597	01-FEB-06	01-FEB-06	- DO -
33	34	007	DIST EXCISE OFFICER	08STA0024	2678	01-DEC-00	01-JAN-01	- DO -
34	34	007A	DIST EXCISE OFFICER	08STA0024	1362	01-JAN-01	01-JAN-01	- DO -
35	35	009A	BUREAU OF IND. STANDARED	10045006B	1413	01-JUN-06	01-JULY-06	- DO -
36	52	002	CE CONSTN SE-LYB	010A013007	65	01-JAN-81	01-JAN-81	- DO -
37	52	002A	CE CONSTN SE-LYB	010A013007	32	01-JAN-81	01-JAN-81	- DO -
38	52	003A	CE CONSTN SE-LYB	08026001B	1181	31-DEC-84	31-DEC-84	- DO -
39	52	004	CE CONSTN SE-LYB	08033001C	1802	31-MAY-85	31-MAY-85	- DO -
40	52	004A	CE CONSTN SE-LYB	08033001C	678	31-DEC-84	31-DEC-84	- DO -
41	74	023	S.P. RADIO	041001D1Z	326	31-DEC-93	31-DEC-93	- DO -
42	74	023A	S.P. RADIO	041001D1Z	279	31-DEC-93	31-DEC-93	- DO -
43	74	025	S.P. RADIO	RS000012G	169	01-MAY-94	01-MAY-94	- DO -
44	CS	132	COLLECTOR, DURG	RB000147A	981	01-SEP-07	01-SEP-07	- DO -
45	24	521	DIV EMPT OFFICER, DURG (RC RAIKWAR)	RB000104C	988	01-DEC-00	01-DEC-00	- DO -
					42443			

Annexure-II

Age of cases	Number of cases
Less than 1 year	326
More than 1 year and upto 3 years	733
More than 3 years and upto 5 years	332
More than 5 years	936

Comments of C&AG

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2015

Comments	Management 's Replies
The preparation of financial statements of Steel Authority of India Limited for the year ended 31 March 2015 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) 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 29th May, 2015. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act, of the financial statements of Steel Authority of India Limited for the year ended 31st March, 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report:	
A. COMMENTS ON PROFITABILITY Note 27: Other Expenses--₹14,205.32 crore The above does not include ₹35.04 crore being the expenditure incurred by the company on Corporate Social Responsibility activities during 2014-15. This was accounted for as a deduction from retained earnings (surplus in statement of profit and loss) in the Balance Sheet instead of charging it under the head 'Other expenses' in the Statement of Profit & Loss. The accounting treatment is not correct in view of the existing practice and the opinion of ICAI issued on this matter. This has resulted in understatement of Other Expenses and Reserve and Surplus and overstatement of Profit before tax by ₹35.04 crore.	The expenditure on Corporate Social Responsibility (CSR) activities was accounted for as per the Frequently Asked Questions (FAQs) on the provisions of CSR under Section 135 of the Companies Act, 2013 and Rules thereon, issued by the Institute of Chartered Accountants of India (ICAI), on 2nd April, 2015. As per FAQs, the CSR spend amount needs to be appropriated unless otherwise it is incurred by the company as part of its normal business activity which also qualifies for CSR activity, in which case, it will continue to be charged to the Statement of Profit & Loss in the normal course. As the Company has not incurred the expenditure as part of its normal business activity, the expenditure on CSR activities has been appropriated in the Accounts of the Company. The Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, referred by Audit, was issued on 15th May, 2015 effective from the date of its issuance i.e. 15th May, 2015 (Financial Year 2015-16 onwards) and was not applicable for the Financial Year 2014-15. Therefore, there is no understatement of Other Expenses and overstatement of profit. In any case, there is no impact on Reserves & Surplus.
B. COMMENTS ON BALANCE SHEET ASSETS Non-current Assets Note 11A: Tangible assets - ₹34,658.40 crore The Company (Bhilai Steel Plant) had incurred ₹7.79 crore on re-carpeting and repair of Nandini air-strip. The re-carpeting was done to restore the condition of the air-strip and it should have been accounted for as revenue expenditure. The expenditure was however capitalized instead of charging it under repairs and maintenance. This has resulted in overstatement of Tangible Assets by ₹7.17 crore, depreciation by ₹0.62 crore and understatement of expenses by ₹7.17 crore. Consequently, Profit before tax for the year has been overstated by ₹7.17 crore.	The Nandini Air Strip at Bhilai Steel Plant (BSP), originally built in 1963, had outlived its life. The job of re-carpeting of the Nandini Air Strip was outsourced to Airport Authority of India Limited and was treated as re-building of Air Strip. The job is highly technical in nature and heavy strength bearing. The rebuilt has given a fresh life to the Air Strip and made fit to earn a stream of revenue over the years in the form of usage charges payable by National Technical Research Organisation (NTRO), Government of India, to BSP, SAIL. The Civil Engineering Division of NTRO also confirmed that the life of the re-carpeting of the Air Strip will be 10 years. As the expenditure has been incurred with a view to bring into existence an asset or an advantage of enduring nature, the benefits of which are expected to arise over several future accounting periods, the expenditure has been correctly treated as capital expenditure and therefore, there is no overstatement of profit.
For and on the behalf of the Comptroller & Auditor General of India Sd/- (Sushil Kumar Jaiswal) Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi Place : Ranchi Date : 28th July, 2015	For and on behalf of the Board of Directors Sd/- (Rakesh Singh) Chairman Place: New Delhi Date: 14th August, 2015

Secretarial Audit Report

Form No. MR-3

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Steel Authority of India Limited

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Steel Authority of India Limited (hereinafter called 'the Company/ SAIL'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Period ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SAIL ("the Company") for the Financial Year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/ processes/ systems under following specifically applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company:-
 - (a) Mines Act, 1952
 - (b) Mines and Mineral (Regulation and Development) Act, 1957
 - (c) The Factories Act, 1948
 - (d) Explosives Act, 1884

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India (Not applicable for the Audit period).
- (b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

Composition of the Board of Directors of the Company is required to be in compliance with Clause 49(II) of the Listing Agreement, para 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance and Section 149 (4) of the Companies Act, 2013. The Company has explained that the appointment of Functional Directors, Part Time Official Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made by Government of India (GOI). The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

I further report that in view of the above, the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

I further report that during the audit report, there were no specific events/actions having a major bearing on the company's affair in pursuance of the above referral laws.

Since decisions in the Board Meetings have been taken unanimously, the dissenting members' views were not required to be captured and recorded as part of the minutes.

I further report that as per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board was required to carry out evaluation of every Director's performance. Further, Clause 49 of the Listing Agreement 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. However, MCA has vide its notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides

that Sub-Sections (2), (3) & (4) of Sec. 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The Company has explained that the appointment of Functional Directors, Part Time Official Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors & CMD by Administrative Ministry.

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

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

For Agarwal S. & Associates,
Company Secretaries,
Sd/-
Sachin Agarwal
FCS No. : 5774
C.P No. : 5910

Date: July 28, 2015

Place: New Delhi

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 regulation and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

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

Date: July 28, 2015
Place: New Delhi

Corporate Governance Report

(a) Company's Philosophy

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

(b) Board of Directors

As on 31st March, 2015, the Board of Directors comprised of a full time Chairman, 6 Whole Time Directors (i.e. Executive Directors) and 4 Non-Executive Directors (Non-ED) (including 2 Independent Directors). During the year, 12 Board meetings were held on 30.04.2014, 28.05.2014, 30.06.2014, 15.07.2014, 11.08.2014, 23.09.2014, 28.10.2014, 13.11.2014, 16.12.2014, 15.01.2015, 13.02.2015 and 24.02.2015.

The names of Directors during 2014-15 their attendance at the Board meetings during the year as also at the last Annual General Meeting and number of other directorships held by each of them, as disclosed, are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended during 2014-15	Attendance at last AGM	No. of other Directorships held as on 31.3.2015 *	No. of Board Committee(s) as Chairman/Member as on 31.3.2015**
1. Shri C.S. Verma	Executive Chairman	12	Yes	1	-
2. Shri Upendra Prasad Singh (Upto 29.09.2014)	Non-Executive Director (Govt. Nominee)	6	-	-	-
3. Shri Anil Kumar Chaudhary	Executive Director	12	Yes	1	1
4. Dr. Isher Judge Ahluwalia (Upto 10.11.2014)	Independent Director	5	Yes	-	-
5. Shri Sujit Banerjee (Upto 15.01.2015)	Independent Director	8	Yes	-	-
6. CA. Arun Kumar Srivastava (Upto 15.01.2015)	Independent Director	10	Yes	-	-
7. Shri S.S. Mohanty	Executive Director	12	Yes	2	M-1
8. Shri H.S. Pati (upto 31.03.2015)	Executive Director	12	Yes	-	-
9. Shri T.S. Suresh	Executive Director	12	Yes	-	-
10. Shri Kalyan Maity	Executive Director	12	Yes	-	-
11. Shri Vinod Kumar Thakral (upto 12.03.2015)	Non-Executive Director (Govt. Nominee)	8	-	4	-
12. Dr. Atmanand	Independent Director	12	Yes	-	C-2
13. Shri J.M. Mauskar	Independent Director	12	Yes	-	M-1
14. Shri Binod Kumar	Executive Director	12	Yes	-	-
15. Shri R.S. Sharma (from 19.02.2014 to 23.09.2014)	Independent Director	5	-	7	-
16. Shri N.C. Jha (from 19.02.2014 to 19.09.2014)	Independent Director	4	-	1	-
17. Shri D.K. Mittal (from 19.02.2014 to 23.09.2014)	Independent Director	4	-	7	-
18. Mrs. Parminder Hira Mathur (from 19.02.2014 to 19.09.2014)	Independent Director	5	-	-	-
19. Shri Sunil Barthwal (from 22.12.2014)	Non-Executive Director (Govt. Nominee)	2	-	2	-
20. Mrs. Bharathi S. Sihag (from 16.03.2015)	Non-Executive Director (Govt. Nominee)	-	-	4	-

* Includes Directorship in Private companies.

** Only Audit Committee and Stakeholders Relationship Committee (earlier name was Shareholders/Investors Grievance Committee) are considered for this purpose.

M= Member C= Chairman

(c) Audit Committee

1. Terms of Reference:

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

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

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

2. Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31.03.2015, the Audit Committee consisted of Dr. Atmanand, Shri J.M. Mauskar and Shri S.S. Mohanty.

During the last year, the Committee met 10 times and attendance of the members at the meetings was as follows:

Name of the Director	Status	No. of meetings attended
CA. Arun Kumar Srivastava, Independent Director (upto 15.01.2015)	Chairman	8
Dr. Atmanand, Independent Director	Chairman	2
Shri J.M. Mauskar, Independent Director	Member	8
Shri R.S. Sharma, Independent Director (upto 23.09.2014)	Member	10
Smt. Parminder Hira Mathur, Independent Director (upto 19.09.2014)	Member	3
Shri S.S. Mohanty, Director (Technical) (from 31.01.2015)	Member	4
		2

(d) HR Nomination & Remuneration Committee

- Being a Government Company, the nomination and fixation of terms and conditions for appointment as Director is made by Government of India. However, the Company has constituted a Committee on HR, Nomination & Remuneration to, inter-alia, look into various HR issues, finalization of Performance Related Pay (PRP) for the executives of the Company in terms of Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises, etc.
- The details of remuneration to whole time Directors are given below: (₹)

Name of the Director	Salary as per section 17(1) of the Income Tax Act, 1961	Retirement & other Benefits	Total
Shri C.S. Verma	25,94,902	4,98,915	30,93,817
Shri Anil Kumar Chaudhary	23,42,676	4,34,636	27,77,312
Shri S.S. Mohanty	22,05,110	4,29,594	26,34,704
Shri H.S. Pati	24,22,272	4,31,152	28,53,424
Shri T.S. Suresh	23,58,172	4,22,116	27,80,288
Shri Kalyan Maity	22,36,476	4,35,930	26,72,406
Shri Binod Kumar	21,96,628	4,25,429	26,22,057
Total	1,63,56,236	30,77,772	1,94,34,008

- The Non-Executive Directors (other than Government Nominee Directors) are paid only sitting fee of ₹20,000/- for each Board/Board Sub-Committee Meeting attended by them.
- The salary of the Whole Time Directors is governed by pay scales and Rules of the Government. No variable incentive is being paid to the Directors except Performance Related Pay being paid to them on annual basis as per DPE guidelines.
- Terms & Conditions**

The Whole Time Directors are nominated by Government of India for appointment as Director for a period of five years or

till the age of superannuation or until further order, whichever is the earliest. They are initially appointed by the Board of Directors as Additional Directors and, thereafter, by the Shareholders in the Annual General Meeting in terms of the provisions of the Companies Act, 1956/2013.

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

(e) Stakeholders Relationship Committee

- A Stakeholders Relationship Committee under the Chairmanship of an Independent Director, namely Dr. Atmanand and two Whole Time Directors, i.e. Director (Finance) and Director (Personnel), as Members, is functioning to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.
- Name of Compliance Officer: Shri M.C. Jain, Company Secretary.
- There was no complaint pending for redressal as on 31.03.2014. Number of shareholders complaints received during the year from 01.04.2014 to 31.03.2015 were 51. Out of these, 49 complaints were resolved and two complaints were pending for redressal as on 31.03.2015.

(f) Risk Management Committee:

The Company has constituted SAIL Risk Management Committee (SRMC) and the Chief Risk Officer of the Company is acting as the Secretary of the Committee. The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in the day to day operations. The Risk Management Policy is comprehensive and processes faster risk updation in a dynamic business environment. The SRMC oversees the risk management function in SAIL by addressing issues pertaining to policy formulation as well as evaluation of the risk management function to assess its continuing effectiveness.

- Corporate Social Responsibility (including Sustainability Development) Committee:** Corporate Social Responsibility is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner, whereby organisations serve the interests of the society by taking responsibility for the impact of their activities. The Board of Directors of the Company has constituted Corporate Social Responsibility Committee and has also approved Corporate Social Responsibility (CSR) Policy of the Company. The CSR policy has been disclosed on the website of the Company, www.sail.co.in

- In addition to the above, the following Board Sub-Committees have been constituted by the Company on specific matters, so that the issues are examined in detail before the same are placed before the Board of Directors:

- Evaluation of Capital Schemes - To evaluate and recommend all proposals of Capital Schemes, requiring approval of the Board.
- Strategic Alliance(s) & Joint Ventures - To examine and recommend to the Board the issues relating to Strategic Alliance(s) and Joint Ventures of the Company.
- Projects Monitoring Committee - To examine and recommend to the Board the matters regarding implementation of major projects viz-a-viz approved plan.

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- MOU Committee – To recommend to the Board targets to be fixed under the annual MOU to be signed with the Government and to evaluate the performance of the Company against the targets finalized under the MOU.
- Health, Safety & Environment – To review the Policy, Procedures, Systems, etc. on Health, Safety and Environmental matters and submit its recommendations to the Board.
- Technology Acquisition and Product Enrichment - Preparation of a Technology Vision and matters relating to Technology Acquisition and Product Enrichment.

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

Name of the Director	Audit Committee	Evaluation of Capital Schemes Committee	Strategic Alliance(s) & Joint Ventures Committee	Projects Monitoring Committee	HR, Nomination & Remuneration Committee	Corporate Social Responsibility Committee	MOU Committee	Health, Safety & Environment Committee	Technology Acquisition and Product Enrichment Committee	Stake holders Relationship Committee
Meetings held	10	5	3	6	3	3	1	4	1	1
Directors Attendance										
CA Arun Kumar Srivastava (upto 15.01.2015)	8	5	2							
Dr. Atmanand	10					3			1	1
Shri J.M. Mauskar	10		3	6	3			4	1	
Shri R.S. Sharma (upto 23.09.2014)	3		1							
Mrs. Parminder Hira Mathur (upto 19.09.2014)	4	3		4	1	3				
Shri U.P. Singh (upto 29.09.2014)		2	1	3	1					
Shri Sujit Banerjee (upto 15.01.2015)		5		4	2		1			
Shri N.C. Jha (upto 19.09.2014)		2	1	4			1	1		
Shri S.S. Mohanty	2	5	1	6		2		4	1	
Shri Anil Kumar Chaudhary		5	3	6	3	2	1			1
Shri H.S. Pati					3	3		3		1
Shri T.S. Suresh		5	3	6			1	4	1	
Shri Kalyan Maity		1		3				4		
Shri Binod Kumar									1	
Dr. Isher Judge Ahluwalia (upto 10.11.2014)			1		1			1		
Shri D.K. Mittal (upto 23.09.2014)			1				1	1		
Shri Sunil Barthwal (from 22.12.2014)		1	1	1	1					

Note: (1) "HR, Nomination & Remuneration Committee" was earlier named as "HR & Remuneration Committee".

(2) "Health Safety & Environment Committee" was earlier named as "Environment & Forestry Issues Committee".

(3) "Stakeholders Relationship Committee" was earlier named as "Shareholders/ Investors Grievance Committee".

(j) In addition to above, 3 meetings of Independent Directors were held during the Financial Year 2014-15, on 23.09.2014, 16.12.2014 and 15.01.2015.

(k) General Body Meetings:

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2013-14	23.09.2014	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2012-13	20.09.2013	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2011-12	21.09.2012	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

- i) In the last 3 years, three Special Resolutions (2011-12 : 1; 2012-13 : Nil; 2013-14 : 2) have been passed in the AGMs and none through Postal Ballot.

- ii) No Special Resolution is proposed to be conducted through Postal Ballot upto the ensuing AGM.

(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 Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the Company during the year except receipt of sitting fee for attending the meetings of the Board/ Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.
- ii) Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Director is made by Government of India.
- iii) Letter of appointment to Independent Directors: SAIL being a Government Company, Directors on its Board are nominated/appointed by the Government of India. No Independent Directors has been nominated by the Government of India on the Board of the Company, after commencement of Companies Act, 2013 w.e.f. 1.4.2014 and after coming into force of the relevant provisions of Clause 49 of the Listing Agreement, which became effective from 1.10.2014. The last appointment of Independent Directors in the Company was made on 18th July, 2013. However, whenever new Independent Director(s) will be appointed hereafter, the Company will issue the letter of appointment to such Directors. The letter of appointment would be issued based on the Terms and Conditions as would be mentioned by the Government of India, while nominating/appointing the Independent Directors.
- iv) Familiarization programme for Independent Director: An induction cum familiarization programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product portfolio, financial and operational performance, Modernization and Expansion Programme, etc.
- v) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- vi) The Company has adopted Whistle Blower Policy of Central Vigilance Commission (CVC) and it has not denied access to any personnel to approach the Audit Committee/ Management on any issues. The Whistle Blower Policy is available on the website of the Company - www.sail.co.in. The Company has also formulated a Vigil Mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company and Directors on the Board of the Company are covered under this Mechanism. This Mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Vigil Mechanism has been posted on the website of the Company - www.sail.co.in.
- vii) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India

during the Financial Year 2014-15. However, there was shortfall in a few numbers of Independent Directors from 19.09.2014 onwards. SAIL being a Government Company, the Directors on its Board are appointed based on nomination by the Government of India. The matter of nominating the requisite number of Independent Directors on the Board of SAIL is under consideration of the Government. Further, the Company has not fully adopted non-mandatory requirements of the said Clause 49.

- viii) A woman Director has been appointed before 31st March, 2015 i.e. within the time period prescribed under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- ix) Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL were issued by the Ministry of Steel vide file No.7(12)/2008-SAIL(PC) dated 5th October, 2009. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC.
- x) The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.
- xi) Code of Conduct: The Board has laid down a Code of Conduct covering the requirements to be complied with by all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the Code is received from them on annual basis. The Code of Conduct has been placed on the website of the Company - www.sail.co.in.
- xii) Policy on Related Party Transactions: In terms of Clause 49 of the Listing Agreement, the Board of Directors of the Company has adopted a Policy on Related Party Transactions. The Policy is placed on the website of the Company - www.sail.co.in.
- xiii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy with regard to determination of Material Subsidiaries. The Policy is placed on the website of the Company - www.sail.co.in. The Company did not have any Material Subsidiary during 2014-15.
- xiv) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company.

(m) Means of Communication:

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

Quarter Ending	30.06.2014	30.09.2014	31.12.2014	31.03.2015
Date of Publication	12.08.2014	15.11.2014	14.02.2015	30.05.2015
Name of the Newspapers	Business Line (E), E-English Economic Times (H)	Financial Express (E), Jansatta (H)	Mint (E), Economic Times, Hindustan (H)	Business Standard (E) and (H)

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

(n) General Shareholders Information:

- i) Annual General Meeting is proposed to be held on 24th September, 2015 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
- ii) Financial Year: 1st April, 2014 - 31st March, 2015.
- iii) Date of Book Closure: 13th August, 2015 to 31st August, 2015 (Both days inclusive).

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- iv) The Company has paid Interim Dividend @ Rs.1.75 per share for the Financial Year 2014-15 on 13th February, 2015. Further, a Final Dividend @ Rs 0.25 per share has been proposed by the Board of Directors for the Financial Year 2014-15 subject to the approval of shareholders.
- v) The shares of the Company are listed at the following stock exchanges:
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort Mumbai-400001
(Stock Code No.500113)

The National Stock Exchange of India Limited,
Plot No. C/1, G Block, Bandra Kurla Complex, Bandra
(E). Mumbai- 400051
(Code: SAIL)

The London Stock Exchange,
10 Paternoster Square, London EC4M 7LS, UK

The Annual Listing Fee for 2014-15 has been paid to each of the Stock Exchange(s).

- vi) The monthly high and low quotes of the Company's shares during each month in the last Financial Year at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) during the year 2014-15 are indicated below:

MONTH & YEAR	SENSEX		SAIL at BSE (Rs.)		NIFTY		SAIL at NSE (Rs.)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APR '14	22939.31	22197.51	75.90	65.20	6869.85	6650.40	76.10	65.10
MAY '14	25375.63	22277.04	100.85	65.25	7563.50	6638.55	100.80	65.40
JUN '14	25725.12	24270.20	112.90	88.70	7700.05	7239.50	112.95	88.75
JUL '14	26300.17	24892.00	101.00	81.10	7840.95	7422.15	101.10	81.05
AUG '14	26674.38	25232.82	89.25	80.25	7968.25	7540.10	89.30	80.30
SEP '14	27354.99	26220.49	87.15	66.55	8180.20	7841.80	87.15	66.20
OCT '14	27894.32	25910.77	84.10	67.55	8380.75	7723.85	84.10	67.40
NOV '14	28822.37	27739.56	90.70	78.70	8617.00	8290.25	90.80	78.55
DEC '14	28809.64	26469.42	90.50	75.15	8626.95	7961.35	90.60	75.10
JAN '15	29844.16	26776.12	84.15	76.00	8996.60	8065.45	84.25	75.80
FEB '15	29560.32	28044.49	77.50	67.50	8941.10	8470.50	77.15	67.45
MAR '15	30024.74	27248.45	71.80	65.50	9119.20	8269.15	71.80	65.40

vii) Registrar and Share Transfer Agent

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

viii) Share Transfer System

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

ix) Distribution of Shareholdings as on 31st March, 2015

Shareholding	Shareholders		Amount	
	Number	% to Total	In Rupees	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	344727	90.25	416293520	1.01
501-1000	20480	5.36	165249520	0.40
1001-2000	9230	2.42	140616700	0.34
2001- 3000	3039	0.80	77601260	0.19
3001- 4000	1188	0.31	42951220	0.10
4001- 5000	958	0.25	45286210	0.11
5001- 10000	1270	0.33	94461310	0.23
10001- 50000	786	0.21	155249570	0.38
50001- 100000	88	0.02	63163640	0.15
Above 100000	193	0.05	40104379940	97.09
Total	381959	100.00	41305252890	100.00

x) Shareholding pattern as on 31st March 2015

Category		No. of Shares held	%age of Shareholding
A.	Promoters' holding		
1	Promoters		
	- Indian Promoters v.i.z., the Govt. of India	3,09,77,67,449	75.00
	- Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	Sub-Total	3,09,77,67,449	75.00
B	Non-Promoters Holding		
3	Institutional Investors		
a	Mutual Funds and UTI	4,43,28,186	1.07
b	Banks & Financial Institutions	14,44,82,337	3.50
c	Insurance Companies	44,78,00,102	10.84
d	Foreign Institutional Investors (FIIs)	24,76,95,883	6.00
	Sub-Total	88,43,06,508	21.41
4	Others		
a	Private Corporate Bodies	1,98,39,055	0.48
b	Indian Public	11,03,26,269	2.67
c	NRI/OCBs	1,78,52,873	0.43
d	Any other (Please specify) - GDR	4,33,135	0.01
	Sub-Total	14,84,51,332	3.59
	GRAND TOTAL	4,13,05,25,289	100.00

xi) Status of dematerialization as on 31.03.2015

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4,08,42,92,567	98.88	231610
CDSL	3,96,29,156	0.96	99266
Total Dematerialised	4,12,39,21,723	99.84	330876
Physical- Government of India*	0	0	0
Physical - Other shareholders	66,03,566	0.16	51083
Total	4,13,05,25,289	100.00	381959

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

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, Orissa
- Bokaro Steel Plant, Bokaro Steel City-827001, Jharkhand.
- IISCO Steel Plant, Burnpur-713325, West Bengal
- Alloy Steels Plant, Durgapur-713208, West Bengal
- Salem Steel Plant, Salem-636013, Tamil Nadu
- Visvesvaraya Iron & Steel Plant, Bhadravati-577031, Karnataka
- Chandrapur Ferro Alloy Plant, Chandrapur, Maharashtra

UNITS

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawahar Lal Nehru Road, Kolkata-700071, West Bengal.

- Centre for Engineering & Technology, Ranchi-834002, Jharkhand.
- Environment Management Division, 6, Ganesh Chandra Avenue, (5th Floor), Kolkata-700013, West Bengal.
- Growth Division, 97, Park Street, Kolkata-700016, West Bengal.
- Management Training Institute, Ranchi-834002, Jharkhand.
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata-700017, West Bengal.
- Research & Development Centre for Iron & Steel, Ranchi-834002, Jharkhand.
- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar Distt. Centre, Delhi-110092.
- SAIL Safety Organisation, Ranchi-834002, Jharkhand.
- SAIL Refractory Unit, Bokaro-827001, Jharkhand

SUBSIDIARIES

- IISCO-Ujjain Pipe & Foundry Company Limited, Kolkata (under liquidation).
- SAIL Jagdishpur Power Plant Limited, New Delhi-110003
- SAIL Refractory Company Limited, Salem-636013, Tamilnadu
- SAIL Sindri Projects Limited, Chasnala-828135, Jharkhand
- Chhattisgarh Mega Steel Limited, Chhattisgarh

xiii) Address for correspondence from shareholders for queries/complaints, if any:

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020
Phone No.91-11-41406149, Fax No. 91-11-41709881
E-mail:admin@mcsdel.com

Annexure-V to the Directors' Report

Corporate Governance Certificate

To

The Members of
Steel Authority of India Limited

We have examined the compliance of the conditions of Corporate Governance by Steel Authority of India Limited for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreements of the said company with the various stock exchanges and the Guidelines on Corporate Governance for Central Public Sector Enterprises, issued by the Government of India, Department of Public Enterprises (DPE), New Delhi.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements and DPE's guidelines.

We state that no investor grievance is pending for a period exceeding one month against the company, as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For O.P. Totla & Co.
Chartered Accountants
Firm Registration No.
000734C
Sd/-
[S.K. Acharya]
Partner
(M. No. 078371)

For B.N. Misra & Co.
Chartered Accountants
Firm Registration No.
321095E
Sd/-
[B. N. Misra]
Partner
(M. No. 083927)

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration No.
000643N
Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

Place : New Delhi
Dated : 3rd July, 2015

Business Responsibility Report

Section A: General Information about the Company

- Corporate Identity Number (CIN) : L27109 DL 1973 GOI 006454
- Name of the Company : Steel Authority of India Limited
- Registered Address : Ispat Bhawan, Lodhi Road, New Delhi - 110003
- Website: www.sail.co.in
- Email id : investor.relation@sail.com
- Financial Year reported : 2014-15
- Sector(s) that the Company is engaged in (industrial activity code-wise) : Manufacture of Steel and Steel products National Industrial Classification (NIC) Code : 330
- List three key products / services that the Company manufactures / provides (as in balance sheet):
 - Manufacture of Hot Rolled and Cold Rolled steel products
 - Manufacture of Rails
 - Manufacture of Wire Rods, Structural, etc.
- Total number of locations where business activity is undertaken by the Company:
 - International location : Nil
 - SAIL operates and owns five Integrated Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela and Burnpur & three Special Steel Plants at Salem, Durgapur and Bhadravati. Another unit, Chandrapur Ferro-Alloy Plant (CFP) produces Ferro-alloys. It also has SAIL Refractory Unit (SRU) at Bokaro with four refractory manufacturing Units in Jharkhand and Chhattisgarh.
Apart from these the other Units of SAIL are as follows:
 - SAIL Growth Works at Kulti, West Bengal;
 - Raw Materials Division (RMD)- Iron Ore Mines at Kiriburu, Meghahatuburu, Gua, Manoharpur (Chiria) in Jharkhand, Bolani, Kalta, Barsua (including Taldih), in Odisha;
 - BSP Mines (Iron Ore) at Rajhara Group, Dalli Group, Rowghat in Chhattisgarh;
 - RMD flux mines at Kuteshwar in MP, Bhawanathpur, Tulsidamar in Jharkhand;
 - BSP Mines (Flux) at Nandini, Hirri, Baraduar in Chhattisgarh;
 - VISP Mines (flux) at Bhadigund, Kenchapuda in Karnataka;
 - Collieries Division (Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
 - Centralised Marketing Organisation HQ at Kolkata,
 - Central Coal Supply Organisation, Dhanbad,
 - SAIL Consultancy Division at Delhi,
 - R & D Center for Iron & Steel at Ranchi, SAIL Safety Organisation at Ranchi, Centre for Engineering & Technology at Ranchi, Management Training Institute at Ranchi,
 - Environment Management Division at Kolkata; Growth Division at Kolkata,
 - Central Power Training Institute at Rourkela,
 - Transport & Shipping at Kolkata.
 SAIL has a pan India distribution network of 37 Branch Sales Offices (BSOs), 27 Customer Contact Offices (CCOs) and 67 Warehouses.
- Markets served by the Company - Local / State / National / International: National & International

Section B: Financial Details of the Company

- Paid up capital (INR) : ₹ 4130.53 Crore
- Total turnover (INR) : ₹ 50,626.65 Crore
- Total profit after taxes (INR) : ₹ 2092.68 Crore
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.67%

- List of activities in which expenditure in 4 above has been incurred:
 - Preventive Healthcare, Sanitation & Drinking Water: Swachh Vidyalaya Abhiyan
 - Education Promotion, Income Generation & Skill/ Vocational Training
 - Gender Equality: Women Empowerment, Sr.Citizens, Differently-abled
 - Environmental Sustainability
 - Promotion of heritage & Art & Culture
 - Promotion of Sports
 - Rural Development: Infrastructure Development

Section C: Other Details

- Does the Company have any Subsidiary Company/Companies?**
Yes, the Company has four subsidiary Companies, viz.:
 - SAIL Refractory Company Limited (SRCL)
 - SAIL Jagdishpur Power Plant Limited
 - SAIL Sindri Projects Limited
 - Chhattisgarh Mega Steel Limited (CMSL)
- Do the Subsidiary Company / Companies participate in the BR initiative of the parent Company? If yes, then indicate the number of such subsidiary company(s).**
Business Responsibility initiatives of the parent company are applicable to the subsidiary companies.
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
No

Section D: BR Information

- Details of Director / Directors responsible for BR:
 - Details of the Director/Directors responsible for BR policy/policies:
 - DIN Number : 03256818
 - Name: Anil Kumar Chaudhary
 - Designation: Director (Finance), with additional charge of Personnel Functions
 - Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00101601
2	Name	M.C. Jain
3	Designation	Company Secretary
4	Telephone number	011-24368104
5	e-mail id	Secy.sail@sail.com

- Principal-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**
The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:
 - P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
 - P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
 - P3 - Businesses should promote the well-being of all employees.
 - P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
 - P5 - Businesses should respect and promote human rights.
 - P6 - Businesses should respect, protect, and make efforts to restore the environment.
 - P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
 - P8 - Businesses should support inclusive growth and equitable development.
 - P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for.....	Y	Y The Company has quality and environment policies which ensure production of safe and sustainable products.	Y	Y This is included in Company's Code of Conduct, HR policies and various other HR practices	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	--	Y	Y	--	Y	--	Y	--
3	Does the policy conform to any national / international standards?	Y	--	Y	N	--	Y	--	Y	--
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Directors?	Y	--	Y	Y	--	Y	--	Y	--
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	--	Y	Y	--	Y	--	Y	--
6	Indicate the link for the policy to be viewed online?	--	--	--	@	--	*	--	@	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--	Y (To internal stakeholders)	Y	--	Y	--	Y	--
8	Does the Company have in-house structure to implement the policy/policies?	Y	--	Y	Y	--	Y	--	Y	--
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	--	Y	N	--	N	--	N	--
10	Has the Company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	N	--	N	N	--	Y	--	Y	--

2a. If answer to Sr. No. 1 against any principle , is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next sixth months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (Please specify)	--	--	--	--	--	--	The Company has leadership position in the steel sector and has a record of pioneering achievements which has benefitted Steel Industry of the country at large by having dialogue with MoS, GoI. Therefore, need for formal policy has not been felt.	The Company has systems and procedures to assess customer needs and addressing them. The Customer Satisfaction Index is calculated based on the feedback from customers on a regular basis and system for customer complaint redressal is also in vogue.	--

* - <http://sail.co.in/pdf/corporateenvironmentalpolicy.pdf>

@ - <http://sail.co.in/pdf/csrapolicy.pdf>

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.
Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, the Company publishes printed versions of its Sustainability Report. An electronic version of the report is uploaded on the Company's website in the intervening year as a web update. The hyperlink for viewing the Sustainability report of the Company is <http://www.sail.co.in/>

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.
Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No, the policies implemented by SAIL in these regards cover employees of the Company as well as suppliers/ contractors/ bidders etc. The Company has put in place Conduct, Discipline & Appeal (CDA) Rules which prescribe the code of conduct and is applicable mostly to the executives of the Company whereas the non-executive workmen are covered under the code of conduct / misconduct as mentioned in the Standing Orders (tripartite agreement between, union and Govt. representatives) for respective Plants / Units of SAIL. In July 2007, the Company implemented Integrity Pact for all contracts / procurements valuing Rs.100 crores and above. Subsequently, to cover more contracts / procurements, threshold value has been reduced to Rs.20 crores for implementing Integrity Pact. Guidelines on banning of business dealings with bidders / contractors / agencies dealing with SAIL have been implemented in SAIL and made part of the Integrity Pact wherein it has been envisaged that appropriate action shall be taken against the signatories of Integrity Pact, if they are found involved in unethical practices including corruption and bribery.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

A total of 820 complaints from various sources including those referred by Central Vigilance Commission, Ministry of Steel were received in SAIL Vigilance during 2014-15. The same were examined vis-à-vis extant systems and procedures, policies, rules etc. followed in the Company and actions as per rules including systemic improvements were advised against the deviations notices in these complaints and the same were agreed to by management for implementation. Hence, it may be construed that almost 100% complaints were satisfactorily resolved as per procedure in vogue.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.
 - TMT EQR (Thermo-mechanically treated earthquake resistant)
 - EQR E250 Grade plates
 - High strength cold rolled steel (CR1390) for lighter auto components
- For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
 - Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain

Consumption per unit of production in SAIL	Current Year	Previous Year
Specific Energy Consumption (GCal/Ton of Crude Steel)	6.52	6.59
Specific Water Consumption (m ³ /TCS)	3.66	3.67
Particulate Matter (PM) emission load (kg/TCS)	0.83	0.86

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?
The information is not available with us.

- Does the Company have procedures in place of sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

SAIL is highly efficient in its use of raw materials with the technology available today. Key raw materials needed in steelmaking include iron ore, coal, limestone, dolomite etc. Iron ore and fluxes are sourced through captive mines, most of which are situated close to the Plants and most of which have Environment Management System (EMS) – ISO 14001 certification ensuring maximum sustainability. Coking coal, the only raw material which is imported, is primarily shipped in capsize vessels and is sourced from globally recognized lead player who make continuous efforts to minimize their environmental footprint. Coal is also being used in the captive power Plants of Steel Plants to meet the power requirement for steel making. The transportation of all raw materials is carried out through rail.

- Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

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

- Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The major wastes produced during iron and steel making comprise BF and SMS slag (which covers ~ 90% of the total wastes generated). The slags are gainfully utilized internally as well as sold to outside agencies for production of other products. During the year 2014-15, 87.6% of BF slag and 83.9% of BOF slag were utilised.

Wastes like, BF flue dust, mill scale, lime/dolofines and refractory wastes are also used internally and sold to outside agencies.

The Company has a well laid down mechanism for re-cycling of wastes and during 2014-15, 32.4% solid wastes were internally re-cycled out of total utilisation of 84.5% of solid wastes.

More over, by-product gases like Coke Oven gas, BF gas and LD gas are used as fuels at the different shops of the Plants. Used oil is sold to the registered recyclers.

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

- Please indicate the Total number of employees
As on 1/4/2015 total number of employees in SAIL : 93352 (Exe – 14648; Non-Exe – 78704).
- Please indicate the Total number of employees hired on temporary/contractual/casual basis.
As on 1/4/2015, number of contract labour engaged at SAIL Plants/Units : 69961.
- Please indicate the Number of permanent women employees
As on 1/4/2015, permanent women employees in SAIL : 5421 (Exe – 1039; Non-Exe – 4382).
- Please indicate the Number of permanent employees with disabilities.
As on 1/4/2015, total number of permanent employees with disabilities in SAIL Plants/Units : 919 (Exe – 144; Non-Exe – 775).
- Do you have an employee association that is recognized by management?
Yes. For non executive employees, National Joint Committee for Steel Industry (NJCS) is the apex body which consists of representatives from central Trade Union organizations of INTUC, AITUC, HMS & CITU and representatives from recognized union of main Plants. Further, all Plants/Units have recognized union for non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants which are affiliated to Steel Executives' Federation of India (SEFI) - the apex body representing executives in SAIL.
- What percentage of your permanent employees is members of this recognized employee association?
All non-executive employees of SAIL are under the ambit of NJCS while all Executives are under the purview of SEFI.
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Information pertaining to Child labour/forced labour/involuntary labour and Discriminatory Employment is given in the table.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual Harassment	5	1
3.	Discriminatory employment	Nil	Nil

8. percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Training need of each individual in the organization is assessed. Under PMS each individual executive is even asked to inform the Management as to what training he needs to be given to him to help him perform his duties in a better way.

Also occupational training, safety and skill up-gradation training (technical / managerial / functional) is imparted to all permanent employees including female employees and differently abled employees. During the year 2014-15 total 66,225 (67.6% of total employees) regular employees were trained on various safety & skill up-gradation related programs.

SAIL is in the process of implementation of current Modernization & Expansion Plan wherein contractual workers are engaged in various activities. 100% of contractual workers are given safety awareness training which is mandatory for issuing gate pass for Plant premise. Skill up-gradation of contractual workers is also taken care of while on job at their work place.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes /No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

There has never been any discrimination in the treatment and rights available to any of the stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Some of the special initiatives taken by the Company are:

- (i) SAIL is providing healthy & nutritious Mid-Day Meals to around 62,000 students of around 550 Govt. schools every day in and around Bhilai and Rourkela, in association with Akshya Patra Foundation.
- (ii) SAIL/Bokaro Steel Plant has introduced 'Gyan Jyoti Yojana' aimed at providing education and holistic development for the children of Birhor tribe, which is at the verge of extinction. 15 Birhor children were adopted and provided free Education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere. They are the first Matriculates and 12th pass from their community. Inspired from their achievements, another batch of 15 new Birhor children has been adopted, who are all set to begin their life in new surroundings.
- (iii) Determined to empower the deprived sections of the society, bond them with mainstream, over 800 rural youths have been sponsored for ITI trainings at various ITIs. Vocational and specialised skill development trainings have been imparted to 3000 village youths and 7000 women folks in 2014-15, in areas such as Nursing, Physiotherapy, Driving, Computers, industrial and agriculture techniques, soft skills and handlooms, etc.

Principle 5: Business should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business

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

51 number of complaints were received from the shareholders. Out of this 49 complaints were resolved during 2014-15. Only 2 complaint were pending redressal as on 31.03.2015.

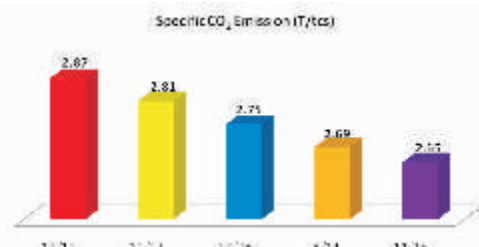
Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy of the related Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs and others?

Corporate Environmental Policy of the Company reaffirms commitment about safeguarding the environment by conducting its operation in an environmentally responsible manner by complying with applicable environmental laws, reducing air emissions and effluent discharges, minimizing waste generation, adopting cleaner technology progressively and increasing greenery in and around its works. SAIL also encourages its business associates to adopt similar approach for environmental protection. The policy also includes a commitment to enhance environmental awareness amongst employees working for and on behalf of the Company and the general populace around Plants and mines.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change/global warming etc.? Y/N. If yes, please give hyper link for web page etc.

Yes, the Company has been taking ample measures through continual technology up-gradation and incremental improvements in the Steel Plants for both processes and products to ensure gradual reduction in emission of greenhouse gases. Specific Carbon Dioxide emission from SAIL Plants has gradually reduced over the years from 2.87 in 2010-11 to 2.65 in 2014-15, a reduction of around 8%. The on-going expansion cum modernisation projects have particularly addressed incorporation of energy efficient and environment friendly technologies which shall substantially reduce CO₂ emission from the Plants.



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

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

The Company has also adopted Sustainable Development Policy and started publishing its GRI - 'A' level checked Corporate Sustainability Report, which is available in the Corporate Governance section of the Company's website (www.sail.co.in).

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

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

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed.

SAIL has been a fore-runner in the establishment of the environment management system in the steel industry in India. SAIL started implementation of EMS-ISO 14001 in the mid 90's with Salem Steel Plant being the first Plant to get certified. Thereafter, all the Plants and six of the mines have been accredited to EMS. The townships of BSP, RSP and SSP are also covered under ISO 14001:2004.

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

- Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyper link for web page etc.

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



New Sinter Plant with waste heat recovery at ISP De-fluoridation Plant at SSP

The Company has also introduced various renewable energy initiatives like use of coal bed methane in re-heating furnaces, bio-diesel in locomotives, agro based fuel in boilers and solar water heating and lighting systems.

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

The emissions generated are mostly within the permissible limit as prescribed by the CPCB/SPCB. The wastes generated are handled and managed as per the stipulated guidelines/rules. These are reported by the Company to the CPCB/SPCB on regular basis.

- Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

There has been no significant case of show cause/legal notice received from CPCB/SPCB, which were not resolved to satisfaction during the year. Action plan against these show cause/legal notices were made in consultation with regulatory authorities and were implemented accordingly.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

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

- Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

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

Principle 8: Businesses should support inclusive growth and equitable development

- Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, SAIL's Social Objective is synonymous with Corporate Social Responsibility (CSR). Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that produce social, environmental and economic benefits to the

communities in which it operates. For any organization, CSR begins with being aware of the impact of its business on society.

With the underlying philosophy and a credo to make a meaningful difference in people's lives, SAIL has been structuring and implementing CSR initiatives right from the inception. These efforts have seen the obscure villages, where SAIL Plants are located, turn into industrial hubs today.

SAIL CSR initiatives are undertaken in conformity to the prevalent statutes like revised DPE Guideline on CSR & Sustainability - 2013 and currently as per 'The Companies Act-2013'. SAIL's CSR projects are carried out in and around steel township, mines and far flung location across the Country in the area of village development including development of Model Steel Villages (MSVs), Providing Medical and Health Care, Immunization, Ante and post natal care, Education, Access to water facilities, Construction of Roads, Road Side Drains & Street Lights, Environment, Women Empowerment, Assistance to people with disabilities, Sustainable Income Generation through Self Help Groups, Promotion of Sports, Art, Culture & Recreational Activities etc.

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

Under the guidance of CSR Committee (Board level) the CSR activities/projects listed in the approved Annual Plan of SAIL, are being implemented using internal resources or through an identified suitable agency or through providing financial assistance to NGOs/specialized/agencies/institutions/societies as per the provisions of Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

All the SAIL Plants / Units have in place cross functional High Power Committees to oversee & monitor the projects as well as their implementation. There is an exclusive set up of CSR in SAIL. Each Plant/unit has a separate CSR Group/Cell. The CSR department is headed by an officer of the rank of GM/DGM level in bigger Plants/Units & AGM/SM level in smaller Units. A well structured organizational mechanism is in place for planning, monitoring and reporting of CSR activities in consultation with local authorities like Panchayats, District & State Authorities etc.

Also, since CSR projects are long term / continuous in nature like providing education, healthcare, mid day meals, sustainable livelihood generation through Self Help Groups (SHGs) etc, some of the projects are implemented through specialised agencies, depending on expertise available by the specialised agencies/NGOs like Mid day meal project through Akshaya Patra Foundation at Bhilai & Rourkela, Comprehensive Water & Sanitation Project in the peripheral villages of Rourkela in association with Gram Vikas, Sustainable livelihood generation projects at Rourkela & Ranchi through BAIF & Society for Rural Infrastructure (SRI, Ranchi) respectively and projects at various Plant/unit locations through Ramakrishna Mission etc.

Except in cases, where the CSR project is to be carried out by providing financial assistance to a specific agency, the external implementation partner having strong credentials & track records, are preferred for undertaking CSR projects, as defined in 'The Companies Act-2013'.

- Have you done any impact assessment of your initiative?

In SAIL, every Plant/Unit is having a high level committee headed by senior EDs/GMs which recommends the CSR projects to be taken up by the respective Plant/Unit. The same Committee monitors the progress & execution of these projects as well as undertakes audits of social benefits achieved from CSR initiatives undertaken.

The impact assessment/social audit of the Company's CSR & Sustainability initiatives is being done through external professional agencies as detailed below:

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

- Bhilia Steel Plant (BSP): Impact study of CSR activities through National bank for rural development (NABARD) & Base line survey of 21 MSVs through Society for rural Industrialization, Ranchi (SRI).
- IISCO Steel Plant (ISP): Indian Statistical Institute, Kolkata is conducting Baseline survey & recommendation for CSR Projects for up-liftment the socio economic condition of villagers in 28 nos. villages around Burnpur.
- SAIL engaged the Centre for Research in Rural and Industrial Development (CRRID), Chandigarh for carrying out evaluation of SAIL Sustainability initiatives for the years 2012-13 and 2013-14.

In addition, SAIL has a strong internal mechanism to monitor the activities/ initiatives undertaken under CSR & Sustainability. The Board Sub Committee on CSR reviews/ monitors CSR & Sustainability activities on regular basis.

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Till the year 2013-14, DPE Guidelines provided for the Annual CSR budget in the range of 0.5-2 % of PAT of previous year. From April 1, 2014, the provisions of Company's Act - 2013 are effective w.r.t. the CSR activities which requires the CSR expenditure to be at least 2% of the average net profits during the 3 preceding fiscals. Consequently, a budget expenditure of Rs.78 crores had been earmarked for FY2014-15 CSR initiatives. Apart from the exclusive CSR budget, SAIL spends to the tune of Rs.350 crores annually for creation of facilities to be accessed by them either free or at a very nominal cost, such as Healthcare, Education, Sanitation, Drinking water availability, infrastructure like roads & street lights, promotion of Sports, Art and Culture, etc.

SAIL Plants/Units are located mostly in backward areas that inhabit majority of disadvantaged, vulnerable, marginalized, SC, ST and minorities. SAIL had developed such 79 Model Steel Villages located in peripheral backward areas and these are maintained regularly.

The details of CSR activities undertaken are as follows:

- SAIL has undertaken construction of 690 toilets in schools without toilets/having dysfunctional toilets falling within the peripherals of SAIL Plants & Units acknowledging the Prime Minister's ambitious drive for promotion of sanitation and hygiene in remotes, under "Swachh Vidyalaya Campaign".
- **SAIL CSR Mission Projects:** In view of changing CSR façade of the Country, SAIL has also amended the CSR focus of the Company so that larger CSR projects are taken up which could have major impact on the target groups. CSR Mission Projects based upon the critical analysis/study of various parameters related to Socio-Economic Development of the targeted peripheral areas have been selected. SAIL's five Integrated Steel Plants (ISPs) viz. BSP, DSP, RSP, BSL & ISP are undertaking 9 Mission Projects in the fields of education, sanitation, environment conservation, watershed development & skill development in line with Schedule VII.
- **Mid day Meal:** SAIL is providing healthy & nutritious Mid-Day Meals to around 62,000 students of around 550 Govt. schools every day in and around Bhilai and Rourkela, in association with Akshya Patra Foundation.
- **Education :** To develop the society through education, SAIL has opened over 129 schools in the steel townships to provide modern education to more than 59,000 children and is providing assistance to over 629 schools with about 92,000 students. Seven Special Schools for BPL (Kalyan Vidyalaya) at Integrated Steel Plant locations with facilities of free education, mid-day meals, uniform including shoes, text books, stationary items, school bag, water bottles and transportation in some cases are running under CSR.
- **Healthcare:** SAIL's extensive & specialised Healthcare Infrastructure provides specialized and basic healthcare to more than 39.11 million rural people. During the last three years, over 10,000 health camps have been organised benefiting more than 5.92 Lakh people. 3200 health camps and Ambulances/MMUs facilitated the medical and free health check-up, lab investigations, medicine, immunization, at the doorsteps of 1.10 lakh downtroddens in 2014-15.
- **Construction of Roads and Infrastructure:** Over 80 Lakh people across 450 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 10100 water sources have been installed during past five years

thereby providing easy access to drinking water and benefitting over 43.5 lakh people living in far-flung areas.

- **Vocational and specialised skill development trainings** have been imparted to 3000 village youths and 7000 women folks in 2014-15, in industrial & agriculture techniques, soft skills, handlooms, empowering them to bond with mainstream. Over 800 rural youths have been sponsored for ITI trainings at various ITIs.
- **Disaster relief:** SAIL, as a responsible corporate citizen, supported the rehabilitation initiatives for the people affected by National & Natural Calamities, the recent being flood ravaged Jammu & Kashmir, Phyllin cyclone in Odisha, Flash Floods in Uttarakhand, etc.
- **Sports, Art & Culture :** Various events viz. Lok Kala Mahotsava, SAIL Khel Mela at Bhilai, Samvardhan : Rural Sports in Football, Kabbadi at Rourkela, Durgapur and Burnpur, Archery championships, Kho-Kho and ladies cricket coachings at West Singhbhum, Jharkhand & Keonjhar, Odisha witnessed participation of about 10,000 rural youths. 120 village teams participated in Lok Samskrutik Mahotsav to promote local tribal culture.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

SAIL Plants/Units have always conducted informal stakeholder engagements in their respective areas, this exercise supports in identifying their needs, local issues requiring attention and intervention. Formal as well as informal mode has been established with multi-stakeholders to resolve various issues affecting day to day life from time to time as per the necessity. For peripheral villages, dialogues are normally held with the Sarpanch/Panch of the village or the village representatives in an informal manner as and when required in connection with the peripheral developmental activities. A well structured organizational mechanism is in place at SAIL Plants/Units for planning, CSR activities in consultation with local authorities like Panchayats, District & State Authorities and various stakeholders.

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

Further, impact assessment of CSR activities is carried out to assess the effects of our CSR initiatives and also reform/ update the process based on the feedback, so that the community adopts them in letter and spirit.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year?

A total of 1858 quality complaints were received from customers in 2014-15 out of which 20 (around 1%) were pending as of March 31, 2015, while the rest were settled satisfactorily.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)

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

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

Petition No. 8531/2008 - JSPL Vs UOI & Ors pending before Delhi High Court for declaring MOU dt. 01.02.2003 (between SAIL and Indian Railways), its continued operation without any review, unconstitutional and void.

Pleading by the parties have been completed. The writ was listed on 08.10.12 before Delhi High Court, when it was ordered that rule had been issued in the case on 15.05.2009.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, Customer satisfaction is measured in the form of Customer Satisfaction Index (CSI) which is computed by the Company every month in respect of Key Accounts of the Company based on the feedback collected from the Key Customers.

Consolidated Balance SheetAs at 31st March, 2015

(₹ crore)

	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	4130.53	4130.53
(b) Reserves and Surplus	3	40041.34	39150.84
Share application money pending allotment		31.07	3.21
Non-Current Liabilities			
(a) Long-Term Borrowings	4	14438.05	14132.98
(b) Deferred Tax Liabilities (Net)		2566.11	2206.93
(c) Other Long Term Liabilities	5	1241.90	1386.50
(d) Long-Term Provisions	6	4068.57	4090.00
Current Liabilities			
(a) Short-Term Borrowings	7	14317.72	10722.26
(b) Trade Payables	8	3629.65	3198.52
(c) Other Current Liabilities	9	14357.57	12800.06
(d) Short-Term Provisions	10	2496.38	2046.69
TOTAL		101318.89	93868.52
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	36212.71	26652.79
(ii) Intangible Assets	11B	1523.35	1522.18
(iii) Capital Work-in-Progress	12	29327.76	33958.50
(b) Non-Current Investments	13	411.76	47.07
(c) Long-Term Loans and Advances	14	4787.22	4111.87
(d) Other Non-Current Assets	15	55.08	136.35
Current Assets			
(a) Current investments		42.03	44.32
(b) Inventories	16	17942.96	15355.39
(c) Trade Receivables	17	3218.22	5491.45
(d) Cash and Bank Balances	18	2606.34	3142.47
(e) Short-Term Loans and Advances	19	2895.27	1136.05
(f) Other Current Assets	20	2296.19	2270.08
TOTAL		101318.89	93868.52

Significant Accounting Policies

1

Other Notes to Consolidated Financial Statements

29-35

The Notes referred to above form integral part of these Consolidated Financial Statements

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

Sd/-
(Rakesh Singh)
Chairman

For O.P. Totla & Co.
Chartered Accountants
Firm Registration no.000734C

Sd/-
(S.K. Acharya)
Partner
M.No.078371

In terms of our report of even date
For B.N. Misra & Co.
Chartered Accountants
Firm Registration no.321095E

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

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

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

Place : New Delhi

Dated : July 3, 2015

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2015

(₹ crore)

	Note No.		Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations	21	51473.16	52718.69	
Less : Excise duty		<u>5521.21</u>	<u>5781.01</u>	46937.68
Other Income	22		<u>982.99</u>	<u>825.71</u>
Total Revenue			<u>46934.94</u>	<u>47763.39</u>
Expenses				
Cost of materials consumed	23	19217.44	19964.7	
Purchase of stock in trade		7.30	5.85	
Changes in inventories of finished goods, work in progress and stock in trade	24	-1412.50	897.35	
Employee Benefits expense	25	9866.15	9708.24	
Finance Cost	26	1534.91	1047.14	
Depreciation and Amortisation expense		1882.96	1835.76	
Other expenses	27	<u>13286.11</u>	<u>12164.50</u>	<u>45623.54</u>
			<u>2552.57</u>	<u>2139.85</u>
Add: Adjustments pertaining to earlier years	28		<u>-88.60</u>	<u>149.68</u>
Profit before tax and exceptional item			<u>2463.97</u>	<u>2289.53</u>
Add: Exceptional Item				
Compensation Received for Non Performance of Contract.			-	1056.26
Profit before tax			<u>2463.97</u>	<u>3345.79</u>
Less : Tax Expense				
Current tax		548.25	770.52	
Deferred tax		287.21	330.3	
Earlier years		-17.59	113.37	
MAT Credit		<u>-511.92</u>	<u>-520.74</u>	<u>693.45</u>
Profit for the year			<u>2158.02</u>	<u>2652.34</u>
Share of profit of associate			<u>0.14</u>	<u>-0.20</u>
			<u>2158.16</u>	<u>2652.14</u>
Earnings per Share				
Profit after tax			2158.02	2652.34
Average Number of equity shares (Face value Rupees 10/- each)			4130525289	4130525289
Basic and Diluted Earnings per share (Rupees)			5.22	6.42
Significant Accounting Policies	1			
Other Notes to Consolidated Financial Statements	29-35			
The Notes referred to above form integral part of these Consolidated Financial Statements				

Sd/-
(M.C. Jain)
Secretary

For O.P. Totla & Co.
Chartered Accountants
Firm Registration no.000734C

Sd/-
(S.K. Acharya)
Partner
M.No.078371

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

In terms of our report of even date

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

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

Sd/-
(Rakesh Singh)
Chairman

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

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

Place : New Delhi

Dated : July 3, 2015

Consolidated Cash Flow Statement

(₹ crore)

For the year	2014-15	2013-14
A. Cash flow from Operating Activities		
Net Profit before taxation	2463.97	3345.79
Add / (Less) Adjustments for :		
Share of profit of Associate	0.14	(0.20)
Depreciation	1902.45	1720.27
Interest and Finance Charges	1534.91	1047.14
Profit on Sale of Investments	(201.49)	(2.77)
Provision for Others	353.50	(628.44)
Profit on sale of Fixed Assets	(10.55)	(6.27)
Interest Income	(524.21)	(616.76)
Dividend Income	(11.36)	(12.08)
Operating cash flow before working capital change	5507.36	4846.68
Adjustments for :-		
(Increase) / Decrease in Inventories	(2587.57)	802.59
(Increase) / Decrease in Sundry Debtors	2273.23	(950.88)
(Increase) in Loans and Advances	(1938.29)	(306.96)
Increase in Current liabilities	390.93	2616.45
Decrease in Other Current Assets	63.68	152.44
Cash generated from Operations	3709.34	7160.32
Direct Taxes Paid	(503.96)	(847.57)
Net Cash from Operating Activities	3205.377	6312.75
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(6425.77)	(8956.32)
Proceeds from sale of Fixed Assets	91.74	34.10
Loans to Other Companies	(0.60)	5.36
Decrease in Term deposits with Banks	572.88	863.00
(Purchase)/sale of investments (net)	(160.91)	18.66
Interest received	515.69	534.62
Dividend received	11.36	12.08
Net Cash from / (used in) Investing Activities	(5395.61)	(7488.50)
C. Cash flow from Financing Activities		
Increase in Share application money pending allotment	27.86	0.28
Increase in Reserve & Surplus	1.37	1.25
Increase in borrowings (net)	4619.39	3213.54
Interest and Finance Charges paid	(1502.62)	(1008.76)
Dividend Paid	(722.84)	(999.58)
Tax on Dividend	(161.14)	(189.39)
Net Cash from / (used in) Financing Activities	2262.02	1017.34
Cash Flow in CSR Activities.	35.04	-
Net Increase in Cash & Cash Equivalents (A+B+C)	36.75	(158.41)
Cash & Cash Equivalents (Opening) (Refer note 18)	293.26	451.67
Cash & Cash Equivalents (Closing) (Refer note 18)	330.01	293.26
(Represented by Cash & Bank balances)		

Notes :

- The above Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchanges and under the indirect method set out in Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.
- Significant Accounting Policies and Consolidated Notes to Financial Statements form an integral part of the Consolidated Cash Flow Statement.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

Sd/-
(Rakesh Singh)
Chairman

In terms of our report of even date

For O.P. Totla & Co.
Chartered Accountants
Firm Registration no.000734C

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

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

Sd/-
(S.K. Acharya)
Partner
M.No.078371

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

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

Place : New Delhi

Dated : July 3, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Use of estimates

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

C. Fixed Assets

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

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

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

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

In case of SAIL Refractory Company Limited, all costs related to Mining Rights are amortised over the period (including deemed renewal) of the lease.

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

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

In case of Mjunction Services Limited, intangible assets are amortised over a period of 3 to 5 years. In case of NTPC-SAIL Power Company Private Limited, software is amortised over licence period or 3 years, whichever is less.

D. Borrowing Costs

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

E. Depreciation

Depreciation is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013. However, 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 Rs. 5000/- are fully depreciated in the year in which they are put to use.

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

In case of NTPC SAIL Power Company Private Limited, depreciation on the assets of the generation of the electricity business in respect of CERC Regulated plants is charged on straight line method, following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013. Further, depreciation on the following assets is provided based on their estimated useful life:

a) Kutch Roads	2 Years
b) Enabling works	
o residential buildings	15 Years
o internal electrification of residential buildings	10 years
o non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 Years
c) Personal Computers and Laptops including peripherals	3 Years
d) Photocopiers and Fax Machines, Water coolers and Refrigerators	5 Years
e) Temporary erections including wooden structures	1 Year

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

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

F. Investments

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

G. Inventories

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

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

The basis of determining cost is:

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

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

In case of Bokaro Power Supply Company Private Limited, inventories, other than Fuel are valued at cost on weighted average basis. Fuel is valued at cost on First in first out basis.

H. Grants

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

I. Foreign Currency Transactions

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

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

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard -11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011). Accordingly, exchange differences (including arising out of forward exchange contracts) relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

J. Employees' Benefits

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

K. Adjustments pertaining to earlier years and prepaid expenses

Income/expenditure relating to prior period and prepaid expenses, which do not exceed Rs.10 lakhs in case of SAIL, Rs.1 lakh in case of NTPC-SAIL Power Company Private Limited and Rs.5 lakh in case of SAIL & MOIL Ferro Alloys Private Limited in each case, are treated as income/expenditure of current year.

L. Revenue recognition

Sales include excise duty and are net of rebates and price

concessions. Sales are recognised at the time of dispatch of materials to the buyers including the cases where delivery documents are endorsed in favour of the buyers. Where the contract prices are not finalised with government agencies, sales are accounted for on provisional basis.

Marine export sales are recognised on:

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

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

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

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

M. Claims for Liquidated Damages/Price Escalation

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

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

N. Deferred Tax

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

O. Overburden Removal

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

P. Contingent Liabilities

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

Note (Forming Part of the Consolidated Balance Sheet)

2. SHARE CAPITAL

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014
Authorised		
5,00,00,00,000 equity of ₹ 10 each	5000.00	5000.00
(5,00,00,00,000 equity of ₹ 10 each)		
Issued, Subscribed & Fully Paid-up		
4,13,05,25,289 equity shares of ₹ 10 each fully paid.	4130.53	4130.53

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

Particulars	As at 31st March, 2015	As at 31st March, 2014		
	Numbers	Amount (₹)	Numbers	Amount (₹)
-- Equity shares with voting rights				
Shares outstanding at the beginning of the year	4130071104	41300711040	4130071104	41300711040
Shares Issued / Converted into shares with Voting Rights during the year	21050	210500	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4130092154	41300921540	4130071104	41300711040
-- Equity shares without voting rights *				
Shares outstanding at the beginning of the year	454185	4541850	454185	4541850
Shares Issued during the year				
Shares Issued / Converted into shares with Voting Rights during the year	21050	210500	-	-
Shares outstanding at the end of the year	433135	4331350	454185	4541850

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

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

(iii) The Company does not have a holding company

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

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

Name of Shareholder	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	3097767449	75	3304293713	80
LIC of India	417717206	10.11	273321731	6.62

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

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

3. RESERVES AND SURPLUS

(₹ crore)

	As at 31st March, 2015	As at 31st March, 2014		
Capital Reserve	104.10			104.10
Securities Premium Account				
As per last Balance Sheet	235.10		235.12	
Less : Adjustment towards Share/ Bond Issue Expenses	-	235.10	0.02	235.10
Bond Redemption Reserve				
As per last Balance Sheet	817.21		585.43	
Additions during the year	270.49		251.13	
Deductons during the year	78.82	1008.88	19.35	817.21
General Reserve				
As per last Balance Sheet	5118.08		4851.60	
Additions during the year	3.30	5121.38	266.48	5118.08
Prime Minister's Trophy Award Fund*				
As per last Balance Sheet	25.29		24.02	
Additions	2.33		2.25	
Less: Utilisation	0.99	26.63	0.98	25.29
Surplus in Statement of Profit & Loss				
Balance as per last account	32851.06		31688.42	
Add: Surplus of Current Year	2158.16		2652.14	
Less Expenditure on Corporate Social Responsibility	35.04		-	
Less: Impact of Depreciation on account of SCH II CO Act 2013	229.98		-	
Add: Other provisions	0.03		-	
Less: Proposed Dividend	103.26		-	
Less: Dividend Paid	722.84		834.35	
Less: Tax on Proposed Dividend	25.14		8.42	
Less: Tax on Dividend Paid	152.77		148.47	
Less: Transfer to Bond Redemption Reserve	191.67		231.78	
Less: Transfer to General Reserve	3.30	33545.25	266.48	32851.06
		40041.34		39150.84

* PM Trophy Award Fund

The Fund has been created out of award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the Fund are utilised for the welfare of employees in Bhilai.

Note (Forming Part of the Consolidated Balance Sheet)

4. LONG TERM BORROWINGS

(₹ crore)

Sl No.	Int%	Maturity	Call/put Option (yr)	Security REF	As at 31st March, 2015		As at 31st March, 2014	
SECURED								
A.	Taxable Redeemable Non-convertible Bonds							
1	9.35	9-Sep-2026	12/nil	(a)	455.00		455.00	
2	9	14-Oct-2024		(a)	1000.00		-	
3	8.7	25-Aug-2024		(a)	300.00		300.00	
4	9.3	23-Aug-2021		(a)	400.00		400.00	
5	8.55	11-Aug-2021		(a)	700.00		700.00	
6	8.72	30-Apr-2020		(a)	660.00		660.00	
7	8.75	23-Apr-2020		(a)	545.00		545.00	
8	8.65	1-Feb-2020	5/nil	(a)	242.00		242.00	
9	8.3	21-Jan-2020		(a)	500.00		-	
10	8.65	30-Dec-2019		(a)	450.00		450.00	
11	8	7-Dec-2019	5/nil	(a)	-		30.00	
12	8.5	7-Dec-2019		(a)	120.00		120.00	
13	8.6	19-Nov-2019		(a)	335.00		335.00	
14	8.75	15-Sep-2019		(b,d)	100.00		100.00	
15	8.8	22-Jun-2019		(a)	825.00		825.00	
16	7.7	11-May-2019	5/5	(a)	25.00		-	
17	8.9	1-May-2019	5/nil	(b)	950.00		950.00	
18	9.3	25-May-2018		(a,k)	360.00		360.00	
19	8.25	6-May-2018	3/3	(a)	800.00		800.00	
20	8.38	16-Dec-2017		(a)	645.00		-	
21	9.18	27-Aug-2017		(a)	300.00		300.00	
22	8.75	8-Nov-2017	3/3	(a)	500.00		500.00	
23	8.8	26-Oct-2014		(b,c)	140.00	10352.00	154.00	8226.00
Term Loans from Banks								
B.				(n)	Banks	184.83	203.74	
1				(n)	Financial Institutions	199.17	384.00	472.00
UNSECURED								
C.	Term Loans							
1				(e)	KFW, Germany	355.19	458.22	
2		11.03.2015		(f)	Bank of Tokyo Mitsubishi	416.67	798.93	
3				(g)	Bank of Tokyo Mitsubishi	833.33	1198.40	
4				(h)	Sumitomo Mitsubishi Banking Corp	1018.4	1527.60	
5	2.00			(i)	Natexis Banque	17.96	24.22	
6				(j)	State bank Of India	-	366.84	
7				(l)	Mizuho Corporate Bank Ltd	827.85	827.85	
8					Others	23.25	3492.65	5230.82
D.				(m)	Steel Development fund		204.16	204.16
					Others		5.24	-
						14438.05	14132.90	

- (a) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to IISCO Steel Plant (ISP).
- (b) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant (DSP).
- (c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f 26th October 2014. Instalment payable on 26th October 2014 has been shown in Other Current Liabilities
- (d) Redeemable in 3 equal instalments of ₹ 50 crore each on 15th September of 2014, 2019 and 2024. Instalment payable on 15th September, 2014 has been shown in Other Current Liabilities
- (e) The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1 (b) the Interest is 3.66% p.a and balance 5.09% p.a is towards periphery development. The Interest on 1(c) is 0.75% p.a and the balance 8 % p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is Guaranteed by Government of India.
- (f) The loan is repayable in 3 equal yearly instalments on 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly.
- (g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1%. Interest is paid half yearly.
- (h) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.
- (i) The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- (j) The loan is at an interest rate of 6 month EURIBOR +1.24%. Interest is paid half yearly. Principal Repayable 3 yrs from the date of Bill of lading.
- (k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May 2018.
- (l) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.
- (m) Terms of Repayment is to be decided by SDF management Committee.
- (n) Includes Term Loans from Banks and Financial Institutions payable in Instalments over a period of 5 to 15 yrs and carries interest rate between 8% and 11.25% after a moratorium period envisaged in each loan agreement. The term loans are secured by equitable mortgage of present and future immovable property & movable Fixed assets.

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014

5. OTHER LONG TERM LIABILITIES

Interest accrued and not due on borrowings	700.46	707.46
Trade payables	0.96	0.71
Others	540.48	678.33
	<u>1241.90</u>	<u>1386.50</u>

6. LONG TERM PROVISIONS

Provisions for Employee Benefits		
- Gratuity	421.01	516.89
- Accrued Leave	2204.40	2075.92
- Employee Defined Benefit Schemes	1175.74	1163.46
Others		
- Mines closure	118.08	104.27
- Others	149.34	229.46
Total	<u>4068.57</u>	<u>4090.00</u>

7. SHORT TERM BORROWINGS

Secured

Loans repayable on demand		
- From banks	(a) 5645.94	3417.61

Other loans and advances

From Banks	(a) 1030.00	4.68
Loans and advances from related parties	0.56	0.38

Unsecured

Other loans and advances

Other Loans	803.61	-
Foreign currency loans	6837.61	7299.59
	<u>14317.72</u>	<u>10722.26</u>

(a) Secured by hypothecation of all current assets

(b) The Company does not have any continuing default in repayment of loans and interest on the balance sheet date.

8. TRADE PAYABLES

Micro and small enterprises	27.27	21.44
Others	3602.38	3177.08
	<u>3629.65</u>	<u>3198.52</u>

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014

9. OTHER CURRENT LIABILITIES

Current maturities of long term debts	1817.50	1165.21
Interest accrued but not due on borrowings	668.30	629.01
Income received in advance from		
Customers	869.27	901.34
Others	<u>53.67</u>	<u>50.08</u>
	922.94	951.42
Liability towards Investor Education and Protection Fund, not due		
Unpaid Dividends	11.73	13.58
Unclaimed Matured Deposits and intt Accrued thereon	<u>1.03</u>	<u>1.03</u>
	12.76	14.61
Security deposits	785.46	615.03
Less : Investments received as Security deposit	<u>0.01</u>	<u>0.01</u>
	785.45	615.02
Other payables		
Sundry creditors for Capital works	2265.38	1496.85
Other payables	7885.24	7927.94
	<u>14357.57</u>	<u>12800.06</u>

10. SHORT TERM PROVISIONS

Provisions for Employee Benefits		
- Accrued Leave	232.07	197.95
- Employee Defined Benefit Schemes	167.54	146.61
Others		
- Taxation	28.17	73.44
- Pollution Control & Peripheral Development	83.93	106.62
- Exchange Fluctuation	15.29	-
- Proposed dividend	103.26	-
- Tax on Dividend	25.19	8.42
- Wage Revision	1279.58	1130.39
- Mines Afforestation/Overburden removal	280.98	262.59
- Others	280.37	120.67
Total	<u>2496.38</u>	<u>2046.69</u>

Note (Forming Part of the Consolidated Balance Sheet)

11A. TANGIBLE FIXED ASSETS

11A. TANGIBLE FIXED ASSETS											(₹ crore)
Description	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK			
	As at 31st March, 2014	Additions / Adjustments	Deductions	As at 31st March, 2015	Up to 31st March, 2014	For the Year	Less : On Sales / Adjustments	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	
A. PLANTS, MINES & OTHERS											
Land(including cost of development)											
-Freehold Land	266.31	4.30	0.01	270.60	0.87	-	-	0.87	269.73	265.44	
-Leasehold Land	451.01	289.67	-	740.68	93.65	36.11	-0.28	130.04	610.64	357.36	
Buildings	3049.88	1210.52	24.33	4236.07	1370.34	99.28	-14.32	1483.94	2752.13	1679.54	
Plant & Machinery											
-Steel Plant	41871.54	9468.58	359.89	50980.23	21679.84	1283.27	293.74	22669.37	28310.86	20191.70	
-Others	4383.32	307.60	38.16	4652.76	2512.83	211.48	15.75	2708.56	1944.20	1870.49	
Furniture & Fittings	145.49	9.59	2.69	152.39	89.99	8.12	0.57	97.54	54.85	55.50	
Vehicles	1216.12	62.29	7.59	1270.82	578.44	66.25	0.62	644.07	626.75	637.68	
Office Equipments	57.60	3.43	-0.34	61.37	35.52	4.89	-6.48	46.89	14.48	22.08	
Miscellaneous Articles	302.51	22.39	2.99	321.91	183.35	17.13	-6.97	207.45	114.46	119.16	
Roads, Bridges & Culverts	229.36	41.84	1.47	269.73	70.29	18.93	-88.99	178.21	91.52	159.07	
Water Supply & Sewerage	594.96	53.42	0.32	648.06	297.90	17.55	-0.73	316.18	331.88	297.06	
EDP Equipments	405.16	19.88	10.56	414.48	295.32	43.45	4.26	334.51	79.97	109.84	
Railway Lines & Sidings	477.70	152.98	7.20	623.48	209.06	28.11	-5.39	242.56	380.92	268.64	
Sub-total 'A'	53450.96	11646.49	454.87	64642.58	27417.40	1834.57	191.78	29060.19	35582.39	26033.56	
Figures for the previous year	42005.37	11584.82	139.23	53450.96	25895.54	1646.43	124.57	27417.40	26033.56		

B. SOCIAL FACILITIES

Land (including cost of development)										
-Freehold Land	10.92	-	0.04	10.88	-	-	-	-	10.88	10.92
-Leasehold Land	6.89	-	-	6.89	5.66	0.13	-	5.79	1.10	1.23
Buildings	613.30	13.51	0.05	626.76	257.23	14.39	-13.08	284.70	342.06	356.07
Plant & Machinery - Others	129.00	5.85	0.68	134.17	81.26	6.46	-1.40	89.12	45.05	47.74
Furniture & Fittings	24.14	2.25	0.96	25.43	16.03	2.21	0.28	17.96	7.47	8.11
Vehicles	11.41	0.11	0.33	11.19	8.70	0.74	0.21	9.23	1.96	2.71
Office Equipments	4.29	0.15	0.24	4.20	2.25	0.54	-0.62	3.41	0.79	2.04
Miscellaneous Articles	199.40	12.85	6.88	205.37	105.67	12.07	2.41	115.33	90.04	93.73
Roads, Bridges & Culverts	77.97	15.89	0.50	93.36	25.17	8.55	-21.81	55.53	37.83	52.80
Water Supply & Sewerage	117.67	5.48	0.44	122.71	105.13	0.88	-1.27	107.28	15.43	12.54
EDP Equipments	12.63	0.73	0.62	12.74	10.50	0.88	0.26	11.12	1.62	2.13
Sub-total 'B'	1207.62	56.82	10.74	1253.70	617.60	46.85	-35.02	699.47	554.23	590.02
Figures for the previous year	1165.90	56.23	14.51	1207.62	598.65	28.04	9.09	617.60		

C. ASSETS RETIRED FROM ACTIVE USE

Unserviceable / Obsolete Assets	29.21	49.97	3.09	76.09	-	-	-	-	76.09	29.21
Figures for the previous year	30.61	6.33	7.73	29.21	-	-	-	-	29.21	
Total ('A' + 'B' + 'C')	54687.79	11753.28	468.70	65972.37	28035.00	1881.42	156.76	29759.66	36212.71	26652.79
Figures for the previous year	43201.88	11647.38	161.47	54687.79	26494.19	1674.47	133.66	28035.00		

Note (Forming Part of the Consolidated Balance Sheet)

11B. INTANGIBLE FIXED ASSETS

(₹ crore)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	As at 31st March, 2014	Additions / Adjustments	Deductions	As at 31st March, 2015	Up to 31st March, 2014	For the Year	Less : On Sales / Adjustments	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
A. PLANTS, MINES & OTHERS										
Good will	5.89	-	-	5.89	0.57	-	-	0.57	5.32	5.32
Computer Software	113.27	7.89	3.69	117.47	91.99	13.57	4.47	101.09	16.38	21.28
Mining Rights	1704.61	22.66	-	1727.27	209.07	16.68	-0.01	225.76	1501.51	1495.54
Sub-total 'A'	1823.77	30.55	3.69	1850.63	301.63	30.25	4.46	327.42	1523.21	1522.14
Figures for the previous year	1798.27	25.56	0.06	1823.77	247.14	54.55	0.06	301.63	1522.14	1522.14
B. SOCIAL FACILITIES										
Computer Software	0.63	0.12	-	0.75	0.59	0.02	-	0.61	0.14	0.04
Sub-total 'B'	0.63	0.12	-	0.75	0.59	0.02	-	0.61	0.14	0.04
Figures for the previous year	0.63	0.01	0.01	0.63	0.59	-0.01	-0.01	0.59	0.04	0.04
Total ('A' + 'B')	1824.40	30.67	3.69	1851.38	302.22	30.27	4.46	328.03	1523.35	1522.18
Figures for the previous year	1798.90	25.57	0.07	1824.40	247.73	54.54	0.05	302.22	1522.18	1522.18

Note : Allocation of depreciation		(₹ crore)	
Current Year	Previous Year	Current Year	Previous Year
1882.96	1835.76	1882.96	1835.76
8.21	7.12	8.21	7.12
19.49	-115.49	19.49	-115.49
1.03	1.62	1.03	1.62
1911.69	1729.01	1911.69	1729.01

- (a) Charged to Profit & Loss Account
 (b) Charged to expenditure during construction
 (c) Adjustments pertaining to earlier years
 (d) Charged to Others
Total

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014

12. CAPITAL WORK-IN-PROGRESS

Expenditure during construction pending allocation (Note 12.1)	23.74	4.81
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Capital Work-in-progress

Steel Plants & Units	28943.24	33634.31
Township	193.67	138.55
Ore Mines and Quarries	263.88	272.53
	29400.79	34045.39
Less: Provisions	131.78	29269.01
		132.43
		33912.96
Construction Stores and Spares	37.78	42.44
Less: Provision for non-moving items	2.77	35.01
		1.71
		40.73
	29327.76	33958.50

12.1. EXPENDITURE DURING CONSTRUCTION (pending allocation)

Opening balance (a)	4.81	3.09
Expenditure incurred during the year		
Employees' Remuneration & Benefits		
Salaries & Wages	143.22	128.73
Company's contribution to Provident fund	13.79	10.94
Travel Concession	2.87	3.04
Welfare Expenses	0.01	0.19
Gratuity	1.22	161.11
		7.65
		150.55
Technical Consultants' fees & know-how	23.02	8.81
Power & Fuel	198.71	99.68
Other expenses	61.43	96.80
Interest & Finance charges	637.89	844.55
Depreciation	8.21	7.12
	1090.37	1207.51
Less: Recoveries		
Interest Earned	3.33	1.66
Liquidated Damages	0.58	4.55
Hire Charges	0.71	0.50
Sundries	-	4.62
		1.44
		8.15
Net expenditure during the year (b)	1085.75	1199.36
Total (a)+(b)	1090.56	1202.45
Less : Amount allocated to Fixed Assets/ Capital Work-in-progress	1066.82	1197.64
Balance carried forward	23.74	4.81

				(₹ crore)
	Number of Fully Paid up equity shares	Face Value Per Share (₹)	As at 31st March, 2015	As at 31st March, 2014

13. NON CURRENT INVESTMENTS (AT COST)

(A) Unquoted Trade Investments				
Subsidiary Companies				
IISCO Ujjain Pipe & Foundary Company Limited	30,00,000	10	3.00	3.00
(under liquidation)	(30,00,000)			
Joint Venture Companies				
UEC SAIL Information Technology Limited	1,80,000	10	0.18	0.18
(1,80,000)				
Bokaro Jaypee Cement Limited #	(0)	10	-	34.75
(3,47,49,000)				
North Bengal Dolomite Limited	97,900	100	0.98	0.98
(97,900)				
SAIL- Bansal Service Centre Limited	32,00,000	10	3.20	3.20
(32,00,000)				
Romelt SAIL (India) Limited	63,000	10	0.06	4.42
(63,000)				0.06
				39.17
Others				
TRL Krozaki Refractories Limited	22,03,150	10	11.35	11.35
(22,03,150)				
Almora Magnesite Limited	40,000	100	0.70	0.56
(40,000)				
Indian Potash Limited	3,60,000	10	0.18	0.18
(3,60,000)				
Cement & Allied Products (Bihar) Limited	2	10	- *	- *
(2)				
Chemical & Fertilizer Corporation (Bihar) Limited	1	10	- *	- *
(1)				
Bhilai Power Supply Company Limited	5	10	- *	- *
(5)				
MSTC Limited	80,000	10	0.01	0.01
(80,000)				
Bihar State Finance Corporation	500	100	0.01	0.01
(500)				
Investment in Mutual Funds			4.25	-
Haridaspur Paradip Railway Company	5000000	10	5.00	-
(0)				
ICVL Global Pte. Ltd.			-	0.03
ICVL Mauritius			390.08	-
Shares in Co-operative Societies (Note No. 13.1)			0.18	411.76
Total (A)				0.18
(B) Quoted				419.18
HDFC Limited	60,000	2	0.01	0.01
(60,000)				
HDFC Bank Limited	2500	2	-	- *
(2,500)				
ICICI Bank Limited	28600	10	0.05	0.06
(28,600)				0.05
				0.06
Total (B)				0.06 @
Total (A+B)				419.24
Less : Provision for diminution in value of investments				7.48
				7.48
				411.76
				11.40
				47.07
				8.27

@ Market value of quoted investments

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

Shares in the JV disposed during the year

13.1 : SHARES IN CO-OPERATIVE SOCIETIES

				(₹)
Bokaro Steel Employees' Co.-operative Credit Society Limited	116500	10	1165000	1165000
(116500)				
Bokaro Steel City Central Consumers' Co.-operative Stores Limited	250	10	2500	2500
(250)				
NMDC Meghahatuburu Employees' Consumers Co-operative Society Limited	25	100	2500	2500
(25)				
DSP Employees'Co-operative Society Limited	1377	100	137700	137700
(1377)				
Bolani Ores Employees' Consumer Co.-operative Society Limited	200	25	5000	5000
(200)				
IISCO Employees Primary Co-operative Stores Limited	23000	20	460000	460000
(23000)				
			1772700	1772700

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014

14. LONG TERM LOANS AND ADVANCES

Capital Advances	129.29	145.52
Less: Provision for doubtful capital advances	<u>1.01</u>	<u>1.00</u>
Security Deposits	72.95	61.72
Loans and advances to related parties	4.96	4.64
Less: Provision for doubtful related party advances	<u>2.53</u>	<u>2.53</u>
Other loans and advances	2.43	2.11
Loans		
Employees	279.31	331.68
Others	<u>2.93</u>	<u>1.14</u>
Advances recoverable in cash or in kind or for value to be received		
Contractors & suppliers	182.01	203.99
Employees	0.79	2.55
Income tax paid in advance / recoverable	383.62	595.94
MAT Credit	1187.19	606.31
Others	<u>4.32</u>	<u>4.74</u>
Deposits		
Port trust, Excise authorities, Railways etc.	75.16	56.49
Others	<u>2508.28</u>	<u>2583.44</u>
	4827.27	4154.64
Less : Provision for other Loans & advances	<u>40.05</u>	<u>42.77</u>
	<u>4787.22</u>	<u>4111.87</u>
Particulars of long term loans and advances		
Secured, Considered Good	228.32	262.60
Unsecured, Considered Good	4558.90	3849.27
Doubtful	<u>43.59</u>	<u>46.30</u>
	<u>4830.81</u>	<u>4158.17</u>
Amount due from		
-Officers	0.02	0.01
Maximum amount due at any time during the year from		
-Officers	<u>0.01</u>	<u>-</u>

15. OTHER NON CURRENT ASSETS

Long Term Trade Receivables	65.37	50.46
Less : Provision	<u>34.98</u>	<u>28.55</u>
Particulars		
Secured, considered good	2.25	-
Unsecured, considered good	28.14	21.91
Doubtful	<u>34.98</u>	<u>28.55</u>
	65.37	50.46
Long Term Claims recoverable	<u>21.39</u>	<u>111.00</u>
Interest Receivable/ Accrued		
Employees	2.05	2.52
OTHERS		
- Pre operative expenses	1.25	0.92
	<u>55.08</u>	<u>136.35</u>

	(₹ crore)	
	As at 31st March, 2015	As at 31st March, 2014

16. INVENTORIES*

Stores & spares		
-- Production	2716.23	2638.88
-- Fuel Stores	158.23	125.05
-- Others	<u>34.65</u>	<u>67.09</u>
	2909.11	2831.02
Add: In-transit	170.43	151.31
	<u>3079.54</u>	<u>2982.33</u>
Less: Provision for Non Moving/ Obsolete items	<u>206.00</u>	<u>195.20</u>
Raw materials	3212.40	2574.87
Add: In-transit	1228.13	1011.40
	<u>4440.53</u>	<u>3586.27</u>
Less: Provision for unusable materials	<u>9.81</u>	<u>8.47</u>
Finished / Semi-finished products		
-- Finished Goods	6928.58	6382.92
-- Work in Progress	3319.93	2441.55
-- Stock in Trade	<u>0.20</u>	<u>0.17</u>
	10248.71	8824.64
Add: In-transit	<u>389.99</u>	<u>165.82</u>
	<u>10638.70</u>	<u>8990.46</u>
	<u>17942.96</u>	<u>15355.39</u>

* Valued as per accounting policy (G)

17: TRADE RECEIVABLES

Trade Receivables over six months	845.45	585.16
Less : Provision	<u>127.71</u>	<u>135.13</u>
Trade Receivables less than six months	2500.48	5041.77
Less : Provision	<u>-</u>	<u>0.35</u>
	<u>3218.22</u>	<u>5491.45</u>
Particulars		
Unsecured, considered good	3218.22	5491.45
Doubtful	<u>127.71</u>	<u>135.48</u>
	<u>3345.93</u>	<u>5626.93</u>

18. CASH & BANK BALANCES

(i) Cash and Cash Equivalents

Balance with Banks *		
Current account	76.12	43.31
Term Deposit with maturity upto 3 months	95.74	22.15
Term Deposit under Bank Lien / pledge against loan	0.14	0.14
Term Deposit as per court orders with maturity upto 3 months	0.38	0.42
Term Deposit - PM Trophy with maturity upto 3 months	-	17.65
Unpaid Dividend account	11.73	13.58
Cheques on hand	144.89	194.90
Cash and Stamps on hand	1.01	1.11
Sub total	<u>330.01</u>	<u>293.26</u>

(ii) Other Bank Balances *

Term Deposit with maturity more than 3 months	2112.79	2695.06
Term Deposit as per court orders	101.12	96.43
Earmarked Term Deposit	<u>62.42</u>	<u>57.72</u>
	<u>2276.33</u>	<u>2849.21</u>
Total	<u>2606.34</u>	<u>3142.47</u>

* Includes

- Maturity period less than 12 months	2372.54	2876.06
- Maturity period more than 12 months	<u>0.05</u>	<u>13.51</u>
	<u>2372.59</u>	<u>2889.57</u>

Note (Forming Part of the Consolidated Balance Sheet)

(₹ crore)				(₹ crore)			
		As at 31st March, 2015	As at 31st March, 2014			Year ended 31st March, 2015	Year ended 31st March, 2014
19. SHORT TERM LOANS AND ADVANCES				21. REVENUE FROM OPERATIONS			
Loans and advances to related parties	47.18		63.79	SALE OF PRODUCTS			
Less: Provision for doubtful related party advances	<u>1.39</u>	45.79	<u>1.39</u>	Domestic		49351.50	50683.41
Other loans and advances				Exports		1567.68	1497.01
Loans				Export Incentives		<u>27.49</u>	<u>29.69</u>
Employees	72.85		93.76	Sub Total	(a)	<u>50946.67</u>	<u>52210.11</u>
Others	<u>2.38</u>	75.23	<u>3.57</u>				
			97.33	SALE OF SERVICES			
Advances recoverable in cash or in kind or for value to be received				Service charges (Gross)		46.29	38.59
Contractors & suppliers	291.39		228.53	Sub Total	(b)	<u>46.29</u>	<u>38.59</u>
Employees	20.32		8.26				
Income tax paid in advance / recoverable	445.19		34.77	Other Operating Revenues			
Bills Receivable	1181.12		0	Social amenities-recoveries		301.40	248.39
For purchase of shares	3.53		7.25	Sale of empties etc.		57.76	39.82
Others	<u>782.3</u>	2723.85	<u>645.01</u>	Sundries		121.04	181.78
			923.82	Sub Total	(c)	<u>480.20</u>	<u>469.99</u>
Security Deposits		0.28	0.18	Total	(a+b+c)	<u>51473.16</u>	<u>52718.69</u>
Deposits							
Port trust, Excise authorities, Railways etc.	3.03		0.13	22. OTHER INCOME			
Others	<u>91.27</u>	<u>94.30</u>	<u>97.26</u>	INTEREST INCOME			
		2939.45	1181.12	Loans & advances to other companies		0.29	-
Less : Provision for other Loans & advances		<u>44.18</u>	<u>45.07</u>	Customers		136.06	159.12
		<u>2895.27</u>	<u>1136.05</u>	Employees		20.13	25.41
Particulars of short term loans and advances				Term Deposits		283.65	383.34
Secured, Considered Good		35.39	41.94	Others		<u>84.08</u>	<u>48.89</u>
Unsecured, Considered Good		2859.88	1094.11	Sub Total	(a)	<u>524.21</u>	<u>616.76</u>
Doubtful		<u>45.57</u>	<u>46.46</u>				
		<u>2940.84</u>	<u>1182.51</u>	Dividend income			
				Dividend from Subsidiaries		0.00	-
20. OTHER CURRENT ASSETS				Dividend from other investments		11.36	12.08
Gold Coins on hand		0.23	0.26	Sub Total	(b)	<u>11.36</u>	<u>12.08</u>
Interest Receivable/Accrued				Gain on Sale of Investment (Net)	(c)	201.49	2.77
Loans to other companies	0.29		-				
Term Deposits	15.02		12.58	Other Non-operating income			
Employees	3.41		4.35	Subsidy, relief and concession		25.57	16.51
Others	<u>130.24</u>		<u>123.04</u>	Other Non-operating income		55.15	25.36
	148.96		139.97	Profit on sale of fixed assets (net)		10.55	6.27
Less Provision for doubtful interest	<u>3.39</u>	145.57	<u>3.39</u>	Liquidated damages		18.01	23.40
			136.58	Write back of liabilities		<u>98.42</u>	<u>73.35</u>
Others				Sub Total	(d)	<u>207.70</u>	<u>144.89</u>
Receivables other than Trade	138.35		102.42	PROVISIONS NO LONGER REQUIRED			
Claims recoverable	2127.83		2110.95	WRITTEN BACK			
Export Incentive	18.04		23.18	Loans & advances		5.30	14.59
	<u>2284.22</u>		<u>2236.55</u>	Sundry debtors		7.22	13.25
Less Provision	<u>133.83</u>	2150.39	<u>103.31</u>	Stores & spares		15.21	8.45
		<u>2296.19</u>	<u>2270.08</u>	Others		<u>10.50</u>	<u>12.92</u>
				Sub Total	(e)	<u>38.23</u>	<u>49.21</u>
				Total	(a+b+c+d+e)	<u>982.99</u>	<u>825.71</u>

Note (Forming Part of the Consolidated Balance Sheet)

	(₹ crore)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
23. RAW MATERIALS CONSUMED		
Iron ore	3908.52	3238.63
Coal	14056.01	15065.19
Coke	106.36	644.34
Limestone	1089.85	1030.34
Dolomite	478.41	431.47
Ferro Manganese	418.28	547.10
Ferro Silicon	204.97	168.50
Silico Manganese	868.15	744.34
Intermediary Products	31.76	2.70
Zinc	99.99	97.09
Aluminum	260.46	247.06
Others	1394.98	1524.74
	<u>22917.74</u>	<u>23741.50</u>
Less :Inter Account adjustment for Raw materials	3700.30	3776.80
	<u>19217.44</u>	<u>19964.70</u>

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

Opening stock			
-- Finished Goods	6546.84	7992.00	
-- Work in Progress	2443.45	1966.91	
-- Stock in Trade	0.17	8990.46	0.10
			9959.01
Less : Closing stock			
-- Finished Goods	7318.57	6546.84	
-- Work in Progress	3319.93	2443.45	
-- Stock in Trade	0.20	10638.70	0.17
		<u>-1648.24</u>	<u>968.55</u>
		-235.74	71.20
		<u>-1412.50</u>	<u>897.35</u>

25. EMPLOYEE BENEFIT EXPENSE

Salaries & wages	7073.45	7496.41
Leave Encashment	702.77	240.39
Company's contribution to provident & other funds	873.93	877.24
Travel concession	32.65	128.41
Welfare expenses	492.84	63.10
Gratuity	690.51	902.84
	<u>9866.15</u>	<u>9708.39</u>
Less : Grants in Aid received from Government of Karnataka	-	0.15
	<u>9866.15</u>	<u>9708.24</u>

	(₹ crore)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
26. FINANCE COST		
Interest Cost		
-- Foreign Currency Loans	617.58	569.46
-- Non Convertible Bonds	350.54	145.61
-- 'Bank Borrowings - working capital	171.52	80.92
-- Steel Development Fund Loans	3.73	7.58
--Others	380.79	236.05
-- Interest under income tax act	0.55	2.67
-- Other Borrowing Cost	10.20	4.85
	<u>1534.91</u>	<u>1047.14</u>
Note :		
Expenditure on Interest & Finance charges not included above & charged to: Expenditure During Construction		
Interest Cost		
Foreign currency loans	188.15	220.63
Non Convertible Bonds	445.31	619.07
Steel Development Fund loans - Interest	4.43	4.85
	<u>637.89</u>	<u>844.55</u>

27. OTHER EXPENSES

Consumption of Stores & Spares Parts	2677.02	2375.78
Power and Fuel	4229.04	3717.38
REPAIRS & MAINTENANCE		
Buildings	225.52	218.79
Plant & Machinery	667.54	610.25
Others	240.83	1133.89
		<u>187.42</u>
Freight outward	1033.69	980.83
Handling expenses		
- Raw Material	286.17	264.26
- Scrap recovery	289.90	576.07
		<u>224.85</u>
Royalty and cess	1223.58	916.51
Conversion charges	332.85	278.16
Excise Duty on inter-plant transfer/ internal consumption	367.97	461.94
Demurrage & wharfage	100.17	93.72
Water charges & Cess on water pollution	188.96	117.29
Insurance	24.82	19.41
Postage,Telegram & Telephone	24.88	22.87
Printing & stationery	11.06	9.73
Rates & Taxes	48.84	72.00
Rent	29.38	27.12
Security expenses	383.05	355.45
Travelling expenses	192.55	190.11
Training expenses *	47.31	39.55
Foreign Exchange Fluctuation	46.22	97.14
Remuneration to Auditors		
- Audit fees	1.58	1.53
- Tax Audit fees	0.4	0.44
- In other Services	1.13	0.92
- Out of pocket expenses	0.87	3.98
		<u>0.82</u>
Cost Audit Fee and reimbursement expenses	0.14	0.15
Provisions		
- Doubtful debts, loans and advances		
- Investments	46.92	63.66
- Stores , Spares and Sundries	57.23	104.15
		<u>137.43</u>
Write-offs	1.89	8.28
Handling expenses - Finished goods	145.50	125.79
Cash Discount (net)	70.82	94.32
Commission to selling agents	12.72	8.96
Export sales expenses	24.39	25.36
Miscellaneous	251.17	416.28
	<u>13286.11</u>	<u>12164.50</u>
* Training expenses not included above and charged to primary heads of account	62.34	58.83

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

(₹ crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
28 : ADJUSTMENTS PERTAINING TO EARLIER YEARS		
Sales	-1.72	-6.48
Other revenues	3.97	0.00
Raw materials consumed	-3.42	-4.76
Stores & spares consumed	-10.57	-1.98
Power & fuel	-	-1.43
Employee Remuneration and Benefits	-4.46	-
Repair & Maintenance	-2.80	1.13
Other expenses	88.11	0.52
Depreciation	19.49	-115.49
Interest	-	-21.19
Net Debit	88.60	-149.68

Other Notes to Consolidated Financial Statements

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

(₹ crore)

Sl No.	Name of the Company	Proportion (%) of Company's ownership interest	
		As on 31st March, 2015	As on 31st March, 2014
A. Subsidiary Company			
	SAIL Refractory Company Limited (SRCL)	100	100
	SAIL-Jagdishpur Power Plant Limited (SJPPPL)	100	100
	SAIL Sindri Projects Limited (SSPL)	100	100
B. Joint Venture Companies			
	NTPC SAIL Power Company Private Limited (NSPCL)	50	50
	Bokaro Power Supply Company Private Limited (BPSCL)	50	50
	Mjunction Services Limited (MSL)	50	50
	Bhilai Jaypee Cement Limited (BJCL)	26	26
	S & T Mining Company Private Limited	50	50
	SAIL & MOIL Ferro Alloys Private Limited	50	50
	International Coal Ventures Private Limited (ICVL)	49.59	28.57
	SAIL-SCI Shipping Private Limited	50	50
	SAIL SCL Kerala Limited	48.36	48.36
	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	50	50
	SAIL Kobe Iron India Private Limited	50	50
	SAL SAIL JVC Limited	26	26
	TMTSAL SAIL JV Limited	26	26
	Sail-Bengal Alloy Castings Private Limited	50	50
	Prime Gold-SAIL JVC Limited	26	26
	VSL SAIL JVC Limited	26	26
	Abhinav SAIL JVC Limited	26	26
C. Associate Company			
	Almora Magnesite Limited (AML)	20	20

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

- SRCL in manufacture of Refractories;
- SJPPPL in Power generation; and
- SSPL in manufacture of Fertilisers.

29.3 The accounts of UEC SAIL Information Technology Limited (USIT), Romelt SAIL (India) Limited, N.E. Steel & Galvanising Private Limited, North Bengal Dolomite Limited and SAIL Bansal Service Centre Limited (SBSCL), joint venture companies of SAIL have not been consolidated as the same have not been made available.

30. Principles of consolidation of Financial Statements

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

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

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

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

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

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

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

31.1 CONTINGENT LIABILITIES

		(₹ crore)	
		As at 31st March, 2015	As at 31st March, 2014
(i)	Claims against the Group pending appellate/judicial decisions against which the Group has counter claims of ₹28.06 crores (₹26.85 crores) * includes sales tax on inter-state stock transfers from SAIL plants to stockyards - ₹739.33 crores (₹743.49 crores) for which no liability is expected to arise, as sales tax has been paid on eventual sales.	13742.48	12508.12
(ii)	Other claims against the Group not acknowledged as debts against which the Group has counter-claims of ₹103.95 crores (₹103.95 crores).	9907.01	7482.53
(iii)	Disputed income tax/service tax/ other demand on joint venture company for which company may be contingently liable under the joint venture agreement.	31.59	30.39
(iv)	Bills drawn on customers and discounted with banks.	420.15	47.94
(v)	Price escalation claims by contractors/suppliers and claims by certain employees, extent whereof is not ascertainable.	246.25	31.28

31.2 In respect of SAIL:

a) Pending final decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Allahabad dismissing the writ petition of the Company, on levy of entry tax in the state of Uttar Pradesh, the entry tax amount included in Note No. 31.1 includes disputed demand of ₹94.89 crore (₹91.55 crore). The Company has deposited ₹96.45 crore (₹79.21 crore) against the said demand which has been shown as deposit and disclosed under Long term Loans and Advances.

Pending final decision by the Hon'ble Supreme Court of India in SLP against order by the respective Hon'ble High Courts dismissing the writ petitions of the Company, the entry tax amount in Note No. 31.1 includes disputed demands of ₹1084.32 crore (₹1071.28 crore) in

Chhattisgarh State and ₹333.95 crore (₹214.81 crore) in Odisha State respectively.

In respect of the case pertaining to Chhattisgarh State, liability of ₹1251.41 crore (₹1071.15 crore), based on legal opinion, has been provided in the books towards entry tax @3% against the demand @6%. The Company has deposited ₹1251.41 crore (₹1071.15 crore) and ₹103.27 crore (₹78.12 crore) in Chhattisgarh and Odisha State respectively against the said demand which has been treated as Deposit and disclosed under Long term Loans and Advances.

b) Pending decision by the Hon'ble Supreme Court of India in Special Leave Petition against order by the Hon'ble High Court of Jharkhand dismissing the writ petition of the Company, claims of ₹393.59 crore (₹291.76 crore) made by Damodar Valley Corporation (DVC) in respect of electricity supplied to Bokaro Steel Plant of the Company, have been disclosed as contingent liability included in Note No. 31.1. Against the said claims, the entire amount have been paid to DVC against bills raised by them, and disclosed under short term loans and advances.

c) The unpaid amount of ₹63.61 crore claimed by BCCL towards MADA Cess @1% on the invoices raised by it, has been disclosed as contingent liability, as the matter is sub-judice.

32. FIXED ASSETS

32.1 Land:

- Includes 66484.91 acres (66484.91 acres) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- Includes 35334.08 acres (35937.55 acres) in respect of which title is under dispute.
- 8851.69 acres (8200.76 acres) transferred/agreed to be transferred or made available for settlement to various Joint Ventures/ Central/ State Semi-Government authorities, in respect of which conveyance deeds remain to be executed/ registered.
- 6345.43 acres (6345.43 acres) given on lease to various agencies/employees/ex-employees.
- Includes 4075.67 acres (4066.88 acres) under unauthorised occupation.
- 824.86 acres (824.86 acres) of Land which is not in the actual possession, shown as deemed possession.
- ₹59.88 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.
- Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484 E dated 13.10.2012, National Highway Authority of India Ltd (NHAI) has acquired 9.553 acres of Land of DSP. The compensation for 8.0013 acres of Land has already been received & accounted for and for balance 1.5517 acres of Land, compensation is under determination by NHAI.
- In case of NTPC-SAIL Power Company Private Limited, leasehold land includes 879.05 Sqm. valuing at ₹10.95 crore, acquired on perpetual lease and no depreciation has been charged thereof.

32.2 In case of SAIL, Buildings include net block of ₹22.15 crore (₹22.58 crore) and in case of SRCL, Land and Building includes ₹6.78 crore (₹6.78 crore) respectively for which conveyance deed is yet to be registered in the name of the Companies.

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

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

32.4 Capital Work in Progress includes ₹126.25 crore (₹122.03 crore) in respect of 20 Hi Sendzemir Mill which could not be completed due to accident in the trailer carrying Mill Housing. The case filed by M/s. Waterbury Farrel, original supplier, was dismissed by Hon'ble District Court of Salem by its order dated 13.08.2013. To complete the balance portion of work on risk purchase basis, retendering process was completed and

orders have been placed in respect of electrical, major mechanical & erection work during the year 2014-15. The jobs are in progress. For balance work, the retendering process is in progress.

32.5 SAIL has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Notification dated 31st March, 2009 issued by Ministry of Corporate Affairs on Accounting Standard 11- 'The Effects of Changes in Foreign Exchange Rates'. During the Year ended 31st March, 2015, the net foreign exchange variations of ₹66.57 crore (net credit) [Year ended 31st March 2014- ₹340.44 crore (net debit)] on foreign currency loans have been adjusted in the carrying amount of fixed assets/capital work-in-progress. Out of the exchange differences adjusted from 1st April, 2008 to 31st March, 2015, an amount of ₹414.55 crore (net debit) [₹433.70 crore (net debit)] is yet to be depreciated/ amortised as at 31st March, 2015.

32.6 Estimated amount of contracts remaining to be executed and not provided for (net of advances), on capital account are ₹13160.34 crore (₹13811.75 crore) and on revenue account are ₹1399.69 crore (₹1459.72 crore).

32.7 In respect of SAIL/ISP, Boiler 3 (appearing in Note No. 12- CWIP at a value ₹37.00 crores) was damaged on 12th March 2013 due to explosion. A contract has been awarded to the same contractor for repairing the Boiler at a value of ₹22.00 crore, net of CENVAT and ₹9.27 crore incurred for restoration of damages has been charged to the statement of Profit and Loss in F.Y. 2014-15. It may also be noted that ISP has obtained a report from a Boiler Expert for analysing the cause of explosion and it was confirmed that all operational requirements in connection with the lighting of the Boiler were duly complied with. Based on such report, in a joint meeting between ISP and the vendor, it is decided that the matter shall be placed before the surveyor for consideration. Insurance claim, lodged by the contractor for damages caused, are also under active consideration at the end of Insurer as confirmed by them vide Insurer's letter dated 19th May, 2015.

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

33.1 The Central Board of Direct Taxes vide its Notification dated 25th December 2001 revised the rules for computation of certain perquisites. The Unions of non-executives filed writ petition with the Hon'ble High Court at Kolkata challenging the above Notification. In pursuance of the Hon'ble Court's orders, the term deposits (including interest earned thereon) amounting to ₹101.20 crore (₹95.48 crore), in respect of tax deducted at source, have been kept separately with bank(s). Such deductions and deposits after 31st Dec. 2005 have been made in accordance with amended law/judicial decisions. The writ petition filed by Steel Workers Federation of India is still pending before the Hon'ble Court. However, there is no impact on accounts of SAIL as the additional tax, if required, shall be recoverable from the employees.

33.2 The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 8- Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with SAIL. The disclosures relating to Micro and Small Enterprises as at 31st March, 2015 are as under:

(₹ crore)			
No.	Description	As at 31 st March' 2015	As at 31 st March' 2014
i.	The principal amount remaining unpaid to supplier as at the end of the year.	27.27	21.44
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
		For the year ended	
		31 st March 2015	31 st March 2014
v.	The amount of interest paid in terms of section 16, along with the amount of the	-	-

	payment made to the supplier beyond the appointed day during the year		
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

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

33.4 SAIL has stock of iron ore fines of 41.09 million tonnes (41.12 million tonnes) at various mines of the Company. Since the usage/sale of such iron ore fines, involves elements of uncertainties, as a matter of prudence, no valuation of such fines has been made in the accounts. However, the revenue earned from actual disposal thereof during the year has been recognised in the books of accounts.

33.5 The long term lease against land of 15.43 acres has not been executed between SAIL and SRBWIP as per the Joint Venture Agreement entered on 14.09.2010 between SAIL and SRBWIP as of now. SRBWIP has taken loan from DENA Bank against Building, Plant & Machinery and Furniture & Fixtures on pre-disbursement condition that long term lease between SAIL and SRBWIP to be executed within 36 months from the date of sanction i.e. 25th July, 2012.

34. STATEMENT OF PROFIT & LOSS

34.1 In respect of SAIL, Net Sales include sales to Government agencies recognised on provisional contract prices during the year ended 31st March 2015: ₹2907.36 crore (Previous year: ₹3257.40 crore) and cumulatively upto 31st March 2015: ₹9750.99 crore (Previous year: ₹6900.19 crore).

34.2 In respect of SAIL, 'Other income' includes ₹199.81 crore towards profit on sale of investment in one of the Joint Ventures of the Company.

34.3 Sales include Railway Receipts (RR) made upto 31st March, 2015 and endorsed in favour of the customers and retired upto 21st April, 2015.

34.4 Power & Fuel does not include expenses for generation of power and consumption of certain fuel elements produced by the Plants which have been included under the primary heads of account.

34.5 In respect of SAIL, the research and development expenditure charged to Statement of Profit & Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the Year, amount to ₹232.06 crore (₹106.05 crore) and ₹32.14 crore (₹4.38 crore) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹ crore)

Head of Account	For the Year Ended	
	31st March, 2015	31st March, 2014
Raw Materials	41.86	0.12
Employees Benefits Expenses	100.94	70.17
Stores & Spares Consumed	7.67	2.95
Power & Fuel	9.30	1.81
Repairs & Maintenance	4.65	2.62
Depreciation and Amortisation Expenses	9.06	3.73
Other Expenses	58.21	26.18
Finance Cost	0.53	0.08
Sub-total	232.22	107.66
Less : Transferred to Inter Account Adjustments	0.16	1.61
Total	232.06	106.05

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

On such review as on 31st March 2015, no provision for the loss making units is required to be made, as the net realisable value thereof, assessed by an independent agencies, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2014, for IISCO Steel Plant, Alloy Steels Plant, Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

In the opinion of the management, there is no impairment of assets in the Polisher unit in Salem amounting to ₹7.97 crore as the net realisable value is higher than the book value. Similarly, the net realizable value of Pipe Coating Plant at RSP is higher than the book value at ₹38.39 crore.

- 34.7 As per section 135 of the Companies Act, 2013 effective from 1st April 2014, SAIL is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Based on above, the CSR amount has been budgeted at ₹78.00 crore for the year 2014-15. The Company has spent an amount of ₹35.04 crore on CSR activities during the year 2014-15 under the following heads:

Particulars	₹ crore
Education	7.59
Healthcare	3.92
Livelihood Generation	3.24
Women Empowerment	2.06
Drinking Water and Sanitation	7.11
Sports, Art & Culture	2.34
Rural Development	2.05
Social security	0.90
Environment Sustainability	4.79
Capacity Building of Personnel	1.04
Total	35.04

The balance unspent amount of ₹42.96 crore will be spent in due course by SAIL.

SRCL, NSPCL, BPSCCL and MSL have spent an amount of ₹0.31 crore, ₹2.31 crore, ₹0.42 crore and ₹0.24 crore respectively, on CSR activities during the year 2014-15.

- 34.8 SAIL has revised the accounting policy for depreciation of assets in alignment with Schedule II to the Companies Act, 2013 which has become applicable from 1st April, 2014. Consequently, profit for the year ended 31st March, 2015, is higher by ₹438.50 crore and the fixed assets (net block), as at 31st March, 2015 are higher by ₹208.84 crore. Further, an amount of ₹229.66 crore has been recognised in the opening balance of the retained earnings where the remaining useful life of such tangible assets is Nil as at 1st April, 2014 in line with the provisions of Schedule - II to the Companies Act, 2013.

In case of NSPCL, there is an additional impact of depreciation amounting to ₹0.46 lakhs for the year ended 31st March 2015 for PP-II which is profit neutral due to billing to SAIL. The fixed assets as at 31st March 2015 are lower by ₹0.46 lakhs. Further, there is no change for the PP-III plants as the same is governed by CERC except for those assets which are regulated under Companies Act, 2013 resulting in decrease in profit due to increase in depreciation of ₹0.10 crore. The fixed assets as at 31st March 2015 are lower by ₹0.10 crore.

- 34.9 SAIL has adopted the useful lives of the Plant and Machinery used in manufacture of Steel, as defined in Clause 5 (iv) (g) of Part 'C' of the Schedule II to the Companies Act. The depreciation rates, derived on above-mentioned basis correspond with the useful lives applicable on 'No Extra Shift Depreciation (NESD)' basis. Therefore, the Company has considered the depreciation rates based on above-mentioned useful lives of Plant and Machinery used in manufacture of steel on 'NESD' basis, based on technical opinion obtained by the Company from an independent expert.

- 34.10 The Government of India has promulgated Mines and Minerals (Development & Regulation), Amendment Act, 2015, w.e.f 12th January, 2015. As per the Act, the State Government is empowered to set up a Foundation Trust by notification, called the District Mineral Foundation for specified purposes, for which, the existing mining lease holder, in addition to royalty, shall pay to the Foundation Trust of the District, an amount not exceeding royalty amount, in such manner as may be prescribed and to establish a National Mineral Exploration Trust (NMET), for utilising the funds for regional and detailed exploration in the prescribed manner. The mining lease holder shall pay an amount of

2% of royalty to NMET, in such manner as may be prescribed by the Central Government. As the above amounts are payable after issue of notification(s) and formation of trusts by the State Governments & Central Government respectively and since so far neither any notification has been issued nor any trust has been formed, no liability has been considered in the accounts of SAIL.

- 34.11 In respect of SAIL, information on leases as per Accounting Standard 19 on 'Leases':

- The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received upfront, after adjusting against book value, is booked to other revenues in the year of lease. Renewal premium, ground rent and service charges of properties, pending for renewal, given on lease are treated as income in the Year of receipt.
- In respect of assets taken on lease/rent: The Company has various operating leases for, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for these leases recognised in the Statement of Profit and Loss during the Year is ₹12.86 crore (₹12.11 crore).

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

The cumulative provision/liability towards pension benefit for executive (w.e.f. 1st January, 2007) & non-executive (w.e.f. 1st January, 2012) employees of SAIL, amounting to ₹1614.18 crore (₹382.08 crore for the year) and ₹36.48 crore (₹8.44 crore for the year) have been charged to 'Employee Benefit Expense' and 'Expenditure during Construction' respectively.

35. GENERAL

- 35.1 Disclosures as required under Accounting Standard (AS) - 15 (revised) on 'Employee Benefits' and AS - 29 on 'Provisions, Contingent Liabilities and Contingent Assets' in respect of SAIL are given in Note No. 33.1 and 33.6 respectively of 'Other Notes to Financial Statements' forming part of the independent Financial Statements of SAIL.

35.2 Segment Reporting

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

The disclosure of segment-wise information is given at Annexure-I.

35.3 Related Party

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

A. Nature of Relationship	Name of the related party
Joint Venture	SAIL Bansal Service Centre Limited Mjunction Services Limited UEC-SAIL Information Technology Limited Romelt SAIL (India) Limited

	Bhilai Jaypee Cement Limited N.E Steel & Galvanising Pvt. Limited Bokaro Jaypee Cement Limited (Upto 26.11.2014) S & T Mining Co. Pvt. Limited SAIL Kobe Iron India Pvt. Limited TMTSAL SAIL JV Limited SAL SAIL JVC Limited Prime Gold-SAIL JVC Limited VSL SAIL JVC Limited Abhinav SAIL JVC Ltd
Nature of Relationship	Name of the related party
Key Management Personnel	Shri C.S. Verma Shri Anil Kumar Chaudhary Shri S.S. Mohanty Shri H.S. Pati Shri T.S.Suresh Shri Kalyan Maity Shri Binod Kumar Shri N.K. Kothari (upto 20.04.2014) Shri I.C. Sahu (w.e.f. 21.04.2014) Shri A. Maitra Shri P.K. Singh Shri S. Chandrasekaran Shri G.S. Prasad Shri P.S. Bhadauria Shri M.N. Rai (upto 31.07.2014) Shri A. Shrivastava (w.e.f. 01.08.2014) Shri M. Ravi Shri M.R. Panda Shri R.K.Rathi (upto 31.07.2014) Shri B.K. Jha (w.e.f. 01.08.2014) Shri Neeraj Mathur Shri Raman Shri Somdev Das Shri M. Akhouri (upto 31.07.2014) Shri N.K. Bhattacharya (upto 31.07.2014) Shri Siddharth Kaul Shri A.K. Dutta (from 01.08.2014 to 31.12.2014)) Shri Rahul Kumar Shri J.K. Arora Shri Sahil Arora Shri Viresh Oberoi Shri Harsh vardhan Sachdev Jammula Radhika Mani

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

(₹ crore)

Sl. No.	Particulars	Associate/ Joint Ventures	Key Management Personnel	Total	Note No. and account head
i)	Services rendered	1.55 (4.34)	- -	1.55 (4.34)	22: Other income
ii)	Rental Income	0.07 (0.19)	- -	0.07 (0.19)	
iii)	Dividend Received	13.69 (56.69)	- -	13.69 (56.69)	
iv)	Sale of Goods	40.60 (70.78)	- -	40.60 (70.78)	21: Revenue from Operations
v)	Services received	33.41 (41.16)	- -	33.41 (41.16)	12: Capital CWIP
		2.23 (2.02)	- -	2.23 (2.02)	27 : Other Expenses 12: Capital WIP
vi)	Managerial remuneration	-	8.73 (7.76)	8.73 (7.76)	25: Employees' Benefit Expenses

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

(₹ crore)

Sl. No.	Particulars	Associate/ Joint Ventures	Note No. and account head
i)	Other Loans and Advances	1.39 (1.39)	14 : Long term Loans and Advances
ii)	Provision for Loans and Advances	1.39 (1.39)	
iii)	Advance for Purchase of shares	0.03 (0.15)	19 : Short Term Loans and Advances
iv)	Trade Receivable	0.66 (2.88)	17 : Trade Receivables
v)	Trade Payable	3.00 (5.03)	8 : Trade Payables
vi)	Security Deposit	0.33 (0.33)	5 : Other long Term Liabilities

D. Disclosure of Material Transactions with Related Parties

(₹ crore)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	Note No. and account head
Sale of Goods Bhilai Jaypee Cement Limited Bokaro Jaypee Cement Limited	18.61 21.99	25.76 45.02	21: Revenue from Operations
Services Rendered Bhilai Jaypee Cement Limited Bokaro Jaypee Cement Limited Mjunction Services Limited SAIL-Bansal Services Centre Ltd.	1.52 0.02 0.06 0.02	4.34 0.17 0.02 -	22: Other income
Dividend Income Bokaro Jaypee Cement Limited Mjunction Services Limited	8.69 5.00	8.69 48.00	
Auction services Mjunction Services Limited	32.57 2.23	38.16 2.02	27: Other Expenses 12: Capital WIP
Consultancy Received S & T Mining Co. Pvt. Limited	-	1.22	12: Capital WIP
Conversion Charges SAIL-Bansal Services Centre Ltd.	0.84	1.78	27: Other Expenses

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

SAIL

(₹ crore)

Particulars	As on 31st March 2015	As on 31st March 2014
Deferred Tax Liability		
Difference between book and tax depreciation	4526.61	3527.79
Total	4526.61	3527.79
Deferred tax assets		
Retirement Benefits	135.08	164.76
Others	1996.34	1322.57
Total	2131.42	1487.33
Net Deferred tax liability	2395.19	2040.46

SRCL

(₹ crore)

Particulars	As on 31st March, 2015	As on 31st March, 2014
Deferred Tax Liability		
Difference of Book and tax depreciation	0.14	0.15
Deferred Tax Assets		
Retirement Benefits	0.03	0.87
Others	0.00	0.00
Total Deferred Tax Assets	0.03	0.87
Net Deferred Tax Assets	(-)0.11	0.72

NSPCL

(₹ crore)

Particulars	As on 31st March, 2015	As on 31st March, 2014
Deferred Tax Liability		
Difference of Book depreciation and tax depreciation	196.78	195.72
Less : Deferred Tax Assets		
Provisions & Other Disallowances for tax purpose	6.93	5.32
Net Deferred Tax Liability	189.85	190.40

MSL

(₹ crore)

Particulars	Deferred tax assets/ (liabilities) as at 01.04.2014	Current year Charge/ (Credit)	Deferred tax assets/ (Liabilities) as at 31.03.2015
Deferred Tax Liabilities			
Difference between book and tax depreciation	(1.95)	0.94	(2.89)
Total Deferred Tax Liability	(1.95)	0.94	(2.89)
Deferred Tax Assets			
Difference between book and tax depreciation			
Provision for Compensated Absences	0.24	(0.22)	0.46
Provision for doubtful debts	0.07	0.01	0.06
Provision for Gratuity	0.06	(0.08)	0.14
Others	0.23	-	0.23
Total Deferred Tax Assets	0.60	0.28	0.89
Net Deferred Tax Assets (Liabilities)	(1.35)	0.66	(2.00)

BJCL

(₹ crore)

Sl. No.	Particulars	As on 31st March 2015	As on 31st March 2014
1.	Deferred Tax liability on account of - Timing difference in WDV of Fixed Assets	(25.71)	(24.21)
2.	Deferred Tax Assets on account of : - Employees' Benefits - Unabsorbed Business Loss - Unabsorbed Depreciation - Others	0.26 45.95 - -	0.18 8.17 31.37 -
	Net Deferred Tax Liabilities/(Assets)	(20.20)	15.51

BPSCCL

(₹ crore)

Deferred Tax Asset / Liability included in Balance Sheet comprises of	2014-15	2013-14
Deferred Tax Assets:		
Gratuity	(1.76)	(1.58)
Leave Salary	(2.04)	(1.39)
Post Retirement Medical Benefits	(0.39)	(0.25)
Settlement Benefit	(0.03)	(0.03)
Long Term Service Award	(0.01)	(0.01)
	(4.23)	(3.26)
Deferred Tax Asset/Liability :		
Depreciation	15.90	(5.11)
Net Deferred Tax Assets	11.67	(8.37)

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

Sl. No.	Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)	
		As a % of consolidated Net Assets	Amount (₹ crore)	As a % of consolidated Profit or (Loss)	Amount (₹ crore)
	Parent				
	Steel Authority of India Limited	98.42	43504.78	97.29	2092.68
	Subsidiaries				
1.	SAIL Refractory Company Limited	0.19	84.63	1.13	24.23
2.	SAIL-Jagdishpur Power Plant Limited	0.00	0.03	0.00	(0.01)
3.	SAIL Sindri Projects Limited	0.00	0.03	0.00	(0.01)
	Joint Ventures (as per proportionate consolidation/ Investment as per the equity method)				
1.	NTPC SAIL Power Company Pvt. Limited	1.86	821.20	5.29	113.72
2.	Bokaro Power Supply Co. Pvt. Limited	0.67	294.29	0.80	17.14
3.	Mjunction Services Limited	0.18	79.87	0.69	14.94
4.	Bhilai Jaypee Cement Limited	0.15	64.43	(0.24)	(5.23)
5.	S & T Mining Co. Pvt. Limited	0.01	4.10	(0.10)	(2.13)
6.	International Coal Ventures Pvt. Limited	0.95	421.93	0.00	0.00
7.	SAIL-MOIL Ferro Alloys Private Limited	0.00	(1.27)	(0.01)	(0.19)
8.	SAIL SCI Shipping Pvt. Limited	0.00	0.07	0.00	0.00
9.	SAIL SCL Kerala Limited	(0.01)	(3.96)	(0.15)	(3.30)
10.	SAIL RITES Bengal wagon Industry Pvt. Limited	0.03	14.96	0.00	0.05
11.	SAIL Kobe Iron India Pvt. Limited	0.00	0.25	0.00	0.00
12.	SAL SAIL JVC Limited	0.00	(0.02)	0.00	0.00
13.	TMT SAL SAIL JV Limited	0.00	0.00	0.00	(0.01)
14.	SAIL-BENGAL Alloy Castings Pvt. Limited	0.00	0.01	0.00	0.00
15.	Prime Gold-SAIL JVC Limited	0.01	4.14	0.00	0.00
16.	VSL SAIL JVC Limited	0.00	0.69	0.00	0.00
17.	Abhinav SAIL JVC Limited	0.00	(0.01)	0.00	(0.02)
	Associate (Investment as per the equity method)				
	Almora Magnesite Limited	0.00	0.70	0.01	0.14

35.6 The previous year figures considered this year are not same as those of the figures considered in the consolidated financial statements for the year 2013-14 due to unaudited financial statements of certain joint venture companies being audited during the year. Figures for the previous year have been considered based on audited/unaudited financial statements received for the Financial Year 2014-15.

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

Segment Information for the Year ended 31st March 2015

Annexure - I

A. BUSINESS SEGMENT

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	POWER COMPANIES	OTHERS	INTER SEGMENT SALES	SAIL
REVENUE												
- External Sales												
Current year	16650.74	7643.11	9283.60	12890.53	1081.68	552.61	2206.95	233.04	-	404.41		50946.67
Previous year	(17612.78)	(7521.71)	(9093.01)	(13624.87)	(1176.54)	(531.11)	(2039.11)	(202.06)	-	(408.92)		(52210.11)
- Inter Segment Sales												
Current year	1075.8	369.42	299.45	284.84	833.28	227.42	9.1	46.29	1277.26	3649.13	-8071.99	-
Previous year	(1387.52)	(621.18)	(294.79)	(374.05)	(1848.13)	(264.5)	(6.76)	(41.39)	(1260.4)	(3367.18)	(-9465.9)	-
- Total Revenue												
Current year	17726.54	8012.53	9583.05	13175.37	1914.96	780.03	2216.05	279.33	1277.26	4053.54	-8071.99	50946.67
Previous year	(19000.3)	(8142.89)	(9387.80)	(13998.92)	(3024.67)	(795.61)	(2045.87)	(243.45)	(1260.4)	(3776.1)	(-9465.9)	(52210.11)
RESULT												
- Operating profit / (-) loss (Before Interest expenses and exceptional items)												
Current year	2490.04	622.05	618.63	786.49	-835.85	-117.72	-249.55	-97.29	228.71	553.37		3998.88
Previous year	(2320.31)	(519.55)	(422.29)	(400.5)	(-539.40)	(-84.19)	(-281.58)	(-122.62)	(268.52)	(424.61)		(3327.99)
- Interest expenses												
Current year												1534.91
Previous year												(1047.14)
- Exceptional items												
Current year												-
Previous year												(1056.26)
- Income tax												
Current year												305.95
Previous year												(693.45)
- Net Profit / Loss (-)												
Current year												2158.02
Previous year												(2643.66)
OTHER INFORMATION												
- Segment assets												
Current year	22811.33	5227.07	18544.86	13817.64	18308.44	630.54	3038.27	631.46	2253.22	16056.06		101318.89
Previous year	(20470.79)	(4789.09)	(16387.48)	(13383.87)	(16684.61)	(668.5)	(3187.49)	(551.04)	(2238.75)	(15506.9)		(93868.52)
- Segment Liabilities												
Current year	6092.97	1893.89	3637.46	2743.51	1211.75	231.16	342.07	173.04	586.86	23199.08		40111.79
Previous year	(5520.31)	(1711.86)	(3011.73)	(2981.27)	(1183.51)	(245.15)	(374.2)	(159.14)	(561.12)	(18495.76)		(34244.05)
- Capital expenditure												
Current year	2219.69	659.74	1448.63	804.91	1389.04	5.1	-6.12	4.71	41.38	586.13		7153.21
Previous year	(3714.33)	(597.01)	(2331.92)	(1106.95)	(1304.17)	(7.19)	(-14.05)	(2.39)	(43.08)	(377.35)		(9470.34)
- Depreciation												
Current year	304.25	128.5	440.34	270.47	317.90	10.87	103.16	5.89	94.59	206.99		1882.96
Previous year	(331.61)	(259.36)	(370.31)	(315.1)	(131.84)	(14.8)	(145.68)	(13.82)	(100.8)	(152.44)		(1835.76)
- Non Cash expenses other than depreciation												
Current year	14.85	18.94	7.51	8.48	5.31	15.33	1.03	1.4	2.87	28.43		104.15
Previous year	(26.35)	(60.69)	(15.72)	(24.9)	(25.92)	(7.26)	(0.19)	(4.86)	(2.01)	(33.19)		(201.09)

B. GEOGRAPHICAL SEGMENT

(₹ crore)

Particulars	Current Year	Previous Year
Sales Revenue		
India	49378.99	51051.88
Foreign Countries	1567.68	1158.23
Total	50946.67	52210.11

Notes :

- (1) Segment assets / liabilities exclude inter-unit balances
- (2) Total carrying amount of segment assets by geographical location of assets, for the Company's overseas operations are below 10% of the total assets of all segments, and hence not disclosed.

Independent Auditors' Report on Consolidated Financial Statements

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of STEEL AUTHORITY OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its Associate and Jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained and audit evidence obtained by other Auditor's in term of their report referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
Basis for Qualified Opinion Steel Authority of India Limited	
1. The Holding Company has not provided for; a) entry tax amounting to ₹94.89 crore (current year ₹3.34 crore) in the state of Uttar Pradesh, ₹1084.32 crore (current year ₹13.04 crore) in the state of Chhattisgarh and ₹333.95 crore (current year ₹119.14 crore) in the state of Odisha (refer note no.31.2(a)); b) amount paid to DVC against bills raised for supply of power and retained as advance by Bokara Steel Plant amounting to ₹393.59 crore (current year ₹101.83 crore) (refer note no. 31.2(b));	The mentioned cases are sub-judice and pending before the Hon'ble Supreme Court and other various courts. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist on the Balance Sheet date. Therefore, there is no adverse impact on profit. These cases were sub-judice as on 31st March, 2012 also and there is no change in the status of these cases during the Financial Years 2012-13, 2013-14 & 2014-15.
2. At Salem Steel Plant, inventory includes estimated quantity of 9089 MT of skull extractable from slag valued at ₹51.80 Crore. Valuation of skull was not justified since there is no separate distinguishable physical existence of 9089 MT of skull and therefore cannot be considered as inventory as on 31-03-2015. Further, this constitutes a departure from Para 9 of the Guidance note on Audit of inventories, which states that all recorded inventories should exist at year end, as there is no identifiable skull as such and hence should not have been considered as inventory to that extent. The total impact of above para (1) to (2) has resulted in overstatement of Profit before Tax for the year by ₹289.15 crore, overstatement of Reserves & Surplus by ₹1958.55 crore (Previous Year ₹1669.40 crore), understatement of Current Liabilities by ₹1906.75 crore (Previous Year ₹1669.40 crore) and overstatement of Current Assets by ₹51.80 crore (Previous Year ₹Nil).	During the Year 2014-15, Salem Steel Plant has extracted 1124 MTs of Skull from Slag, out of which 615 MT has been consumed as melting scrap during the year. Thus, existence of Skull in Slag has been established. The award of contract for extraction of Skull from inventory of Slag is in process. Thus, the 9089 MTs of Slag extractable from Skull is in existence and inventory of skull has been considered correctly.
Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	
(a) in the case of the Balance Sheet, of the consolidated state of affairs of the Group, its Associate and Jointly controlled entities as at March 31, 2015; (b) in the case of the Statement of Profit and Loss, of their consolidated profit for the year ended on that date; and (c) in the case of the Cash Flow Statement, of their consolidated cash flows for the year ended on that date.	
Emphasis of Matter We draw attention to;	
Steel Authority of India Limited	
i. Net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no.34.1);	
ii. Based on technical opinion, the Company has adopted effective useful life of Plant & Machinery used in the manufacture of steel as a continuous process plant working on three shift basis, which is different from useful life as prescribed in Schedule II of the Companies Act, 2013 (refer note no.34.9);	
iii. SAIL-RITES Bengal Wagon Industry Private Limited The financial statements with respect to non execution of long term lease as per Joint Venture Agreement (Refer to Note No. 33.5).	
Our opinion is not qualified in respect of these matters.	
Other Matters	
(a) We did not audit the financial statements of the following subsidiaries and Jointly controlled entities, whose financial statements reflect proportionate total assets of ₹2680.64 crore as at 31st March, 2015, proportionate total revenues of ₹1189.02 crore	

Independent Auditors' Report on Consolidated Financial Statements

Comments

Management's Replies

and proportionate net cash flows amounting to ₹97.28 crore for the year ended on that date, as considered in the consolidated financial statements. 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 Jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and Jointly controlled entities is based solely on the reports of the other auditors.

(₹ Crore)

Name of the Subsidiary Company	Assets	Revenues	Net Cash Flow
SAIL Jagdishpur Power Plant Limited	0.04	-	-0.01
SAIL Sindri Projects Limited	0.04	-	-0.01
SAIL Refractory Company Limited	143.62	138.15	8.97

(₹ Crore)

Name of the Joint Venture Company	Assets	Revenues	Net Cash Flow
NTPC SAIL Power Company Private Limited	1670.99	811.50	70.95
Mjunction Services Limited	137.82	69.69	3.47
S&T Mining Company Private Limited	4.90	0.17	0.04
SAIL-RITES Bengal wagon Industry Private Limited	44.26	0.13	-0.17
SAIL-BENGAL Alloy Castings Private Limited	0.45	-	0.01
SAIL SCI Shipping Pvt. Ltd.	0.07	-	-
Bhilai Jaypee Cement Limited	217.80	160.40	-3.66
International Coal Ventures Private Limited	424.02	-	16.44
SAIL SCL Kerala Limited	36.63	8.98	1.25

- (b) We did not audit the financial statements of following Jointly controlled entities whose financial statements reflect proportionate total assets of ₹604.92 crore as at 31st March, 2015, proportionate total revenues of ₹440.57 crore and proportionate net cash flows amounting to ₹6.88 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and Jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and Jointly controlled entities is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(₹ Crore)

Name of the Joint Venture Company	Assets	Revenues	Net Cash Flow
Bokaro Power Supply Company Private Limited	582.23	440.49	3.67
SAIL & MOIL Ferro Alloys Pvt. Ltd.	6.74	0.08	0.44
Prime Gold-SAIL JVC Limited	14.92	-	2.86
SAIL Kobe Iron India Private Limited	0.25	-	-0.08

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
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SAL SAIL JVC Limited	0.04	-	-
TMT SAL SAIL JV Limited	-	-	-0.01
VSL-SAIL JVC Limited	0.72	-	-
Abhinav SAIL JVC Limited	0.02	-	-

- (c) The consolidated financial statements also include the Group's share of net profit of ₹0.14 crore for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of Almora Magnesite Limited, associate company, whose financial statements have not been audited by us and is based solely on unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding, Subsidiary, Associate and Jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) Except for the matter described in the Basis for Qualified Opinion paragraph above, the reports on the accounts of the Holding, Subsidiary, Associate and Jointly controlled companies incorporated in India, audited under Section 143 (8) of the Act by branch auditors have been sent to us / the other auditors, as applicable, and have been properly dealt with in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - (g) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its Subsidiary, Associate and Jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: i. Except for the possible effect of the matter described in paragraph on the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associate and Jointly controlled companies (Refer Note 31.1). ii. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts. iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding, Subsidiary, Associate and Jointly controlled companies incorporated in India.	

For O.P. Totla & Co.
Chartered Accountants
Firm Registration No.
000734C
Sd/-
[S.K. Acharya]
Partner
(M. No. 078371)

For B.N. Misra & Co.
Chartered Accountants
Firm Registration No.
321095E
Sd/-
[B. N. Misra]
Partner
(M. No. 083927)

For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration No.
000643N
Sd/-
[Amar Mittal]
Partner
(M. No. 017755)

For and on behalf of the Board of Directors

Sd/-
(Rakesh Singh)
Chairman

Place : New Delhi
Dated : 3rd July, 2015

Place : New Delhi
Dated : 14th August, 2015

Annexure-A to the Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraph 3 & 4 of "the Order")	
(i) In respect of its fixed assets:	
(a) The, its Subsidiary and Jointly controlled companies incorporated in India has maintained proper records showing in most cases, full particulars including quantitative details and situation Holding of its fixed assets. <i>However the location and extent of area in few of the plants of the Holding company in respect of land needs to be updated in the fixed assets registers of the holding company and have to be reconciled with the revenue records as to the extent of holding and location of land.</i> The delay is attributable to procedural matters involved in ascertaining and reconciling with revenue records maintained by the revenue departments of the state governments involved.	Necessary action is being taken to update the location and extent of area in respective plants in the fixed assets registers. This is a continuous process.
(b) The fixed assets of the Holding, its Subsidiary and Jointly controlled companies incorporated in India have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the assets once in three years. <i>However, it is observed that certain land and buildings are under encroachment/unauthorised occupation.</i> As informed to us, no material discrepancies have been noticed on such verification.	Necessary action is being taken to evict the occupants from land and buildings under encroachment/unauthorised occupation.
(ii) In respect of physical verification of Inventory:	
(a) The inventories have been physically verified by the management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey/estimates.	
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Holding, its Subsidiary and Jointly controlled companies incorporated in India and the nature of its business.	
(c) In our opinion and according to the information and explanations given to us Holding, its Subsidiary and Jointly controlled companies incorporated in India has maintained proper records of its inventories and discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.	
(iii) In our opinion and according to the information and explanations given to us, the Holding, its Subsidiary and Jointly controlled companies incorporated in India has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a) and (iii) (b) of Paragraph 3 of the Order are not applicable to the Company.	
(iv) In our opinion and according to the information and explanations given to us, there are internal control systems commensurate with the size of the Holding, its Subsidiary and Jointly controlled companies incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.	
(v) According to the information and explanations given to us, Holding, its Subsidiary and Jointly controlled companies incorporated in India has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of deposits) Rules, 2014.	
(vi) The Holding company has made and maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.	

Annexure-A to the Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies
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(vii) According to the information and explanations given to us in respect of statutory dues:

- The Holding, its Subsidiary and Jointly controlled companies incorporated in India has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess and other Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2015.
- According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2015 as given herein below:

(₹ crore)

Statute	Nature of Dues	Amount (₹ in crore)	Forum where disputes are pending
Sales Tax & VAT	Demand by Appellate Authorities	3.04	Supreme Court
		193.57	High Courts
		577.72	Sales Tax Tribunals
		124.25	Sales Tax Departments
Central Excise Act, 1944 (including service tax)	Excise Duty and Service Tax	19.77	Supreme Court
		224.53	High Courts
		1269.81	CESTAT
Income Tax Act, 1961	TDS on Perks TDS Refund Claim	47.71	Department of Excise
		127.45	Supreme Court
		522.98	High Courts
	Income Tax Disputes	566.13	Department of Income Tax
Other Statutes	Other Statutory Dues (including Cess)	500.35	ITAT
		21.92	Supreme Court
		254.48	High Courts
			Lower Courts
			Concerned Department
	TOTAL	8212.20	

- According to the information and explanations given to us, amounts which were to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund.
- (viii) There are no accumulated losses of the Holding, its Subsidiary and Jointly controlled companies incorporated in India as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding, its Subsidiary and Jointly controlled companies incorporated in India has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.

Annexure-A to the Independent Auditors' Report on Consolidated Financial Statements

Comments	Management 's Replies
(x) According to the information and explanations given to us, the Holding, its Subsidiary and Jointly controlled companies incorporated in India has not given any guarantee for loans taken by others from Banks or Financial Institutions.	
(xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans availed by the Holding, its Subsidiary and Jointly controlled companies incorporated in India were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained other than temporary deployment pending application.	
(xii) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Holding, its Subsidiary and Jointly controlled companies incorporated in India has been noticed or reported during the year.	
For O.P. Totla & Co. Chartered Accountants Firm Registration No. 000734C Sd/- [S.K. Acharya] Partner (M. No. 078371)	For B.N. Misra & Co. Chartered Accountants Firm Registration No. 321095E Sd/- [B. N. Misra] Partner (M. No. 083927)
For Sharma Goel & Co. LLP Chartered Accountants Firm Registration No. 000643N Sd/- [Amar Mittal] Partner (M. No. 017755)	For and on behalf of the Board of Directors Sd/- (Rakesh Singh) Chairman

Place : New Delhi
Dated : 3rd July, 2015

Place: New Delhi
Dated: 14th August, 2015

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31st MARCH 2015

Comments	Management's Replies
The preparation of consolidation financial statements of Steel Authority of India Limited for the year ended 31 March 2015 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 3 July, 2015. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with section 129(4) of the Act, of the consolidated financial statements of Steel Authority of India Limited for the year ended 31st March, 2015 which include the stand alone financial statements of Steel Authority of India Limited; its three subsidiaries, eight joint venture companies and one associates, all controlled by the Government and/or Government companies. Supplementary audit under section 143(6)(a) of the Act of five such joint venture companies was not completed pending finalization of their accounts and/or audit as on date. Under 143(6)(a) of the Act, I am not required to conduct supplementary audit of the financial statements of the nine companies not controlled by the Government but included in the consolidated financial statement. Financial statement of one subsidiary and one joint venture company controlled by the Government and four companies not controlled by the Government were not consolidated. (Details are enclosed as Annexure-1). Supplementary audit of consolidated financial statements has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. 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:	
A. COMMENTS ON CONSOLIDATED PROFITABILITY Note 27: Other Expenses--₹14,205.32 crore The above does not include ₹35.04 crore being the expenditure incurred by the company on Corporate Social Responsibility activities during 2014-15. This was accounted for as a deduction from retained earnings (surplus in statement of profit and loss) in the Balance Sheet instead of charging it under the head 'Other expenses' in the Statement of Profit & Loss. The accounting treatment is not correct in view of the existing practice and the opinion of ICAI issued on this matter. This has resulted in understatement of Other Expenses and Reserve and Surplus and overstatement of Profit before tax by ₹35.04 crore.	The expenditure on Corporate Social Responsibility (CSR) activities was accounted for as per the Frequently Asked Questions (FAQs) on the provisions of CSR under Section 135 of the Companies Act, 2013 and Rules thereon, issued by the Institute of Chartered Accountants of India (ICAI), on 2nd April, 2015. As per FAQs, the CSR spend amount needs to be appropriated unless otherwise it is incurred by the company as part of its normal business activity which also qualifies for CSR activity, in which case, it will continue to be charged to the Statement of Profit & Loss in the normal course. As the Company has not incurred the expenditure as part of its normal business activity, the expenditure on CSR activities has been appropriated in the Accounts of the Company. The Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, referred by Audit, was issued on 15th May, 2015 effective from the date of its issuance i.e. 15th May, 2015 (Financial Year 2015-16 onwards) and was not applicable for the Financial Year 2014-15. Therefore, there is no understatement of Other Expenses and overstatement of profit. In any case, there is no impact on Reserves & Surplus.
B. COMMENTS ON CONSOLIDATED BALANCE SHEET ASSETS Non-Current Assets Note 11A: Tangible Assets - ₹34,658.40 crore The Company (Bhilai Steel Plant) had incurred ₹7.79 crore on re-carpeting and repair of Nandini air-strip. The re-carpeting was done to restore the condition of the air-strip and it should have been accounted for as revenue expenditure. The expenditure was however capitalized instead of charging it under repairs and maintenance. This has resulted in overstatement of Tangible Assets by ₹ 7.17 crore, depreciation by ₹ 0.62 crore and understatement of expenses by ₹ 7.17 crore. Consequently, Profit before tax for the year has been overstated by ₹ 7.17 crore.	The Nandini Air Strip at Bhilai Steel Plant (BSP), originally built in 1963, had outlived its life. The job of re-carpeting of the Nandini Air Strip was outsourced to Airport Authority of India Limited and was treated as re-building of Air Strip. The job is highly technical in nature and heavy strength bearing. The rebuilt has given a fresh life to the Air Strip and made fit to earn a stream of revenue over the years in the form of usage charges payable by National Technical Research Organisation (NTRO), Government of India, to BSP, SAIL. The Civil Engineering Division of NTRO also confirmed that the life of the re-carpeting of the Air Strip will be 10 years. As the expenditure has been incurred with a view to bring into existence an asset or an advantage of enduring nature, the benefits of which are expected to arise over several future accounting periods, the expenditure has been correctly treated as capital expenditure and therefore, there is no overstatement of profit.
For and on the behalf of the Comptroller & Auditor General of India Sd/- (Sushil Kumar Jaiswal) Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi Place: Ranchi Date : 31st July, 2015	For and on behalf of the Board of Directors Sd/- (Rakesh Singh) Chairman Place: New Delhi Date: 14th August, 2015

Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidation of accounts.

(Annexure - I)

Sl. No.	Name of the companies	Whether accounts were consolidated	Whether under the audit jurisdiction of C&AG
	Parent		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Company		
1.	SAIL Refractory Company Limited	Yes	Yes
2.	SAIL Jagdishpur Power Plant Limited	Yes	Yes
3.	SAIL Sindri Projects Limited	Yes	Yes
4.	IISCO Ujjain Pipe & Foundry Co. Limited*	No	Yes
	Joint Venture		
5.	NTPC-SAIL Power Supply Pvt. Ltd. (NSPCL)	Yes	Yes
6..	Bokaro Power Supply Co. Pvt. Ltd. (BPSCCL)	Yes	Yes
7.	SAIL - Bengal Alloy Castings Pvt. Limited	Yes	Yes
8.	SAIL - MOIL Ferro Alloys Private Limited	Yes	Yes
9.	SAIL SCI Shipping Private Limited	Yes	Yes
10.	International Coal Ventures Private Limited	Yes	Yes
11.	SAIL SCL Kerala Limited	Yes	Yes
12.	SAIL RITES Bengal Wagon Industry Pvt. Ltd.	Yes	Yes
13.	North Bengal Dolomite Limited	No	Yes
14.	Mjunction Services limited	Yes	No
15.	Bhilai Jaypee Cement Limited	Yes	No
16.	S & T Mining Co. Private Limited	Yes	No
17.	SAIL Kobe Iron India Pvt. Limited	Yes	No
18.	SAL SAIL JVC Limited	Yes	No
19.	TMT SAL SAIL JV Limited	Yes	No
20.	Prime Gold SAIL JVC Limited	Yes	No
21.	VSL SAIL JVC Limited	Yes	No
22.	Abhinav SAIL JVC Limited	Yes	No
23.	SAIL Bansal Service Centre Limited #	No	No
24.	Romelt-SAIL (India) Limited #	No	No
25.	UEC-SAIL Information Technology Limited #	No	No
26.	N.E. Steel & Galvanising Pvt. Limited #	No	No
	Associate		
27.	Almora Magnesite Limited	Yes	Yes

* Accounts of one subsidiary Company and one Joint Venture Company which are controlled by the Government were not consolidated.

Accounts of four joint venture companies not controlled by the Government were not consolidated.

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 statements of Subsidiaries/Associate Companies/Joint Ventures

Sl. No.	Particulars	Details		
1	Name of the subsidiary	SAIL Refractory Company Limited	SAIL Jagdishpur Power Plant Limited	SAIL Sindri Projects Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable
				(₹ crore)
4.	Share capital	0.05	0.05	0.05
5.	Reserves & surplus	84.58	(-)0.02	(-) 0.02
6.	Total assets	144.90	0.04	0.04
7.	Total Liabilities	60.27	*	*
8.	Investments	-	-	-
9.	Turnover	142.88	-	-
10.	Profit before taxation	33.68	*	*
11.	Provision for taxation	9.45	-	-
12.	Profit after taxation	24.23	*	*
13.	Proposed Dividend	4.80	-	-
14.	% of shareholding	100	100	100

*Amount less than Rs.50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹ 10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10th July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10th July '97 was ₹ 17.05 crore.

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

For and on behalf of Board of Directors
 Sd/-
(Anil Kumar Chaudhary)
 Director (Finance)

Sd/-
(Rakesh Singh)
 Chairman

Place : New Delhi

Dated : 14th August, 2015

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 ₹ Cr	Extent of Holding %	Description of how there is significant influence	Reason why the Associate/ Joint Venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/ Loss (-) for the year ₹ Cr	Considered in Consolidation ₹ Cr	Not Considered in Consolidation ₹ Cr
	Joint Ventures	1	2	3	4	5	6	7	8	9	10
1	NTPC SAIL Power Company Pvt. Ltd.	31-03-2015	490250050	490.25	50.00%	Note-1		821.20	227.41	113.72	113.72
2	Bokaro Power Supply Co. Pvt. Ltd.*	31-03-2015	124025000	124.03	50.00%	Note-1		294.29	34.27	17.14	17.14
3	Mjunction Services Limited	31-03-2015	4000000	4.00	50.00%	Note-1		79.87	29.87	14.94	14.94
4	Bhilai Jaypee Cement Limited	31-03-2015	98718048	52.51	26.00%	Note-1		64.43	-20.14	-5.23	-14.91
5	S & T Mining Co. Pvt. Limited	31-03-2015	12941400	12.94	50.00%	Note-1		4.10	-4.26	-2.13	-2.13
6	International Coal Ventures Private Limited	31-03-2015	182000000	182.00	49.59%	Note-1		421.93	0.00	0.00	0.00
7	SAIL-MOIL Ferro Alloys Private Limited*	31-03-2015	100000	0.10	50.00%	Note-1		-1.27	-0.38	-0.19	-0.19
8	SAIL SCI Shipping Pvt. Limited	31-03-2015	100000	0.10	50.00%	Note-1		0.07	0.00	-	-
9	SAIL SCL Kerala Limited	31-03-2015	12779850	18.10	48.36%	Note-1		-3.96	-6.82	-3.30	-3.52
10	SAIL RITES Bengal Wagon Industry Pvt. Limited	31-03-2015	14900000	14.90	50.00%	Note-1		14.96	0.14	0.05	0.09
11	SAIL Kobe Iron India Pvt. Limited*	31-03-2015	250000	0.25	50.00%	Note-1		0.25	0.00	-	-
12	SAL SAIL JVC Limited*	31-03-2015	-	-	26.00%	Note-1		-0.02	0.00	-	-
13	TMT SAL SAIL JV Limited*	31-03-2015	-	-	26.00%	Note-1		-0.04	-0.01	-0.01	-0.03
14	SAIL-BENGAL Alloy Castings Private Limited	31-03-2015	10000	0.01	50.00%	Note-1		0.01	-0.01	-	-
15	Prime Gold-SAIL JVC Limited*	31-03-2015	2599999	2.60	26.00%	Note-1		4.14	0.00	-	-
16	VSL SAIL JVC Limited *	31-03-2015	-	0.00	26.00%	Note-1		0.69	0.00	-	-
17	Abhinav SAIL JVC Ltd*	31-03-2015	-	0.00	26.00%	Note-1		-0.01	-0.06	-0.02	-0.04
18	SAIL Bansal Service Centre Ltd \$	31-03-2014	3200000	3.20	40.00%	Note-1		1.40	-0.63	-	-
19	Romelt SAIL (India) Ltd @	-	63000	0.06	15.00%	Note-1	Accounts not Available	-	-	-	-
20	UEC SAIL Information Technology Limited #	-	180000	0.18	40.00%	Note-1	-do-	-	-	-	-
21	North Bengal Dolomite Ltd #	-	97900	0.98	50.00%	Note-1	-do-	-	-	-	-
22	N.E Steel & Galvanising Pvt. Limited #	-	-	-	49.00%	Note-1	-do-	-	-	-	-
	Associate										-
1	Almora magnesite Limited*	31-03-2015	40000	0.40	20.00%	Note-2		0.14	0.70	0.14	0.56

1 Voting power as per Joint Venture Agreement

2 Holds 20% Share Capital.

3 Investment in Bokaro Jaypee Cement Limited, Joint Venture, disposed off on 26th November, 2014

\$ Accounts for the Year ended 31st March, 2015, not available

* Based on the Unaudited Accounts for the Year 2014-15

@ Operations under suspension

Companies under winding up/liquidation

For and on behalf of Board of Directors

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

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)

Sd/-
(Rakesh Singh)
Chairman

Place : New Delhi

Dated : 14th August, 2015

Extract of Annual Return

As on the Financial Year ended on 31st March, 2015

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L27109DL1973GOI006454
ii)	Registration Date	:	24th January 1973
iii)	Name of the Company	:	Steel Authority of India Limited
iv)	Category / Sub-Category of the Company	:	Public company / Limited by Shares
v)	Address of the Registered office and contact details	:	Ispat Bhawan, Lodi Road, New Delhi-110003. Contact No. +91-11-24367481. Fax No. +91-11-24367015. Email: investor.relation@sail.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase- I, New Delhi-110020. Phone No. +91-11-41406149. Fax No. +91-11-41709881, Email: admin@mcsdel.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services Service	NIC Code of the Product/ Service	% to total turnover of the company
1	Flat Products (HR Coils, HR Plates, CR Coils, Pipes and Electric Sheets, etc.)	330	52
2	Long Products (TMT Bars, Wire Rods, etc.)		38

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	SAIL-Jagdispur Power Plant Limited Ispat Bhawan, Lodhi Road, New Delhi.	U40106DL2011GOI219901	SUBSIDIARY	100	2(87)
2.	SAIL Refractory Company Limited Salem Steel Plant, Salem	U14200TZ2011GOI017357	SUBSIDIARY	100	2(87)
3.	SAIL Sindri Projects Limited Chasnala, Chasnala – 828135 Jharkhand	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited Bhilai Steel Plant, Ispat Bhawan, Bhilai, Chhattisgarh	U27100CT2015GOI001627	SUBSIDIARY	100	2(87)
5.	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601.	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
6.	Tata Krozaki Refractories Ltd. Belpahar-768218, Odisha	U26921OR1958PLC000349	JOINT VENTURE	10.54	2(6)
7.	NTPC-SAIL Power Company Pvt. Ltd. Core-3, 5th Floor, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003	U74899DL1999PTC098274	JOINT VENTURE	50	2(6)
8.	Bokaro Power Supply Company Pvt. Ltd., Ispat Bhawan, Lodi Road, New Delhi-110003.	U40300DL2001PTC112074	JOINT VENTURE	50	2(6)
9.	North Bengal Dolomite Limited 28-B, Shakeshpere Sarani, "Neelamber", Flat No.10A, 10th Floor, Kolkata-700017	U14109WB1980PLC033031	JOINT VENTURE	50	2(6)
10.	UEC SAIL Information Technology Ltd (under liquidation) C/o I.M. Puri & Co., C-30. Chiragh Enclave, New Delhi-110048.	U74899DL1995PLC064072	JOINT VENTURE	40	2(6)
11.	Romelt-SAIL (India) Limited No.25/2, Madanpur, Khadar, Near Sunder Public School Opp. F Block, New Delhi-110 076	U74899DL1997PLC090025	JOINT VENTURE	15	2(6)

12.	mjunction services limited Jeevan Bharati Building, Tower-1, 10th Floor, 124, Connaught Circus, New Delhi – 110001.	U00000WB2001PLC115481	JOINT VENTURE	50	2(6)
13.	SAIL-Bansal Service Centre .Limited 12/2, Park Mansion, 57-A, Park Street, Kolkata-700 016.	U27310WB2000PLC092486	JOINT VENTURE	40	2(6)
14.	Bhilai Jaypee Cement Ltd. JA House, 63, Basant Lok, Vasant Vihar, New Delhi-110057	U26940CT2007PLC020250	JOINT VENTURE	26	2(6)
15.	SAIL & MOIL Ferro Alloys Pvt. Ltd. Sector-1, Bhilai – 490 001.	U27101CT2008PTC020786	JOINT VENTURE	50	2(6)
16.	S&T Mining Co. Pvt. Ltd Tata Centra, 43, Jawaharlal Nehru Road, Kolkata – 700 071	U13100WB2008PTC129436	JOINT VENTURE	50	2(6)
17.	International Coal Ventures Private Limited 20th Floor, Scope Minar, Laxi Nagar DC, Delhi – 110 092	U10100DL2009PTC190448	JOINT VENTURE	49.59	2(6)
18.	SAIL SCI Shipping Private Limited Shipping House, 13 Strand Road, Kolkata – 700 001	U61100WB2010PTC148428	JOINT VENTURE	50	2(6)
19.	SAIL-SCL Kerala Limited P.B. No. 42, Feroke – 673 631, Kozhikode, Kerala	U27104KL1969SGC002253	JOINT VENTURE	48.36	2(6)
20.	SAIL-RITES Bengal Wagon Industry Pvt. Ltd. Scope Minar, Laxmi Nagar, Delhi – 110092.	U35200DL2010PTC211955	JOINT VENTURE	50	2(6)
21.	SAIL-Kobe Iron India Private Limited Ispat Bhawan, Lodhi Road, New Delhi	U27100DL2012PTC236499	JOINT VENTURE	50	2(6)
22.	SAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi	U28111DL2012PLC231225	JOINT VENTURE	26	2(6)
23.	TMTSAL-SAIL JVC Limited B-7, WHS Kirti Nagar, New Delhi	U28113DL2012PLC231234	JOINT VENTURE	26	2(6)
24.	SAIL- Bengal Alloy Castings Private Limited (SBACPL) 22B, Raja Santosh Road, Kolkata – 700 027	U35122WB2013PTC190532	JOINT VENTURE	50	2(6)
25.	VSL-SAIL JVC Limited Door No.2-51, Near Darga, Kardnur, Postpati Patan Cheruvu Mandal, Hyderabad – 502 300.	U27106AP2012PLC083896	JOINT VENTURE	26	2(6)
26.	Prime Gold-SAIL JVC Limited 5/2, Punjabi Bagh Extn., Club Road, New Delhi – 110026.	U28113DL2012PLC245537	JOINT VENTURE	26	2(6)
27.	Abinav-SAIL JVC Limited 401, Mahaveer Ji Complex, LSC Rishab Vihar, Delhi-110 092	U27100DL2012PLC245749	JOINT VENTURE	26	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
A. Promoters	-	-	-	-	-	-	-	-	-
1. Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	3304293713	-	3304293713	80.00	3097767449	-	3097767449	75.00	-5.00
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total	3304293713	-	3304293713	80.00	3097767449	-	3097767449	75.00	-5.00
(A)(I):-									
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3304293713	-	3304293713	80.00	3097767449	-	3097767449	75.00	-5.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	29136279	127500	29263779	0.71	44200886	127300	44328186	1.07	0.36
b) Banks/FI	129450023	63476	129513499	3.14	144420261	62076	144482337	3.50	0.36
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	292951552	1900	292953452	7.09	447798202	1900	447800102	10.84	3.75
g) FIIs	241634245	50400	241684645	5.85	247648683	47200	247695883	6.00	0.15
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1):	693172099	243276	693415375	16.79	884068032	238476	884306508	21.41	4.62
2. Non-Institutions									
a) Bodies Corp.	19073842	72442	19146284	0.46	14955865	70442	15026307	0.36	-0.1
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakhs	81794205	5910674	87704879	2.12	85767769	5781948	91549717	2.22	0.1
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	16338720	186800	16525520	0.40	18632852	143700	18776552	0.45	0.05

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
c) Other (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indian	4509200	296500	4805700	0.12	17556373	296500	17852873	0.43	0.31
ii) Trust & Foundation	4176833	2800	4179633	0.10	4809448	2800	4812248	0.12	0.02
iii) Cooperative Societies	0	0	0	0.00	500	0	500	0	0.00
Sub-Total(B)(2)	125892800	6469216	132362016	3.20	141722807	6295390	148018197	3.58	0.38
Total Public Shareholding (B)= (B)(1)+(B)(2)	819064899	6712492	825777391	19.99	1025790839	6533866	1032324705	24.99	5.00
C. Shares held by Custodian for GDRs & ADRs	383985	70200	454185	0.01	363435	69700	433135	0.01	0
Grand Total(A)+(B) + (C)	4123742597	6782692	4130525289	100.00	4123921723	6603566	4130525289	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Government of India	3304293713	80.00	0	3097767449	75.00	0	-5.00
	Total	3304293713	80.00	0	3097767449	75.00	0	-5.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Government of India At the beginning of the year	3304293713	80.00	3097767449	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity) –Offer for Sale by Govt. of India on 5th December, 2014.	-206526264	-5.00	0.00	0.00
	At the End of the year	3097767449	75.00	3097767449	75.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Folio No	Name	Shareholding		Date	Increase / Decrease(-) in Share in holding	Reason	Cumulative Shareholding during the year 2014-15	
			No of Shares at the Beginning (01.04.14)/end of the Year (31.03.15)	% of total shares of the Company				Shares	% of total shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	273321731	6.6171	01/04/2014				
					22/08/2014	2610570	Transfer	275932301	6.6803
					29/08/2014	1000000	Transfer	276932301	6.7045
					05/09/2014	2454204	Transfer	279386505	6.7639
					12/09/2014	2106368	Transfer	281492873	6.8149
					10/10/2014	299468	Transfer	281792341	6.8222
					17/10/2014	5363905	Transfer	287156246	6.9521
					24/10/2014	4573344	Transfer	291729590	7.0628
					31/10/2014	2341198	Transfer	294070788	7.1195
					14/11/2014	2391423	Transfer	296462211	7.1773
					21/11/2014	430889	Transfer	296893100	7.1878
					28/11/2014	1115352	Transfer	298008452	7.2148
					12/12/2014	106180773	Transfer	404189225	9.7854
					13/03/2015	1678004	Transfer	405867229	9.8260
					20/03/2015	5681408	Transfer	411548637	9.9636
					27/03/2015	5346263	Transfer	416894900	10.0930
					31/03/2015	822306	Transfer	417717206	10.1129
2	IN30081210498007	LIC OF INDIA MARKET PLUS1 GROWTH FUND	417717206	10.1129	01/04/2014				
			51099546	1.2371	31/03/2015	0	Nil	51099546	1.2371
3	IN30343810003981	EMERGING MARKETS GROWTH FUND, INC.	51099546	1.2371	01/04/2014				
			25733640	0.6230	04/04/2014	-1500000	Transfer	24232640	0.5867
					11/04/2014	-1183400	Transfer	23049240	0.5580
					16/05/2014	-2089122	Transfer	20960118	0.5074
					25/07/2014	1777099	Transfer	22737217	0.5505
					01/08/2014	1336559	Transfer	24073776	0.5828
					08/08/2014	1154148	Transfer	25227924	0.6108
					15/08/2014	135226	Transfer	25363150	0.6140
					31/10/2014	-3107988	Transfer	22255162	0.5388
					12/12/2014	7821900	Transfer	30077062	0.7282
					31/03/2015			30077062	0.7282
4	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	30077062	0.7282	01/04/2014				
			6899193	0.1670	05/12/2014	4499538	Transfer	11398731	0.2760
					12/12/2014	10000000	Transfer	21398731	0.5181
					31/03/2015			21398731	0.5181
5	IN30016710011470	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX X FUND	21398731	0.5181	01/04/2014			14039150	0.3399
			14039150	0.3399	04/04/2014	126680	Transfer	14165830	0.3430
					11/04/2014	155183	Transfer	14321013	0.3467
					18/04/2014	22169	Transfer	14343182	0.3472
					23/05/2014	57006	Transfer	14400188	0.3486
					11/07/2014	110845	Transfer	14511033	0.3513

Sl. No.	Folio No	Name	Shareholding		Date	Increase / Decrease (-) in Share holding	Reason	Cumulative Shareholding during the year 2014-15	
			No of Shares at the Beginning (01.04.14)/end of the Year (31.03.15)	% of total shares of the Company				Shares	% of total shares of the Company
					25/07/2014	111640	Transfer	14622673	0.3540
					01/08/2014	178624	Transfer	14801297	0.3583
					22/08/2014	69775	Transfer	14871072	0.3600
					12/09/2014	78148	Transfer	14949220	0.3619
					28/11/2014	78148	Transfer	15027368	0.3638
					05/12/2014	69775	Transfer	15097143	0.3655
					31/12/2014	3343839	Transfer	18440982	0.4465
					09/01/2015	-114431	Transfer	18326551	0.4437
					16/01/2015	-50238	Transfer	18276313	0.4425
					23/01/2015	-47447	Transfer	18228866	0.4413
					06/02/2015	-13955	Transfer	18214911	0.4410
					13/02/2015	-55820	Transfer	18159091	0.4396
					31/03/2015	-41865	Transfer	18117226	0.4386
6	IN30081210497730	LIC OF INDIA MARKET PLUS GROWTH FUND	18117226	0.4386	01/04/2014				
			17677583	0.4280	01/04/2014	0	Nil	17677583	0.4280
7	IN30343810001833	STICHTING PENSIOENFONDS ABP	17677583	0.4280	31/03/2015				
			8169878	0.1978	01/04/2014				
					23/05/2014	1800000	Transfer	9969878	0.2414
					11/07/2014	600000	Transfer	10569878	0.2559
					18/07/2014	1480000	Transfer	12049878	0.2917
					22/08/2014	725000	Transfer	12774878	0.3093
					05/09/2014	450000	Transfer	13224878	0.3202
					12/09/2014	600000	Transfer	13824878	0.3347
					19/09/2014	600000	Transfer	14424878	0.3492
					30/09/2014	1085694	Transfer	15510572	0.3755
					03/10/2014	300000	Transfer	15810572	0.3828
					10/10/2014	614306	Transfer	16424878	0.3976
					24/10/2014	335000	Transfer	16759878	0.4058
					31/10/2014	510000	Transfer	17269878	0.4181
					31/03/2015			17269878	0.4181
8	IN30005410013042	ACACIA PARTNERS, LP	17269878	0.4181	01/04/2014				
			15102193	0.3656	01/04/2014				
			15102193	0.3656	31/03/2015			15102193	0.3656
9	IN30343810003850	CAPITAL INTERNATIONAL EMERGING MARKETS FUND	8893276	0.2153	01/04/2014				
					25/07/2014	1067092	Transfer	9960368	0.2411
					01/08/2014	802559	Transfer	10762927	0.2606
					08/08/2014	693026	Transfer	11455953	0.2773
					15/08/2014	81198	Transfer	11537151	0.2793
					12/12/2014	3390000	Transfer	14927151	0.3614
10	1203280000374484	YUSUFFALI MUSALIAM VEETIL	14927151	0.3614	31/03/2015			14927151	0.3614
		ABDUL KADER .	0	0.0000	01/04/2014				
					12/12/2014	11900000	Transfer	11900000	0.2881
			11900000	0.2881	31/03/2015			11900000	0.2881

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Shri Anil Kumar Chaudhary	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00
2.	Shri H.S Pati	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Shri M.C Jain	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	68	0.00	68	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	68	0.00	68	0.00

Note: All other Directors do not hold any shares of the Company at the beginning, during and at the end of the Financial Year 2014-15.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	12149.89	13131.44	-	25281.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	532.32	94.31	-	626.63
Total (i+ii+iii)	12682.21	13225.75	-	25907.96
Change in Indebtedness during the Financial Year				
• Addition	4815.77	-	-	4815.77
• Reduction	-	(159.22)	-	(159.22)
Net Change	4815.77	(159.22)	-	4656.55
Indebtedness at the end of the Financial Year				
i) Principal Amount	16923.55	12974.18	-	29897.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	574.43	92.35	-	666.78
Total (i+ii+iii)	17497.98	13066.53	-	30564.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Managers:-

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount (₹)
		Shri C.S. Verma	Shri Anil Kumar Chaudhary	Shri H. S. Pati	Shri T. S. Suresh	Shri S. S. Mohanty	Shri Kalyan Maity	Shri Binod Kumar	
		Chairman	Director (Finance)	Director (Personnel)	Director (Projects & BP)	Director (Technical)	Director (RM&L)	Director (Commercial)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2594902	2342676	2422272	2358172	2205110	2236476	2196628	16356236
		498915	434636	431152	422116	429594	435930	425429	30777720
		-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-
	Total (A)	3093817	2777312	2853424	2780288	2634704	2672406	2622057	19434008
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Fee For attending Board/ Committee Meetings	Commission	Others, Please Specify	Total Amount (₹)
1.	Independent Directors*				
i)	Dr. Atmanand	640000	-	-	640000
ii)	Shri J.M Mauskar	900000	-	-	900000
iii)	Shri R.S Sharma	180000	-	-	180000
iv)	Smt. Parminder Hira Mathur	400000	-	-	400000
v)	Shri D. K Mittal	140000	-	-	140000
vi)	Dr. Isher Judge Ahluwalia	180000	-	-	180000
vii)	Shri Sujit Banerjee	480000	-	-	480000
viii)	Shri Arun Kumar Srivastava	1040000	-	-	1040000
ix)	Shri N.C Jha	260000	-	-	260000
	Total (1)	4220000	-	-	4220000
2.	Other Non- Executive Directors**	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	4220000	-	-	4220000
	Total Managerial Remuneration				
	Ceiling as per the Act ((@1% of profits calculated under section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

* Only sitting fee is paid to Independent Directors.

** No sitting fee is paid to other Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Shri. M. C Jain Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2225362 304773 -	2225362 304773 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total	2530135	2530135

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding of Fees imposed	Authority (RD/NCLT/Court)	Appeal Made, if any
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. DEFAULT					
Penalty					
Punishment					
Compounding					

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

Amount outstanding as at 31 March, 2015

(₹ crore)

Particulars	Amount
Loans given	3.39
Investments made	919.07

Investments made during the Financial Year 2014-15

Name of the Entity	Relation	₹ crore	Purpose for which the Investments are proposed to be utilised.
Bokaro Power Supply Company Pvt. Limited	Joint Venture	40.00	Business Purpose
S&T Mining Company Private Limited	Joint Venture	3.65	Business Purpose
International Coal Ventures Pvt. Ltd.	Joint Venture	179.20	Business Purpose
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	Joint Venture	2.90	Business Purpose
SAIL-KOBE iron India Pvt Ltd	Joint Venture	0.25	Business Purpose
Prime Gold -SAIL JVC Ltd.	Joint Venture	2.60	Business Purpose
SAIL-BENGAL Alloy Castings Pvt. Limited	Joint Venture	0.01	Business Purpose
HaridaspurParadeep Railway Co Ltd		5.00	Business Purpose

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo**A. Conservation of Energy****i) Steps taken or impact on conservation of energy****Bhilai Steel Plant (BSP)**

- a. Commissioning of Coke Oven Battery 11 and new sinter machine in SP-III
- b. Commissioning of BOO based Oxygen Plant and shutting down of inefficient Oxygen Plant-I and one ASU of OP-II
- c. Capital repair of BF-6 & Stove 20, repair of BF stove # 17 and in-house repair of LD gas holder
- d. Replacement of 2 nos. recuperators in Furnace 2 & 3 of Plate Mill
- e. Replacement of Hearth block and skid insulation in Furnace 1 & 2 of Plate Mill
- f. Replacement of air preheater blocks in 2 nos. Russian boilers at Power and Blowing Station to enable the consumption of more BF gas
- g. Installation of modified BF gas burners in Boilers 2 and 4
- h. Plant specific energy consumption – 6.46 Gcal/tcs
- i. Plant specific overall power rate – 449 kwh/t of saleable steel

Durgapur Steel Plant (DSP)

- a. First successful trial of Bloom cum Round Caster was taken up on 12.2.15. Stabilization of this new caster will eliminate energy intensive soaking pit route
- b. Introduction of Bell less top in BF 3
- c. Hot Repair of Battery 1A & 1B
- d. Modification of GCP in BF 3
- e. Installation of VVVF drives for BOF gas boosters
- f. Illumination control by installing photo sensor in mill side bays
- g. Plant specific energy consumption – 6.35 Gcal/tcs
- h. Plant specific overall power rate – 398 kwh/t of saleable steel

Rourkela Steel Plant (RSP)

- a. Commissioning of Top Recovery Turbine (TRT) in BF # 5.
- b. Installation of VVVF Drives in combustion air blowers of Blast Furnace #4 Stoves; in Ladle Transfer Car & Wire Feeder in LHF of SMS-I; in Coal Feeder 6-2 of HP Boiler no. 6 & 2 nos. ID fans of MP boiler no.3 in CPP-I.
- c. Replacement of 200 nos. of 150 / 250 W street light fittings with 90 W LED Fittings and 250 nos. of 150 / 250 W Street Light / High Mast Fittings with 120 W Magnetic coupled Fittings
- d. Commissioning of Pulverized Coal Injection in BF-5
- e. Conversion of 6 nos. of CTF Aluminium blades to FRP in CPP-I
- f. Plant specific energy consumption – 6.57 Gcal/tcs
- g. Plant specific overall power rate – 481 kwh/t of saleable steel

Bokaro Steel Plant (BSL)

- a. Hot repair of Battery # 6
- b. Revamping of Sinter Plant band -1
- c. Repair in stoves of BF#4
- d. Commissioning of CHSGP in BF 2 & 3
- e. Provision of soft starter in exhausters of two converters.
- f. Relining with castables in place of bricks in soaking pits
- g. Change of recuperator in reheating furnace #4 in HSM

- h. Lining for 5 nos. Bell Annealing Furnaces with castables up to burner level and ceramic fiber lining above burner level
- i. Supply of surplus BF gas to CPP boilers # 7 & 8
- j. Plant specific energy consumption – 6.69 Gcal/tcs
- k. Plant specific overall power rate – 461 kwh/t of saleable steel

IISCO Steel Plant (ISP)

- a. Introduction of dry quenching of coke in COB # 11
- b. Introduction of waste heat recovery unit in new Sinter Plant
- c. Introduction of top pressure recovery turbine in Blast Furnace # 5
- d. Introduction of waste heat recovery system in Blast Furnace # 5 stoves
- e. Introduction of walking beam reheating furnace in Rolling Mill area

ii) Steps taken by the company for utilizing alternate sources of energy

Installation of solar panels in Bhilai Niwas at BSP, in few sections of street lights at DSP, few works buildings at RSP and in hospital at ISP

iii) Capital Investment on energy conservation equipments

A Capital Expenditure of ₹ 136.65 crore, as detailed below, was incurred during the Financial Year 2014-15.

Particulars	₹ Crores
Recovery of sensible heat of Coke by Installation of Coke Dry Quenching System in Coke Oven Battery #11 at ISP, # 6 at RSP, #11 at BSP	51.97
Bell Less Top Charging System in Blast Furnace – 3 of DSP	7.09
Top Pressure Recovery Turbine System at Blast Furnace # 5 of ISP	34.24
Coal Dust Injection System in Blast Furnace #5 at ISP, #4 at RSP (usage of auxiliary fuel to reduce Coke charging)	15.00
Installation of energy efficient Walking Beam Type Furnace at ISP and BSL	20.88
Torpedo Ladle for Hot metal handling at ISP	6.95
Cast House Slag Granulation System at BSL	0.52
Total	136.65

(B) Technology absorption**i) Efforts made towards technology absorption**

Research and Development Centre for Iron & Steel is the Corporate R&D unit of SAIL. Over the years RDCIS has earned credentials of being an R&D Centre of international repute in the field of ferrous metallurgy. The major thrust of RDCIS is to plan, demonstrate and implement multi-disciplinary R&D programmes in SAIL plants to improve their key performance indices related to quality, productivity and yield. RDCIS works with steel plants and Central Marketing Organisation of SAIL to reduce product cost, develop value added market centric products and demonstrate the application of SAIL products amongst the customers. Specific areas in which R & D activities were carried out by the Company (2014-15)

a) Process Developments

Raw Materials

- Development of process flow-sheet based on laboratory experimentation for the quality enrichment of de-silted slime at Dalli Mines
- Improvement in logistics & operational efficiency using Smart Camera vision technology over fibre optic network at RMHP, BSL
- Automation of Stacker cum Reclaimer (SCR) in RMHP, DSP

Coke Making

- Usage of Magnetised Water to improve the bulk density of coal blend, RSP

Agglomeration

- Improvement in productivity and quality of sinter through preheating of sinter mix at SP#2, DSP
- Performance improvement by innovative sinter mix charging system in Sinter Machines #2 & 3, BSL
- Process development for addition of hydrated lime solution in sinter-mix in Primary Mixing Drum at Sinter Plant, BSL
- Development of integrated process automation system for Machine #2, Sinter Plant, BSL

Blast Furnaces

- Improvement in performance of BF #5, BSL
- Assessment of high temperature properties of iron bearing materials for bigger blast furnaces, RSP
- Implementation of wireless signal transmission for remote control of mud gun and drill machine to improve productivity of BF-4, RSP

Steel Making

- Development of BOF Model for SMS-II, RSP
- Improvement in secondary cooling of bloom caster, DSP
- Development of superior refractories for augmenting campaign life of steel ladle lining, BSL

Rolling Mills

- Evaluation of critical parameters for rail as per IRS T-12-2009 specification, BSP
- Control System for Billet Feeding and Mill Setting Mechanism for Roughing and Intermediate Groups at WRM, BSP
- Automatic control of emulsion system in stand # 5 of Tandem Mill# 2, CRM, BSL
- Development of advanced cut to length control system for galvanized corrugated sheets at CRM, BSL

Energy Conservation and Environment

- Adoption of energy efficient combustion control system and auto-change over system for BF#4 stoves, RSP
- Upgradation of tundish heating burners in CCM-2, RSP
- Introduction of mixed gas firing system in post ignition chamber in Sinter Plant-2, DSP
- Implementation of Sodium Hypochlorite dosing system in BOD plant, DSP
- Exploring use of air cooled slag in construction of rigid concrete pavement

b) Laboratory based work

- Influence of microstructure and mechanical properties on wear properties of Austempered Ductile Iron
- Computerization of Store functions and On-line Indenting system
- Up-gradation of Experimental Rolling Mill
- Characterisation of microstructure and mechanical properties of as rolled high toughness corrosion resistant rail

c) Product Development & Application

RDCIS, through continuous technological inputs, has been helping the Company in producing value added steel products at a competitive price. Several new products, particularly special steels, having superior product quality attributes have been developed and commercialized by RDCIS for meeting stringent application requirement of various market segments. Principle of cost effective alloy design and optimization of process parameters were the prime consideration for development of the new market oriented products. During the year 2014-15, the following products have been developed:

- DMR 292 A grade plates through CC route at RSP for Defence
- IS 1786 Fe 500D grade TMT wire rods (10 mm) at ISP for Construction
- IS 1786 Fe 500S grade TMT rebars (25 mm) at DSP for Construction
- IS 15962 E 350S grade HR Plates at RSP for Construction
- IS 15962 E 250S grade Structurals (Angles) at BSP for Construction
- ASTM A387 Gr. 22 Cl. 2 Plates at ASP- BSP for Boilers and Pressure Vessels for elevated temperature applications
- Thicker ASTM A387 Gr. 12 Cl. 2 Plates (50 mm) for Boilers & Pressure Vessels, at BSP
- ASTM A 131 FH 36 grade HR Coil at BSL for Container
- JIS 3101 S5540 grade Blooms at DSP for Construction
- IS 1786 Fe 500S grade TMT Rebars (32 mm) at BSP for Construction
- IS 15962 E 350S grade HR Coils at RSP for Construction
- IS 1786 Fe 500S grade TMT Rebars (20 mm) at DSP for Construction
- JISG 3136 SN 490B grade Plates at BSP for Construction
- IS 15962 E 250 S grade HR Coils at BSL for Construction
- Special Quality Slabs (RPMAP 1B & 1C) at RSP for Construction
- IS 1786 Fe 550D grade TMT Rebars (36 mm) at BSP for Construction
- ASTM A572 Gr. 50 Al Killed Blooms at DSP for Transmission Line Tower
- API 5L X56 PSL1 grade HR Coils at BSL for Line Pipes
- MC 45 grade Plates at BSP for Chain Links
- SAILFORMING 410 grade HR Coils at BSL for Auto (Axle Beams)
- ASTM A 36 (Dual Certification with IS 5986 Fe 410) at BSL for High Mast Poles
- Armour Plates for Bullet Proof Application at RSP for Defence
- IS 1786 Fe 500S grade TMT Rebars (16 mm) at DSP for Construction

d) R&D Master Plan

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

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(ii) Benefits derived from key projects in 2014-15:

• Process Area

Project Title	Benefits derived
Improvement in productivity and quality of sinter through preheating of sinter mix and oxygen enrichment in ignition hood at SP#2, DSP	- Sinter mix temperature increased from 25°C to 55°C. - Improvement in productivity from 1.26 t/m²/hr to 1.30t/m²/hr.
Process development for addition of hydrated lime solution in sinter- mix at Primary Mixing Drum, Sinter Plant, BSL	Designed, developed and installed an industrial scale lime slaking and spraying unit in primary mixing drum #1. 7% increase in air filtration velocity through bed could be observed during the trial.
Performance improvement by innovative sinter mix charging systems in Sinter Machines #2 & 3, BSL	- Improvement in productivity for m/c 2 & 3 by 3% - Decrease in specific coke breeze consumption by 1.1 kg - Reduction in 5mm % in sinter by 9%
Improvement in performance of BF #5, BSL	Various optimization measures have resulted in improving the production level to about 3000-3100 t/day in BF #5 with an efficiency of gas utilization of about 43-44%, with coke rate of 495-500 kg/thm.
Development of superior refractories for augmenting campaign life of steel ladle lining, SMS-II, BSL	Ladle Lining life of more than 100 heats (highest 121 heats) has been achieved with only one intermediate repair with in-house SRU bricks.
Introduction of mixed gas firing system in post ignition chamber in SP #2, DSP	Mixed gas firing system and steam preheating system have been implemented. This has resulted in improvement in productivity from 1.26 t/m ² /hr to 1.30 t/m ² /hr.
Introduction of modified ladle heating system in SMS-II, BSP	With installation of new design of ladle heating system, ladle preheat temperature of 1200°C was achieved in 10-11 hrs.
Improvement in logistics and operational efficiency using smart camera vision technology over fibre optic and wireless network at RMHP, BSL	The new camera vision technology has improved plant productivity by minimizing operational delay and reducing belt stoppage of sinter plant and blast furnace.
Detection of incipient fault of electrical machines using signature analysis, BSP	With use of signature analysis, a number of motors could be saved from getting damaged for rotor as well as stator problem. This helps to maintain efficiency and saves power loss etc for motors.
Adoption of energy efficient combustion control system and auto change over system for stoves of BF #4	With adoption of VFD controlled drives for all 3 stoves of BF#4, an average energy saving of 2600 kW-hr per day has been achieved.
Control system for billet feeding system and mill setting mechanism for Roughing and Intermediate groups at WRM, BSP	Introduction of PLC network based system alongwith accurate measurement and VFD drive based position control of distribution table has resulted in reduction of mill controllable delay by more than 10%
Development of an integrated process automation system for Machine #2, Sinter Plant, BSL	With the introduction of new process automation system, machine stoppages due to electrical and instrumentation faults for machine #2 have reduced by 35.6%.
Implementation of wireless signal transmission for remote control of mud gun and drill machine to improve productivity of BF #4, RSP	The implemented system ensures higher level of safety for operating personnel.
Automation of Stacker cum Reclaimer (SCR) in RMHP, DSP	A wireless system with remote diagnostic features has been commissioned in all 4 SCR machines at RMHP. Machine downtime for cable failure has been totally eliminated and machine availability has increased.
Automatic control of emulsion system in stand #5 of Tandem Mill# 2, CRM, BSL	Automatic control has reduced emulsion leakage and also idle running of pumps, which has led to savings of electrical energy and improvement of life of pumps and motors.
Studies on weathering of coking coals during storage before use in BF coke making and development methodology for its reduction	The study was carried out with an aim to identify major factors that facilitate weathering and ways to reduce weathering during storage.

• Product Area

Project Title	Benefits derived
Development of DMR 292 A grade plates through CC route at RSP	Developed in association with DMRL, Hyderabad as an import substitution item. Process technology established through ASP-RSP route. Requirement was very high impact value i.e. 78J min. at -40°C. These plates will be used in the manufacture of submarines.

Earthquake resistant TMT rebars (IS 1786 Fe 500S) at DSP & BSP	In the recent amendment of IS 1786 in 2012, two new grades, namely Fe-415S and Fe-500S with UTS/YS ratio of 1.25 min has been introduced by BIS. SAIL took up the challenge to be the first producer in India for development of IS 1786 S grade in line with international specifications like ISO 6935-2, ASTM A706 etc. Production of 16, 20, 25 & 32 mm dia Fe 500S grade TMT rebars has been established.
ASTM A387 Gr. 22 Cl. 2 Plates at BSP	Plates of this grade will be used for welded boilers and pressure vessels for elevated temperature applications. These plates are supplied in normalised & tempered condition. Process technology for production of this steel (plate thickness: 16, 20 & 36 mm) has been developed through ASP -BSP route. This grade has been developed for M/s BHEL, Trichy.
ASTM A 131 FH 36 Grade HR Coil at BSL	This product was developed for manufacture of mud containers to be used on ships in sub-zero conditions. Product developed successfully and supplied to M/s DCM Hyundai Limited, Faridabad against their US customer's requirement.
JIS 3101 SS540 Grade Blooms	This product was developed for use in TLT segment. Supplied blooms were dispatched to M/s Karamtara, Nagpur & Tarapur respectively for further rolling to critical size angles. Properties achieved as per specification.
JISG 3136 SN 490B Grade Plates at BSP	Process technology established against export order received from Germany. Product will be used for earthquake resistant application where YS/UTS ratio of 0.80 max. Is the main requirement.
SAILFORMING 410 grade HR Coils at BSL	Product was developed for manufacture of Axle Beams through hot forming process. Specified mechanical properties have been achieved.
Armour Plates for Bullet Proof Application at RSP	This grade was developed for manufacture of bullet proof vehicles for protection against fire from AK-47 from a distance of 10 meter. Successfully produced and supplied to Vehicle Factory, Jabalpur as an import substitution item.
MC 45 grade Plates at BSP	Process technology established. Heats made & processed into 12, 14 & 16 mm thick plates. Properties achieved as per specification after heat treatment at customer's end.
ASTM A 36 (Dual Certification with IS 5986 Fe 410) at BSL	Process technology developed & Specified mechanical properties achieved as per customer's specification. Requirement is critical forming application for manufacture of high mast poles.

Other Technology Absorption, Adaptation & Innovation measures

Technology development, absorption, adaptation and further improvement are continuously taking place in SAIL in different areas of Steel Plant operation through a definitive technology strategy. A number of new technologies are installed/ being installed as a part of modernisation/ continuous improvement. These area-wise include:

Sl. No.	Description	Year	Status
COKE MAKING			
1.	New 7 m tall environment friendly Coke Oven Battery No.6 of RSP along with CDCP and byproduct	2013	Commissioned
2.	Rebuilding of environment friendly Coke Oven Battery No.3 at DSP	2015	Likely to be Commissioned
3.	Rebuilding of environment friendly Coke Oven Battery No. 2 at DSP	2013	Commissioned
4.	Rebuilding of environment friendly Coke Oven Battery No. 5 at DSP	2015	Likely to be commissioned
5.	New 7 m tall environment friendly Coke Oven Battery No.11 of ISP along with CDCP and byproduct	2013	Commissioned
6.	New 7 m tall environment friendly Coke Oven Battery No.9 at BSP	2015	likely to be Commissioned
7.	New 7 m tall environment friendly Coke Oven Battery No.11 of BSP along with CDCP and byproduct	2014	Commissioned
SINTER MAKING/AGGLOMERATION			
1.	High intensity mixer & granulator at RSP	2014	Commissioned
2.	High intensity mixer & granulator at BSP	2014	Commissioned
3.	System for recovery of sensible heat from sinter for increased energy efficiency in ignition furnace at the new Sinter Plant, BSP	2014	Commissioned
4.	System for recovery of sensible heat from sinter for increased energy efficiency in ignition furnace at the new Sinter Plant, RSP	2014	Commissioned
5.	System for recovery of sensible heat from sinter for increased energy efficiency in ignition furnace at the new Sinter Plant, ISP	2014	Commissioned
IRON MAKING			
1.	Blast Furnace (BF) with modern facilities such as :- • Conveyor charging system		

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	• Closed Loop Cooling System with soft water as an efficient cooling system • Modern refractory design • Flat Cast House design with ramp for use of mobile equipment for maintenance etc		
i)	4060m ³ BF at ISP	2014	Commissioned
ii)	4060m ³ BF at RSP	2013	Commissioned
iii)	4060m ³ BF at BSP	2015	Likely to be commissioned
2.	Coal Dust Injection (CDI) Plant for reducing Coke rate and cost of production of hot metal		
i)	CDI Plant in BF#4, RSP	2014	Commissioned
ii)	Grinding and Drying plant at BF#7, BSP	2013	Commissioned
3.	Gas Cleaning Plant (GCP) for improvement in quality of BF gas		
i)	GCP in BF#5, ISP	2014	Commissioned
ii)	GCP in BF#5, RSP	2013	Commissioned
iii)	GCP in BF#5, BSP	2015	Likely to be commissioned
iv)	GCP in BF#3, DSP	2014	Commissioned
4.	INBA Cast House Slag Granulation Technology at BSL		
i)	BF#2, Cast House 3	2013	Commissioned
ii)	BF#3, Cast House 6	2012	Commissioned
iii)	BF#2, Cast House 4	2015	Likely to be commissioned
iv)	BF#3, Cast House 5	2015	Likely to be commissioned
5.	High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200°C		
i)	Stoves System in BF#5 ISP	2014	Commissioned
ii)	Stoves System in BF#5 RSP	2013	Commissioned
iii)	Stoves System in BF#5 BSP	2015	Likely to be commissioned
6.	Top Recovery Turbine in Blast Furnaces for generation of power		
i)	Installation in BF#5 ISP	2014	Commissioned
ii)	Installation in BF#5 RSP	2013	Commissioned
iii)	Installation in BF#5 BSP	2015	Likely to be commissioned
STEEL MAKING			
1.	New Hot metal De-Sulphurisation at RSP	2013	Commissioned
2.	New Hot metal De-Sulphurisation at ISP	2014	Commissioned
3.	Introduction of combined blowing technology at SMS-II, RSP	2014	Commissioned
4.	Introduction of combined blowing technology at SMS, ISP	2014	Commissioned
5.	New state of art steel melting at SMS-II of RSP and SMS of ISP	2014	Commissioned
6.	New state of the art casting facilities at SMS of RSP, ISP and DSP	2014	Commissioned
7.	Introduction of RH degassing unit at SMS-II of RSP and SMS of ISP	2015	Likely to be commissioned
ROLLING & FINISHING			
1	Hot charging of blooms/ billets in new Bar Mill (BM), Wire Rod Mill (WRM) and Universal Section Mill (USM) of ISP to reduce specific fuel consumption	2014 (WRM & BM, ISP) 2015 (USM, ISP)	Commissioned Likely to be commissioned
2	Walking-beam (WB) type re-heating furnaces in new Rolling Mills	2014 (new Plate Mill, RSP), (WRM/BM,ISP) 2015 (Universal Rail Mill (URM) and Bar & Rod Mill (BRM), BSP), (Medium Structural Mill(MSM), DSP), (USM, ISP)	Commissioned Likely to be commissioned
3	High pressure de-scaling of slabs/ blooms/ billets in new Rolling Mills of BSP, DSP & ISP to eliminate rolled-in scale	2014 (new Plate Mill, RSP), (WRM/BM, ISP) 2015 (URM and BRM, BSP), (MSM, DSP), (USM, ISP)	Commissioned Likely to be commissioned
4	Endless welding of billets (first time being acquired in India) in new Bar Mill of ISP, to improve yield, productivity, minimize front-end cobbles, minimize generation of assorted lengths and to reduce cyclic loading of drive motors	2015	Likely to be commissioned
5	Universal stands in new Universal Rail Mill of BSP, new Medium Structural Mill of DSP & Universal Section Mill of ISP with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc	2015 (URM, BSP), (MSM, DSP), (USM, ISP)	Likely to be commissioned

6	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds of new Bar & Rod Mill of BSP and new Bar Mill of ISP to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars	2014 (BM, ISP)	Commissioned
		2015 (BRM, BSP)	Likely to be commissioned
7	Reducing & sizing mills in new Bar & Rod Mill of BSP and new Wire Rod Mill of ISP to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods	2014 (WRM, ISP)	Commissioned
		2015 (BRM, BSP)	Likely to be commissioned
8	On-line profile gauges in new Rolling Mills of BSP, DSP & ISP for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions	2014 (WRM & BM, ISP)	Commissioned
		2015 (MSM, DSP), (BRM, BSP)	Likely to be commissioned
9	Crop-ends optimization, automatic width control, heat shield on delay table, hydraulic automatic gauge control (HAGC), wedge/ camber control in roughing stand in existing Hot Strip Mill of BSL	2015 (Hot Strip Mill, BSL)	Likely to be commissioned
10	Accelerated cooling system, in new Plate Mill of RSP	2014 (new Plate Mill, RSP)	Commissioned
11	Laser edge marking with bar coding facility & automatic length measurement system in existing Plate Mill of BSP	2014 (Plate Mill, BSP)	Installed (PAC issued, Commissioning certificate to be issued)
12	Coupled picking line & tandem mill, shaped roll crown control, roll shifting, work-roll thermal crown control, hydrogen batch annealing with capability for dual phase steel, galv-annealing facilities, future provision of colour coating line, etc. in new Cold Rolling Mill-III of BSL	2015 (Cold Rolling Mill-III, BSL)	Likely to be commissioned

These technologies have been adopted /being adopted and will be gradually absorbed by the Plants.

iv)	Expenditure on Research & Development	(₹ crore)
	(a) Capital	: 32.14
	(b) Recurring	: 232.06
	Total	: 264.20
	Total R&D Expenditure as a % of Total Turnover	: 0.52
C.	Foreign Exchange Earnings and Outgo	(₹ crore)
i)	Foreign Exchange earned from Exports and other activities	: 1567.71
ii)	Foreign Exchange used:	
a)	CIF Value of imports	: 13062.45
b)	Other expenditure in foreign currency	: 521.62

Annual Report on CSR Activities 2014-15

1. A brief outline of the CSR Policy, including overview of Projects proposed to be undertaken and a reference to the web link to the CSR Policy and Projects.

1(A) Brief Outline (Objectives) of SAIL CSR Policy :

- Create value for the stakeholders & society that are fundamentally linked to SAIL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill from those living along the periphery towards the Company by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged.
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future to meet its needs.
- Support local populace by building the image of SAIL as patron of diverse pastoral sports, art & cultures.
- To operate in a socially, environmentally and economically responsible manner, so as to succeed by seeking social license.

1(B) Overview of SAIL CSR Projects/ Activities:

All the CSR activities/projects fall in line with the Schedule VII of the Companies Act, 2013 focussing on issues which are of foremost concern in the national development agenda encompassing SAIL's thrust areas, such as :

- Promoting preventive health care, sanitation and access to drinking water;
- Promotion of education, employment/livelihood enhancing vocation skills
- Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups;
- Ensuring environmental sustainability, animal welfare and agro-forestry
- Protection of national heritage, art and culture
- Training to promote rural sports
- Rural development

1(C) Web-link for SAIL CSR Policy and Projects : www.sail.co.in

2. Composition of the CSR Committee:

A Board Level Committee on Corporate Social Responsibility comprising Independent and Functional Directors is in place. The members of the CSR Committee as on date are :

Sl.No	Name	Designation
1	Dr. Atmanand	Independent Director & Chairman of the Committee
2	Shri Anil Kumar Chaudhary	Director (Finance) with additional charge of Director(Personnel)
3	Shri S.S. Mohanty	Director (Technical)

- Average Net Profit for last three FYs : Rs.3872 Crores (FY: 2011-12, 2012-13 & 2013-14)
- Prescribed CSR Expenditure : Rs.78 Crores (2% of amount as in item 3 above)
- Details of CSR spent during FY2014-15 :
 - Total amount to be spent : Rs. 78.00 Crores
 - Amount unspent, if any : Rs. 42.96 Crores
 - Manner in which the amount spent : Rs. 35.04 Crores
- In case if the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Directors' Report to disclose reasons for such non-compliance.

Financial Year 2014-15 was the first year of new Corporate Social Responsibility Policy after implementation of Companies Act, 2013 and Companies (CSR Policy) Rules, 2014. Therefore, considerable time was spent in deliberations and formulation of CSR Policy and Projects/ Activities. The CSR Policy of SAIL, which was applicable from 1st April, 2014, was finalised by September, 2014 in line with the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014.

Expenditure towards majority of Ongoing Schemes was incurred as planned within the Financial Year. However, for Schemes and Projects like Swachh Bharat Abhiyan and other Mission Projects, etc. that were conceptualized in latter part of year and having gestation period beyond the Financial Year 2014-15, expenditure is being incurred in terms of the respective milestones. Further, budget towards Disaster Relief & additional requirement remained unutilized as there was no such requirement.

- A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

During 2014-15, SAIL mainly focused on upliftment of the backward and rural populace with its development oriented CSR Projects in the areas of Healthcare, Drinking Water, Sanitation, Education, Livelihood Generation, Empowerment of Women, care for Senior Citizens and Differently-abled Persons, Promotion of Sports, Art & Culture, Environment Sustainability, Agro-forestry, Infrastructure & Rural Development, etc. in accordance with provisions specified in Schedule-VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

The major CSR interventions undertaken by SAIL during 2014-15 have been elaborated in the prescribed format.

Sd/-
(Anil Kumar Chaudhary
Director (Finance) with addl. charge
of Director(Personnel), SAIL

Sd/-
(Dr. Atmanand)
Chairman, CSR Committee, SAIL

SAIL CSR Projects/Activities undertaken during 2014-15 (Annexure-A)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects (State & District where projects was undertaken)	Amount outlay (budget) projects wise	Amount spent on the projects: Direct expenditure or Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing
1	2	3	4	5	6	7	8
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Cl.(i) Healthcare & Drinking Water & Sanitation	Local Areas of Bhilai, Durgapur, Rourkela, Bokaro,	32.72	11.03	11.03	Direct and through Implementing Agencies, viz. Deepika Mahila Sanghati, The Akshya Patra Fdn, KISS, BBSR, Ispat Mahila Samaj, Ramakrishna Mission, Rourkela Trust for Education, Sovaniya Sikhsya shram, State govt. Authorities, Shamyita Math, Sulabh Sanitation, CEE, Mithila Desam, Centre for Environment of Degraded Eco-system (CEMDE), University of Delhi, Forest Department, Chandrapur, Mahila Samity & Rotary Club, Jharcraft, Jharkhand, Barasana Eye Care, UP, BIKK, Chhatisgarh, etc.
2	Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	Cl.(ii) Education & Livelihood Generation	Burnpur, Salem, Bhadravati, Dhanbad, Kolkata, Ranchi, Chandrapur. Villages of districts:	21.05	10.83	10.83	
3	Promotion of gender equality and empowering women, setting up homes and hostel for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Cl.(iii) Women Empowerment & Care for Sr. Citizens & PwDs	Durg, Kanker, Balod, Narayanpura, Sundargarh, Saharpara, Katni, Gwalior, Bilaspur, Madhya Pradesh, Kiriburu, Gua,	2.39	2.96	2.96	
4	Protection of heritage, art, culture & Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture	Bolani, Kalta, Barsua, Purnapani, Kuteshwar,	2.34	2.34	2.34	
5	Ensuring environmental sustainability, flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Cl.(iv) Environment sustainability	Meghahathaburu, Keonjhar, Manoharpur, Shillya, Khandra, Bardhaman,	6.95	4.79	4.79	
6	Rural development projects	Cl.(x) Infrastructure & Rural Dev	Purokunda, Burdwan, Kuldiha, Balod, Kanker, Pratappur,	4.65	2.05	2.05	
7	Capacity Building	CSR Rules, 2014 Cl.4(6)	Burnpur, Kolkata, West Bengal, West Singhum, Champadanga, Jemua, Bankura, Gopalmath, Farshdanga, Chuya-Nonagara, Malandighi, West Singhbhum, Garwa, Amethi, Barsana, Mathura, Ghazipur, UP, etc.	0.34	1.04	1.04	
8	Provisions for Disaster Relief & Additional allocation for CSR projects as per Schedule-VII	General Circular No. 21/2014 dt.18/8/14 Annexure Pt.7 of Para (i)		7.56	0.00	0.00	
Total				78.00	35.04	35.04	

PRINCIPAL EXECUTIVES AS ON 01.08.2015

CORPORATE OFFICE	STEEL PLANTS / UNITS	
NEW DELHI Secretary to the Govt. of India Ministry of Steel, and CMD (Addl. Charge), SAIL Rakesh Singh Directors <i>Finance & Addl. Charge of Personnel</i> Anil Kumar Chaudhary <i>Technical & Addl. Charge of Projects & Bus. Planning</i> S. S. Mohanty <i>Commercial</i> Binod Kumar <i>Raw Materials & Logistics</i> Kalyan Maity Executive Directors <i>Vigilance</i> D. Bartaria <i>Power, Elec. & SAILCON</i> Tejveer Singh <i>Coal Import Group</i> Ms. Arti Luniya <i>Personnel & Administration</i> Shitanshu Prasad CMMG S. K. Garg <i>Law & PLO</i> Jagmohan Sharma <i>Finance & Accounts</i> O. P. Arora <i>M&HS</i> Dr. S. K. Gupta – Dir. <i>Logistic & Infra.</i> D. K. Sama <i>General Manager</i> <i>Chairman's Sectt.</i> B. Moharana Chief of Corporate Affairs R. K. Singhal Company Secretary M. C. Jain Safety Executive Director B. B. Mishra Growth Division Executive Director (Addl. Charge) R. N. Das, ED I/c (Projects), ISP Management Training Institute Executive Director (HRD) M. R. Panda	STEEL PLANTS/UNITS Bhilai Steel Plant <i>Chief Executive Officer</i> S. Chandrasekaran <i>Executive Directors</i> <i>Personnel & Administration</i> L. T. Sherpa <i>Works</i> Y. K. Degan <i>Projects</i> S. B. Jagdale I/c <i>Mines</i> P. K. Sinha S. K. Saha <i>Finance & Accounts</i> N. K. Kapila Durgapur Steel Plant <i>Chief Executive Officer</i> P. K. Singh <i>Executive Directors</i> <i>Finance & Accounts</i> R. K. Sarda <i>Works</i> S. K. Mishra Rourkela Steel Plant <i>Chief Executive Officer</i> G. S. Prasad <i>Executive Directors</i> <i>Works</i> Ashwini Kumar <i>Materials Management</i> Umesh Kumar <i>Projects</i> Shishir Kr. Acharya M. K. Das <i>M&HS</i> Dr. A. K. Singh – Dir I/c Bokaro Steel Plant <i>Chief Executive Officer</i> A. Maitra <i>Executive Directors</i> <i>Personnel & Administration</i> Atul Srivastava <i>Finance & Accounts</i> A. Kumar <i>Works</i> A. Bandyopadhyay <i>Materials Management</i> S. Dasgupta <i>M&HS</i> Dr. M. Anant Kekre – Dir. I/c <i>BPSCL</i> R. Bhargava	IISCO Steel Plant P.K. Singh, CEO, DSP holding addl. Charge of CEO, ISP <i>Executive Directors</i> <i>Works</i> R. K. Rath <i>Personnel & Administration</i> Dr. N. Mohapatra <i>Finance & Accounts</i> Sudhir Kumar <i>Projects</i> R. N. Das I/c A. K. Rath <i>Materials Management</i> H. Bhattacharjee Alloy Steels Plant <i>Executive Director</i> S. Das Salem Steel Plant <i>Executive Director</i> Raman Visvesvaraya Iron & Steel Plant <i>Executive Director</i> M. Ravi UNITS <i>Research & Development Centre for Iron & Steel</i> <i>Executive Director</i> Dr. B. K. Jha Raw Materials Division <i>Executive Director</i> <i>Resource Plng. & Env.</i> Alok Shrivastava <i>Personnel & Administration</i> R. K. Sharma, holding addl. Charge of CMO, P&A <i>Projects</i> K. K. Jain Centre for Engineering & Technology <i>Executive Director</i> Neeraj Mathur Central Marketing Organisation <i>Executive Directors</i> <i>Finance & Accounts</i> Amitava Sarkar <i>Marketing – Long Product</i> S. R. Rai <i>Marketing – Flat Product</i> P. K. Mishra <i>Marketing – Commercial</i> Alok Sahay <i>Marketing – ITD</i> T. K. Sahu Transport & Shipping <i>Executive Director</i> P. Raychaudhary SAIL Refractory Unit <i>Executive Director</i> S. Kaul Chandrapur Ferro Alloy Plant. <i>Executive Director</i> P. S. Bhadauria Collieries <i>Executive Director</i> U. K. De

STEEL AUTHORITY OF INDIA LIMITED

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003
CIN: L27109DL1973GOI006454

NOTICE

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Thursday, the 24th September, 2015 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2015, together with Reports of the Board of Directors and Auditors' thereon.
 - (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the Report of the Auditors thereon.
2. To appoint a director in place of Shri Anil Kumar Chaudhary (DIN: 03256818), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
3. To appoint a director in place of Shri Kalyan Maity (DIN: 06530613), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
4. To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2015-16.
5. To declare Final Dividend for the Financial Year 2014-15 @ 2.5% of the Paid-up Equity Share Capital, in addition to Interim Dividend @ 17.5% already paid during the year.

SPECIAL BUSINESS

6. To obtain consent for Borrowings and creation of charge on the assets of the Company:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to make Offer(s) or Invitation(s) to raise funds through Private Placement of Secured Non-convertible Debentures/Bonds of up to Rs. 5,000 crore, during a period of one year from the date of this AGM, in one or more tranches to such person or persons, including eligible investors (whether residents and/or non-residents and/or institutions/corporate bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets), Non-resident Indians, Foreign Institutional Investors(FII), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Developments Corporations, Insurance Companies, Provident Funds,

Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public, or other entities, authorities and such other persons, who may or may not be the bond/debenture holders of the Company, in one or more combinations thereof, including the green-shoe option (within overall limit of Rs. 5,000 crore, as stated above), as the Board may, at its sole discretion decide on such terms and conditions as may be finalized by the Board or any Committee thereof as may be approved and authorized by the Board or such other functionary of the Company as may be approved by the Board/ or such Committee."

"RESOLVED FURTHER THAT consent of the Company be and is hereby accorded in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, to the Board of Directors of the Company (the "Board") or any Committee thereof, to create charge, hypothecation, mortgage, pledge in addition to existing charges, mortgages and hypothecations created by the Company on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or the undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporates, trustees for the holders of Debentures/Bonds/ Other Instruments/Securities or any other persons on such terms and conditions and covenants as the Board or any Committee thereof may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of Term Loans, External Commercial Borrowings, issue of Debentures/Bonds, etc. not exceeding the limit prescribed under Section 180(1)(c) of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to authorize the Committee of the Board to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking, etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

"RESOLVED FURTHER THAT the Board of Directors of the Company and /or a Committee thereof as may be approved and authorized by the Board, if any, be and are hereby authorized to do all necessary acts, deeds, actions, and other things and to take all such steps as may be required or considered necessary or incidental thereto for giving effect to this resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

7. To ratify the remuneration of the Cost Auditors of the Company.

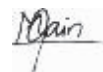
To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.9,75,000/- plus service tax as applicable and reimbursement of Daily Allowance, travelling expenses and out of pocket expenses to be paid to the Cost Auditors viz. M/s R.J. Goel & Co., New Delhi(for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s Shome & Banerjee, Kolkata(for Bokaro Steel Plant and Rourkela Steel Plant), M/s Sanjay Gupta & Associates, New Delhi(for Alloy Steels Plant,

Salem Steel Plant and Visvesvaraya Iron and Steel Plant) for the Financial Year 2015-16, as approved by the Board of Directors, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors



(M.C. Jain)
Company Secretary

Place: New Delhi
Dated: 14th August, 2015
Registered Office:
Ispat Bhawan, Lodi Road, New Delhi-110003.
CIN: L27109DL1973GOI006454

Notes:

1. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business Item Nos.6 and 7 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED AT THE END OF ANNUAL REPORT.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Only members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.
4. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be supplied.
5. The Register of Members of the Company will remain **closed from 13th August, 2015 to 31st August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.**
6. M/s. MCS Share Transfer Agents Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the company's entire share related activities viz. Transfer/ transmission/ transposition/ dematerialisation/ rematerialisation/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfer and allied activities with this agency only at the following address:

M/s. MCS Share Transfer Agents Limited,
F-65, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020
Phone No.011-41406149 e-mail: admin@mcsdel.com
7. **Dematerialisation**
 - i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. Though most of the shareholders have converted their holdings into demat form, it is seen that some shareholders still hold their shares in paper form (Physical). In this connection shareholders are advised in their own interest, to open a demat account with any depository participant authorized by either National Securities Depository Ltd. or Central Depository Services Ltd and dematerialize their shares.
 - ii) Members holding shares in the physical form should notify change in their addresses, if any, to the R&TA specifying full

address in block letters with **PIN CODE** of their post offices, which is mandatory. Members holding shares in the Electronic Form (Demat), should inform the change of address to their Depository Participant.

iii) ECS MANDATE

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Clearing Services (ECS) for any future payouts from the Company. Under the ECS, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority (RBI or SBI). The clearing authority provides credit reports to the payee's Bank, who credits the amount to their respective accounts. It becomes inevitable that the shareholders opting for ECS should provide details of their Bank Name, A/c no., A/c Type, Branch name, 9 digit MICR no. along with their Name and Folio Number (DP-ID/Client ID) to the Company if their holding is in Physical form and to the Depository participant, if their holding is in demat form.

8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Shares Department/R&TA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
9. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till financial year 2007-08 (Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2007-2008	---	18.00
2008-2009	13.00	13.00
2009-2010	16.00	17.00
2010-2011	12.00	12.00
2011-2012	12.00	8.00
2012-2013	16.00	4.00
2013-2014	20.20	-
2014-2015	17.50	2.50 (proposed)

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

10. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
11. **Green Initiative in Corporate Governance of Ministry of Corporate Affairs**

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars issued by the Ministry of Corporate Affairs, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Directors' Report, Auditors Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

Members are requested to opt for receipt of the above notices/documents through electronic mode. They are requested to register their e-mail ID for this purpose with their respective depository participant or with the Company's Registrar and

Transfer Agent i.e. M/s. MCS Share Transfer Agents Limited at the address given above or e-mail at gogreensail@mcsdel.com. Please note that these documents will also be available on the Company's website www.sail.co.in and physical copies of the same will also be available at the registered office as mentioned herein above for inspection during office hours.

12. Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance Slip.

13. No Brief case or Bag or mobile phone will be allowed to be taken inside the auditorium.

14. E-Voting

Information and other instructions relating to e-voting are as under:

- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Clause 35 of the Listing Agreement, the Company is providing to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).
- (ii) The facility for voting through ballot paper voting system shall also be made available at the venue of the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper voting system.
- (iii) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of M/s Central Depositories Services Limited (CDSL) as the Agency to provide remote e-voting facility.
- (v) The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm- M/s. Agarwal S. & Associates as Scrutinizer to scrutinize the remote e-voting and voting at the meeting through ballot paper in a fair and transparent manner and has communicated his willingness to be appointed and will be available for same purpose.
- (vi) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 18th September, 2015 only shall be entitled to avail the facility of remote e-voting or voting at the venue of the Meeting through ballot paper.
- (vii) A person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 18th September, 2015, can follow the process for generating the Login ID and Password as provided in the Notice of the AGM.
- (viii) The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: from 9.00 AM (IST) on 21st September, 2015. End of remote e-voting: Up to 5.00 PM (IST) on 23rd September, 2015.
- (ix) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s CDSL upon expiry of the above period.

(x) Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.

(xi) The scrutinizer, after scrutinizing the votes cast at the meeting (ballot paper) and through remote e-voting, will, not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith the consolidated scrutinizer's report shall be placed on the website of the Company- www.sail.co.in and on the website of M/s MCS Share Transfer Agents Limited www.mcsdel.com. The results shall simultaneously be communicated to the Stock Exchanges.

(xii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 24th September, 2015.

(xiii) Information and other instructions relating to remote e-voting are as under:

- (i) The voting period begins on Monday, 21st September, 2015 at 9.00 AM (IST) and ends on Wednesday, 23rd September, 2015 at 5.00PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 18th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in capital letters followed by number of Equity Share(s) of the Company held by them as on the cut-off date. In case the number of Equity
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	Share(s) held are less than eight digits, enter the applicable number of "0" after the first two letters of name and before the number of Equity Shares held as on the cut-off date. For example: If your name is RAMESH KUMAR and number of Equity Shares held as on cut-off date are 250, then enter RA00000250 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for STEEL AUTHORITY OF INDIA LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If

you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 18th September, 2015 may follow the same instructions as mentioned above for e-Voting.
- (ii) **In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Wenceslaus Furtado, Deputy Manager, Central Depository Services (India) Limited, 16th Floor, P. J. Towers, Dalal Street, Fort, Mumbai-400001 on toll free number 1800 200 5533.**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No.6

As informed in the previous year, your Company has taken up a massive Modernisation & Expansion programme of its Plants and also for augmentation of Raw Material supplies from its own mines. The expansion programme has been decided to be funded through a mix of debt and equity. The Company has already spent about Rs.58,821 crore on its expansion programme till 31.05.2015. A sum of Rs.7,500 crore is planned to be spent during the current Financial Year-2015-16. In order to part finance this expenditure, your Company plans to borrow about Rs. 5,000 crore during the next year.

On analysis of the various options of raising funds through borrowing in Domestic and International Market, it has been decided by the Board of Directors to raise the funds through private placement of Secured Non-convertible Debentures / Bonds to the extent of Rs. 5,000 crore during the year.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures/bonds. Accordingly, approval of Shareholders for the resolution as set out in Item No. 6 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 Rs. 5,000/- crore. This resolution would be valid for the period of one year from the date of this AGM. The terms of conditions of Secured Non-convertible Debentures / Bonds shall be decided by the Board of Directors / Committee thereof or any one or more Directors, as may be required.

The borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. It is proposed to seek consent of the members in terms of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create charge, hypothecation, mortgage, pledge on any movable, immovable properties of the Company both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company and wherever situated upto the limit prescribed under Section 180(1)(c) of the Act and to authorize the Board to take necessary action in this regard.

In view of the above, your Directors recommend to the members to pass a special resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 in order to enable the Board of Directors of the Company to create mortgage and / or charge for securing the borrowings of the Company, as and when necessary.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and / or Key Managerial Personnel or their relative(s) is / are concerned or interested in the resolution.

Item No.7:

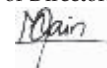
The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 14th August, 2015 has considered and approved the appointment of M/s R.J. Goel & Co., New Delhi (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s Shome & Banerjee, Kolkata (for Bokaro Steel Plant and Rourkela Steel Plant), M/s Sanjay Gupta & Associates, New Delhi (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2015-16 at a remuneration of ₹ 9,75,000/- plus service tax as applicable and reimbursement of Daily Allowance, travelling expenses and out of pocket expenses. In addition, M/s. Sanjay Gupta & Associates have been designated as Lead Cost Auditor for XBRL conversion and filing of Consolidated Cost Audit Report of the Company at an additional fee of ₹35,000/- plus Service Tax, as applicable.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the resolution for ratification of the fee of the Cost Auditors as set out at item No. 7 of the Notice is submitted for approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors



(M.C. Jain)

Company Secretary

New Delhi

Dated: 14th August, 2015

Registered Office:

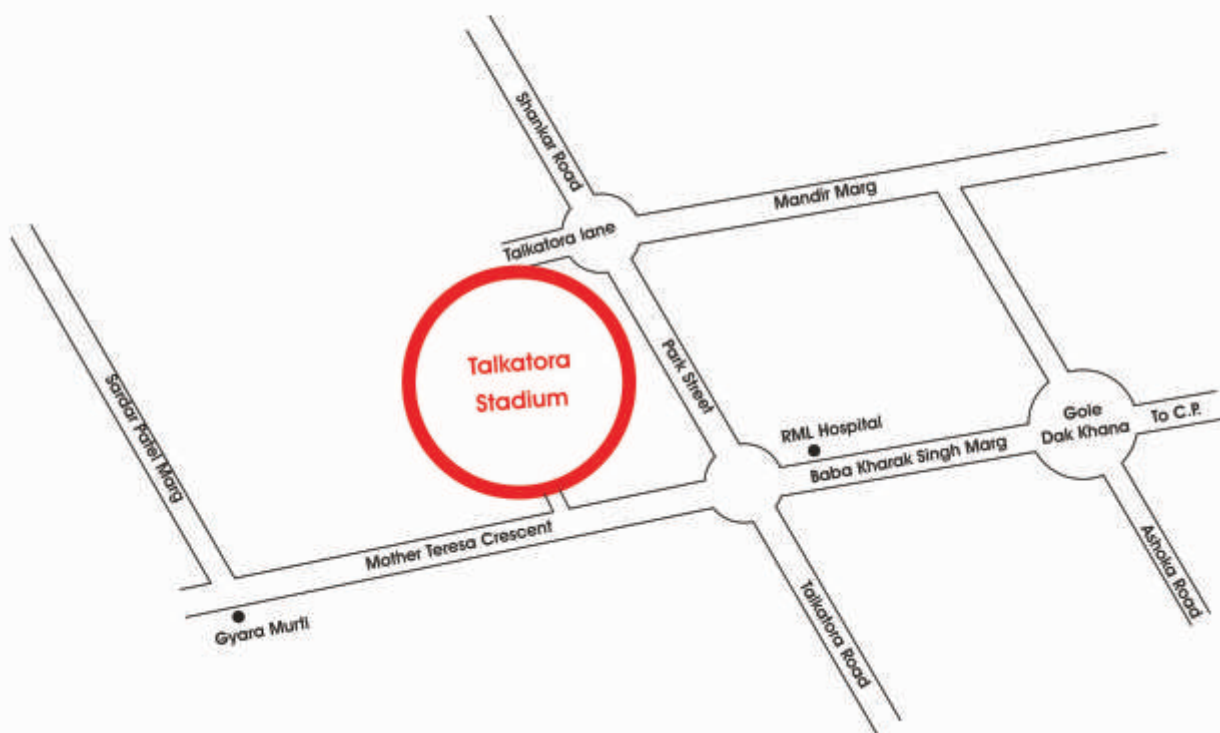
Ispat Bhawan, Lodi Road, New Delhi-110003

CIN: L27109DL1973GOI006454

Details of Directors seeking re-appointment in forthcoming Annual General Meeting furnished in terms of clause 49 of Listing Agreement:

Name of the Director	Shri Anil Kumar Chaudhary	Shri Kalyan Maity
Date of Birth	11-12-1960	13.02.1960
Date of Appointment	01.09.2011	01.03.2013
Expertise in Specific functional areas	Finance	Mining
Qualifications	B.COM(H), CMA, CS, L.L.B., PG Diploma in Personnel Management	BE (Hons.) in Mining
List of Companies in which outside Directorship is held.	Mjunction Services Ltd. – Director	–
Chairman/Member of the Committees of the Board of the Companies on which he is a Director.	SAIL - Stakeholders Relationship Committee - Member - CSR Committee – Member - SAIL Risk Management Committee – Member Mjunction Services Ltd - Nomination & Remuneration Committee - Member	

TALKATORA STADIUM - ROUTE MAP



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STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454

Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003

Tel: +91 11 24367481, Fax: +91 11 24367015, E-mail: investor.relation@sailco.in, Website: www.sail.co.in

ATTENDANCE SLIP

43rd Annual General Meeting to be held on Thursday, 24th September, 2015 at 10.30 hours

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DPID No./ Client ID No.	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 43rd Annual General Meeting of the Company to be held on Thursday, 24th September, 2015 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

*Applicable in case of Shares held in Physical Form

Member's/Proxy's Signature _____

NOTE:

- The attendance slip should be signed as per the specimen signature registered with the R&TA/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the R&TA counter(s) at the venue against which R&TA will provide admission card.
- Entry to the hall will be strictly on the basis of admission card as provided by R&TA.
- Members in person/Proxy holders may please carry photo-ID card for identification/verification purposes.
- Shareholder(s) present in person or through registered proxy shall only be entertained.
- Briefcase, mobile phone, bag, eatables, helmets and other belongings will not be allowed to be taken inside the venue of the meeting for security purposes and shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
- No gifts will be distributed at the Annual General Meeting

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454

Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003

Tel: +91 11 24367481, Fax: +91 11 24367015, E-mail: investor.relation@sailco.in, Website: www.sail.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered address	
Folio No./DPID-Client ID	
Email ID	

I/We, being the member(s) ofshares of the above named company, hereby appoint:

1.Name:Address:Signature: , or failing him

E-mail Id:Signature: , or failing him

2.Name:Address:Signature: , or failing him

E-mail Id:Signature: , or failing him

3.Name:Address:Signature: , or failing him

E-mail Id:Signature: , or failing him

as my/our proxy and to vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on 24th September, 2015 at 1030 hours and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No. Resolutions

Ordinary Business

- To receive, consider and adopt the (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2015 together with Reports of the Board of Directors and Auditors thereon. (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the Report of the Auditors thereon.
- To appoint a director in place of Shri Anil Kumar Chaudhary (DIN: 03256818), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
- To appoint a director in place of Shri Kalyan Maity (DIN:06530613), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
- To fix the remuneration of the Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2015-16.
- To declare Final Dividend for the Financial Year 2014-15 @ 2.5% of the Paid-up Equity Share Capital in addition to Interim Dividend @ 17.5% already paid during the year.

Special Business

- To obtain consent for Borrowings and creation of charge on the assets of the Company.
- To ratify Remuneration of Cost Auditors of the Company.

Signed thisday of2015

Signature of Member(s).....

Signature of proxy holder(s).....

NOTE:

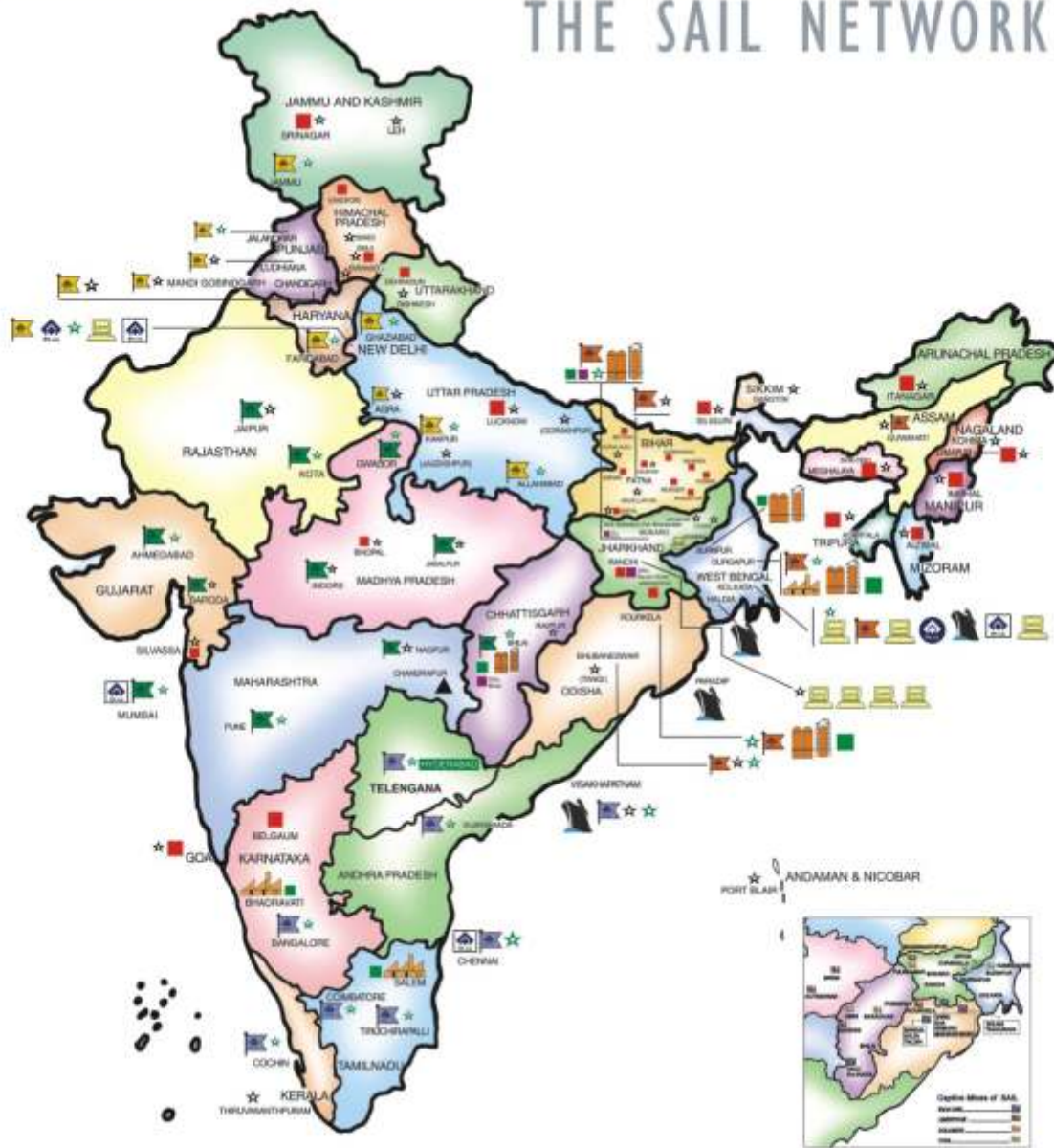
This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Ispat Bhawan, Lodi Road, New Delhi-110003 not less than 48 hours before the commencement of the Annual General Meeting.

Please
affix
₹ 1
Revenue
Stamp



A MAHARATNA COMPANY

THE SAIL NETWORK



CORPORATE OFFICE	UNIT	CONSIGNMENT AGENCY WAGON	BRANCH SALES OFFICE
INTEGRATED STEEL PLANTS	CMO HEAD QUARTERS	SALES RESIDENT MANAGER	1. NORTHERN REGION
ALLOY AND SPECIAL STEEL PLANTS	REGIONAL OFFICES	CUSTOMER CONTACT OFFICE	2. EASTERN REGION
FERRO ALLOY PLANT	DEPARTMENTAL WAREHOUSE	SAIL REFRACTORY UNIT (SRU)	3. WESTERN REGION
		TRANSPORT & SHIPPING OFFICE	4. SOUTHERN REGION

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

30th JULY, 2015



BOOK POST

"Permitted to post on prepayment of postage in cash at BPC, SJ Stg., New Delhi - 110003, under CPMG, Delhi Circle, Licence No. DEL/BDM/BPC SJ Stg./SAIL/07/25-08-2015 to 31-08-2015/168122/16 dated 21-08-2015."

To,



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

www.sail.co.in

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