सेल SAIL

Forging Steel Track for India's Development

Annual Report

2016-17

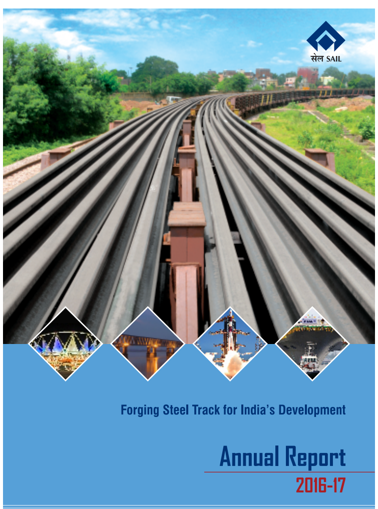
Steel Charkha made of SAIL's SALEM Stainless steel installed at Connaught Place, New Delhi.

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.



Dispatch of 260 metre rails, made from world's longest 130 metre single rails, from SAIL's Bhilai Steel Plant to Indian Railways

Contents

Letter to Shareholders

Dear Shareholders,

I am privileged to address you once again and apprise you about the achievements of your Company in the financial year 2016-17.

The World economic recovery is on track and a pickup in Global growth presents a healthy sign for industrial and manufacturing activities across globe. With Global output, as projected by IMF, to grow by 3.5% in 2017 and 3.6% in 2018 on the back of better performing emerging economies, we expect more stability in the steel industry world-wide.

Meanwhile, India is projected to become the world's fifth largest economy in 2017, surpassing UK and France and the world's third largest economy by 2023, surpassing Japan and Germany. India's GDP is projected to rise from USD 2.2 trillion in 2016 to USD 3.6 trillion by 2020. This augurs well for businesses that are focused on domestic growth in the future.

With suitable trade measures put in place by the Government of India for providing a level playing field to the domestic steel producers, the Indian steel industry could perform as per its potential and India became a net exporter of steel in FY 2016-17.

Given the current stage of development of the Indian economy and the likely growth path for the Country's economy in the next decade, the steel demand in India will witness significant growth in future. India with its stable government, strong reforms, rising infrastructure spend & robust consumption demand will provide a platform to reach per capita steel

Dispatch of Parallel Flange Beams from SAIL's IISCO Steel Plant.

consumption of 160 kg & total steel capacity of 300 Million tonnes by 2030-31 as envisaged by National Steel Policy 2017.

Your Company achieved a turnover of ₹49,180 crore during 2016-17, which is higher by 14% over previous year due to increase in both sales volume (8%) as well as Net Sales Realisation (NSR) of Saleable Steel of five Integrated Steel Plants by about 6%. The increase in NSR was partly due to an overall improvement in price levels and partly due to measures in enriching Company's product mix. Your Company's intensive focus on improving operational parameters resulted in positive EBITDA in all four quarters of FY 2016-17 and your Company trimmed losses by 30% by recording an overall improvement in production, sales and efficiency.

As far as production performance is concerned, SAIL achieved highest ever Hot Metal production at 15.73 Million Tonnes (MT), Crude Steel production at 14.50 MT and Saleable Steel production at 13.87 MT during FY 2016-17. There were all-round improvements in the major techno-economic parameters.

The unprecedented increase in coal prices during FY2016-17 however, adversely impacted the cost of production and overall margins. During the year, there was an additional impact of around ₹ 4,300 Crore as compared to FY 2015-16 on account of increase in prices of both imported and domestic coal. This increase in coal prices, neutralized the significant improvement in Net Sales Realization (NSR). Notwithstanding the increase in coal price, your Company could reduce its operational expenditure per ton of saleable steel by 2% during the fiscal.

Your Company has almost completed its Modernization and Expansion Programme (MEP). The state-of-the-art New Universal Rail Mill at Bhilai Steel Plant (BSP) was inaugurated by Hon'ble Steel Minister in January'17. This mill produces World's longest single piece rail of 130 meters length and supplies welded 260 mts rail panels to the Indian Railways. With this capacity addition, BSP has the record of being the single largest rail producing facility at one location in the World.

The already operational new facilities under the Modernization and Expansion plan were ramped up during the year. New Blast Furnace at Rourkela Steel Plant (RSP) achieved about 100% of its capacity, whereas, other facilities like the New Plate Mill also produced near to their rated capacities. The New 3 MTPA Hot Strip Mill at RSP is also scheduled to be installed by 2018 and this will enlarge the basket of the value added products.. The new facilities at IISCO Steel Plant (ISP) have also been ramped up significantly. The Wire Rod Mill of ISP will be soon producing world class Wire rods in special grades to meet the requirement of the Indian and Global Steel industries.

There has been significant value addition in the product mix of the Company, with higher grades of steel like API X-70 from RSP's New Plate Mill for the oil & gas sector, SAIL HT-600 for the automotive sector and high strength LPG steel grade from Bokaro Steel Plant, etc. Continuous product development efforts are being made with intensive R&D efforts especially from the new state of the art mills commissioned under the Modernisation and Expansion Plan. Amongst the Indian steel producers your company continues to be in the forefront in R&D with the highest spending.

The products being manufactured by our new rolling mills have been received well by the customers and it is our constant endeavor to add more and more value added grades from these mills. Products from the RSP NPM and BSL CRM-3 are being well received in export markets too. In conjunction with increased production, focus is being given to efficient and strategic marketing for improving sales and realisations. More emphasis is being given on last mile connectivity with the end users, marketing in regions where we have natural freight advantage, increasing retail & rural sales and leveraging the brand image of SAIL.

We have launched a Companywide initiative with the help of Boston Consulting Group (BCG) named 'SAIL Uday' for improving our all-round performance. Cross functional teams across plants, units and marketing have been formed and both short and long term action plans have been formulated. Implementation of various initiatives is already underway and many benefits are expected to come in this fiscal itself.

Your Company continued its efforts of conducting operations in an environmentally responsible manner. These have resulted in reduction of emissions and discharge levels, increase in utilization of solid wastes and green cover. Our efforts to plant more trees continued during this year too.

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

P K Singh

(P.K Singh)
Chairman

Place: New Delhi
Dated: 11th August, 2017

BOARD OF DIRECTORS (As on 11.08.2017)

Chairman and Managing Director
Shri P.K. Singh

Functional Directors

Finance
Shri Anil Kumar Chaudhary

Raw Materials & Logistics
Shri Kalyan Maity

Projects & Business Planning and Additional Charge of Director (Personnel)
Dr. G. Vishwakarma

Technical
Shri Raman

Commercial
Ms. Soma Mondal

Government Directors

Shri Saraswati Prasad
Additional Secretary & Financial Adviser
Ministry of Steel, Government of India

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

Independent Directors

Shri P.K. Dash

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Dr. Samar Singh

Shri Nilanjan Sanyal

Chief Executive Officers (Permanent Invitees)

Rourkela Steel Plant
Shri Ashwini Kumar

Durgapur Steel Plant
Shri A.K. Rath

IISCO Steel Plant
Shri R.K. Rathi

Bhilai Steel Plant
Shri M. Ravi

Bokaro Steel Plant
Shri P.K. Singh

ED(F&A) and Secretary
Shri M.C. Jain

Bankers

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

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants

M/s. Chatterjee & Co.
Chartered Accountants

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

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

Cost Auditors

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

M/s. Sanjay Gupta & Associates
Cost Accountants

M/s. Shome & Banerjee
Cost Accountants

Secretarial Auditor

M/s. Agarwal S. & Associates
Company Secretaries

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

Board of Directors

Shri P.K. Singh

Shri Saraswati Prasad

Shri Sunil Barthwal

Shri Anil Kumar Chaudhary

Shri Kalyan Maity

Dr. G. Vishwakarma

Shri Raman

Ms. Soma Mondal

Shri P.K. Dash

Prof. Ashok Gupta

CA Parmod Bindal

Smt. Anshu Vaish

Dr. Samar Singh

Shri Nilanjan Sanyal

Ten Years at a Glance

FINANCIAL HIGHLIGHTS

(₹ crore)

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Gross Sales	49180	43294	50627	51866	49350	50348	47041	43935	48738	45555
Net Sales	43866	38471	45208	46189	43961	45654	42719	40551	43204	39508
Earnings before depreciation, interest & tax (EBIDTA)	672	(2204)	5586	4951	5621	7658	9030	11871	10946	12955
Depreciation	2680	2402	1773	1717	1403	1567	1486	1337	1288	1235
Interest & Finance charges	2528	2300	1454	968	748	678	475	402	259	251
Profit before exceptional items	(4536)	(6906)	2359	2266	3470	5413	7069	-	-	-
Exceptional items : Gain(+)/Loss(-)	(315)	(101)	0	959	(229)	(262)	125	-	-	-
Profit/Loss before tax (PBT)	(4851)	(7008)	2359	3225	3241	5151	7194	10132	9399	11469
Provision for tax / Income Tax Refund and Deferred tax Asset(-)	(2018)	(2986)	266	608	1070	1608	2289	3378	3228	3932
Profit/Loss after tax (PAT)	(2833)	(4021)	2093	2616	2170	3543	4905	6754	6170	7537
Dividends	0	0	826	834	826	826	991	1363	1074	1528
Equity Capital	4131	4131	4131	4131	4131	4131	4130	4130	4130	4130
Reserves & Surplus (net of DRE)	31879	35065	39374	38536	36894	35680	32939	29186	24018	18874
Net Worth (Equity Capital and Reserves & Surplus)	36009	39196	43505	42666	41025	39811	37069	33317	28148	23004
Total Loans	41396	35141	29898	25281	21597	16320	19375	16511	7563	3045
Net Fixed Assets	50285	45926	36169	26771	16777	17127	15059	13615	12305	11571
Capital Work-in-progress	23275	24927	29196	33651	35891	28205	22226	14953	6550	2390
Current Assets (including short term deposits)	25676	24304	28482	26891	27616	28431	36544	39154	34676	26318
Current Liabilities & Provisions	21486	18992	16338	15212	13012	12225	12172	11073	12277	9439
Working Capital (Current Assets less Current liabilities)	4191	5312	12145	11679	14604	16206	24372	28081	22398	16879
Capital Employed (Net Fixed Assets + Working Capital	54476	51238	48314	38450	31381	32921	39431	41696	34704	28450
Mkt price per share (In ₹) (As at the end of the period)	61.20	43.00	68.35	71.40	62.35	94.05	170.00	252.55	96.45	184.75
Key Financial Ratios										
EBIDTA to average capital employed (%)	1.3	-ve	12.9	14.2	17.5	21.0	21.7	31.1	34.7	48.0
PBT to Net Sales (%)	-ve	-ve	5.2	7.0	7.4	11.3	16.8	25.0	21.8	29.0
PBT to average capital employed (%)	-ve	-ve	5.4	8.4	10.1	14.2	17.3	26.6	29.8	42.5
Return on average net worth (%)	-ve	-ve	4.9	6.1	5.4	9.2	13.9	22.0	24.1	37.5
Net worth per share of ₹ 10 (₹)	87.2	94.9	105.3	103.3	99.3	96.4	89.7	80.7	68.1	55.7
Earnings per share of ₹ 10(₹)	-ve	-ve	5.1	6.3	5.3	8.6	11.9	16.4	14.9	18.2
Price - earning ratio (times)	-ve	-ve	13.5	11.3	11.9	11.0	14.3	15.4	6.5	10.1
Dividend per share of ₹ 10 (₹)	0.0	0.0	2.0	2.0	2.0	2.0	2.4	3.3	2.6	3.7
Effective dividend rate (%)	0.0	0.0	2.9	2.8	3.2	2.1	1.4	1.3	2.7	2.0
Debt - Equity (times)	1.1	0.9	0.7	0.6	0.5	0.4	0.5	0.5	0.3	0.1
Current ratio (times)	1.2	1.3	1.7	1.8	2.1	2.3	3.0	3.5	2.8	2.8
Capital employed to turnover ratio (times)	0.9	0.8	1.0	1.3	1.6	1.5	1.2	1.1	1.4	1.6
Working capital turnover ratio (times)	11.7	8.2	4.2	4.4	3.4	3.1	1.9	1.6	2.2	2.7
Interest coverage ratio (times)	(0.7)	(1.9)	1.8	2.3	2.6	3.8	7.1	14.4	29.0	46.4
Dividend payout ratio (%)	0.0	0.0	39.4	31.9	38.1	23.3	20.2	20.2	17.4	20.3

PRODUCTION

(Unit: '000T)

Item	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Hot Metal	15726	15721	15413	14447	14266	14116	14888	14505	14442	15199
Crude Steel	14496	14279	13908	13579	13417	13350	13761	13506	13411	13964
Pig Iron	495	642	634	223	214	106	261	323	267	441
Saleable Steel	13867	12381	12842	12880	12385	12400	12887	12632	12494	13044
- Semi Finished Steel	3170	3054	3007	2760	2422	2527	2394	2392	2206	2243
- Finished Steel	10697	9327	9835	10120	9962	9872	10493	10240	10288	10801

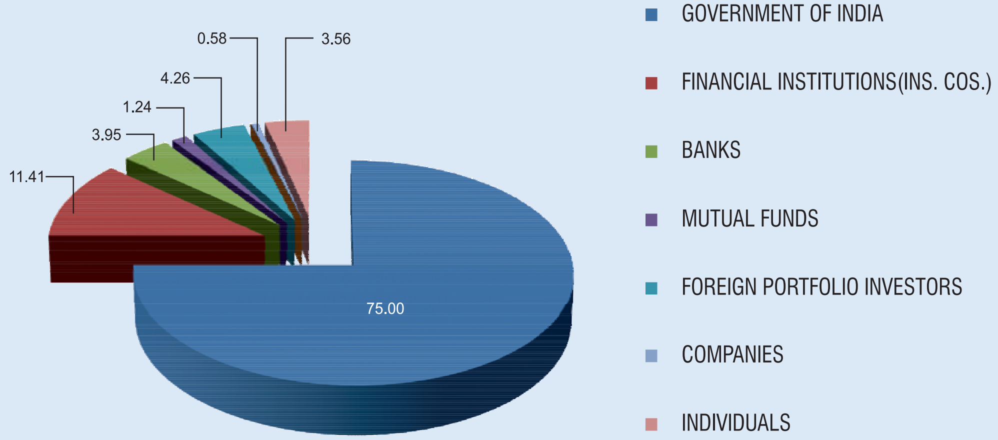
VALUE ADDED STATEMENT

(₹ crore)

For the year		2016-17		2015-16
Value of own production	49598		43323	
Other Revenues	1080	50678	1145	44468
Less: Cost of Raw Materials	21126		17155	
Stores and Spares	2835		2889	
Power and Fuel	5234		5334	
Excise Duty	5314		4823	
Freight Outward	1162		1131	
Other Operating Cost	5702	41373	5726	37058
Total Value Added		9305		7410
Establishment Cost		8948		9715
Financing Cost		2528		2300
Corporate Income Tax		-2018		-2986
Dividend Paid		-		103
Dividend Tax		-		21
Income Retained in Business				
Depreciation	2680		2489	
Retained in Business	-2833	-153	-4232	-1743
Total Value Applied		9305		7410

SHAREHOLDING PATTERN
(AS ON 31.03.2017)

Category	Number of Holders	Number of Equity Shares	% of Equity
GOVERNMENT OF INDIA	1	3097767449	75.00
FINANCIAL INSTITUTIONS (INS. COS.)	11	471425760	11.41
BANKS	66	163196561	3.95
MUTUAL FUNDS	36	51402323	1.24
FOREIGN PORTFOLIO INVESTORS	120	175983209	4.26
GLOBAL DEPOSITORY RECEIPTS	2	117635	0.00
COMPANIES (including Trusts & Clearing Members)	2619	23860187	0.58
INDIVIDUALS (including NRI & Employees)	371194	146772165	3.56
TOTAL	**374049**	**4130525289**	**100.00**



DIRECTORS' REPORT

To,

The Members,

The Board of Directors has the pleasure of presenting the 45th Annual Report of Steel Authority of India Limited (SAIL, the Company) together with Audited Accounts for the Financial Year ended 31st March, 2017.

A. FINANCIAL REVIEW

Your Company achieved a turnover of ₹49,180 crore during the Financial Year 2016-17, which was higher by 14% over previous year due to increase in both sales volume (8%) as well as Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants by about 6%. The loss after tax of your Company for the Financial Year 2016-17 has reduced to ₹2,833 crore as compared to loss after tax of ₹4,021 crore in the previous Financial Year.

The reduction in loss has been mainly on account of higher sales volume, higher Net Sales Realisation of 5 Integrated Steel Plants, higher production, increase in value added production, lower usage of imported coal in blend, higher usage of CDI in CDI furnaces, reduction in coke rate, improvement in BF productivity, reduction in salaries and wages, decrease in average purchase power rate, foreign exchange gain, etc. However, the same has been partially offset by increase in imported and indigenous coking coal prices, increase in interest cost and depreciation.

SAIL continued its thrust on optimum utilisation of funds by better fund management. This included replacement of high cost loans with low cost debts, timely repayment of loans including interest, action for future fund raising, etc. to meet our 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 borrowings of ₹41,396 crore as on 31st March, 2017. The debt equity ratio of the Company increased to 1.15:1 as on 31st March, 2017 from 0.90:1 as on 31st March, 2016, due to increase in borrowings as well as reduction in net-worth during the year. The net-worth of Company declined substantially from ₹ 39,196 crore as on 31st March, 2016 to ₹36,009 crore as on 31st March, 2017.

M/s CARE Ratings and M/s Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA Outlook: Negative' and 'BWR AA+ Outlook: Stable' ratings respectively for SAIL's long term borrowing programme.

B. OPERATIONS REVIEW

Production Review

Financial Year 2016-17 has been a year full of challenges for your Company. The Company faced tough times amidst plunging steel prices, a flood of low-priced imports from China and other countries, unprecedented increase in input prices and a subdued demand of steel.

The new facilities already operational were ramped up during the year. New Blast Furnace at RSP achieved about 100% of its capacity, whereas, other facilities like New Caster and New Plate Mill were also in process of stabilization and achieved 84% and 80% of their respective capacities during the year. The new facilities at IISCO Steel Plant have also been ramped up and the capacity utilization in Hot Metal, Crude Steel and Saleable Steel production was in the range of 50-70% of capacity during this year. At Bhilai Steel Plant, Universal Rail Mill (URM) (with capacity to produce World's longest single-piece 130-meter long rail) along with Rail Welding Line for production of 260 meter Long

The Prime Minister, Shri Narendra Modi at the Dhola-Sadiya Bridge, across River Brahmaputra, in Assam on May 26, 2017.

Union Minister for Steel, Shri Birender Singh, flagging-off the First rake of 260 metre rails, made from world's longest 130 metre single rails at Universal Rail Mill, SAIL, Bhilai Steel Plant.

Rails, has been completed and the Mill has started regular production from Jan'17. Other facilities like Ore Handling Plant Part-A, 2nd Sinter Machine in Sinter Plant-3 and Coke Oven Battery-11 are in regular operation. Further, Bar line of Bar and Rod Mill (BRM) has been completed and hot trial of BRM has started in Mar'17. At IISCO, third converter(#1) in SMS was started in August'16.

Financial Year 2016-17 also witnessed several landmark achievements. Your Company achieved highest ever Hot Metal production of 15.73 Million Tonnes(MT) surpassing its previous best of 15.72 MT achieved in 2015-16, highest ever Crude Steel production at 14.50 MT surpassing previous best of 14.29 MT achieved in 2015-16 and highest ever Saleable Steel production at 13.87 MT surpassing previous best of 13.04 MT achieved in 2007-08.

SAIL has achieved an all time best performance in case of Continuously-Cast Steel and Sinter production, with production of 11.77 MT and 23.1 MT registering a growth of 9% and 1% respectively over last year.

SAIL's various initiatives to reduce environmental footprint and enhance operational efficiency have led to significant improvement in environmental parameters as well as techno-economic efficiency. This has enabled your Company to produce greener and more environmental friendly steel, than ever before. The Plants recorded the best ever Coke Rate at 473 kg/thm and BF productivity of 1.67 t/m^3/day. This was achieved, as a result of higher volume of Hot Metal produced through new state of art Blast Furnaces (29% of total Hot Metal) and increased Crude Steel production through energy efficient Continuous Casting route (81%, up by 5% over CPLY).

SAIL became true force in transforming the Nation by supplying steel to ISRO for the launch of a record 104 satellites in a single rocket by way of providing high quality stainless steel for the fuel and oxidizer tanks used in the launch vehicle. SSP had earlier supplied steel for the iconic Chandrayan and Mangalyan missions too.

Power

Captive Power Generation during the Financial Year 2016-17 increased to 820 MW from 785 MW in the previous year, with growth of 4.5%. About 68.3% of the Company's total power requirement of 1200 MW was supplied from Captive power generation, 30% by purchasing power from grid utilities and the balance 1.7% from Power Exchange through Open Access.

During the Financial Year 2016-17, with an objective to optimize power cost, SAIL Plants procured about 572 Million Units(MU) power through open access which was highest ever in any year since open access regulations came into effect in the Country. Your Company was the first non-power entity to have started wheeling of power in the year 2004 after enactment of Electricity Act, 2003. Out of the 572 MU, about 393 MU of captive power was wheeled from NTPC SAIL Power Company Limited(NSPCL), Bhilai, a joint venture of SAIL and NTPC Ltd. to RSP, SSP and CFP and the remaining 179 MU were purchased from Power Exchange for RSP, VISP and SSP. Such power availed through open access helped in replacing costly grid power in the recipient Plants and resulted in substantial cost savings.

Grid power being the costliest source of power, there was continuous emphasis on reduction in purchase of power from grid and Contract Demand with grid was reduced by 48 MVA during the year, from the earlier level of 975 MW to 927 MW, reduction by about 5% on year-on-year basis, though there was substantial increase in the production of saleable steel and commissioning of new facilities. Continuous efforts were made towards improvement in the performance parameters of Captive Power Plants, both own as well as under joint ventures. The performance of some of the Captive Power Plants under Joint Venture was better than the performance norms in the Country and improvement in performance parameters helped in achieving considerable cost savings.

Your Company has always laid stress on reliability of power supply in its Plants and strengthening of the power distribution system. Connectivity of

BSL with DVC grid at 220 KV level was commissioned during the year. With this, all the Integrated Steel Plants of SAIL are now connected with utility grids at 220 KV level, which enhances the reliability of grid power supply and lowers the tariff of grid power as well as open access charges for having grid connectivity at such high voltages.

Captive power generation capacity is being augmented by capacity addition of 290 MW through NSPCL. Orders for supply and installation of Power Plants of 1 x 250 MW at RSP and 2 x 20 MW at DSP were placed during the year. These Plants are expected to commence commercial operations during the Financial Year 2019-20.

As a part of commitment towards development of renewable energy, your Company has already installed a capacity of 1070 KWp rooftop solar plants at various locations and 1 MWp grid interactive solar plant at RSP. Further actions for installation of 200 MWp capacity solar plants at various SAIL Plant locations have also been initiated.

Raw Materials

During Financial Year 2016-17, total requirement of iron ore was met from captive sources. The Company's captive iron ore mines produced about 26.44 Million Tonnes(MT). However, in case of coking coal, about 19% requirement (2.91MT) was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (12.41 MT), the Company has to depend on imports due to limitation in availability within the Country. In the Financial Year 2016-17, production in captive collieries of the Company was about 0.68 MT, out of which 0.54 MT was raw coking coal and balance 0.14 MT of non coking coal. In case of fluxes, around 1.36 MT of Limestone and 0.72 MT of Dolomite was produced giving a production of 2.08 MT fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited (CIL) except for small quantity produced from captive mines.

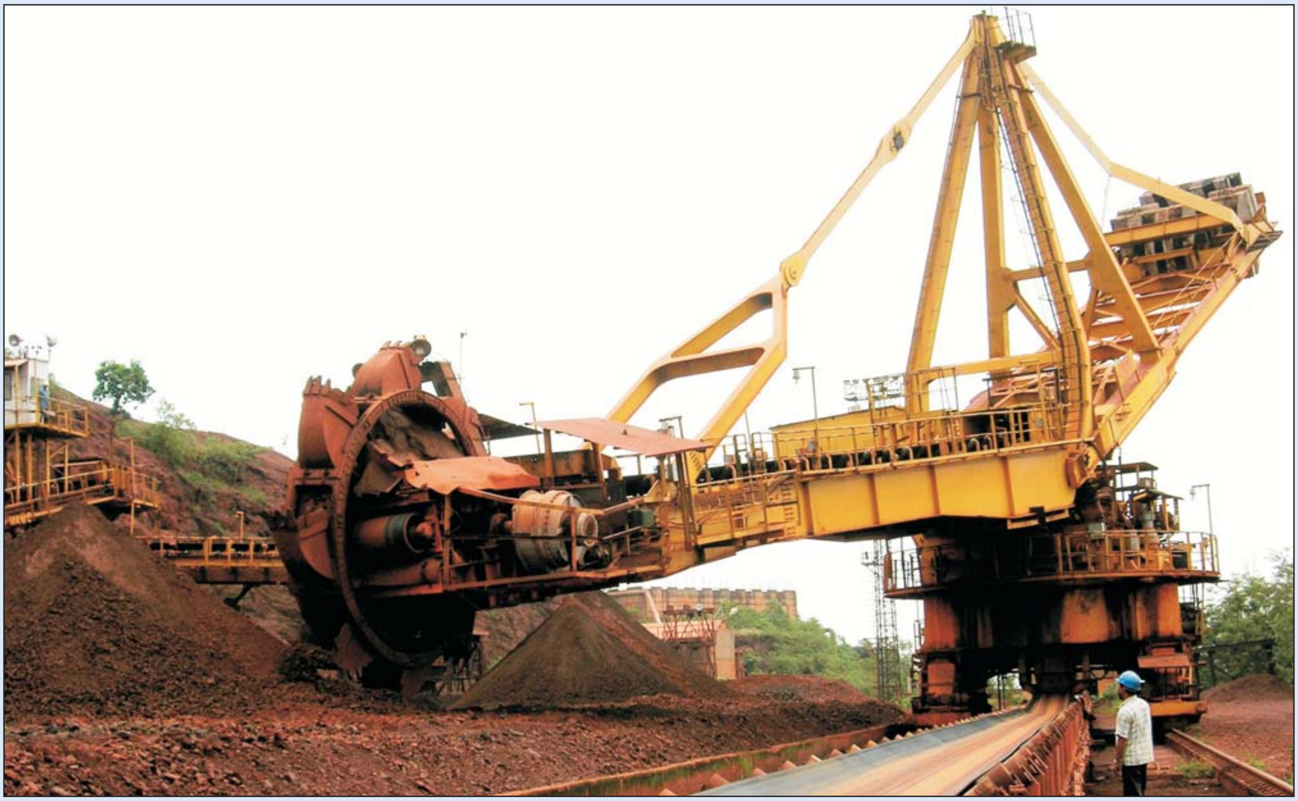
In order to expedite capacity expansion projects of mines, following environment and forest clearance have been obtained during the Financial Year 2016-17:

- Environment Clearance(EC) for setting up of 3.5 million tonnes per annum (MTPA) capacity washery at Tasra was granted by MoEFCC on 30th March, 2017.
- Environment Clearance of the Dhobil Iron Ore mine has been amended by MoEFCC on 19th April, 2017 for the limited purpose of continuation of transportation of iron ore for further period of 5 years beyond 24th January, 2017.
- MoEFCC vide letter dated 29th November, 2016 has revalidated the earlier Environment Clearance of Sitanala Coal block in favour of the Company.
- MoEFCC vide letter dated 06th December, 2016 transferred the Environment Clearance for Parbatpur Coal block to SAIL with a condition that "No mining shall be carried out till the washery is operational".

However, the Stage-II forest clearances for the capacity expansions of Gua and Chiria mines and opening of South-Central Blocks in Kiriburu-Meghahatuburu mines in Saranda forest in Jharkhand are yet to be granted by MoEFCC. In view of its criticality to the capacity expansion projects, the matter is being actively pursued with the Government.

In view of promulgation of MMDR Amendment Act, 2015 and further issuance of Mineral (Mining by Government Companies), Rules, 2015, lease period of the following leases have been extended:

- Lease period of ML-162 mining lease of Barsua Iron Ore Mine for an area of 77.94 Ha. has been extended by Government of Odisha vide Order dated 5th July, 2016. Under the said Rules, the first lease is deemed to be granted for 50 years i.e. from 29th April, 1960 to 28th April, 2010 and further lease period is extended for another period of 20 years from 29th April, 2010 to 28th April, 2030. Lease Amendment Agreement in this regard was signed on 29th September, 2016.



Reclaimer in operation at SAIL's Bolani Iron Ore Mine.

- Lease period of the Nandini Limestone Mine of BSP for the area of 526.34 Ha. has been extended by Government of Chhattisgarh till 31st March, 2028. Lease Amendment Agreement in this regard was signed on 22nd March, 2017.

Government of Chhattisgarh vide Order dated 25th June, 2016 has extended the lease period of Hirri Dolomite Mine of BSP for an area of 128.77 Ha. under Chhattisgarh Minor Minerals Rules, 2015 till 31st March, 2020. Lease Amendment Agreement in this regard was signed on 22nd March, 2017.

Sales & Marketing

In-spite of the challenging market conditions, your Company achieved a total sales volume of 13.1 million tonnes during the Financial Year 2016-17, registering a growth of about 13% over the previous financial year. With regard to Dealer Sales, record sales of around 0.82 million tonnes were achieved during the Financial Year 2016-17, thereby registering a growth of 3% over 2015-16. In respect of exports, 0.67 million tonnes were exported, which were higher by over 200% as compared to the previous year.

Your Company achieved highest ever despatches of Long Rails(260m panels) to Indian Railways with a growth of 11.1% over the previous year. Further, 181 numbers of Narrow Guage Forged wheels were specially manufactured and supplied for maintenance of the Kalka-Shimla Railway Line, a UNESCO declared World Heritage Site.

Your Company was the main supplier of steel in construction of the Country's longest bridge "Dhola-Sadiya" built on river Lohit in Assam, connecting the States of Assam and Arunachal Pradesh. SAIL has supplied around 30,000 tonnes (90%) of steel comprising TMT, Structurals and Plates, for this prestigious project built under public private partnership. The bridge being 9.15 km in length, is 3.55 km longer than Mumbai's Bandra-Worli Sea Link.

Public Procurement Policy for Micro and Small Enterprises

As required by the Public Procurement Policy of the Government of India, the information on procurement from Micro & Small Enterprises during Financial Years 2016-17 and 2015-16 is given below:

(₹ Crore)

Particulars	2016-17	2015-16
Total Amount of Procurement	3246.42	3211.93
Total Procurement from MSE	767.04	677.53
%age Procurement from MSE	23.63	21.09

Modernisation & Expansion Programme

Your Company is nearing towards the last leg of implementation of on-going Modernisation & Expansion Programme. During the Financial Year 2016-17, your Company has achieved many milestones. At Bhilai Steel Plant, New Universal Rail Mill for supply of 130 m rail, World's longest single piece rail, has been commissioned and welded 260 m rail panels are being dispatched to Railways. Hot trial in Bar & Rod Mill has been carried out. Heating of stoves of Blast Furnace-8 has also been started. A capital expenditure of ₹4,939 crore has been incurred during Financial Year 2016-17 and capex planned for 2017-18 is ₹3,500 crore.

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

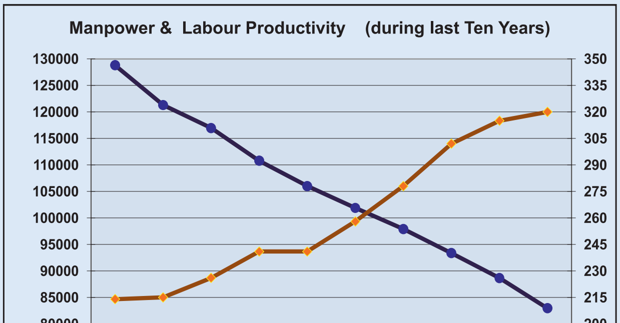
C. HUMAN RESOURCE MANAGEMENT REVIEW

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

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

Enhanced Productivity with Rationalized Manpower

Your Company achieved the Labour Productivity (LP) of 320 TCS/Man/Year in 2016-17. The manpower strength of the Company was 82,964 nos. as on 31.3.2017 with manpower rationalization of 5,691 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. To give further thrust for enhancing productivity and manpower rationalization, your Company has recently introduced Voluntary Retirement Scheme-2017 w.e.f. 15th June, 2017. Trend of enhanced productivity and manpower rationalization since 2007-08 onwards is depicted below:



	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Manpower	128804	121295	116950	110794	106004	101878	97897	93352	88655	82964
LP	214	215	226	241	241	258	278	302	315	320

Significant Enhancement in Productivity:
From 214 TCS/Man/Yr (2007-08) to 320 TCS/Man/Yr (2016-17)

Developing Employee Capabilities & Competencies

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

Preparing employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities was given a major thrust. Overall 36,059 employees were trained against target of 34,822 employees during the year on various contemporary, technical and managerial modules.

Harmonious Employee Relations

SAIL has maintained its glorious tradition of building and maintaining a conducive and fulfilling employee-employer 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 bi-partite forums are functioning since early seventies and are sufficiently empowered to address different issues related to wage, safety, and welfare of workers, arising from time to time, thus helping in establishing a conducive work environment.

Bipartite forums like National Joint Committee for Steel Industry (NJCS), Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI) etc. with representation from major central Trade Unions as well as representative

Unions of Plants/Units meet on 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 Plant/Units, marked with diverse work culture at multi-locations.

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

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

Grievance Redressal Mechanism

Effective internal grievances redressal 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 Plant/Unit 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, transfers, leave, work assignments and welfare amenities, etc. Majority of grievances are redressed informally in view of the participative nature of environment existing in the steel plants. The system is comprehensive, simple and flexible and has proved effective in promoting harmonious relationship between employees and management.

Against 402 staff grievances received during the Financial Year 2016-17 with 1 grievance pending from previous year, 387 staff grievances have been disposed off during the year, achieving 96.03% fulfilment.

Further, during Financial Year 2016-17, 1144 grievances have been received under Centralised Public Grievance Redress and Monitoring System (CPGRAMS) while 17 grievances had been carried forward from the previous financial year. Total 1139 grievances have been disposed off during Financial Year 2016-17, thereby achieving fulfilment rate of 98.10%. All the grievances have been disposed off within 30 days of its receipt against the stipulated time of 60 days.

Remuneration Policy

In SAIL, pay and other benefits for executives is 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. In aforementioned pay revision, 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 based on Key Performance Areas(KPAs) 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, effective from 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

SAIL follows Presidential Directives on Reservation for Scheduled Castes (SCs) and Scheduled Tribes (STs) in the matter of recruitments and promotions. As on 1.4.2017, out of total manpower of 82964, 13604 belong to SCs (16.40%) and 12018 belong to STs (14.49%).

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:

- Over the years, a large group of ancillary industries has also developed in the vicinity of Steel Plants. This has created opportunities for local unemployed persons for jobs and development of entrepreneurship.
- For jobs of temporary & intermittent nature, generally contractors deploy workmen from the local areas, which again provide an opportunity for employment of local candidates of economically weaker section.
- Establishment of SAIL Steel Plants in economically backward areas has given a fillip to the economic activities thus benefiting the support population providing different types of services.

Employees at SAIL's Bhilai Steel Plant

ITI Students undergoing tarining at SAIL's ITI at Bokaro.

- 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.

SAIL has undertaken several initiatives for the socio-economic development of SCs/STs and other weaker sections of the society which are mainly as under:

- Special Schools have been started exclusively for poor, underprivileged children at five integrated steel plant locations. The facilities provided include free education, mid-day meals, uniforms including shoes, text books, stationery items, school bags, water bottles and transportation in some cases.
- No tuition fee is charged from SC/ST students studying in the Company run schools, whether they are SAIL employees' wards or non-employees' wards.
- Free medical health centres for poor have been set up at Bhilai, Durgapur, Rourkela, Bokaro, Burnpur providing free medical consultation, medicines, etc. to the peripheral population mainly comprising of SC/ST and weaker sections of society.
- SAIL Plants have adopted tribal children. They are being provided free education, uniforms, textbooks, stationery, meals, boarding, lodging and medical facilities for their overall growth at residential hostels, Saranda Suvan Chhatravas, Gyanodaya Hostel and an exclusive Gyan Jyoti Yojana for nearly extinct Birhor Tribe.
- For Skill Development and better employability, tribal school passouts have been sponsored for coaching in premier institutes for IIT/JEE entrance examinations and for trainings along with monthly stipend, accommodation, transportation and fooding facility at various ITIs, Nursing and other vocational training institutes.

Implementation of Presidential Directives on Reservation for SC/ST

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

Implementation of Right to Information Act, 2005

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

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

Returns and Annual Returns on implementation of RTI Act are being submitted online through the CIC portal. Implementation of online request has already been introduced from 1st May 2015. A compilation of Record Retention Policy of various functions of Corporate Office has also been uploaded on the website of the Company. In addition to this, compilations of important decisions of CIC, DOPT circulars and High Court cases are also available on the website of the Company.

Awareness Programs/Workshops on 'Obligation of Public Authorities under RTI' are being organised across Plants/Units and Information Commissioner has been present in most of these programs. Further, Awareness Programmes on RTI Act are held at Plant, Units and Corporate Office regularly.

SAIL received a total of 3,564 applications and 612 appeals under RTI Act, 2005 during the Financial Year 2016-17, all of which have been disposed off within the stipulated time frame under the Act. CIC has also taken up 82 cases and most of these cases were disposed off in favour of the Company.

Citizen Charter

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

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

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

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

The Company has in place a system of Complaints Committees (under SAIL Conduct, Discipline and Appeal (CDA Rules, 1977) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

Number of complaints received	:	5
Number of complaints disposed off (including 1 pending of previous year)	:	6

D. AWARDS & ACCOLADES WON DURING THE YEAR

Company Level

- Your Company has won 7 Prime Minister's Shram Awards (involving 26 employees) for the year 2015.
- Your Company has won 10 Vishwakarma Rashtriya Puraskar Awards (involving 42 employees) for the performance year 2015.
- Your Company has won Gold Trophy of "SCOPE Meritorious Award for Best Practices in Human Resource Management" for the year 2014-15.
- Your Company has won Golden Peacock Award for Corporate Governance, by the Institute of Directors, India, for the year 2016.
- Your Company bagged the Governance Now PSU Award 2016 under the award category 'Relative Growth & Adaptation'.
- Your Company was awarded the Ispat Rajbhasha Trophy for the year 2014-15 for SAIL's best official language implementation.

Bhilai Steel Plant

- CII-Exim Bank Business Excellence Award 2016 organized by the CII Institute of Quality.
- Excellence Award in the category of Integrated Steel Plants under Iron & Steel Sector for the year 2015-16, in the State Level Sustainable Energy Awards-2016 by Chhattisgarh State Renewable Energy Development Agency (CREDA).
- Vayoshreshtha Samman for the "Best Public Sector Organization in Promoting the Well Being and Welfare of Senior Citizens" on the occasion of International Day for Older Persons at Vigyan Bhawan, New Delhi on 1st October, 2016.
- NARAKAS Bhilai-Durg bagged the "Madhya Kshetriya Pratham Puraskar" for the year 2015-16.
- Best Chapter Award for QCFI Bhilai Chapter in the event "NCQC-2016" held in Raipur for significant contribution towards Quality propagation.
- 17 Quality Circle Teams won awards (15 Par Excellence and 2 Excellence) from QCFI during their 30th National Convention on Quality Concepts.

Durgapur Steel Plant

- 10 Quality Circle Teams won awards (8 Par Excellence and 2 Excellence) from QCFI during their 30th National Convention on Quality Concepts.

Rourkela Steel Plant

- CII EXIM Bank Business Excellence Award for Strong Commitment to Excellence for the year 2015-16.
- Coal & Coke Zone and Steel and CCM Zone bagged 'Zero Fatality' awards for the years 2015 and 2016 respectively from the Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI).
- 8 Quality Circle Teams won awards (6 Par Excellence and 2 Excellence) from QCFI during their 30th National Convention on Quality Concepts.

Bokaro Steel Plant

- Golden Peacock HR Excellence Award for the year 2016
- Gold Award in Training Excellence Category at the 6th Annual Greentech HR Award for the year 2015-16.
- Energy Management Department, First Prize in CII (ER) Productivity Awards 2016.
- 6 Quality Circle Teams won awards (1 Par Excellence and 5 Excellence) from QCFI during their 30th National Convention on Quality Concepts.

Visvesvaraya Iron & Steel Plant

- Ispat Suraksha Puraskar for 'No fatal accident occurred during the Calendar Years 2015 & 2016 under Scheme-II, Group (B) (Special Steel Plant)' by Joint Committee on Safety, Health & Environment in the Steel Industry.
- Ispat Suraksha Puraskar for 'No fatal accident occurred involving Contract Labour during the Calendar Years 2015 & 2016 under Scheme-II, Group (B) (Special Steel Plant)'by Joint Committee on Safety, Health & Environment in the Steel Industry.

Salem Steel Plant

- Ispat Suraksha Puraskar for 'No fatal accident' during the Calendar Year 2016 under Scheme-II, Group (B) (Special Steel Plant).
- Ispat Suraksha Puraskar for 'No fatal accident' involving Contract Labour during the Calendar Year 2016 under Scheme-IV Group (B) (Special Steel Plant).
- National Award for the Empowerment of Persons with Disabilities-2016. (Best Employee with Disabilities under Hearing Impairment Category) from Hon'ble President of India on 03.12.2016 at Vigyan Bhawan, New Delhi.

Eco restoration with plantation at Purnapani mines.

Raw Materials Division

- 8 Quality Circle Teams won awards (5 Par Excellence and 3 Excellence) from QCFI during their 30th National Convention on Quality Concepts.

Research & Development Centre for Iron & Steel

- National G-cube (Good Green Governance) Award 2016 at Delhi on Earth Day, 22nd April, 2016.

E. ENVIRONMENT MANAGEMENT

Your Company is commited to conduct operations in an environmentally responsible manner to comply with applicable legal and other requirements related to the environmental aspects. The environmental vision of the Company is drawn from the tenets of the Policy which not only stresses on the need to remain in compliance but also to strive to go beyond, address stakeholder concerns, and communicate Company's environmental philosophy to all the stake holders.

Improvement in Emissions and Discharges

Concerted efforts have been put over the last few years with a view to conduct various operations in an environment friendly manner. These have resulted in reduction of emissions and discharge levels, increase in utilization of solid wastes and green cover. The Plants are effectively maintaining the air pollution control devices and regularly up-grading them in order to maintain the norms which are becoming stringent day by day. Through continuous efforts, the specific Particulate Matter (PM) emission load from the major stacks has reduced by more than 12% in the last five years. Moreover, as a part of the on-going expansion cum modernisation projects, state of the art technologies are being installed to further bring down the pollution level and CO_2 emission. During the last five years, the specific CO_2 emission has been reduced by more than 5%.

Water pollution level at the Steel Plants are taken care by effective utilisation of the installed Effluent Treatment Plants (ETPs) at various shops, rejuvenation of the existing water re-circulation systems and recycling of used water for other operational purposes. The treated effluent from the ETPs, are then let out through the outfalls outside the Plant boundary only after meeting the stipulated norms of effluent discharge. The specific effluent load of the discharges have reduced by more than 21% in the last five years. The quality of discharges through the outfalls has remained well within the stipulated norms at all the Plants.

Major Pollution Control facilities installed during the year

- Secondary emission control facility, equipped with dog house and ESPs for new converter (#3) at SMS-2 of RSP.
- Comprehensive Effluent Treatment Plant at the existing Hot Strip Mill of RSP.
- Primary emission control facility with Converter#5 of SMS-1 at RSP.

New Initiatives

a. Use of Weathered LD Slag as Rail Track Ballast

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

b. Bio-sequestration of CO_2

Job assigned to M/s. Tropical Forest Research Institute, as the sequestration partner for the project which is being implemented at RSP. The following activities have been completed till the Financial Year 2016 -17:

- Vegetation survey, identification of high carbon sequestering species, training, development of nursery at site.
- Submission of reports for Biodiversity, Soil Organic Carbon, Soil Characterisation and on quantification of existing total carbon stock in vegetation, deadwood and litter.

Scheduled completion of the project is by March 2019.

Environmental Management System linked with ISO-14001:2004

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

During the Financial Year 2016-17, implementation of EMS-ISO-14001:2004 was completed at the CMO Warehouses at Bangalore and Bokaro.

Sustainable Development Projects

- Eco-restoration of mined out areas: As a part of the on-going Sustainable Development Project on long term maintenance of ecologically restored 250 acre Limestone mined out area and 200 acre water body of mine void at PLDQ, Purnapani, more than 10,000 saplings of different native plant species and more than 2000 saplings of medicinal plants were planted during the year.
- Training was provided to around 100 villagers (mostly from tribal community) from Purnapani and neighbouring villages on practicing of silviculture, apiculture, pisciculture, etc.

Plantation

Your Company realizes the role of plantation in overall environmental management initiatives. It is a well-known fact that plants play an important role in the eco system and function as a carbon sink. Extensive afforestation programme has been religiously followed in all the Plants and Mines over the past few decades. Around 2.10 lakhs saplings were planted in and around SAIL Plant and Mines during the year 2016-17.

Other Environmental Efforts

- Your Company observed January 2017 as Water Conservation Month, with the objective to reduce water consumption by 25%, through various awareness programmes and workshops.
- Corporate Sustainability Report, 2015-16, in accordance with 'core option' of GRI's G4 Guidelines has been published through in-house resources and has been up-loaded on the website of the Company.
- For the first time a third party compliance audit for environmental performance was conducted at BSP. The consultant M/s. Bhagvati Ana Labs Pvt. Ltd. Hyderabad (a Bureau Veritas Group Company), a NABET accredited agency, has submitted the report within the schedule time.

F. STRATEGIC INITIATIVES OF THE COMPANY

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

SAIL has undertaken a company-wide transformational and turnaround programme, "SAIL Uday", supported by M/s. Boston Consulting Group (BCG), one of the top global consulting firm, covering improvements for all functions in the Plants and Units, while reviewing and sharpening our business strategy and processes. BCG shall study the present health of the Company and suggest suitable measures for its turnaround. The "SAIL Uday" initiative is expected to drive the Company towards profitability as well as build for sustained market leadership.

Disinvestment of SAIL Plants: The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27.10.2016 has 'in-principle' decided for strategic disinvestment of Alloy Steels Plant (ASP), Durgapur; Visvesvaraya Iron and Steel Plant (VISP), Bhadrawati; and Salem Steel Plant (SSP), Salem. The process is being carried out with the help of Advisors (Transaction Advisor, Legal Advisor and Asset Valuer).

Development of Rowghat - Jagdalpur Rail Corridor in the State of Chhattisgarh: With the aim of bringing about greater socio-economic development of the backward areas of Bastar region in Chhattisgarh and to further the industrial progress and mining activities of the region, an MOU was signed amongst SAIL, NMDC Ltd., IRCON International Ltd. and Government of Chhattisgarh, in May 2015 for development of a rail corridor from Rowghat to Jagdalpur. This rail corridor shall be used for both freight and passenger services in the Southern part of Chhattisgarh. A new Joint Venture Company under the name "Bastar Railway Private Limited" has been incorporated in May, 2016. The survey work & feasibility study for Railway line is being undertaken by IRCON.

Rail Transportation: A Joint Venture Company(JVC) between SAIL and RITES viz. "M/s. SAIL RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL)" has been formed for manufacture and rehabilitation of railway wagons. The JVC has commenced commercial operations at its factory at Kulti, West Bengal and Orders from Railways are being executed.

JV with ArcelorMittal for production of automotive steel: In line with Make in India programme of Govt. of India, SAIL and ArcelorMittal signed an MOU in May, 2015 to explore the possibility of setting up an automotive steel manufacturing facility under a Joint Venture (JV), in India. The proposed JV will construct a state-of-the-art Cold Rolling Mill (CRM) and other downstream

Felicitation of proud recipients of Vishwakarma Rashtriya Puraskar Winners - 42 out of the total 117 awardees for the year 2014 (awarded in 2016) are from SAIL.

SAIL Chairman Shri PK Singh receiving SCOPE Award for Best HR Practices for the year 2014-15 from the then Hon'ble President of India Shri Pranab Mukherjee.

finishing facilities in India that will offer technologically advanced steel products to India's rapidly growing automotive sector. Joint Task Force of SAIL and ArcelorMittal is working on feasibility study, location of unit and business model for the alliance. Based on the outcome of Joint Study, definitive agreements for setting up the JV Company shall be entered into.

Ultra Mega Steel Project: 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, Ministry of Steel has evolved a concept of developing Ultra Mega Steel Plants. SAIL is participating for setting up of an Ultra Mega Steel Plant of capacity (3+3) or (4+2) MTPA (million tonnes per annum) in Bastar, Chhattisgarh. An MoU to this effect was signed amongst SAIL, NMDC, Ministry of Steel and Government of Chhattisgarh in May, 2015, at Dantewada in the presence of Hon'ble Prime Minister. New Joint Venture Companies for Steel SPV and Mining SPV have been formed. MECON has submitted a report for probable sites for the steel plant. Activities related to land acquisition, land development, etc. would be initiated after the iron ore mine is leased to the Mining SPV by the State Government.

Business Excellence Initiatives

Excellence Model

SAIL has adopted European Foundation of Quality Management (EFQM) Model which is implemented in India through CII-EXIM Bank Award for Business Excellence. BSP has been awarded the PRIZE (Score of 600+) consecutively for the second year. Amongst PSUs, BSP is only the second PSU ever to be awarded the Prize. It is also the only PSU to receive the PRIZE twice. In steel arena, BSP has been the only steel maker ever to have achieved this coveted distinction twice in a row.

Total Quality Management (TQM)

Most of SAIL Plants/Units of your Company are certified to ISO 9000, ISO 14000, OHSAS 18000 and SA 8000 Management Systems. DSP & BSL have also implemented ISO 50000 (Energy Management System). In addition to other Management Systems, DSP, BSL & RDCIS have also implemented ISO 270000 (Information Security System). Following Certifications were achieved during 2016-17:

- BSL - ISO : 27000 ISMS certification.
- RSP - New Plate Mill certified to ISO 9000 QMS.

The Certification Agencies for four Management Systems i.e. ISO 9000, ISO 14000, OHSAS 18000 & SA 8000 were empanelled in 2013 for three years for first time. The system resulted in reduction in cost, reduction in audit man-days, ease of operation in engaging Certification Agencies, improved quality of audits and reduced administrative hassles. Second cycle of empanelment for three years has been completed with an extended scope which includes Management System related to training, in addition to the Certification for the Management Systems mentioned above. With a view to enhance awareness of Business Excellence Initiatives, sharing of Knowledge and Best Practices 3rd Annual e-BE Journal was prepared and uploaded on Portal. The other ongoing initiatives across organisation are Quality Circles, 5-S, Six Sigma and TPM implementation.

IT Related Initiative

Your Company has embarked upon various Information Technology (IT) initiatives, duly aligned with its business goals and vision to maintain its competitive position in the marketplace.

Through Enterprise Resource Planning (ERP), the best global practices in all major functions like procurement, sales and distribution, production, finance, etc. have been implemented at 4 Integrated Steel Plants i.e. BSP, DSP, BSL & RSP and Central Marketing Organization. ERP implementation at IISCO Steel Plant and at Corporate Office for SAIL wide data consolidation through integration of all Plants/Units is in progress. Better market reach and transparency has been achieved through Supplier Relation Management (SRM)/ e-Procurement. SAIL has also been able to connect with customers through Customer Relationship Management. Seamless integration of IT driven automation applications has led to the evolution of an organisation-wide information backbone with better control and faster execution of various processes.

Production data has its roots in the strong foundation of 'Manufacturing Execution Systems' (MES) which has benefitted SAIL in achieving the market expectations by making the production and the associated processes cost, quality and delivery efficient.

Various steps have been taken up to promote 'Digital India Initiative' and systems are being upgraded to maximize paperless/cashless transactions in business/ employee welfare areas. As a step forward, various mobile applications are also being developed.

Utmost care is being taken for internal financial control for protection and security of data & information. To ensure data security, steps have been taken at all Plants/Units for Information Security Management System (ISMS):ISO certification.

For better face to face discussions and reduction in tour & travel expenses, existing Video Conference system has been upgraded to High Definition System along-with strengthening network bandwidth connecting all Plants & Units of the Company.

Corporate Communication

Your Company recognizing the need for continuous efforts required for brand building and maintaining streamlined internal and external communications, undertook various new and innovative efforts during 2016-17.

Your Company actively participated in a number of exhibitions & fairs including India Steel Expo, BRICS Summit, Vibrant Gujarat, India Maritime Summit, India International Trade Fair, CSR Fair, etc. Also, 2017 marks “70 years of Indo Russia Friendship” and in this regard, SAIL took part in the India Sourcing Fair which was held in St. Petersburg. These events saw massive participation of senior dignitaries of the Government of India, public & private sector, and industrial participants from around the globe. Brand building exercises also included a number of initiatives to connect with stakeholders through news, web, phone alerts, media features, daily news summaries, etc.

Advertising in different media formats including print, outdoor, television, mobile and internet has been a major focus of corporate communication activities at SAIL. In line with your Company's strategy, SAIL's advertising and visibility efforts, across different formats, highlight use of SAIL steel in projects of national importance apart from showcasing the core features of SAIL's products, which stand for quality, durability, endurance, dependability and nation building.

G. VIGILANCE ACTIVITIES

The objective of SAIL Vigilance is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To achieve this objective, the Vigilance Department carries out preventive, proactive and punitive actions with greater emphasis in the preventive and proactive functions. Following activities were undertaken during the Financial Year 2016-17:

- To increase vigilance awareness amongst employees, vigilance awareness sessions and workshops were regularly held at the various Plants and Units. A total of 143 workshops involving 2938 participants were organized for enhancing Vigilance Awareness on Whistle Blower Policy, Purchase/ Contract procedures, RTI Act, Conduct & Discipline Rules, System and Procedures followed in SAIL, etc.
- Periodic surprise checks including Joint Checks were conducted regularly in vulnerable areas of the Company. A total of 2531 periodic checks including file scrutiny and Joint Checks were conducted at different Plants / Units. A saving of approx. ₹23.81 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.
- 19 cases were taken up for Intensive Examination at different Plants / Units. During these Intensive Examinations, high value procurement / contracts are scrutinized comprehensively and necessary recommendations are forwarded to concerned departments for implementing suggestions for improvement.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in SAIL during 31st October to 5th November, 2016. On the opening day i.e. 31st October 2016, Pledge was administered to the employees by Chairman, SAIL and CVO, SAIL at Corporate Office and by respective Chief Executives at Plants / Units. During the week, a booklet on "Preventive Vigilance- Do's & Don'ts" and 16th edition of "Inspiration", the in-house journal of SAIL Vigilance were released. Various events including talk by eminent personalities, essay/ debate/quiz competitions, etc. for employees/ families, interaction with

India’s longest road bridge, the 9.5 kilometre long Dhola Sadiya, built with SAIL Steel.

Employees at New Plate Mill of SAIL's Rourkela Steel Plant.

vendors/contractors were also organized across SAIL. In addition, as an outreach measure, essay/debate/poster competitions were organised amongst students of various schools / colleges located at various townships and the cities like Delhi, Kolkata, Chennai, etc. Events like Walkathon / March against Corruption were organised at DSP, Durgapur & VISL, Bhadrawati, wherein general public, students, NGOs also participated. Detailed report on observance of Vigilance Awareness Week-2016 has been sent to CVC.

- The following three thrust areas were identified by SAIL Vigilance:
  - i) Implementation of e-procurement in Contract Cell (Works & Non-works) including Township Contracts.
  - ii) Installation of CCTV cameras at sensitive areas.
  - iii) Surveillance in the areas of receipt, sampling & testing of high value raw materials.
- With a view to introduce analytics in the areas of procurement & contracting, in order to generate exception alerts and red flags for corrective action / system improvements, Business Intelligence (BI) Modules have been developed in the existing SAP/ERP system in Integrated Steel Plants and Central Marketing Organisation.
- A Vendors' Meet was organized on "Success through Synergy" at New Delhi on 16th July, 2016. The programme was chaired by Chairman, SAIL where IEMs of SAIL, CVO SAIL and Functional Directors of SAIL were present. Around 33 senior Management Executives from global / indigenous Vendors for Projects and Corporate Material Management Group attended the programme.
- Certain vulnerable points were identified in the Plants/Units such as weigh bridges, dispatch and unloading points, entry and exit points for goods, places of sampling and chemical analysis of received materials, etc., on the advice of SAIL Vigilance. CCTV and allied data recording systems have been installed at these places for monitoring and surveillance, which would help in preventing fraudulent activities at the above sensitive areas.
- It has been decided to introduce GPRS/GPS system for monitoring the movement of tippers /dumpers which are to be used by contractors for transportation of Iron Ore to railway sidings which are at far-away locations. The fleet monitoring system has been introduced in Kalta Iron Ore Mines and is being extended to other mines.
- 'Inspiration- Prerna', an in-house publication of SAIL Vigilance is being published regularly. The above publication contains case studies, articles from eminent personalities, quiz on policy matters, etc. to enhance awareness of the readers.

Vigil Mechanism

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2017 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, 2017 under Section 143(6) of the Companies Act, 2013 and the Managements' replies thereto are placed at **Annexure-II**.

COST AUDITORS

Pursuant to the direction of the Central Government for Audit of Cost Accounts, the Company has appointed M/s. Sanjay Gupta & Associates, New Delhi, M/s. Shome & Banerjee, Kolkata and M/s. R.J. Goel & Co., New Delhi as Cost Auditor(s) for the Financial Year 2017-18.

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, 2017. Secretarial Audit Report is placed at **Annexure-III**.

With regard to the observation of the Secretarial Auditor, that composition of the Board of Directors of the Company was not in compliance with Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Enterprises, it is stated that appointment of Independent Directors on the Board of the Company is made by the Company based on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

In respect of observation regarding performance evaluation of the Directors being not carried out as per the Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mentioned that Ministry of Corporate Affairs has vide its notification dated 5th June, 2015 has exempted Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide notification dated 5th July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the notification, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board in Schedule IV have been exempted for Government Companies.

CORPORATE GOVERNANCE

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and Auditors' Certificate thereon form part of the Annual Report. In terms of the SEBI Regulations, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

BUSINESS RESPONSIBILITY REPORT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

Your Company has four other subsidiary Companies namely, SAIL Refractory Company Limited (SRCL), SAIL Jagdishpur Power Plant Limited, SAIL Sindri Projects Limited and Chhattisgarh Mega Steel Limited. SRCL is operating the Salem Refractory Unit which was acquired by SAIL from Burn Standard Company Limited on 16th December, 2011. SAIL Jagdishpur Power Plant Limited, incorporated for setting up of Gas based power Plant at Jagdishpur and SAIL Sindri Projects Limited, incorporated for revival of Sindri Unit of Fertilizer Corporation of India Limited have not taken off. Under present situation, the objectives with which these Companies were incorporated are difficult to achieve, hence the Board of Directors of your Company has decided to close SAIL Jagadishpur Power Plant Limited and SAIL Sindri Projects Limited. Further actions for closure of these Companies are being taken. Chhattisgarh Mega Steel Limited which was incorporated as a Special Purpose Vehicle for setting up of an Ultra Mega Steel Plant of 6 Million Tonnes per annum as a green field steel project under Joint Venture is yet to commence operation.

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

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129 (3) of the Companies Act, 2013, the duly Audited Consolidated Financial Statements are placed at **Annexure-IV**. The Statutory Auditors' Report on the Consolidated Financial Statements along with the Management's replies thereon is placed at **Annexure-V**. The Comments of Comptroller and Auditor General of India (C&AG) on the Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the Management's replies thereto are placed at **Annexure-VI**. Further, the statement containing salient features of the financial statements of the subsidiary, joint venture and associate companies in the prescribed Form AOC-1 is placed at **Annexure -VII**.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

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

AUDIT COMMITTEE

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

INTERNAL FINANCIAL CONTROLS (IFCs) AND ITS ADEQUACY

The Company has well established and documented policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to various policies and procedures for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. Further, the Company has adopted a corporate governance structure, various management processes, controls, policies and guidelines that drive the organization towards its business objective, while also satisfying various stakeholders' needs.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the 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 controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDEPENDENT DIRECTORS' DECLARATION

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2017 are given in **Annexure-IX**. in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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

All the contracts / arrangements / transactions entered by the Company during the Financial Year 2016-17, with the related parties were in the ordinary course of business and on an arm's length basis. The transactions with the related parties have been disclosed in the financial statements. Therefore, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the Report.

DIVIDEND DISTRIBUTION POLICY

In terms of the Regulation 43A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy and the same is given at **Annexure-X** to this Report. The Policy has also been uploaded on the website of the Company www.sail.co.in.

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

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

RISK MANAGEMENT POLICY

Enterprise Risk Management (ERM) is a strategic business discipline that supports the organization's objectives by addressing full spectrum of its risks and managing the combined impact of those risks as an inter-related risk portfolio. The Risk Management Policy of your Company was approved by the Board much before the same became a statutory requirement and since then, the risk management in SAIL has grown and developed in line with internal and external requirements. The Policy provides guidance for the management of the business risks across the organisation. It focuses on ensuring that the risks are identified, evaluated and mitigated within a given time frame on a regular basis.

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

CORPORATE SOCIAL RESPONSIBILITY

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

The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and DPE Guidelines on CSR & Sustainability, 2014. SAIL carries out CSR projects in and around periphery of steel townships, mines and far flung location across the Country in the thrust areas falling in line with the Schedule-VII of the Companies Act, 2013, namely, Education, providing Medical and Health Care facilities, village development, access to water facilities, infrastructural development in peripheral rural areas, environment conservation, women empowerment, assistance to people with disabilities, sustainable income generation through self help groups, promotion of sports, art, culture & heritage conservation, etc.

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

Swachh Bharat Abhiyaan-Swachh Vidyalaya Abhiyaan: Your Company has been actively participating in the "Swachh Bharat Abhiyan" initiated by the Hon'ble Prime Minister of India. Under the campaign, construction of 672 toilets in schools falling within the periphery of its Plants & Mines in the States of Chhattisgarh, West Bengal, Odisha, Jharkhand, Madhya Pradesh and Tamil Nadu; as allocated to SAIL by Ministry of HRD, had been undertaken and completed. Facilities like squatting units, urinals, washbasin and overhead water storage have also been provided.

Healthcare: SAIL's extensive and specialised healthcare infrastructure provided specialized and basic healthcare to 99 lakh people living in the vicinity of its Plants and Units during the period 2011-16. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps in various villages on fixed days are being organized for the people living in the periphery of Plants/Units, mines and far-flung areas. During the Financial Year 2016-17, 6,240 Health Camps have been organized benefitting over 1,25,000 villagers. 7 Mobile Medical Units (MMUs) running in the Plant's peripheries have benefitted 28,000 villagers at their doorsteps.

24 exclusive Health centres at Plants/Units provided free medical care and medicines to 1,10,000 villagers during the Financial Year 2016-17.

Education: To develop the society through education, SAIL is supporting over 145 schools which are providing modern education to more than 55,000 children in the steel townships. 20 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting over 3,100 BPL category students at integrated steel plant locations with facilities of free education, mid-day meals, uniform including shoes, text books, Stationary items, school bag, water bottles, etc. are running under CSR.

Your Company in association with Akshya Patra Foundation is providing mid-day meals to 68,000 students of over 500 Government schools in Bhilai and Rourkela.

Women Empowerment & Sustainable Income Generation: Vocational and specialised skill development training targeted towards sustainable income generation has been provided to 2,070 youth and 2,461 women of peripheral villages in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter & Electrician Training, Improved agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Piggery, Achar/Pappad/Agarbati/Candle making, Screen printing, Handicrafts, Sericulture, Yarn Weaving, Tailoring, Sewing & embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Soap, Smokeless chullah making, etc. 683 youths have been sponsored for ITI training at ITCs Bolani, Bargaon, Baliapur, Bokaro Pvt. ITI and Rourkela, etc. and 31 youths in Plastic Engineering through CIPET at Bokaro.

Connectivity & Water facilities in Rural Areas: Over 77.88 lakh people across 435 villages have been connected to mainstream by SAIL since its inception by constructing and repairing of roads. Over 7,940 water sources have been installed during last five years thereby enabling easy access to drinking water to 46.46 lakh people living in far-flung areas.

Environment Conservation: Maintenance of parks, water bodies & botanical gardens in its townships and plantation and maintenance of over 4 lakh trees at various locations has been undertaken.

Support to Differently Abled & Senior Citizens: Differently abled children/people are being supported through provision of equipments like- tricycle, motorized vehicles, calipers, hearing aids, artificial limbs, etc. Your Company supports various schemes and centres at Plants under CSR like "Sneh Sampada", "Prayas"and 'Muskaan" at Bhilai, "Schools for blind, deaf & mentally challenged children" and Home and Hope" at Rourkela, "Ashalata Viklang Kendra" at Bokaro, various programs like "Handicapped Oriented Education Program" and "Durgapur Handicapped Happy Home" at Durgapur, "Cheshire Home" at Burnpur. Support has also been provided to NGOs working in this field like TAMANNA, Deepalaya, etc. Old age homes are being supported at different Plant townships like "Siyan Sadan" at Bhilai, Acharya Dham and Badshah at Durgapur, etc.

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

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

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

In an effort to align the marginalized masses, a project to promote comprehensive Water Supply and Sanitation has been initiated by Rourkela Steel Plant covering 897 households in 10 villages of Kuarmunda block. Each household is being provided potable water through a ground water source, storage tank and supply network of pipelines with 3 tap points and Sanitation unit with RCC roof on partnership model. The villagers have been mobilized and empowered for their active participation in the project. Village level committees have been formed for long-term sustenance of the project.

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

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

GENERAL DISCLOSURES

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Shri S.S. Mohanty ceased to be Director on superannuation from services of the Company on 30th June, 2016(A/N).
- Shri Raman has been appointed as Director w.e.f. 1st July, 2016(F/N).
- Dr. Atmanand and Shri J.M. Mauskar, Independent Directors have ceased to be Directors w.e.f. 18th July, 2016 on completion of their tenure.
- Smt. Bharathi S. Sihag ceased to be Director w.e.f. 30th November, 2016 (A/N).
- Shri Nilanjan Sanyal and Dr. Samar Singh have been appointed as Independent Directors w.e.f. 4th February, 2017.
- Shri Saraswati Prasad, Additional Secretary and Financial Adviser, Ministry of Steel has been appointed as Government Nominee Director on the Board of the Company on 8th February, 2017.
- Shri Binod Kumar has ceased to be Director on superannuation from services of the Company on 28th February, 2017(A/N).
- Ms. Soma Mondal has been appointed as Director w.e.f. 1st March, 2017 (F/N).
- Dr. N. Mohapatra has ceased to be Director on superannuation from services of the Company on 30th June, 2017(A/N).

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

P K Singh

(P.K. Singh)
Chairman

Place: New Delhi
Dated: 11th August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Economic Environment

Global economic output grew by 3.1% in 2016, as per IMF in its April, 2017, World Economic Outlook update. Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing, and trade. The economic activity is projected to pick up pace globally in 2017 (3.5%) and 2018 (3.6%), especially due to the emerging markets and developing economies. These emerging economies now account for more than 75% of global growth in output and consumption, almost double the share of two decades ago.

Activity is projected to pick up markedly in emerging market and developing economies because conditions in commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by the partial recovery in commodity prices, while growth is projected to remain strong in China and many other commodity importers. In advanced economies, the pickup is primarily driven by higher projected growth in the United States, where activity was held back in 2016 by inventory adjustment and weak investment.

Growth in emerging market and developing economies is projected to increase marginally to around 4.5% in 2017, with India expected to grow by 7.2% while growth in China is expected to grow at 6.6%. On the other hand, growth in advanced economies in 2017 is expected to remain at 2.0%.

World Steel Scenario

In 2016, Global Crude Steel production stood at 1,628.5 million tonnes(MT), a growth of 0.8% vis-à-vis 2015, as per World Steel Association. Crude Steel production decreased in Europe, the Americas and Africa. Crude Steel production increased in the CIS, the Middle East, Asia and Oceania.

Annual production in Asia was 1,125.1 MT of Crude Steel in 2016, an increase of 1.6% compared to 2015. China's Crude Steel production in 2016 reached 808.4 MT, up by 1.2% on 2015. China's share of World Crude Steel production increased from 49.4% in 2015 to 49.6% in 2016. Japan produced 104.8 MT in 2016, down by 0.3% compared to 2015. India's Crude Steel production in 2016 was 95.6 MT, up by 7.4% on 2015. South Korea produced 68.6 MT of Crude Steel in 2016, a decrease of 1.6% compared to 2015. The average capacity utilisation in 2016 was 69.3% compared to 69.7% in 2015.

World Steel Association has forecast that global steel demand will increase by 1.3% to 1,535.2 MT in 2017, following growth of 1.0% in 2016. In 2018, it is forecast that global steel demand will grow by 0.9% and will reach 1,548.5 MT. Steel demand in the emerging and developing economies excluding China, which accounts for 30% of world total, is expected to grow by 4.0% in 2017 and then 4.9% in 2018.

Indian Economic Environment

The Indian economy registered a growth of 7.1% in 2016-17, according to Provisional Estimates published by the Central Statistics Office. The above 5% growth trend has continued throughout the current fiscal with the economy registering growth of 7.6%, 6.8%, 6.7% and 5.6% respectively during Q1, Q2, Q3 and Q4 of Financial Year 2016-17.

Growth in the Index of Industrial Production (IIP) is estimated at 5.0% for the period April-March 2016-17, over the same period last year. The cumulative growth in Mining, Manufacturing and Electricity during April-March 2016-17 over the corresponding period of 2015-16 has been 5.4%, 4.9% and 5.8% respectively. Consumer Durables have grown by 5.5%, Capital Goods has grown by 3.1% alongwith a 3.8% growth in the Infrastructure/Construction goods during April-March 2016-17.

India's growth trajectory is expected to benefit from the Government's commitment to reforms. IMF, in its latest outlook in Apr, 2017, has estimated India's economic growth for the calendar year 2016 at 6.8%, and projects 7.2% and 7.7% growth in 2017 & 2018 respectively. A growth rate of about 6.5 - 7.0% has been projected overall for Financial Year 2016-17 in the current Economic Survey by the Govt. of India. For the Financial Year 2017-18, the GDP has been forecast in the range 6.75% - 7.5%.

Indian Steel Scenario

During April-March 2016-17, Crude Steel production was reported at 97.4 million tonnes, growth of about 8.5% over last year. The finished steel production also registered a handsome growth of 11.3% during April-March 2016-17. Import of total finished steel was at 7.5 million tonnes in the Financial Year 2016-17 and saw a significant decline of 36.6 % compared to same period of last year. India saw a growth of 102.1% in exports during 2016-17 (8.244 million tonnes) over the last year and India emerged as a net exporter of total finished steel.

India's consumption of total finished steel saw a growth of 3% in April-March 2016-17 (83.93 MT) over same period of last year.

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

B. OPPORTUNITIES & THREATS FOR SAIL

Opportunities:

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

Threats

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

C. RISKS AND CONCERNS

- The Indian Metals and Mining Sector has been impacted by the ongoing crisis and is facing a multitude of challenges like tightened liquidity position, leveraged balance sheets, surge in imports and declining sales realization. SAIL's profits have been impacted due to lower NSR of products and depressed domestic demand.
- Internally, there have been deficiencies in the form of delays in ramping up of production from the new Units due to initial stabilization factors. Further, higher capital related charges on account of incremental Depreciation and Interest of new facilities have also increased expenses.
- Lease extension Orders for five sub-judice iron ore leases in Jharkhand and for two iron ore leases in Odisha are awaited. Capacity expansion of Gua iron ore mine and development of large mechanised mines at Chiria is dependent on extension of lease period of the sub-judice leases in Jharkhand.
- Out of two iron ore leases in Odisha, in case of 6.9 Sq. Mile lease of Bolani Mine, Government of Odisha, vide letter dated 17.03.2017, has issued a "Show Cause" Notice to the Company asking as to why the 6.90 Sq. Miles lease should not be lapsed. Bolani mines produce about 6.5 million tonnes of iron ore on yearly basis.
- In view of revised Guidelines dated 1.4.2015, issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, there was a requirement of payment of NPV (about ₹1,100 Crore) for entire forest land within mining lease area by 30th March, 2017. SAIL, being a Government Company, the matter has been taken up with MoEFCC for exemption of payment of NPV under the referred Guidelines. As the clarification in this regard was not provided by MoEFCC, therefore, to avoid closure of SAIL mines in Jharkhand on account of non payment of NPV, the Company had approached Hon'ble Jharkhand High Court for relief and Hon'ble Court in its interim Order directed not to take any coercive action against SAIL. The matter was taken up on 28.04.2017 and has been referred to learned Division Bench for hearing at an early date.
- MoEFCC Guidelines dated 10.03.2015 stipulates fresh approval under Forest Conservation(FC) Act to be obtained for areas which were or are

recorded as 'forest' in Government records on or after enactment of FC Act, but while processing, the proposals were treated as 'non forest'. The timeline provided in the Guidelines for obtaining approval under FC Act was upto 31.12.2016. The proposals of Bolani Iron Ore mine in Odisha under the Guideline are awaiting approval of MoEFCC. To avoid closure of Bolani mine beyond 31.12.2016, SAIL had approached Odisha High Court for relief. In respect of mining operations, Hon'ble Odisha High Court vide its Order dated 22.12.2016 has directed for status quo to be maintained by the parties till the next date of hearing. Further, on 16.01.2017, Court has directed to continue the interim Order till next date of listing. Listing of the matter is awaited.

- Calibrated Lump Ore defined by Ministry of Mines, GoI under Mineral Conservation and Development Rules, 2017 (MCDR) on 27.02.2017, may impact the Company financially in form of royalty on iron ore paid to the State Governments.
- The developmental issues regarding overlap of Sitanala and Parbatpur coal blocks, allocated to SAIL in recent times, with Coal Bed Methane (CBM) Block allottee i.e. ONGC has resulted in substantial reduction in the available coal block area and extractable coal reserves available to the Company. The techno-commercial viability of these blocks is being re-assessed through MECON.
- Vide Gazette Notification dated 10.02.2015, Ministry of Mines, GoI has notified 31 major minerals to the category of minor minerals including Dolomite. The lease period of the mining leases for minor minerals is governed under Rules made by respective State Governments. Chhattisgarh Government has notified Minor Mineral Rules on 27.03.2015. Lease period for the mining lease has been amended on 23.03.2016 and is defined under Rule 38A. SAIL has two dolomite mines in Chhattisgarh viz. Hirri Dolomite Mine in Bilaspur district and Ispat Dolomite Quarry, Baraduar in Janjgir-Champa district. Under the provisions of these rules, lease period for Hirri and Baraduar mines may be extended maximum up to 31.03.2020 and 25.12.2020 respectively. The State Govt. has already extended the lease period of Hirri dolomite lease till 31.03.2020. With regard to Baraduar lease extension, State Govt. has asked for the environment and forest clearance for the lease. Subsequent to the expiry of these lease periods, if the mineral resource is still available in the area, the lease shall be put to auction or tendering, as the case may be, as per the procedure specified in these Rules. Matter for further extension of the lease period is being taken up with Mineral Resources Department of Chhattisgarh Govt. for amendment of Chhattisgarh Minor Mineral Rules, 2015 to have a provision of extension of lease period for the Government companies in line with Mineral (Mining by Government Company) Rules, 2015, notified by Ministry of Mines, GoI for major minerals.

D. OUTLOOK

Analysts are upbeat over the expected above normal monsoon and higher GDP growth. The slow pace of public and private sector projects is expected to improve with the Government of India's thrust on infrastructure projects. Further, 'Make in India' initiative has got a boost by a slew of measures aimed at improving the ease of doing business in the Country. Small and medium industry- a major employment generator for the economy- has been liberated to participate in the Nation's development in accordance with its potential. Bold measures by the Government such as improved targeting of subsidy, broadening of the tax base and expected buoyancy in tax revenue are all aimed at achieving the fiscal consolidation which had been an area of concern in the recent past.

E. STRENGTHS & WEAKNESSES

Strengths

- SAIL continues to be among the leading steel producers of the Nation.
- Multi located production units give us an edge over other domestic steel players.
- Reasonably modernised units after completion of the on-going modernisation and expansion.
- Well established nationwide marketing and distribution network helps in enhancing the reach of SAIL products all across the Country.
- Most diverse product range offered by any domestic steel company.
- Availability of land bank at existing plant/unit locations for future brown-field expansion.
- Input security - 100 per cent integration in iron-ore.
- Highly qualified professionals with experience in steel making.

Weaknesses

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

F. REVIEW OF FINANCIAL PERFORMANCE

1. FINANCIAL OVERVIEW OF SAIL

The Ministry of Corporate Affairs(MCA) notified Companies(Indian Accounting Standard) Rules, 2015 enabling implementation of IND AS. Pursuant to this notification, SAIL and its subsidiaries, associates and joint ventures have adopted IND AS with effect from 1st April, 2016. Accordingly, the Standalone and Consolidated Financial Statements for the year ended 31st March, 2017, and 31st March, 2016 including transition date balance sheet as at 1st April, 2015, have been prepared in accordance with IND AS.

SAIL achieved sales turnover of ₹49,180 crore during the Financial Year 2016-17, which was higher by 14% over last year's turnover of ₹43,294 crore. During the Financial Year 2016-17, there was Loss after Tax of ₹2,833 crore as compared to Loss after Tax of ₹4,021 crore during the last year, which is 30% lower than corresponding period of last year. All the financial figures have been reworked as per INDAS for 2015-16. The comparative performance of major financial parameters during the Financial Years 2016-17 and 2015-16 is given below:

(₹ crore)

Particulars	2016-17	2015-16
Sales Turnover	49180.24	43294.06
Profit before interest, depreciation, exceptional/abnormal items and tax (EBIDTA)	671.60	-2203.66
Less: Interest and Finance Charges	2527.82	2300.45
Less: Depreciation	2679.95	2402.35
Profit before tax (PBT) before exceptional / abnormal items	-4536.17	-6906.46
Exceptional items : Loss(-)/Gain(+) (VRS)	-314.69	-101.04
Profit before tax/abnormal items (PBT) after exceptional/ abnormal items	-4850.86	-7007.50
Less: Provision for taxation	-2017.62	-2986.06
Profit(+)/Loss(-) after Tax	-2833.24	-4021.44
Net Worth	36009	39196
EBIDTA to Net sales (%)	1.53	-5.73
Return (PAT) on Net worth (%)	-7.87	-10.26
EBIDTA to average capital employed (%)	1.27	-4.28
Earning per share of Rupee 10/- each	-6.86	-9.74
Debt Equity Ratio	1.15:1	0.90:1

As compared to last year, the Loss before Tax of your Company in the Financial Year 2016-17 has reduced mainly due to higher Saleable Steel production(12%), concast production(9%), Saleable Steel sales (8.2%), Net Sales Realisation of 5 Integrated Steel Plants(6.3%), lower usage of imported coal in the blend, higher usage of CDI in CDI furnaces, reduction in coke rate, improvement in BF productivity, reduction in salaries & wages, decrease in average purchase power rate, foreign exchange gain, etc. However, the profitability of your Company has been adversely affected due to increase in imported and indigenous coal prices, increase in security expenses, increase in repairs & maintenance, increase in interest cost and depreciation.

1.2 Initiatives Taken by the SAIL Management

1.2.1 Turnaround Plan

In order to meet the challenges of adverse business environment, it was decided to create and implement a sustainable turnaround strategy. In line with the same, a Company-wide turnaround initiative, named 'SAIL Uday' has been undertaken covering improvements for all functions in the Plants and Units, while reviewing and sharpening our business strategy and processes. Your Company has engaged M/s Boston Consulting Group (India) Private Limited (BCG), as Management Consultant to study the present health of the Company and suggest suitable measures for its turnaround. The 'SAIL Uday' initiative is expected to drive the Company towards profitability as well as build for sustained market leadership.

1.2.2 Cost Control Measures

- Emphasis on cost reduction with improvement in productivity continued during the year through process improvement and efforts by R&D. Awareness was created at all levels to control cost in all areas of operation.
- Strategic actions such as optimizing coal blend, improvement in yields, reduction in coke rate, enhanced concast production, sale of idle assets and maximizing use of in-house engineering shops resulted in enhanced cost reduction during the year.
- Further, with a view to rationalise manpower, Voluntary Retirement Scheme has been implemented w.e.f. 15th June, 2017.

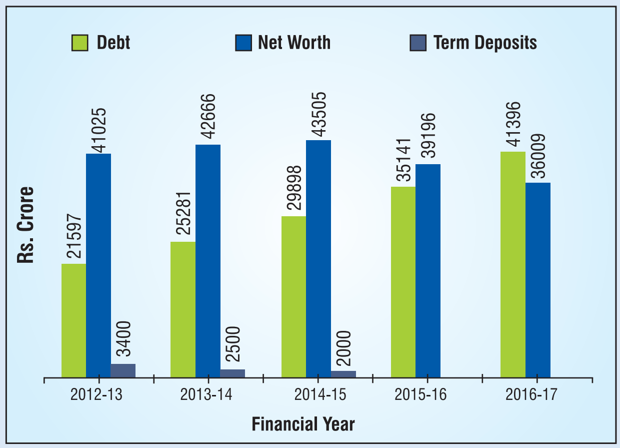
1.2.3 Marketing

Your Company took various initiatives during the Financial Year 2016-17 to maintain its leadership position in the market by improving customer satisfaction. Some of these initiatives include the following:

- Cross functional teams of Plant, Marketing and R&D engaged with specific segments of customers to market products of new mills commissioned under the on-going Modernization and Expansion Programme of the Company. Regional seminars were also held to disseminate information about new products to designers, architects and structural engineers.
- Product development has been a continuous endeavour at SAIL for meeting specific application requirement of our customers. 20 new products were developed during the Financial Year 2016-17 for a wide variety of applications. Some of the products developed are given as under:
  - ❖ Seismic Grade TMT rebars as per IS 1786 FE 500S.
  - ❖ High Strength LPG sheets as per IS 15914 from BSL for domestic LPG cylinders.
  - ❖ Cold Rolled Steel from the new Cold Rolling Mill 3 of BSL for new usages viz. Furniture, Drum & Barrel and Auto components.
  - ❖ DMR 301 Steel for defence for under water applications.
  - ❖ Narrow Parallel Flange Beam from ISP (NPB 400*189*75.66, NPB 450*190*77.57, NPB 500*200*90.68/79.36) for construction sector.
- 350 KVA Solar Power Plant has been installed at Kanpur for catering to power requirements of the entire warehouse, which is expected to result in substantial monthly saving.
- In order to cater to the requirements of the consumers for processed materials, three service centres have been started at Jamshedpur, Faridabad and Chennai for HR/CR products.
- Bokaro and Bangalore warehouses of CMO have been accredited with ISO:14001:2015 during 2016-17 as per the norms of the Environment Management Systems (EMS) taking the total number of green SAIL warehouses to eleven.
- SAIL has the largest marketing network among all steel producers in the Country. As on 1st April, 2017, SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 10 active Customer Contact Offices, 24 Departmental Warehouses and 21 functional Consignment Agency yards. In addition, marketing efforts are supplemented by a strong dealer network of more than 2100 dealers spread across the Country, out of which over 630 are rural dealers. In order to further reach out to the end customers in the Retail Segment through an efficient distribution channel as also to provide value addition in product, delivery and services to customers, distributors for TMT bars & GC sheets are being appointed across the Regions.

1.3 Funds Management

During the year, the Company continued its thrust on better funds management. The high cost loans were replaced with low cost debts, timely repayment of loans including interest, actions for future fund raising, etc. to meet the growth objectives. The Company had borrowings at ₹41,396 crore as on 31st March, 2017. The Company hedged the foreign currency risk on Buyers' Credit and repayment of External Commercial Borrowings depending on market conditions. M/s CARE Ratings and M/s Brickwork Ratings, RBI approved credit rating agencies, assigned "CARE AA Outlook: Negative" and "BWR AA+ Outlook: Stable" respectively, to SAIL's long-term borrowing programme. The trend of borrowings, net worth and term deposits is given as under:



1.4 Contribution to SAIL Gratuity Trust

The total contribution made by the Company to SAIL Gratuity Trust upto 31.03.2017 was ₹3,349 crore. The fund size has grown to ₹5,836.33 crore as on 31.03.2017, net of settlement done towards payment of Gratuity.

2. ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

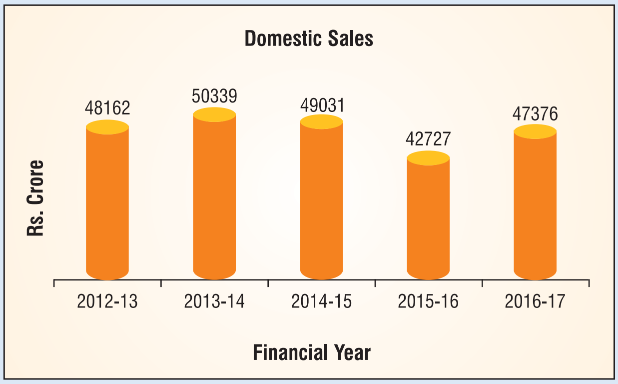
2.1 Revenue from Operations

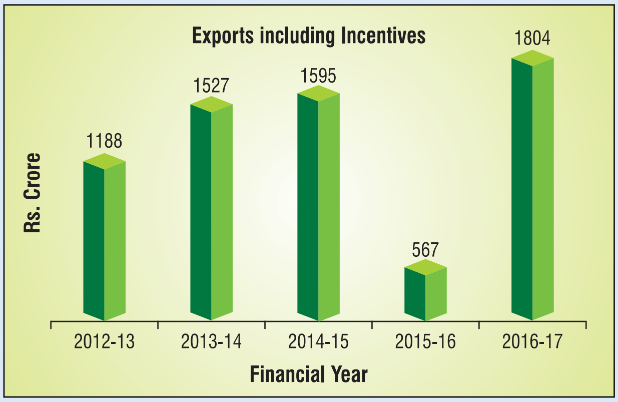
a) Sale of Products

(₹ crore)

Particulars	2016-17	2015-16	Change %
Sales of Saleable Steel Products	46653.91	40880.18	14.1
Sales of Other Products	2526.33	2413.88	4.6
Total Sales Turnover	49180.24	43294.06	13.6
Less: Excise Duty	5314.69	4823.29	10.1
Net Sales Turnover	43865.55	38470.77	14.0

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/sheet, CR coils/sheets, Galvanised Plain/Corrugated Sheets and Long products comprising Rails, Structural, Wire-rods and Merchant Products. In addition, Electric Resistance Welded Pipes, Spiral Welded Pipes and Silicon Steel Sheets formed part of Company's rich product-mix. The product category-wise sales turnover during 2016-17 is given as under:

Products Category	% of Sales value
Saleable Steel:	
Flat Products (including Pipes & Electrical sheets) (a)	50
Long Products (b)	40
Integrated Steel Plants - Mild Steel (c = a + b)	90
Alloy & Special Steel Plants - Alloy & Special Steel (d)	5
Total Saleable Steel (e = c + d)	**95**
Secondary Products (Pig Iron, Scrap, Coal Chemicals etc.) (f)	5
Total (g = e + f)	**100**

c) Sale of Services - Service Charges

(₹ crore)

2016-17	2015-16	Change %
31.89	33.44	-4.63

Revenue from sale of services decreased by about ₹1.55 crore during the current year.

d) Other Operating Revenues

(₹ crore)

2016-17	2015-16	Change %
554.97	547.67	1.33

Other operating revenues increased by about ₹7.3 crore over previous year primarily on account of higher realisation from social amenities and sale of sundries.

2.2 Other Income

(₹ crore)

2016-17	2015-16	Change %
535.61	594.67	-9.93

Other income decreased by about ₹59.06 crore over previous year mainly due to decrease in interest income from customers and term deposits and decrease in dividend income.

2.3 Expenditure

(₹ crore)

Particulars	2016-17	2015-16	Change %
Raw Materials Consumed	21126	17155	23.1
Employee Remuneration & Benefits	8948	9715	-7.9
Finance Cost	2528	2300	9.8
Depreciation	2680	2402	11.5
Other Expenses	14220	14539	-2.1

During the year 2016-17, there was unprecedented increase in imported coal prices and this has affected the raw material prices hugely. Further, indigenous coal prices also increased in line with imported coal prices due to invoking of coal price parity by domestic coal companies. During the year, the Employees' Remuneration & Benefits have decreased mainly due to reduction in manpower numbers on account of natural separation and voluntary retirement scheme. Higher finance cost was due to increase in borrowings and increase in depreciation was due to capitalization of new facilities. The decrease in other expenses was on account of decrease in the cost of stores & spares, power & fuel, royalty and cess, etc.

2.4 Contribution to Exchequer

During the year, SAIL contributed ₹10,244 crore to the national exchequer by way of payment of taxes and duties to various government agencies.

2.5 Non-Current / Current Assets

(₹ crore)

Particulars	2016-17	2015-16	Change %
Non-Current Assets			
(a) Property, Plant and Equipment	48762	44379	9.88
(b) Capital Work-in-Progress	23275	24927	-6.63
(c) Investment Property	1	1	-2.27
(d) Intangible Assets	1523	1546	-1.53
(e) Financial Assets			
(i) Investments	1395	1292	8.01
(ii) Loans	454	450	0.89
(iii) Other Financial Assets	262	492	-46.75
(f) Deferred Tax Assets (Net)	4006	1800	122.57
(g) Non current tax assets (Net)	236	278	-15.11
(h) Other non-current assets	1063	977	8.80
TOTAL NON-CURRENT ASSETS	**80977**	**76142**	**6.35**

(₹ crore)

Particulars	2016-17	2015-16	Change %
Current Assets			
(a) Inventories	15711	14680	7.03
(b) Financial Assets			
(i) Trade Receivables	2922	3143	-7.06
(ii) Cash & cash equivalents	121	132	-8.69
(iii) Bank balances other than (ii) above	168	166	1.59
(iv) Loans	61	64	-4.69
(v) Other Financial Assets	2268	1762	28.72
(c) Current Tax Assets (Net)			
(d) Other Current Assets	4299	4230	1.63
(e) Assets classified as held for sale	12	21	-42.01
TOTAL CURRENT ASSETS	**25562**	**24198**	**5.64**
TOTAL ASSETS	**106539**	**100340**	**6.18**

- Property, Plant & Equipment increased by ₹4,383 crore mainly due to capitalization of new facilities.
- The capital work-in-progress decreased by ₹1,652 crore on account of capitalization of various capital schemes in steel Plants.
- The non-current investments has increased by ₹104 crore primarily due to investment in ICVL.
- Other Non-Current Assets increased by ₹87 crore.
- The inventories increased by ₹1,031 crore mainly on account of increase in raw materials inventory due to high prices of imported coking coal.
- Decrease in trade receivables was by ₹221 crore.
- Other Current Assets increased by ₹68 crore, mainly on account of higher amount of deposits required at Government Authorities.

2.6 Non-Current/ Current Liabilities

(₹ crore)

Particulars	2016-17	2015-16	Change %
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19087	17496	9.1
(ii) Trade Payables	7	7	7.8
(iii) Other Financial Liabilities	1366	1572	-13.1
(b) Long Term Provisions	3594	3272	9.9
(c) Other Non-Current Liabilities	151	113	33.3
Total Non-Current Liabilities	**24206**	**22459**	**7.8**
Current Liabilities			
(i) Borrowings	19813	15575	27.2
(ii) Trade Payables	5219	4003	30.4
(iii) Other Financial Liabilities	12766	10960	16.5
(b) Other Current Liabilities	5607	5493	2.1
(c) Provisions	2915	2643	10.3
(d) Current Tax Liabilities (Net)	5	12	-62.0
Total Current Liabilities	**46324**	**38685**	**19.7**
Total Current+Non-Current Liabilities	**70530**	**61144**	**15.4**

- Increase in long term borrowings by 9% was due to fresh bond issue for capital expenditure.
- The short term borrowings increased by ₹4,238 crore due to higher buyers credit in form of foreign currency due to steep increase in imported coal prices.

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

(₹ crore)

Plant/Unit	2016-17	2015-16
Bhilai Steel Plant (BSP)	2.07	445.97
Durgapur Steel Plant (DSP)	-951.16	-467.74
Rourkela Steel Plant (RSP)	-1357.80	-2490.70
Bokaro Steel Plant (BSL)	-203.07	-2060.95
IISCO Steel Plant (ISP)	-1946.39	-1982.20
Alloy Steels Plant (ASP)	-33.25	-81.01
Salem Steel Plant (SSP)	-234.99	-461.29
Visvesvaraya Iron & Steel Plant (VISP)	-116.89	-113.05
SAIL Refractory Unit (SRU)	19.79	23.56
Chandrapur Ferro Alloys Plant (CFP)	-83.33	-80.85
Raw Materials Division/Central Units*	54.16	260.76
SAIL: Profit Before Tax (PBT)	**-4850.86**	**-7007.50**
SAIL: Profit After Tax(PAT)	**-2833.24**	**-4021.44**

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

G. MATERIALS MANAGEMENT

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

- **Inventory Reduction:** Measures and initiatives like receipt/delivery control, strict indent screening, de-proprietarisation, etc. lowered the holding period of Stores & Spares to 6.54 months from earlier 7.09 months.
- **Purchase Cost Reduction:** By adopting multi-pronged strategy in purchase of bulk items/Central Procurement Agency Items, cost-savings of more than ₹200 crore were achieved in several areas like Low Silica Limestone, Sea Water Magnesia, etc.
- **E-Procurement:** E-tendering using SRM/EPS platform increased to 48.67% from 37.04% on Y-o-Y basis.
- **Systems Improvement:** All the major Policies and Procedures issued more than 5 years ago were taken up for review.

H. FOREIGN EXCHANGE CONSERVATION

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

I. PROJECT MANAGEMENT

AMR SCHEMES

Besides Modernisation and Expansion Projects, the Addition, Modification & Replacement(AMR) Schemes have also been taken up which are required for management of existing operations and primarily focuses on improving the current level of efficiency and output in incremental measures. AMR Schemes are undertaken for improving or revamping of existing facilities for sustaining the existing operations, balancing / debottlenecking of production processes, improvement in energy & other resource consumption / services / safety and environment. Replacement includes mostly replacing the existing Plant & Equipment / facilities with better performance Plant & Equipment / facilities; Re-building of certain facilities like Coke Oven Batteries after its useful life is one of the types of replacement scheme. Accordingly, a number of AMR schemes costing around ₹7,451 crore are under implementation in different Plants of the Company as under:

- Upgradation of Stoves for Blast Furnace-4, Modification of Mid stack Cooling System of Blast Furnace -7, Construction of Permanent Barrack at 21 locations for Rowghat Deposit, Revamping of Sinter Cooler of Sinter Plant-3, Installation of Cast House Defuming System in Blast Furnace No.7, Setting up of Static facility for Environmentally Sound Management of Polychlorinated Biphenyls and Installation of Electro Static Precipitators as replacement of Multi Cyclones for all 4 nos. of Sinter Machine at Sinter Plant -II at Bhilai Steel Plant.

- Installation of new Rotary Hearth Reheating Furnace at Wheel & Axle plant at Durgapur Steel Plant.
- Installation of New Hot Strip Mill at Rourkela Steel Plant.
- Replacement of Battery cyclones with Electro Static Precipitators in Sinter Plant, Replacement of Converter Shell Trunnion Ring of Steel Melting Shop-II, Rebuilding of Coke Oven Battery-7, Provision of Hydraulic Mudgun cum Drill Machine for Blast Furnace -1, Alternate Gas Network, New Sinter Plant, Modernization of Steel Melting Shop -I, Upgradation of Stoves of Blast Furnace No. 1, Rebuilding of Coke Oven Battery-8 and Up-gradation of 6 nos. of Electro Static Precipitators of Lime Kiln at Bokaro Steel Plant.
- 4 MW Power Plant at Chandrapur Ferro Alloy Plant.

J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the in-house design, engineering & consultancy unit of SAIL provides the complete range of services from concept to successful commissioning of projects in the complete value chain of integrated steel plant and its mines. With a strength of about 250 qualified, trained and experienced engineers, CET is now taking leadership role in mineral beneficiation, pellet plant, material handling, power plant, slag granulation plant, stoves, water management, automation and many other related areas. The current major projects in its basket include Re-building of Coke Oven Battery No.7&8 at BSL, new 3.0 MT Hot Strip Mill at RSP, Modernization of SMS-1 at BSL, etc.

K. CONSULTANCY SERVICES

Your Company has one of the largest pool of qualified and experienced engineers, technologists, and professionally qualified HR & training experts. Based on its large and varied expertise and experience acquired over the last 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 2016-17, SAILCON laid enhanced focus on taking up training assignments and provided training services in steel making to newly recruited executives of a green field integrated steel plant. 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, SAIL has given thrust for its R&D efforts through its well equipped R&D Centre located at Ranchi. It has more than three hundred diagnostic equipment and adequate pilot facilities under fifteen major laboratories. The centre undertakes research projects encompassing the entire spectrum of iron & steel starting from raw materials to finished products. In the year 2016-17, 108 projects were pursued and 42 projects completed with substantial benefits to the organization.

RDCIS also pursues pioneering work in the area of development of niche products as per market requirements aiming at superior performance based on application. During the Financial Year 2016-17, twenty products have been developed and some of the noteworthy products include resistant steels for Indian construction segment, Aircraft carrier ships, Submarines, Domestic LPG Cylinder, Tipper body, Earthmovers and Line pipes, etc.

The Centre in its pursuit for excellence in various research fields enters into collaboration mode of research in specific areas with renowned research institutions and academia. During the Financial Year 2016-17, MOU/ Collaboration agreements have been entered into with institutions such as NIFFT, Hatia, Ranchi; Kalyani Carpenter Special Steel Pvt. Ltd., Pune; PSG College of Technology, Coimbatore and IIT Kharagpur.

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

The efforts of RDCIS engineers and scientists have culminated in filing of 35 patents and 28 copyrights (in association with SAIL Plants) during 2016-17. As many as 95 technical papers (27 international) were published and 127 papers (52 international) were presented. In addition, RDCIS undertook contract research work and provided consultancy services and know-how to organisations outside SAIL.

In recognition of the contributions made by the Centre, RDCIS has bagged several prestigious awards (11 in total) during 2016-17 like Metallurgist of the Year, IIM OP Jindal Gold Medal Award, Coal India (JG Kumarmangalam Memorial) Award, Indranil Award for Metallurgy, 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 various systems, procedures/policies of the Company and suggests meaningful and useful improvements. It helps Management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance.

The Company has taken a number of steps to make the audit function more effective. The Internal Audit is subject to overall control environment supervised by Board Level Audit Committee, providing independence to the Internal Audit function, emphasizing transparency in the systems and internal controls with appropriate skill-mix of internal audit personnel etc. Audit Plan based on identification of key-risk areas with thrust on system/process audits and benchmarking of the best practices followed in the Plants/Units, is made and approved by Audit Committee so as to achieve overall efficiency improvement including cost reduction in operation of 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 ascertaines their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations are acted upon by the Management. The Audit Committee, inter-alia, has also monitored /reviewed the following areas:

- Issues related to unauthorized occupation of Land and quarters in SAIL Townships & Reconciliation of Title Deeds of land at different Plants/ Units.
- Energy Audit.
- Periodic review of Enterprise Risk Management (ERM).
- Trade remedial measures.
- Provisioning for restoration of closed Mines.
- Performance vis-à-vis Turnaround Plan of SAIL.
- Vigil Mechanism in SAIL.
- ERP Implementation & its integration across SAIL.
- Borrowings Management in SAIL.

The Internal Audit system is supplemented by well-documented Policies, Guidelines and Procedures and regular reviews are being carried out by the Internal Audit Department. The reports containing significant audit findings are periodically submitted to the Management and Audit Committee of the Board.

CAUTIONARY STATEMENT

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

Balance Sheet

STANDALONE

As at 31st March, 2017

(₹ crore)

	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	**48,762.03**	44,378.87	36,229.95
(b) Capital work-in-progress	5	**23,275.39**	24,927.22	29,209.54
(c) Investment property	6	**0.86**	0.88	0.90
(d) Intangible assets	7	**1,522.58**	1,546.20	1,510.21
(e) Financial assets				
(i) Investments	8	**1,395.48**	1,291.75	967.35
(ii) Trade receivables	9	**-**	-	2.25
(iii) Loans	10	**453.52**	449.95	426.98
(iv) Other financial assets	11	**262.42**	492.38	698.08
(f) Deferred tax assets (net)	12	**4,005.84**	1,799.80	-
(g) Current tax assets (net)	13	**235.81**	278.10	609.89
(h) Other non-current assets	14	**1,062.99**	976.47	798.16
		80,976.92	76,141.62	70,453.31
Current assets				
(a) Inventories	15	**15,711.35**	14,679.53	17,250.70
(b) Financial assets				
(i) Trade receivables	9	**2,921.69**	3,143.49	3,585.97
(ii) Cash and cash equivalents	16	**120.93**	132.44	148.17
(iii) Other bank balances	17	**168.16**	165.52	2,163.76
(iv) Loans	10	**61.47**	64.09	65.74
(v) Other financial assets	11	**2,267.85**	1,762.14	2,338.43
(c) Other current assets	14	**4,299.16**	4,230.85	4,234.94
		25,550.61	24,178.06	29,787.71
Assets classified as held for sale	18	**11.94**	20.59	20.46
TOTAL ASSETS		**1,06,539.47**	1,00,340.27	1,00,261.48
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	**4,130.53**	4,130.53	4,130.53
(b) Other equity	20	**31,878.53**	35,065.37	39,392.79
		36,009.06	39,195.90	43,523.32
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	**19,087.48**	17,495.71	15,620.20
(ii) Trade payables	22	**7.36**	6.83	0.71
(iii) Others financial liabilities	23	**1,365.93**	1,571.82	1,375.09
(b) Provisions	24	**3,593.94**	3,271.65	3,381.56
(c) Deferred tax liabilities (net)	12	**-**	-	1,268.95
(d) Other non-current liabilities	25	**151.29**	113.48	117.90
		24,206.00	22,459.49	21,764.41
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	**19,813.04**	15,574.86	14,282.91
(ii) Trade payables	22	**5,219.20**	4,002.71	3,606.38
(iii) Other financial liabilities	23	**12,765.62**	10,959.80	10,411.63
(b) Other current liabilities	25	**5,607.26**	5,492.96	4,283.55
(c) Provisions	24	**2,914.77**	2,642.65	2,377.38
(d) Current tax liabilities (net)	13	**4.52**	11.90	11.90
		46,324.41	38,684.88	34,973.75
TOTAL EQUITY & LIABILITIES		**1,06,539.47**	1,00,340.27	1,00,261.48
Significant Accounting Policies	3			

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

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[R.N. Basu]
Partner
M. No. 050430

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Lalit Ahuja]
Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Statement of Profit & Loss
For the year ended 31st March, 2017

(₹ crore)

	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
Revenue from operations	26	**49,767.10**	43,875.17
Other income	27	**535.61**	594.67
Total Income		**50,302.71**	44,469.84
Expenses			
Cost of materials consumed	28	**21,125.70**	17,155.23
Changes in inventories of finished goods and work in progress	29	**120.63**	540.61
Excise duty		**5,314.69**	4,823.29
Employee benefits expense	30	**8,947.83**	9,714.97
Finance costs	31	**2,527.82**	2,300.45
Depreciation and amortisation expense		**2,679.95**	2,402.35
Other expenses	32	**14,220.21**	14,540.44
Total Expenses		**54,936.83**	51,477.34
Profit/(Loss) before Exceptional item & tax		**(4,634.12)**	(7,007.50)
Add: Exceptional item			
- Voluntary retirement compensation		**(216.74)**	-
Profit/(Loss) Before Tax		**(4,850.86)**	(7,007.50)
Tax expense	38		
Current tax		**-**	-
Deferred tax		**(2,032.76)**	(2,909.55)
Earlier years		**15.14**	(76.51)
Total tax expense		**(2,017.62)**	(2,986.06)
Profit/(Loss) for the year		**(2,833.24)**	(4,021.44)
Other Comprehensive Income			
A i) Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		**(545.04)**	(145.08)
Gains and losses from investments in equity instruments designated at fair value through OCI		**3.02**	0.42
ii) Income tax relating to items that will not be reclassified to profit or loss		**188.42**	49.57
Other Comprehensive Loss for the year		**(353.60)**	(95.09)
Total Comprehensive Loss for the year		**(3,186.84)**	(4,116.53)
Earnings per equity share			
Number of Equity Shares (face value of ₹ 10 each)		**4,13,05,25,289**	4,13,05,25,289
Basic and diluted earnings per share (₹)		**(6.86)**	(9.74)
Significant Accounting Policies	3		

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

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[R.N. Basu]
Partner
M. No. 050430

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Lalit Ahuja]
Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Statement of Changes in Equity

For the year ended 31st March, 2017

A. Equity Share Capital (₹ crore)

Particulars	Balance as at 1st April, 2015	Changes in equity share capital	Balance as at 31st March, 2016	Changes in equity share capital	Balance as at 31st March, 2017
Equity shares with voting rights	4,130.09	0.30	4,130.39	0.02	4,130.41
Equity shares without voting rights	0.44	(0.30)	0.14	(0.02)	0.12

B. Other Equity (₹ crore)

	Reserves and Surplus					Other comprehensive income - Reserve	
	Capital Reserve	Securities Premium Reserve	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Total
Balance as at 1st April, 2015	1.75	235.10	5,095.13	1,008.88	33,051.93	-	39,392.79
(Loss) for the year	-	-	-	-	(4,021.44)		(4,021.44)
Other comprehensive (loss) for the year	-	-	-	-	(94.87)	(0.22)	(95.09)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(4,116.31)**	**(0.22)**	**(4,116.53)**
Impact of Depreciation on account of Schedule II to Companies Act 2013 (net of tax)	-	-	-	-	(86.61)	-	(86.61)
Transfer from bond redemption reserve	-	-	-	(63.03)	63.03	-	-
Transfer to bond redemption reserve	-	-	-	504.11	(504.11)	-	-
Sub-total	**-**	**-**	**-**	**441.08**	**(527.69)**	**-**	**(86.61)**
Transaction with owners in their capacity as owners:							
Dividends	-	-	-	-	(103.26)	-	(103.26)
Tax on dividends	-	-	-	-	(21.02)	-	(21.02)
Sub-total	**-**	**-**	**-**	**-**	**(124.28)**	**-**	**(124.28)**
Balance as at 31st March, 2016	**1.75**	**235.10**	**5,095.13**	**1,449.96**	**28,283.65**	**(0.22)**	**35,065.37**
Balance as at 1st April, 2016	**1.75**	**235.10**	**5,095.13**	**1,449.96**	**28,283.65**	**(0.22)**	**35,065.37**
(Loss) for the year	-	-	-	-	(2,833.24)		(2,833.24)
Other comprehensive income/ (loss) for the year	-	-	-	-	(356.62)	3.02	(353.60)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(3,189.86)**	**3.02**	**(3,186.84)**
Transfer from bond redemption reserve	-	-	-	(84.09)	84.09	-	-
Transfer to bond redemption reserve	-	-	-	607.77	(607.77)	-	-
Balance as at 31st March, 2017	**1.75**	**235.10**	**5,095.13**	**1,973.64**	**24,570.11**	**2.80**	**31,878.53**

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[R.N. Basu]
Partner
M. No. 050430

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Lalit Ahuja]
Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Cash Flow Statement
For the year ended 31st March, 2017

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**(4,850.86)**	(7,007.50)
Adjustments for:		
Depreciation and amortisation expense	**2,679.95**	2,402.35
Gain on disposal of fixed assets (net)	**48.17**	68.05
Interest income	**(0.10)**	(182.24)
Dividend income	**(91.93)**	(70.85)
Finance costs	**2,527.82**	2,300.45
Loss on sale of non current investments	**(0.01)**	(7.31)
Bad debts and provision for doubtful advances/receivables	**74.47**	27.81
Other provisions	**73.08**	164.96
Unclaimed balances and excess provisions written back	**(97.62)**	(80.59)
Operating profit/(loss) before working capital changes	**362.97**	(2,384.87)
Change in assets and liabilities		
Trade receivable	**244.95**	497.51
Loans, other financial assets and other assets	**(431.53)**	586.45
Trade payable	**1,217.02**	402.45
Other financial liabilities, other liabilities and provisions	**1,801.41**	1,960.17
Inventories	**(1,104.70)**	2,406.21
Cash flow from operating activities post working capital changes	**2,090.12**	3,467.92
Income tax paid (net)	**34.91**	331.79
Net cash flow from operating activities (A)	**2,125.03**	3,799.71
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(5,452.18)**	(6,651.82)
Proceeds from sale/disposal of property, plant & equipment	**25.02**	158.99
Purchase of current and non-current investments	**(100.90)**	(316.67)
Movement in fixed deposits (net)	**(2.64)**	1,998.24
Interest received	**0.10**	182.24
Dividend received	**91.93**	70.85
Net cash flows/(used) in investing activities (B)	**(5,438.67)**	(4,558.17)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	**1,591.77**	1,875.51
Repayment of short-term borrowings (net)	**4,238.18**	1,291.95
Finance cost paid	**(2,527.82)**	(2,300.45)
Dividend paid (including tax)	**-**	(124.28)
Net cash flows/(used) in financing activities (C)	**3,302.13**	742.73
Increase in cash and cash equivalents (A+B+C)	**(11.51)**	(15.73)
Cash and cash equivalents at the beginning of the year	**132.44**	148.17
Cash and cash equivalents at the end of the year Note No. 16	**120.93**	132.44

The cash flow statement has been prepared under the indirect method as set out in Ind AS-7, Statement of Cash Flows.
The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

For Singhi & Co.
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Sd/-
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For V K Dhingra & Co.
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M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Notes to Standalone Financial Statements for the Year ended 31st March, 2017

1. Corporate and General Information

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

These financial statements have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2017.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the periods presented. These are the Company's first Ind AS financial statements and Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied.

For all the periods up to and including 31st March 2016, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes, Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Act, 2013 (collectively referred to as 'Indian GAAP'). The Company followed the provisions of IndAS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz., 1st April, 2015. Certain of the Company's Ind AS Accounting Policies used in the opening Balance Sheet differed from its Indian GAAP Accounting Policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments, arising from events and transactions before the date of transition to Ind AS, were recognised directly through retained earnings as at 1st April, 2015 as required by Ind AS 101.

2.2 Basis of Measurement

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

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Management Judgement

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

3. Significant Accounting Policies

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

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

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

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Depreciation

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

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

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

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

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

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

3.2 Intangible Assets

3.2.1 Recognition and Measurement

Mining Rights

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

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

Other Intangible Assets

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

Research and Development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

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

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

3.5 Borrowing Costs

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

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

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

3.6 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

Short Term Employee Benefits

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

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

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

3.10 Revenue Recognition

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

Sale of goods

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

Marine export sales are recognised on:

i) the issue of bill of lading, or

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

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

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

Interest and dividend income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

Company as a Lessee

Finance leases

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

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

Operating leases

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

Company as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

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

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

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

3.16 Mine Closure

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

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Equity and Reserves

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

Other components of equity include the following:

- Re-measurement of defined benefit liability comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets.
- Bond Redemption Reserve.

- Other transactions recorded directly in Other Comprehensive Income.
- Retained earnings include all current and prior period retained profits

3.21 Financial Instruments

Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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

Financial assets at FVTPL

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

Financial assets at FVOCI

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

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

Classification and subsequent measurement of financial liabilities

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

Embedded Derivatives

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

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Trade Receivables

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

Other Financial Assets

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

Offsetting financial instruments

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

3.22 Investments in subsidiaries, joint ventures and associates

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

3.23 Significant Judgements, Assumptions and Estimations in applying Accounting Policies

3.23.1 Classification of Leases

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

3.23.2 Close-down and Restoration Obligations

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

3.23.3 Recognition of Deferred Tax Assets

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

3.23.4 Inventories

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

3.23.5 Defined Benefit Obligation (DBO)

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

3.23.6 Fair Value Measurements

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

3.23.7 Provisions and Contingencies

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

3.23.8 Mines Closure and Restoration Obligations

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

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

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

4. PROPERTY, PLANT AND EQUIPMENT

(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block *
	As at 1st April, 2015	Additions	Disposals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Disposals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
A. Plant, Mines & Others										
Land (Including cost of Development)										
-Freehold land	261.15	1.52	-	262.67	0.87	-	-	0.87	261.80	260.28
-Leasehold land	959.01	21.81	1.54	979.28	113.86	58.99	1.33	171.52	807.76	845.15
Buildings and related equipments	3,939.24	641.94	(511.17)	5,092.35	1,385.46	158.49	48.26	1,495.69	3,596.66	2,553.78
Plant and machinery										
-Steel Plant	51,468.58	9,496.05	821.02	60,143.61	22,822.50	1,694.05	8.62	24,507.93	35,635.68	28,646.08
-Others - owned	2,570.09	158.15	(5.76)	2,734.00	1,824.10	114.22	62.80	1,875.52	858.48	745.99
-Others - leasehold (Refer note (ii))	1,378.01	77.64	-	1,455.65	429.03	110.71	-	539.74	915.91	948.98
Furniture and fixtures	115.33	4.58	1.51	118.40	80.96	5.05	0.38	85.63	32.77	34.37
Vehicles	1,268.84	53.74	14.02	1,308.56	643.33	65.66	10.01	698.98	609.58	625.51
Office equipments	57.53	4.51	2.07	59.97	44.57	3.43	1.91	46.09	13.88	12.96
Miscellaneous articles	302.36	27.65	20.95	309.06	198.36	14.06	14.44	197.98	111.08	104.00
Roads, Bridges & Culverts	257.55	54.29	2.46	309.38	175.53	33.31	2.06	206.78	102.60	82.02
Water Supply & Sewerage	636.43	31.20	115.57	552.06	314.17	17.90	26.05	306.02	246.04	322.26
Railway Lines And Sidings	609.37	62.55	42.09	629.83	239.58	12.97	19.62	232.93	396.90	369.79
EDP equipments	392.46	10.40	1.55	401.31	323.26	22.54	2.38	343.42	57.89	69.20
Subtotal 'A'	**64,215.95**	**10,646.03**	**505.85**	**74,356.13**	**28,595.58**	**2,311.38**	**197.86**	**30,709.10**	**43,647.03**	**35,620.37**
B. Social Facilities										
Land (Including cost of Development)										
-Freehold land	10.88	-	-	10.88				-	10.88	10.88
-Leasehold land	6.89	-	-	6.89	5.78	0.11	-	5.89	1.00	1.11
Buildings and related equipments	626.76	35.16	(1.75)	663.67	284.70	17.74	0.68	301.76	361.91	342.06
Plant and machinery										
- Others	134.17	7.27	0.48	140.96	89.13	5.72	0.29	94.56	46.40	45.04
Furniture and fixtures	25.32	2.03	0.73	26.62	17.94	1.41	0.37	18.98	7.64	7.38
Vehicles	11.19	-	0.21	10.98	9.23	0.55	0.20	9.58	1.40	1.96
Office equipments	4.20	0.52	0.17	4.55	3.41	0.33	0.12	3.62	0.93	0.79
Miscellaneous articles	205.28	9.74	0.19	214.83	115.32	11.21	(0.14)	126.67	88.16	89.96
Roads, Bridges & Culverts	93.36	29.85	(0.63)	123.84	55.53	14.11	(0.59)	70.23	53.61	37.83
Water Supply & Sewerage	122.71	6.18	(93.68)	222.57	107.28	4.36	(7.76)	119.40	103.17	15.43
EDP equipments	12.72	0.24	0.85	12.11	11.11	0.63	1.08	10.66	1.45	1.61
Subtotal 'B'	**1,253.48**	**90.99**	**(93.43)**	**1,437.90**	**699.43**	**56.17**	**(5.75)**	**761.35**	**676.55**	**554.05**
C. Property, plant and equipment retired from active use										
Assets retired from active use	55.53	6.49	6.73	55.29	-	-	-	-	55.29	55.53
Subtotal 'C'	**55.53**	**6.49**	**6.73**	**55.29**	**-**	**-**	**-**	**-**	**55.29**	**55.53**
Total	**65,524.96**	**10,743.51**	**419.15**	**75,849.32**	**29,295.01**	**2,367.55**	**192.11**	**31,470.45**	**44,378.87**	**36,229.95**

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.




Notes to the Standalone Financial Statements for the year ended 31st March, 2017

4. PROPERTY, PLANT AND EQUIPMENT
(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	As at 1st April, 2016	Additions	Disposals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Disposals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
A. Plant, Mines & Others										
Land (Including cost of Development)										
-Freehold land	262.67	9.69	(0.02)	272.38	0.87	-	-	0.87	271.51	261.80
-Leasehold land	979.28	0.50	-	979.78	171.52	45.16	-	216.68	763.10	807.76
Buildings and related equipments	5,092.35	75.35	1.41	5,166.29	1,495.69	146.31	(0.01)	1,642.01	3,524.28	3,596.66
Plant and machinery										
-Steel Plant	60,143.61	6,298.19	212.54	66,229.26	24,507.93	2,001.48	161.43	26,347.98	39,881.28	35,635.68
-Others - owned	2,734.00	343.51	47.75	3,029.76	1,875.52	117.96	39.54	1,953.94	1,075.82	858.48
-Others - leasehold (Refer note (ii))	1,455.65	101.58	-	1,557.23	539.74	117.62	(0.01)	657.37	899.86	915.91
Furniture and fixtures	118.40	4.99	(1.83)	125.22	85.63	4.86	(1.42)	91.91	33.31	32.77
Vehicles	1,308.56	29.68	10.80	1,327.44	698.98	66.45	9.17	756.26	571.18	609.58
Office equipments	59.97	2.05	1.73	60.29	46.09	3.23	1.63	47.69	12.60	13.88
Miscellaneous articles	309.06	12.46	2.77	318.75	197.98	13.73	1.87	209.84	108.91	111.08
Roads, Bridges & Culverts	309.38	33.97	0.19	343.16	206.78	22.43	0.02	229.19	113.97	102.60
Water Supply & Sewerage	552.06	4.76	0.03	556.79	306.02	18.67	0.03	324.66	232.13	246.04
Railway Lines And Sidings	629.83	93.47	13.92	709.38	232.93	14.10	13.17	233.86	475.52	396.90
EDP equipments	401.31	15.60	2.03	414.88	343.42	14.47	1.79	356.10	58.78	57.89
Subtotal 'A'	**74,356.13**	**7,025.80**	**291.32**	**81,090.61**	**30,709.10**	**2,586.47**	**227.21**	**33,068.36**	**48,022.25**	**43,647.03**
B. Social Facilities										
Land (Including cost of Development)										
-Freehold land	10.88	-	-	10.88	-			-	10.88	10.88
-Leasehold land	6.89	2.50	-	9.39	5.89	0.06	-	5.95	3.44	1.00
Buildings and related equipments	663.67	20.80	0.70	683.77	301.76	15.65	0.38	317.03	366.74	361.91
Plant and machinery										
- Others	140.96	9.23	0.73	149.46	94.56	5.38	0.44	99.50	49.96	46.40
Furniture and fixtures	26.62	1.87	1.61	26.88	18.98	1.43	0.90	19.51	7.37	7.64
Vehicles	10.98	0.38	0.13	11.23	9.58	0.34	0.12	9.80	1.43	1.40
Office equipments	4.55	0.14	0.16	4.53	3.62	0.28	0.16	3.74	0.79	0.93
Miscellaneous articles	214.83	15.49	3.52	226.80	126.67	11.59	2.97	135.29	91.51	88.16
Roads, Bridges & Culverts	123.84	7.06	-	130.90	70.23	14.88	-	85.11	45.79	53.61
Water Supply & Sewerage	222.57	3.99	0.02	226.54	119.40	4.57	0.02	123.95	102.59	103.17
EDP equipments	12.11	1.13	1.22	12.02	10.66	0.41	1.16	9.91	2.11	1.45
Subtotal 'B'	**1,437.90**	**62.59**	**8.09**	**1,492.40**	**761.35**	**54.59**	**6.15**	**809.79**	**682.61**	**676.55**
C. Property, plant and equipment retired from active use										
Assets retired from active use	55.29	9.02	7.14	57.17	-	-	-	-	57.17	55.29
Subtotal 'C'	**55.29**	**9.02**	**7.14**	**57.17**	-	-	-	-	**57.17**	**55.29**
Total	**75,849.32**	**7,097.41**	**306.55**	**82,640.18**	**31,470.45**	**2,641.06**	**233.36**	**33,878.15**	**48,762.03**	**44,378.87**

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note: Allocation of depreciation		
(a) Charged to Statement of profit and loss	**2,679.95**	2,402.35
(b) Charged to expenditure during construction	**5.12**	6.45
	2,685.07	2,408.80

(i) Contractual obligations

Refer note 40.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Land:

a) Includes 67,718.76 acres (67,681.64 acres as on 31st March, 2016, 67,354.96 acres as on 1st April, 2015) owned / possessed / taken on lease by the Company, in respect of which title/lease deeds are pending for registration.

(b) Includes 34,061.08 acres (34,061.08 acres as on 31st March, 2016, 35,334.08 acres as on 1st April, 2015) in respect of which title is under dispute.

(c) 9,007.46 acres (8,856.73 acres as on 31st March, 2016, 8,851.69 acres as on 1st April, 2015) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 6,384.17 acres (7,181.43 acres as on 31st March, 2016, 6,345.43 acres as on 1st April, 2015) given on lease to various agencies/employees/ex-employees.

(e) Includes 4,436.70 acres (4,440.70 acres as on 31st March, 2016, 4,211.42 acres as on 1st April, 2015) under unauthorised occupation.

(f) 1,762.92 acres (1,762.92 acres as on 31st March, 2016, 1,762.92 acres as on 1st April, 2015) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹ 68.71 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd.(NHAI) had notified its intention to acquire 9.553 acres

(i) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹ 13.91 crore only for 15.62 acres. Management proposes to contest the same with appropriate authorities. Pending further action in the matter, no effect of above has been given in the accounts.

(iii) Other Assets:

(a) Buildings include net block of ₹ 21.18 crore (₹ 21.73 crore as on 31st March, 2016, ₹ 22.15 crore as on 1st April, 2015) for which conveyance deed is yet to be registered in the name of the Company.

(b) Includes 6,035 residential quarters/houses under unauthorised occupation.

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5. CAPITAL WORK IN PROGRESS			
Steel Plants & Units	**22,922.89**	24,616.37	28,885.79
Township	**107.49**	110.40	153.85
Ore Mines and Quarries	**399.14**	348.48	262.79
Provisions	**(199.32)**	(187.32)	(131.77)
	23,230.20	24,887.93	29,170.66
Construction Stores and Spares	**37.49**	34.67	36.07
Provision for non-moving items	**(3.39)**	(3.29)	(2.77)
	34.10	31.38	33.30
Expenditure during construction pending allocation	**11.09**	7.91	5.58
	23,275.39	24,927.22	29,209.54

(i) Expenditure during construction pending allocation

	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening balance	**7.91**	5.58	4.40
"Expenditure incurred during the year "Employees' Remuneration & Benefits"			
Salaries & Wages	**121.40**	133.50	141.82
Company's contribution to Provident fund	**10.86**	12.51	13.73
Travel Concession	**3.08**	4.00	2.87
Welfare Expenses	**0.11**	0.13	(0.10)
Gratuity	**0.71**	3.20	1.22
	136.16	153.34	159.54
Other expenses			
Technical Consultants' fees & know-how	**8.56**	7.92	18.89
Power & Fuel	**134.97**	84.76	198.69
Other expenses	**6.68**	30.38	46.31
Interest & Finance charges	**581.90**	643.72	637.88
Depreciation	**5.12**	6.45	8.19
	737.23	773.23	909.96
Recoveries			
Interest Earned	**0.47**	0.66	1.68
Liquidated Damages	**2.49**	7.60	0.58
Hire Charges	**0.35**	0.42	0.71
Sundries	**17.99**	1.58	(1.46)
	21.30	10.26	1.51
Net expenditure during the year	**852.09**	916.31	1,067.99
Less: Amount allocated to Property, plant & equipment /Capital Work-in-progress	**848.91**	913.98	1,066.81
Balance carried forward	**11.09**	7.91	5.58

6. INVESTMENT PROPERTY

(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block *
	As at 1st April, 2015	Additions	Disposals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Disposals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
Buildings	1.45	-	-	1.45	0.55	0.02	-	0.57	0.88	0.90
Total	**1.45**	**-**	**-**	**1.45**	**0.55**	**0.02**	**-**	**0.57**	**0.88**	**0.90**

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated amortisation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets

(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	As at 1st April, 2016	Additions	Disposals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Disposals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Buildings	1.45	-	-	1.45	0.57	0.02	-	0.59	0.86	0.88
Total	**1.45**	**-**	**-**	**1.45**	**0.57**	**0.02**	**-**	**0.59**	**0.86**	**0.88**

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

6. INVESTMENT PROPERTY (CONTD.)

(i) Contractual obligations

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

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rental income	**1.30**	1.08
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generated rental income*	-	-
Profit from leasing of investment properties before depreciation	**1.30**	1.08
Depreciation	**0.02**	0.02
Profit from leasing of investment properties	**1.28**	1.06

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

(iii) Leasing arrangements

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	**0.02**	0.01	0.01
Later than one year but not later than 5 years	**0.02**	0.03	0.03
Later than 5 years	**0.07**	0.07	0.07
	0.11	0.11	0.11

(iv) Fair value

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Investment properties	**21.66**	21.66	21.66

(v) Estimation of fair value

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

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

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

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

7. INTANGIBLE ASSETS

(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block *
	As at 1st April, 2015	Additions	Disposals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Disposals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
A. Plant, Mines & Others										
Computer Software	99.34	1.18	0.02	100.50	90.80	3.75	0.01	94.54	5.96	8.54
Mining Rights	1,727.27	75.99	-	1,803.26	225.74	37.40	-	263.14	1,540.12	1,501.53
Subtotal 'A'	**1,826.61**	**77.17**	**0.02**	**1,903.76**	**316.54**	**41.15**	**0.01**	**357.68**	**1,546.08**	**1,510.07**
B. Social Facilities										
Computer Software***	0.75	0.07	0.20	0.62	0.61	0.08	0.19	0.50	0.12	0.14
Subtotal 'B'	**0.75**	**0.07**	**0.20**	**0.62**	**0.61**	**0.08**	**0.19**	**0.50**	**0.12**	**0.14**
Total	**1,827.36**	**77.24**	**0.22**	**1,904.38**	**317.15**	**41.23**	**0.20**	**358.18**	**1,546.20**	**1,510.21**

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	As at 1st April, 2016	Additions	Disposals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Disposals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
A. Plant, Mines & Others										
Computer Software	100.50	1.28	(0.58)	101.20	94.54	3.24	0.59	97.19	4.01	5.96
Mining Rights	1,803.26	19.07	-	1,822.33	263.14	40.69	-	303.83	1,518.50	1,540.12
Subtotal 'A'	**1,903.76**	**20.35**	**(0.58)**	**1,923.53**	**357.68**	**43.93**	**0.59**	**401.02**	**1,522.51**	**1,546.08**
B. Social Facilities										
Computer Software***	0.62	0.01	-	0.63	0.50	0.06	-	0.56	0.07	0.12
Subtotal 'B'	**0.62**	**0.01**	**-**	**0.63**	**0.50**	**0.06**	**-**	**0.56**	**0.07**	**0.12**
Total	**1,904.38**	**20.36**	**(0.58)**	**1,924.16**	**358.18**	**43.99**	**0.59**	**401.58**	**1,522.58**	**1,546.20**

**All amortisation charges are included within depreciation and amortisation expense

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

8. INVESTMENTS

(₹ crore)

	Number of shares			Amount		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Investment carried at cost						
In Subsidiaries						
SAIL Refractory Company Limited	**50,000**	50,000	50,000	**0.05**	0.05	0.05
SAIL- Jagdishpur Power Plant Ltd	**50,000**	50,000	50,000	**0.05**	0.05	0.05
SAIL Sindri Projects Limited	**50,000**	50,000	50,000	**0.05**	0.05	0.05
				0.15	0.15	0.15
In Associates (unquoted)						
Almora Meganasite Limited (Face value- ₹100/share)	**40,000**	40,000	40,000	**0.40**	0.40	0.40
				0.40	0.40	0.40
In Joint ventures (unquoted)						
NTPC- SAIL Power Company Limited	**49,02,50,050**	49,02,50,050	49,02,50,050	**490.25**	490.25	490.25
Bokaro Power Supply Company Limited	**12,40,25,000**	12,40,25,000	12,40,25,000	**124.03**	124.03	124.03
Bhilai Jaypee Cement Limited	**9,87,18,048**	9,87,18,048	9,87,18,048	**52.51**	52.51	52.51
SAIL- Bansal Service Centre Limited	**32,00,000**	32,00,000	32,00,000	**3.20**	3.20	3.20
Mjunction Services Limited	**40,00,000**	40,00,000	40,00,000	**4.00**	4.00	4.00
S&T Mining Company Private Limited	**1,29,41,400**	1,29,41,400	1,29,41,400	**12.94**	12.94	12.94
SAIL MOIL Ferro Alloy Pvt. Ltd.	**1,00,000**	1,00,000	1,00,000	**0.10**	0.10	0.10
International Coal Ventures Pvt. Ltd.	**59,37,59,279**	49,50,34,286	18,20,00,000	**593.76**	495.03	182.00
SAIL-SCL Kerala Ltd.	**1,30,17,801**	1,30,17,801	1,27,79,850	**18.75**	18.75	18.10
SAIL-SCI Shipping Private Limited	**1,00,000**	1,00,000	1,00,000	**0.10**	0.10	0.10
SAIL RITES Bengal Wagon Industry Pvt. Ltd.	**2,40,00,000**	2,22,70,000	1,49,00,000	**24.00**	22.27	14.90
SAIL-KOBE Iron India Pvt. Ltd.	**2,50,000**	2,50,000	2,50,000	**0.25**	0.25	0.25
Prime Gold -SAIL JVC Ltd.	**46,80,000**	46,80,000	25,99,999	**4.68**	4.68	2.60
North Bengal Dolomite Ltd (Face value- ₹100/share)	**97,900**	97,900	97,900	**0.98**	0.98	0.98
Romelt SAIL (India) Limited	**63,000**	63,000	63,000	**0.06**	0.06	0.06
SAIL-Bengal Alloy Castings Pvt. Ltd.	**10,000**	10,000	10,000	**0.01**	0.01	0.01
VSL-SAIL JVC LIMITED	**12,97,780**	8,43,729	-	**1.30**	0.84	0.00
				1,330.92	1,230.00	906.03
Total (A)				**1,331.47**	1,230.55	906.58
Investments carried at fair value through other comprehensive income						
Quoted equity						
HDFC Limited (Face value - ₹ 2/share)	**60,000**	60,000	60,000	**9.00**	6.64	7.87
HDFC Bank Limited (Face value - ₹ 2/share)	**2,500**	2,500	2,500	**0.36**	0.27	0.26
ICICI Bank Limited (Face value - ₹ 2/share)	**1,43,000**	1,43,000	1,43,000	**3.94**	3.38	4.50
				13.30	10.29	12.63
Unquoted equity						
TRL Krozaki Refractories Limited	**22,03,150**	22,03,150	22,03,150	**29.93**	29.93	28.64
Indian Potash Limited	**3,60,000**	3,60,000	3,60,000	**13.43**	13.43	12.30
Haridaspur Paradeep Railway Co. Ltd.	**50,00,000**	50,00,000	50,00,000	**5.00**	5.00	5.00
Cement & Allied Products (Bihar) Limited	**2**	2	2	**0.00**	0.00	0.00
Chemical & Fertilizer Corporation (Bihar) Limited	**1**	1	1	**0.00**	0.00	0.00
Bhilai Power Supply Company Limited	**5**	5	5	**0.00**	0.00	0.00
MSTC Limited	**80,000**	80,000	80,000	**6.66**	6.66	6.31
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)#	**30,00,000**	30,00,000	30,00,000	**3.00**	3.00	3.00
UEC SAIL Information Technology Limited*	**1,80,000**	1,80,000	1,80,000	**0.18**	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	500	**0.01**	0.01	0.01
				58.21	58.21	55.44

Contd.../

8. INVESTMENTS (Contd.)

	Number of shares			(₹ crore)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
In Co-operative Society						
Bokaro Steel Employees' Co-operative Credit Society	**1,16,500**	1,16,500	1,16,500	**0.12**	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative society	**250**	250	250	**0.00**	0.00	0.00
NMDC Meghahatuburu Employees' Consumer Co-operative society (Face value ₹ 100/share)	**25**	25	25	**0.00**	0.00	0.00
DSP Employees' Co-operative society limited (Face value ₹ 100/share)	**1,377**	1,377	1,377	**0.01**	0.01	0.01
Bolani Ores Employees' Consumer Co-operative society limited (Face value ₹ 25/share)	**200**	200	200	**0.00**	0.00	0.00
IISCO Employees Primary Co-operative stores (Face value ₹ 20/share)	**23,000**	23,000	23,000	**0.05**	0.05	0.05
				0.18	0.18	0.18
Total (B)				**71.69**	68.68	68.25
Grand total (A+B)				**1,403.16**	1,299.23	974.83
Provision for impairment in the value of investments				**7.68**	7.48	7.48
Net investment				**1,395.48**	1,291.75	967.35
Aggregate amount of quoted investments (market value thereof)				**13.30**	10.29	12.63
Aggregate amount of unquoted investments				**1,389.86**	1,288.94	962.20
Aggregate amount of impairment in value of investments				**7.68**	7.48	7.48
				1,395.48	1,291.75	967.35

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

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

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

9. TRADE RECEIVABLES

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
(Unsecured, considered good unless otherwise stated)						
Unsecured*						
Considered good	**-**	-	2.25	**2,921.69**	3,143.49	3,585.97
Considered doubtful	**7.83**	6.43	34.98	**176.48**	146.82	131.83
	7.83	6.43	37.23	**3,098.17**	3,290.31	3,717.80
Provision for doubtful receivables	**(7.83)**	(6.43)	(34.98)	**(176.48)**	(146.82)	(131.83)
	-	-	2.25	**2,921.69**	3,143.49	3,585.97

* Receivables due by directors and its officers of the company is nil (previous year nil)

10. LOANS

(Unsecured, considered good unless otherwise stated)						
Security deposits	**110.65**	140.54	108.83	**10.49**	13.40	10.97
Loan to employees	**157.40**	195.38	239.92	**58.15**	62.09	59.14
Loan to related parties				**7.00**	-	2.24
Loan to others	**185.49**	114.05	78.25	**1.33**	7.41	0.44
	453.54	449.97	427.00	**76.97**	82.90	72.79
Provision for doubtful loans	**(0.02)**	(0.02)	(0.02)	**(15.50)**	(18.81)	(7.05)
	453.52	449.95	426.98	**61.47**	64.09	65.74

* Receivables includes amounts due from Directors -Nil

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

11. OTHER FINANCIAL ASSETS

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Derivative asset	**46.59**	265.30	351.25	**180.95**	208.65	119.19
Advances for purchase of shares	**104.27**	102.77	214.27	**-**	-	-
Claims recoverable	**-**	-	21.39	**771.45**	605.86	777.11
Receivables other than trade	**103.46**	115.45	102.07	**245.38**	175.05	142.50
Receivables from employees	**0.12**	0.88	0.35	**6.88**	7.77	20.04
Bills Receivable	**-**	-	0.77	**1,072.99**	773.55	1,181.12
Advances to related parties	**10.53**	10.53	10.53	**23.66**	47.92	151.95
	264.97	494.93	700.63	**2,301.31**	1,818.80	2,391.91
Provision for doubtful assets	**(0.02)**	(0.02)	(0.02)	**(32.07)**	(55.27)	(52.09)
Provision for doubtful related parties advances	**(2.53)**	(2.53)	(2.53)	**(1.39)**	(1.39)	(1.39)
	262.42	492.38	698.08	**2,267.85**	1,762.14	2,338.43

12. DEFERRED TAX

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax effect of items constituting deferred tax liabilities			
Difference between book and tax depreciation	**7,450.30**	6,104.36	4,526.61
Amortisation of financial assets/liabilities	**31.39**	34.35	62.23
Fair value adjustment through OCI	**8.88**	8.88	8.24
	7,490.57	6,147.59	4,597.08
Tax effect of items constituting deferred tax assets			
Retirement benefits	**107.54**	66.45	135.09
Finance lease obligations	**75.83**	61.58	58.55
Derivative adjustments	**84.35**	9.07	10.16
Unpaid taxes and duties to be allowed on payment	**1,122.61**	1,487.41	916.13
Losses available for offsetting against future taxable income	**8,563.67**	4,792.58	594.30
Others	**491.41**	450.80	525.66
	10,445.41	6,867.89	2,239.89
Deferred tax (assets) /liabilities (net)	**(2,954.84)**	(720.30)	2,357.19
Tax credit (minimum alternative tax)	**(1,051.00)**	(1,079.50)	(1,088.24)
	(4,005.84)	(1,799.80)	1,268.95

Deferred taxes arising from temporary differences and unused tax losses for year ended 31 March 2017 are summarized as follows: (₹ crore)

Deferred tax assets/(liabilities)	**As at April 1, 2016**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**As at March 31, 2017**
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	6,104.36	1,345.94	-	7,450.30
Amortisation of financial assets/liabilities	34.35	(2.96)	-	31.39
Fair value adjustment through OCI	8.88	-	-	8.88
	6,147.59	**1,342.98**	**-**	**7,490.57**
Tax effect of items constituting deferred tax assets				
Retirement benefits	66.45	(147.33)	188.42	107.54
Finance lease obligations	61.58	14.25	-	75.83
Derivative adjustments	9.07	75.28	-	84.35
Unpaid taxes and duties to be allowed on payment	1,487.41	(364.80)	-	1,122.61
Losses available for offsetting against future taxable income	4,792.58	3,771.09	-	8,563.67
Tax credit (minimum alternative tax)	1,079.50	(28.50)	-	1,051.00
Others	450.80	40.61	-	491.41
	7,947.39	**3,360.60**	**188.42**	**11,496.41**
Deferred tax (assets) /liabilities (net)	**(1,799.80)**	**(2,017.62)**	**(188.42)**	**(4,005.84)**

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

12. DEFERRED TAX (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31 March, 2016 are summarized as follows: (₹ crore)

Deferred tax assets/(liabilities)	As at April 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2016
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	4,526.61	1,577.75	-	6,104.36
Amortisation of financial assets/liabilities	62.23	(27.88)	-	34.35
Fair value adjustment through OCI	8.24	-	0.64	8.88
	4,597.08	**1,549.87**	**0.64**	**6,147.59**
Tax effect of items constituting deferred tax assets				
Retirement benefits	135.09	(118.85)	50.21	66.45
Finance lease obligations	58.55	3.03	-	61.58
Derivative adjustments	10.16	(1.09)	-	9.07
Unpaid taxes and duties to be allowed on payment	916.13	571.28	-	1,487.41
Losses available for offsetting against future taxable income	594.30	4,198.28	-	4,792.58
Tax credit (minimum alternative tax)	1,088.24	(8.74)	-	1,079.50
Others	525.66	(74.86)	-	450.80
	3,328.13	**4,569.05**	**50.21**	**7,947.39**
Recognised in retained earnings, pursuant to Schedule II application	**-**	**(33.12)**	**-**	**-**
Deferred tax (assets) /liabilities (net)	**1,268.95**	**(2,986.06)**	**(49.57)**	**(1,799.80)**

The Company is having accumulated business losses (Including Investment Allowance) of ₹ 24,744.77 crore (Previous year- ₹ 13,848.16 crore) [including accumulated unabsorbed depreciation of ₹ 15,057.93 crore (Previous Year - ₹ 8,851.44 crore)] and MAT credit of ₹ 1,051.00 crore as on 31 March, 2017 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹ 9,686.84 crore (Previous Year - ₹ 4,996.72 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

In view of the various measures being implemented by the Government for upliftment of the Steel Industry and to boost the demand coupled with steps being taken by the Company to reduce the cost, improvement in the efficiency/productivity, the Company is certain that it will be able to improve its physical and financial performance in future. Consequently, the Company will be able to earn sufficient future taxable profits to adjust the accumulated business losses/unabsorbed depreciation and unused MAT credit.

Accordingly, deferre tax asset of ₹ 3,352.42 crores on acccumulated business losses (inlcuding ₹ 1,623.16 crores during the year ended 31st March, 2017) and MAT credit of ₹ 1,051.00 crores, has been recognised as on 31st March, 2017.

13. CURRENT TAX ASSETS/LIABILITIES

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Current tax assets						
Advance income tax (net of provision)	**235.81**	278.10	609.89	**-**	-	-
	235.81	278.10	609.89	**-**	-	-
Current tax liabilities						
Opening Balance	**-**	-	-	**11.90**	11.90	51.96
Add : Provision during the year	**-**	-	-	**-**	-	499.15
Less: Amount paid during the year	**-**	-	-	**(7.38)**	-	(529.12)
Less: Provision written back during the year	**-**	-	-	**-**	-	(10.09)
	-	-	-	**4.52**	11.90	11.90
	235.81	278.10	609.89	**(4.52)**	(11.90)	(11.90)

14. OTHER ASSETS

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Advances to contractors & suppliers	**280.46**	188.32	124.93	**273.98**	170.76	241.90
Advances Others	**4.18**	3.57	4.31	**828.89**	872.37	715.48
Deposits with Government authorities	**624.82**	587.76	537.84	**2,519.05**	2,209.64	1,996.34
Gold coins in hand	**-**	-	-	**0.23**	0.23	0.23
Prepaid expenses	**34.12**	41.09	47.04	**36.63**	36.55	35.38
Claims receivable	**-**	-	-	**742.67**	1,058.76	1,346.40
Export incentive receivables	**-**	-	-	**41.26**	12.97	18.04
Capital advances	**191.50**	198.10	124.06	**-**	-	-
	1,135.08	1,018.84	838.18	**4,442.71**	4,361.28	4,353.77
Less: provision for doubtful other assets	**(72.09)**	(42.37)	(40.02)	**(143.55)**	(130.43)	(118.83)
	1,062.99	976.47	798.16	**4,299.16**	4,230.85	4,234.94

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
15. INVENTORIES*			
Stores & Spares			
Production	**1,843.43**	1,957.51	2,181.20
Fuel Stores	**91.72**	77.31	119.38
Others	**27.36**	25.76	28.86
In-transit	**114.48**	140.76	169.74
Less: Provision for Non Moving/Obsolete items	**212.36**	204.05	196.04
	1,864.63	1,997.29	2,303.14
Raw Material			
Raw Material	**2,584.23**	2,086.81	3,126.56
Add: In transit	**1,471.24**	674.68	1,215.43
Less: Provision for unusable materials	**15.80**	20.17	9.81
	4,039.67	2,741.32	4,332.18
Finished / Semi-finished products			
Finished Goods	**5,822.05**	5,236.67	7,107.87
Work in Progress	**3,985.00**	4,704.25	3,507.51
	9,807.05	9,940.92	10,615.38
	15,711.35	14,679.53	17,250.70

*Valued as per accounting policy No. 3.6

16. CASH AND CASH EQUIVALENTS			
Cash and stamps on hand	**0.07**	0.79	1.00
Cheques in hand	**109.92**	129.28	144.78
Balances with banks			
Current accounts	**10.76**	2.21	1.87
Term Deposits with original maturity upto 3 months	**0.18**	0.16	0.14
Term Deposits as per court orders with original maturity upto 3 months	**-**	-	0.38
	120.93	132.44	148.17
17. OTHER BANK BALANCES			
Earmarked bank balances	**159.31**	155.84	145.18
Unpaid dividend accounts	**8.53**	9.23	11.73
Term Deposits Earmarked with original maturity upto 3 months	**-**	0.14	0.14
Fixed Deposits with maturity for more than 3 months but less than 12 months	**0.32**	0.31	2,006.71
	168.16	165.52	2,163.76
18. ASSETS CLASSIFIED AS HELD FOR SALE			
Assets classified as held for sale	**11.94**	20.59	20.46
	11.94	20.59	20.46

On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as ‘Assets classified as held for sale’.

Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

	Number of shares			(₹ crore)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
19. EQUITY SHARE CAPITAL						
Authorised capital						
Equity shares of ₹ 10 each	**500,00,00,000**	5,00,00,00,000	5,00,00,00,000	**5,000.00**	5,000.00	5,000.00
				5,000.00	5,000.00	5,000.00
Issued and subscribed capital & fully paid-up						
Equity shares of ₹ 10 each	**4,13,05,25,289**	4,13,05,25,289	4,13,05,25,289	**4,130.53**	4,130.53	4,130.53
				4,130.53	4,130.53	4,130.53

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

	Number of shares		(₹ crore)	
	As at 31st March, 2017	As at 31st March, 2016	**As at 31st March, 2017**	As at 31st March, 2016
Equity Shares with voting rights				
Opening balance	**4,13,03,92,654**	4,13,00,92,154	**4,130.39**	4,130.09
Add : Shares converted into shares with voting rights during the year	**15,000**	3,00,500	**0.02**	0.30
Closing balance	**4,13,04,07,654**	4,13,03,92,654	**4,130.41**	4,130.39
Equity Shares without voting rights *				
Opening balance	**1,32,635**	4,33,135.00	**0.14**	0.44
Less : Shares converted into shares with voting rights during the year	**15,000**	3,00,500	**0.12**	0.14
Closing balance	**1,17,635**	1,32,635	**0.12**	0.14
Total Equity shares outstanding	**4,13,05,25,289**	4,13,05,25,289	**4,130.53**	4,130.53

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

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

iii) The Company does not have a holding company.

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

	% holding		Number of shares	
	As at 31st March, 2017	As at 31st March, 2016	**As at 31st March, 2017**	As at 31st March, 2016
Equity shares of ₹10 each fully paid up				
President of India	**75.00**	75.00	**3,09,77,67,449**	3,09,77,67,449
LIC of India	**10.70**	10.70	**44,18,74,667**	44,18,74,667

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016
20. OTHER EQUITY		
Reserves & Surplus		
Capital reserve		
Opening balance	**1.75**	1.75
Changes during the year	**-**	-
	1.75	1.75
Securities premium reserve		
Opening balance	**235.10**	235.10
Changes during the year	**-**	-
	235.10	235.10
General reserve		
Opening balance	**5,095.13**	5,095.13
Changes during the year	**-**	-
	5,095.13	5,095.13
Bond redemption reserve		
As per last balance sheet	**1,449.96**	1,008.88
Transfer from retained earnings	**607.77**	504.11
Transfer to retained earnings	**(84.09)**	(63.03)
	1,973.64	1,449.96
Retained earnings		
Opening balance	**28,283.65**	33,051.93
Net profit/(loss) for the year	**(2,833.24)**	(4,021.44)
Other comprehensive income/(loss)	**(356.62)**	(94.87)
Transfer from bond redemption reserve	**84.09**	63.03
Transfer to bond redemption reserve	**(607.77)**	(504.11)
Equity dividend	**-**	(103.26)
Tax on equity dividend	**-**	(21.02)
Depreciation adjustment	**-**	(86.61)
	24,570.11	28,283.65
Other Comprehensive Income		
Equity Instruments through Other Comprehensive Income		
Opening balance	**(0.22)**	-
Change in fair value of FVOCI equity instruments	**3.02**	(0.22)
Deferred tax	**-**	-
	2.80	(0.22)
Total other equity	**31,878.53**	35,065.37
Total other equity as at 1st April, 2015		39,392.79

Nature and purpose of other reserves

Capital reserve

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

Securities premium reserve

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

Bond redemption reserve

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

Other Comprehensive Income(OCI) reserve

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

21. BORROWINGS

(₹ crore)

				Non-current		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
SECURED						
Redeemable Non-Convertible Bonds						
Rate of Interest	**Maturity Date**	**Call/Put option (yr)**	**SECURITY REF**			
9.35%	09-Sep-2026	12/nil	(a)	**455.00**	455.00	455.00
9.00%	14-Oct-2024		(a)	**1,000.00**	1,000.00	1,000.00
8.70%	25-Aug-2024		(a)	**300.00**	300.00	300.00
8.30%	01-Aug-2023		(a)	**1,200.00**	-	-
8.30%	03-Aug-2023		(a)	**800.00**	-	-
8.35%	19-Nov-2022		(a)	**1,185.00**	1,185.00	-
9.30%	23-Aug-2021		(a)	**400.00**	400.00	400.00
8.55%	11-Aug-2021		(a)	**700.00**	700.00	700.00
8.27%	25-Aug-2020		(a)	**265.00**	265.00	-
8.72%	30-Apr-2020		(a)	**660.00**	660.00	660.00
8.75%	23-Apr-2020		(a)	**545.00**	545.00	545.00
8.65%	01-Feb-2020	5/nil	(a)	**242.00**	242.00	242.00
8.30%	21-Jan-2020		(a)	**500.00**	500.00	500.00
8.65%	30-Dec-2019		(a)	**450.00**	450.00	450.00
8.50%	07-Dec-2019		(a)	**120.00**	120.00	120.00
8.60%	19-Nov-2019		(a)	**335.00**	335.00	335.00
8.75%	15-Sep-2019		(b,d)	**100.00**	100.00	100.00
8.80%	22-Jun-2019		(a)	**825.00**	825.00	825.00
7.70%	11-May-2019	5/5	(a)	**25.00**	25.00	25.00
8.90%	01-May-2019	5/nil	(b)	**950.00**	950.00	950.00
8.80%	26-Oct-2018		(b,c)	**112.00**	126.00	140.00
8.18%	10-Aug-2018		(a)	**1,000.00**	1,000.00	-
8.25%	27-Jul-2018		(a)	**500.00**	500.00	-
8.35%	09-Jun-2018		(a)	**420.00**	420.00	-
9.30%	25-May-2018		(a,k)	**360.00**	360.00	360.00
8.25%	06-May-2018	3/3	(a)	**245.00**	800.00	800.00
7.95%	09-Apr-2018		(a)	**670.00**	670.00	-
8.38%	16-Dec-2017		(a)	**-**	645.00	645.00
8.75%	08-Nov-2017	3/3	(a)	**-**	-	500.00
9.18%	27-Aug-2017		(a)	**-**	300.00	300.00
Term Loans						
From banks						
Rupee loan			(m)	**2,500.00**	-	-
				16,864.00	13,878.00	10,352.00
Unsecured						
Foreign currency loan						
1	KFW, Germany		(e)	**327.06**	377.17	355.19
2	Bank of Tokyo Mitsubishi		(f)		-	414.63
3	Bank of Tokyo Mitsubishi		(g)		438.24	824.32
4	Sumitomo Mitsubishi Banking Corp		(h)	**0.01**	657.00	1,236.16
5	Natexis Banque		(i)	**14.75**	18.56	17.97
6	Mizuho Coprorate Bank Ltd		(j)	**322.12**	656.87	927.56
Steel development fund			(l)	**204.16**	204.16	204.16
				868.10	2,352.00	3,979.99
Long term maturities of finance lease obligations				**1,355.38**	1,265.71	1,288.21
				19,087.48	17,495.71	15,620.20

No loans have been guaranteed by the directors and others.

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

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

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

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

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

c) Redeemable in 12 equal yearly instalments of ₹ 14 crore each starting w.e.f. 26th October, 2014. Instalment payable on 26th Oct, 2017 has been shown in Other Current Liabilities

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

21. BORROWINGS (CONTD.)

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

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

f) The loan is repayable in 3 equal yearly instalments on 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly.

g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1%. . Interest is paid half yearly.

h) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.

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

j) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.

k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May, 2018.

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

m) Secured by charges ranking pari-pasu on the present and future movable plant and machinery of BSL to the extent of loan.

	Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Repayable on demand :			
From banks	**1,302.09**	2,256.04	5,552.55
Other loans and advances :			
From banks	**250.00**	-	1,005.00
Unsecured			
Other loan	**600.00**	-	800.00
Commercial paper	**7,883.93**	7,721.23	-
Foreign currency loans	**9,777.02**	5,597.59	6,925.36
	19,813.04	15,574.86	14,282.91

1. Security disclosure for the outstanding short-term borrowings as on 31 March, 2017 :

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

(i) Hypothecation of all current assets

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
22. TRADE PAYABLES						
Due to micro, small and medium-enterprises (refer note 40.2)	**-**	-	-	**38.12**	29.46	27.27
Amount payable to related parties	**-**	-	-	**11.58**	12.91	7.38
Amount payable to contractors/suppliers/others	**7.36**	6.83	0.71	**5,169.50**	3,960.34	3,571.73
	7.36	6.83	0.71	**5,219.20**	4,002.71	3,606.38
23. OTHERS FINANCIAL LIABILITIES						
Employee related dues	**458.39**	517.79	416.07	**161.73**	144.06	146.26
Interest Accrued but not due on Borrowings	**580.25**	707.92	700.46	**1,076.09**	924.68	666.78
Other liabilities-debtors banking arrangement				**228.16**	295.00	379.00
Derivative liability	-	-	-	**603.57**	153.68	144.96
Current maturities of long-term borrowings	**-**	-	-	**2,381.74**	1,909.22	1,788.77
Current maturities of finance lease obligation	**-**	-	-	**113.39**	161.61	145.03
Unclaimed Matured Deposits and Interest Accrued thereon	**-**	-	-	**1.03**	1.03	1.03
Security deposits	**-**	-	-	**1,230.73**	1,079.69	801.87
Unpaid dividends	**-**	-	-	**8.53**	9.23	11.73
Payable for capital works	**-**	-	-	**2,530.70**	2,046.81	2,246.92
Other Payables	**327.29**	346.11	258.56	**4,429.95**	4,234.79	4,079.28
	1,365.93	1,571.82	1,375.09	**12,765.62**	10,959.80	10,411.63

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
24. PROVISIONS						
Provision for gratuity	**80.75**	0.02	238.94	**236.10**	198.11	157.51
Provision for accrued leave liability	**2,436.37**	2,293.62	2,190.68	**303.68**	242.31	221.16
Provision for post retirement medical & settlement benefits	**931.02**	867.04	856.32	**108.95**	100.05	95.76
Provision for long term service award	**19.98**	18.34	18.46	**3.06**	2.64	2.68
Provision for mines closure	**53.94**	43.14	35.22			
Provision for pollution control	**-**	-	-	**39.43**	53.65	83.93
Provision for foreign exchange fluctuation	**-**	-	-	**13.02**	-	15.29
Provision for wage revision	**-**	-	-	**1,545.02**	1,428.87	1,279.58
Provision for mine afforestation/ restoration etc.	**-**	-	-	**341.97**	323.22	280.98
Other provisions	**71.88**	49.49	41.94	**323.54**	293.80	240.49
	3,593.94	3,271.65	3,381.56	**2,914.77**	2,642.65	2,377.38
25. OTHER LIABILITIES						
Income received in advance from customers	-	-	-	**1,760.93**	1,837.84	801.06
Income received in advance- others	-	-	-	**82.53**	50.18	53.67
Deferred income*	**151.29**	113.48	117.90	**10.98**	5.23	5.26
Other Payables	**-**	-	-	**3,752.82**	3,599.71	3,423.56
	151.29	113.48	117.90	**5,607.26**	5,492.96	4,283.55
Government grants*						
Opening balance	**26.95**	26.63				
Additions	**2.12**	4.51				
Released to statement of profit and loss	**(1.28)**	(4.19)				
	27.79	26.95				

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

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
26. REVENUE FROM OPERATIONS		
Sale of Products (including excise duty)		
Domestic	**47,376.04**	42,727.27
Exports	**1,737.83**	557.25
Export Incentives	**66.37**	9.54
	49,180.24	43,294.06
Sale of Services		
Service charges	**31.89**	33.44
	31.89	33.44
Other Operating Revenues		
Social amenities-recoveries	**334.01**	317.74
Sale of empties etc.	**70.74**	61.89
Sundries	**150.22**	168.04
	554.97	547.67
	49,767.10	43,875.17

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
27. OTHER INCOME		
Interest income :		
Loans & advances to other companies	**0.88**	0.89
Customers	**80.87**	91.69
Employees	**20.21**	25.30
Bank deposits	**0.10**	182.24
Others	**45.23**	44.90
	147.29	345.02
Dividend income		
Dividend from Subsidiaries	**4.64**	4.80
Dividend from Investments*	**87.29**	66.05
* includes dividend from investments carried at fair value through OCI	**91.93**	70.85
Net gain on investments	**0.01**	7.31
	0.01	7.31
Other Non-operating income		
Subsidy, relief and concession	**4.43**	5.18
Grant-in-aid	**0.10**	0.01
Provisions no longer required written back	**42.66**	31.26
Write back of Other liabilities	**54.96**	49.33
Liquidated damages	**75.53**	47.81
Foreign exchange fluctuations (net)	**76.60**	-
Others	**42.10**	37.90
	296.38	171.49
	535.61	594.67

28. COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Iron ore	**3,614.87**	4,160.07
Coal	**16,198.51**	12,083.07
Coke	**70.64**	81.64
Limestone	**1,107.24**	1,128.43
Dolomite	**450.33**	482.95
Ferro Manganese	**340.96**	357.29
Ferro Silicon	**193.63**	187.47
Silico Manganese	**904.24**	845.75
Intermediary Products	**0.01**	-
Zinc	**122.03**	104.99
Aluminium	**226.91**	229.16
Others	**1,285.87**	1,217.90
	24,515.24	20,878.72
Less :Inter Account adjustments	**3,389.54**	3,723.49
	21,125.70	17,155.23

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stock		
Finished goods	**5,545.82**	7,107.87
Work in progress	**4,395.10**	3,507.51
	9,940.92	10,615.38
Closing stock		
Finished goods	**5,822.07**	5,236.67
Work in progress	**3,984.98**	4,704.25
	9,807.05	9,940.92
Less : Excise duty on accretion(-) /Depletion to stock	**13.24**	133.85
	120.63	540.61
30. EMPLOYEE BENEFIT EXPENSE*		
Salaries & wages	**6,876.89**	6,877.26
Leave encashment	**491.23**	678.33
Company's contribution to Provident & other Funds	**889.02**	953.29
Travel concession	**21.71**	250.16
Welfare expenses	**312.47**	457.54
Gratuity	**356.51**	498.54
	8,947.83	9,715.12
Less : Grants in aid received from Government of Karnataka	**-**	0.15
	8,947.83	9,714.97
Expenditure on Employees' Remuneration and Benefits not included above and charged to:		
Expenditure during construction	**136.16**	153.34
	136.16	153.34

** For descriptive notes on disclosure of defined benefit obligation refer note 42.

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
31. FINANCE COSTS		
Interest Cost		
- Foreign Currency Loans*	**552.45**	658.75
- Non Convertible Bonds	**794.54**	608.10
- Bank Borrowings - working capital	**63.12**	47.89
- Steel Development Fund Loans	**3.74**	3.20
- Others	**1,105.51**	974.31
- Interest under Income Tax Act	**0.01**	-
Other Borrowing Costs	**8.45**	8.20
	2,527.82	2,300.45

*Including foreign exchange fluctuations loss of ₹188.52 crore (Previous year ₹3.02 crore gain)

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Foreign currency loans	**108.06**	147.71
Non Convertible Bonds	**468.48**	491.05
Steel Development Fund loans - Interest	**4.43**	4.96
Others	**0.93**	-
	581.90	643.72

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

(₹ crore)

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
32. OTHER EXPENSES				
Consumption of Stores & Spares				
Consumption	**3,694.99**		3,848.30	
Less: Departmentally manufactured stores	**859.64**		959.11	
Less: Finished products internally consumed as stores and spares	**532.15**		567.05	
		2,303.20		2,322.14
Repairs & Maintenance				
Buildings	**201.73**		197.22	
Plant & Machinery	**713.83**		650.00	
Others	**223.64**		221.16	
		1,139.20		1,068.38
Handling Expenses				
Raw Materials	**328.79**		318.36	
Scrap Recovery	**297.33**		314.33	
		626.12		632.69
Remuneration to Auditors				
Audit Fees	**1.91**		1.49	
Tax Audit Fees	**0.47**		0.41	
For other Services	**0.99**		0.94	
Out of Pocket Expenses	**0.65**		0.89	
		4.02		3.73
Provisions				
Doubtful Debts, Loans and Advances	**74.47**		27.81	
Investments	**0.20**		-	
Stores, Spares and Sundries	**72.88**		164.96	
		147.55		192.77
Power and Fuel		**5233.93**		5,333.87
Freight Outward		**1,161.99**		1,130.92
Royalty and Cess		**996.81**		1,333.14
Conversion Charges		**454.33**		413.32
Excise Duty on Inter-Plant Transfer / Internal Consumption		**292.12**		305.40
Demurrage & Wharfage		**53.41**		48.64
Water Charges & Cess on Water Pollution		**121.02**		111.43
Insurance		**32.47**		29.25
Postage, Telegram & Telephone		**20.42**		18.59
Printing & Stationery		**9.80**		9.64
Rates & Taxes		**69.64**		48.90
Rent		**60.72**		69.97
Security Expenses		**490.71**		423.88
Travelling Expenses		**156.30**		148.49
Expenses on temporary suspended mines (Refer note- 41.11)		**97.95**		101.04
Training Expenses		**30.36**		40.88
Foreign Exchange Fluctuation (Net)		**-**		75.73
Expenditure on Corporate Social Responsibility (Refer note-41.5)		**29.05**		73.99
Loss on sale/scrapping of Fixed Assets (Net)		**48.17**		68.05
Cost Audit Fees and Reimbursement of Expenses		**0.32**		0.20
Write-Offs - Miscellaneous		**0.01**		0.25
Handling Expenses - Finished goods		**157.45**		181.24
Commission to Selling Agents		**7.34**		7.06
Export Sales Expenses		**22.97**		8.85
Miscellaneous Expenses		**452.83**		338.00
		14,220.21		14,540.44

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

33. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

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

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

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

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

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

As at 31st March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		227.54		227.54
Investments at FVOCI				
Equity instruments*				
Quoted	13.30			13.30
Unquoted			58.39	58.39
Total financial assets	13.30	**227.54**	**58.39**	**299.23**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability	-	603.57	-	603.57
Total financial liabilities	**-**	**603.57**	**-**	**603.57**

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

As at 31st March, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets	-	473.95	-	473.95
Investments at FVOCI				
Equity instruments*				
Quoted	10.29	-	-	10.29
Unquoted			58.39	58.39
Total Financial assets	**10.29**	**473.95**	**58.39**	**542.63**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		153.68	-	153.68
Total financial liabilities	**-**	**153.68**	**-**	**153.68**

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

As at 1st April, 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		470.44		470.44
Investments at FVOCI				
Equity instruments*				
Quoted	12.63			12.63
Unquoted			55.62	55.62
Total financial assets	**12.63**	**470.44**	**55.62**	**538.69**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		144.96		144.96
Total financial liabilities	**-**	**144.96**	**-**	**144.96**

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

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

	Level	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets							
Loans	Level-3	514.99	523.40	514.04	517.59	492.72	492.72
Derivative financial assets	Level-2	227.54	227.54	473.95	473.95	470.44	470.44
Equity instruments*							
Quoted	Level-1	13.30	13.30	10.29	10.29	12.63	12.63
Unquoted	Level-3	58.39	58.39	58.39	58.39	55.62	55.62
Total financial assets		**814.22**	**822.63**	**1,056.67**	**1,060.22**	**1,031.41**	**1,031.41**
Financial liabilities							
Borrowings	Level-3	43,280.15	43,628.65	37,069.00	37,225.74	33,583.15	33,838.95
Other payables	Level-3	9,148.35	9,281.67	8,379.51	8,490.70	7,961.72	7,961.72
Derivative liability	Level-2	603.57	603.57	153.68	153.68	144.96	144.96
Total financial liabilities		**53,032.07**	**53,513.89**	**45,602.19**	**45,870.12**	**41,689.83**	**41,945.63**

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

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

(v) Unquoted investments

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

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

Particulars	Unlisted equity securities
As at 1st April, 2015	**55.62**
Gain/Loss recognised in other comprehensive income	2.77
As at 31 March, 2016	**58.39**
Gains/losses recognised in other comprehensive income	-
As at 31st March, 2017	**58.39**

34 FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
Equity instruments*		71.69			68.68			68.25	
Trade receivables			2,921.69			3,143.49			3,588.22
Cash and cash equivalents			120.93			132.44			148.17
Other Bank Balances			168.16			165.52			2,163.76
Loans			514.99			514.04			492.72
Derivative financial assets	227.54			473.95			470.44		
Other receivables			2,302.73			1,780.57			2,566.07
Total	**227.54**	**71.69**	**6,028.50**	**473.95**	**68.68**	**5,736.06**	**470.44**	**68.25**	**8,958.94**
Financial liabilities									
Borrowings			43,280.15			37,069.00			33,583.15
Trade payable			5,226.56			4,009.54			3,607.09
Derivative Liability	603.57			153.68			144.96		
Other payables			9,148.35			8,379.51			7,961.72
Total	**603.57**	**-**	**57,655.06**	**153.68**	**-**	**49,458.05**	**144.96**	**-**	**45,151.96**

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

ii) Risk Management

The Company is exposed to various risk in relation to financial instruments. The Company's financial asset and liabilities are by category are summarised in note 34(i). The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are 'described below.

A) Credit risk

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

-Cash and cash equivalents

-Derivative financial instruments

-Trade receivables

-Other financial assets measured at amortized cost

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

a) Credit risk management

Cash and cash equivalent

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

Derivative financial instruments

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

Trade receivables

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

Other financial assets measured at amortized cost

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

b) Expected credit losses

Company provides expected credit losses based on the following:

Trade receivables

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

(₹ crore)

Ageing (As at 31st March, 2017)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2,289.06	414.86	133.89	37.83	222.53	3,098.17
Expected loss rate	0.03%	0.37%	1.57%	6.27%	76.33%	5.70%
Expected credit loss provision	0.61	1.54	2.10	2.37	169.86	176.48
Carrying amount of trade receivables (Net of impairment)	2,288.45	413.32	131.79	35.46	52.67	2,921.69

Ageing (As at 31st March, 2016)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2,457.10	520.08	33.45	101.69	177.99	3,290.31
Expected loss rate	0.02%	0.29%	7.10%	2.31%	78.66%	4.46%
Expected credit loss provision	0.58	1.51	2.38	2.35	140.01	146.83
Carrying amount of trade receivables (Net of impairment)	2,456.52	518.57	31.07	99.34	37.98	3,143.48

Ageing (As at 1st April, 2015)	0-3 months	3-12 months	12-24 months	24-36 months	more than 36 months	Total
Gross carrying amount	2,437.67	782.65	305.21	13.04	179.23	3,717.80
Expected loss rate	0.03%	0.22%	0.77%	12.12%	70.04%	3.55%
Expected credit loss provision	0.62	1.75	2.35	1.58	125.53	131.83
Carrying amount of trade receivables (Net of impairment)	2,437.05	780.90	302.86	11.46	53.70	3,585.97

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

Reconciliation of Expected credit loss provision (₹ crore)

Particulars	Unlisted equity securities
As at 1st April, 2015	**131.83**
Changes in provision	(14.99)
As at 31st March, 2016	**146.82**
Changes in provision	(29.65)
As at 31st March, 2017	**176.48**

Other financial assets measured at amortized cost

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

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

(₹ crore)

Contractual maturities of financial liabilities as at 31st March, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	24,177.67	4,569.02	4,652.70	13,282.34	46,681.73
Trade payable	5,226.62	1.29	5.64	0.43	5,233.98
Other payables	10,428.43	125.11	105.03	1,445.94	12,104.51
Total	39,832.72	4,695.42	4,763.37	14,728.71	64,020.22
Derivatives					
Derivative liability (Net Settled)	603.57				603.57
Total	**603.57**	-	-	-	**603.57**

Contractual maturities of financial liabilities as at 31st March, 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	20,054.28	3,672.83	4,765.96	12,135.48	40,628.55
Trade payable	4,002.71	1.27	0.37	5.19	4,009.54
Other payables	9,032.64	132.46	110.45	1,627.81	10,903.36
Total	33,089.63	3,806.56	4,876.78	13,768.48	55,541.45
Derivatives					
Derivative liability	153.68				153.68
Total	**153.68**	-	-	-	**153.68**

Contractual maturities of financial liabilities as at 1st April, 2015	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	18,233.78	2,692.93	3,526.40	10,008.35	34,461.46
Trade payable	3,606.38	-	-	0.71	3,607.09
Other payables	8,621.25	109.82	105.36	1,503.00	10,339.43
Total	30,461.41	2,802.75	3,631.76	11,512.06	48,407.98
Derivatives					
Derivative liability	144.96				144.96
Total	**144.96**	-	-	-	**144.96**

* borrowings excludes finance lease obligations, refer note 41.6(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

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

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

Foreign currency risk exposure:

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	38.25		5.95	
Cash and cash equivalents				
Other Bank Balances				
Loans				
Derivative financial assets (Gross amounts, to hedge borrowings)	10,099.90		6,924.71	
Other receivables				
Net exposure to foreign currency risk (assets)	**10,138.15**	**-**	**6,930.66**	**-**
Financial liabilities				
Borrowings	13,039.83	327.06	9,791.53	377.17
Trade payable	57.25	307.02	58.73	294.50
Derivative Liability				
Other payables				
Net exposure to foreign currency risk (liabilities)	**13,097.08**	**634.08**	**9,850.26**	**671.67**

Sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 7.86% change of the INR/USD exchange rate for the year ended at 31 March, 2017 (2016: 11.83%). A +/- 4.09% change is considered for the INR/EUR exchange rate (2016: 4.92%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
USD sensitivity		
INR/USD- increase by 4.09% (31 March 2017)	(121.02)	
INR/USD- decrease by 4.09% (31 March 2017)	121.02	
INR/USD- increase by 4.92% (31 March 2016)		(143.64)
INR/USD- decrease by 4.92% (31 March 2016)		143.64
Euro sensitivity		
INR/EUR- increase by 7.86% (31 March 2017)	(49.84)	
INR/EUR- decrease by 7.86% (31 March 2017)	49.84	
INR/EUR- increase by 11.83% (31 March 2016)		(79.46)
INR/EUR- decrease by 11.83% (31 March 2016)		79.46

b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March, 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Company's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Company's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2016: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March, 2017, the company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

Interest rate risk exposure

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Variable rate borrowing (excluding exposures offset by derivatives)	9,777.02	5,597.59
Fixed rate borrowing	33,503.13	31,471.41
Total borrowings	**43,280.15**	**37,069.00**

Sensitivity

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest sensitivity		
Interest rates – increase by 100 basis points	432.80	370.69
Interest rates – decrease by 100 basis points	(432.80)	(370.69)

ii) Assets

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

Interest rate risk exposure

Below is the overall exposure of the financial assets: (₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	683.15	679.56
Total deposits	**683.15**	**679.56**

c) Price risk

Exposure

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

35 CAPITAL MANAGEMENT

The company' s capital management objectives are

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

- to provide an adequate return to shareholders

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

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

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net debts	42,991	36,771	31,271
Total equity	36,009	39,196	43,523
Net debt to equity ratio	**119%**	**94%**	**72%**
Dividends			
(i) Equity shares			
Final dividend for the year ended 31st March, 2015 of ₹. 0.25	Nil	103.26	-
(ii) Dividends not recognised at the end of the reporting period			
The directors had recommended the payment of a final dividend of ₹ 0.25 for the year ended 31st March, 2015 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	Nil	Nil	103.26

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

36 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31 March, 2016 and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2 Decommissioning liabilities included in cost of property, plant and equipment

Ind AS 101 permits a first-time adopter to not comply with the requirements of accounting for changes in decommissioning liabilities that occurred before the date of transition to Ind ASs and only adjust the carrying value of property, plant and equipment by the amount of decommissioning liability that existed on the date of transition after considering the impact of accumulated depreciation.

For the purpose of the determining the present value of liability, the rate of discount on government securities applicable for the relevant period when the such liability first arose was applied.

3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

5 Investment in Subsidiary/ Joint ventures and associates

Ind AS 101 permits a first-time adopter who elects to account for its investments in subsidiaries, joint ventures and associates at cost to continue with the carrying value of such investments as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in equity instruments carried at FVTPL or FVOCI

b) Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

For the purpose of certain financial instruments carried at amortised cost for which fair value was determined on the date of transition to Ind AS, discount rates as at the date of transition were determined on the following basis:

i) Loans given to employees: rates as per third party banks applicable to employees

ii) Finance lease obligations in relation to oxygen plant: rates as per Company's last available incremental borrowing rate

iii) Finance lease obligations in relation to power plants: implicit rate in the lease

iv) Other financial assets and financial labrialise: State Bank of India's base rate

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

C (i) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March, 2016 and 1st April, 2015 (₹ crore)

	Notes to first time adoption	As at 31st March, 2016	As at 1st April, 2015
Total equity (shareholder's funds) as per previous GAAP		39,281.26	43,504.78
Adjustments:			
Measurement of financial assets and liabilities at amortised cost	4	66.44	182.44
Recognition and measurement of certain arrangements and leases of land as finance leases	2	(210.35)	(173.24)
Measurement of equity instruments at fair value through OCI	5	48.71	48.29
Measurement of derivatives and embedded derivatives at fair value through profit and loss	1	(26.22)	(29.37)
Classification of certain leases of land as operating leases	6	(83.08)	(87.21)
Recognition of grant from government as deferred income	7	(28.21)	(27.89)
Capitalisation of major repairs and capital spares	3	58.76	(131.36)
Proposed dividend including dividend distribution tax	8	-	124.28
Deferred tax impact on Ind AS adjustments	11	12.46	38.00
Others		76.13	74.60
Total adjustments		**(85.36)**	**18.54**
Total equity as per Ind AS		**39,195.90**	**43,523.32**

2 Reconciliation of total comprehensive income for the year ended 31st March, 2016 (₹ crore)

	Notes to first time adoption	As at 31st March, 2016
Profit after tax as per previous GAAP		(4,137.26)
Adjustments:		
Measurement of derivatives and embedded derivatives at fair value through profit and loss	1	3.15
Recognition and measurement of certain arrangements and leases of land as finance leases	2	(37.10)
Capitalisation of major repairs and capital spares	3	190.12
Measurement of financial assets and liabilities at amortised cost	4	(115.99)
Deferred tax impact on Ind AS adjustments	11	(75.11)
Others		150.75
Total adjustments		**115.82**
Profit/(Loss) after tax as reported under Ind AS		**(4,021.44)**
Other Comprehensive Income (OCI) (net of tax):		
Remeasurement of defined benefit obligations	10	(94.87)
Measurement of equity instruments at fair value through OCI	5	(0.22)
Total Comprehensive Profit/(Loss) under IND-AS		**(4,116.53)**

3 Impact of Ind AS adoption on statement of cashflows for the year ended 31st March, 2016 (₹ crore)

	Previous GAAP	Adjustments	Ind AS
Profit after tax as per previous GAAP			
Adjustments:			
Net cash flows from operating activities	2,817.87	981.84	3,799.71
Net cash flows from investing activities	(4,094.98)	(463.19)	(4,558.17)
Net cash flows from financing activities	1,258.88	(516.15)	742.73
Net increase/ (decrease) in cash and cash equivalents	(18.23)	2.50	(15.73)
Cash and cash equivalent as at 1st April, 2015	160.04	(11.87)	148.17
Cash and cash equivalents as at 31st March, 2016*	**141.81**	**(9.37)**	**132.44**

*Cash and cash equivalents as at 31st March, 2016 and 1st April, 2015 under Ind-AS excludes restricted bank balances.

Note – 1

Measurement of derivatives

Under previous GAAP, forward contracts which are outstanding as at the reporting date were restated at the closing spot rate with corresponding amortization of forward premium. Under Ind AS, these derivative contracts are accounted for as FVTPL.

Further under Ind AS embedded derivatives not closely related to the host contract are separated and these derivative contracts have been also accounted for as FVTPL.

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

Note – 2

Recognition and measurement of certain arrangements and leases of land as finance leases

Under previous GAAP, leases of land were not classified between operating or finance leases as there was no specific accounting requirement. Accordingly, all such leases were capitalized as fixed assets. Further, there was no guidance for recognising embedded leases under the previous GAAP.

Under Ind AS certain leases of land have been considered finance leases in accordance with Ind AS 17 also certain other arrangements have been treated as finance lease of property, plant and equipment (PP&E), resulting into increase in depreciation and finance cost, while reducing cost of goods/ services procured.

Note – 3

Capitalisation of major repairs and capital spares

Under previous GAAP spares were recognised as inventory and charged to P&L upon issuance and all expenditure on repairs was charged to P&L unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance.

Under Ind AS spares have been capitalised if they were held by the Company for use in business and that is expected to be used for more than one year. Similarly cost of major repairs and overhauls to continue to operate an item of PP&E has been capitalised as a cost of such PP&E.

Note – 4

Measurement of financial assets and liabilities at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note – 5

Measurement of equity instruments at fair value through OCI

Under previous GAAP, investments in long-term equity instrument are shown at cost and tested for other than temporary diminution. Under Ind AS, such investments are accounted for under Ind AS 109 which requires the company to measure such instruments at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) (except for investment in subsidiaries, associates and joint venture).

Note – 6

Classification of certain leases of land as operating leases

Under previous GAAP, leases of land where Company was a lessor were not classified between operating or finance leases as there was no specific accounting requirement. Accordingly, all such leasehold lands were derecognized and lease premium was booked as sales consideration."Under Ind AS certain leasehold land previously derecognized have been considered operating leases in accordance with Ind AS 17 therefore the premium on such leases has been recognized as deferred income.

Note – 7

Recognition of grant from government as deferred income

Under previous GAAP, grants received in nature of promoter's contribution were directly credited to equity. Under Ind AS, grants received where conditions for recognition were not met have been recognized as deferred income.

Note – 8

Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

Note –9

Retained earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note – 10

Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note – 11

Deferred tax

Under Ind AS, deferred tax is created using a balance sheet approach considering the taxable and deductible temporary differences, unlike previous GAAP where a concept of timing difference was applied. Ind AS adjustments recorded by the Company also have a deferred tax impact which has been recognised in the financial statements.

Note - 12

Guaranteed receivables

Under Ind AS, financial assets and liabilities are not offset unless there is a legal right to setoff accordingly certain trade receivables and related liabilities have been reported on a gross basis under Ind AS.

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

C(ii)- Reconciliation between previous GAAP and Ind AS for impact on balance sheet

(₹ crore)

Particulars	Notes to first time adoption	Previous GAAP as at 31st March, 2016	Adjustments	Ind AS as at 31st March, 2016	Previous GAAP as at 1st April, 2015	Adjustments	Ind AS as at 1st April, 2015
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	2, 3	42,716.20	1,662.67	44,378.87	34,658.41	1,571.54	36,229.95
(b) Capital work-in-progress	3	24,884.26	42.96	24,927.22	29,195.82	13.72	29,209.54
(c) Investment property		-	0.88	0.88	(-)	0.90	0.90
(d) Intangible assets		1,546.20	-	1,546.20	1,510.21	-	1,510.21
(e) Financial assets							
(i) Investments	5	1,243.04	48.71	1,291.75	919.06	48.29	967.35
(ii) Trade receivable	3	37.34	(37.34)	-	30.39	(28.14)	2.25
(iii) Loans	2, 4	487.53	(37.58)	449.95	481.08	(54.10)	426.98
(iv) Other financial assets	1, 4	222.60	269.78	492.38	342.25	355.83	698.08
(f) Deferred tax assets (net)	10	1,787.34	12.46	1,799.80	-	-	-
(g) Current tax assets (net)		278.10	-	278.10	609.89	-	609.89
(h) Other non current assets		1,007.08	(30.61)	976.47	802.68	(4.52)	798.16
		74,209.69	**1,931.93**	**76,141.62**	**68,549.79**	**1,903.52**	**70,453.31**
Current assets							
(a) Inventories	3	15,134.94	(455.41)	14,679.53	17,736.39	(485.69)	17,250.70
(b) Financial assets		-				-	
(i) Trade receivable	12	2,900.68	242.81	3,143.49	3,215.21	370.76	3,585.97
(ii) Cash and cash equivalents		132.44	-	132.44	148.17	-	148.17
(iii) Other bank balances		165.52	-	165.52	2,163.76	-	2,163.76
(iv) Loans	4	0.00	64.09	64.09	-	65.74	65.74
(v) Other financial assets	1, 4	1,504.69	257.45	1,762.14	2,200.42	138.01	2,338.43
(c) Current tax assets (net)		-	-	-	-	-	-
(d) Other current assets		4,220.04	10.81	4,230.85	4,224.85	10.09	4,234.94
	19	**24,058.31**	**119.75**	**24,178.06**	**29,688.80**	**98.91**	**29,787.71**
Assets classified as held for sale		0.00	20.59	20.59	0.00	20.46	20.46
TOTAL ASSETS		**98,268.00**	**2,072.27**	**1,00,340.27**	**98,238.59**	**2,022.89**	**1,00,261.48**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		4,130.53		4,130.53	4,130.53		4,130.53
(b) Other equity		35,150.73	(85.36)	35,065.37	39,374.25	18.54	39,392.79
		39,281.26	**(85.36)**	**39,195.90**	**43,504.78**	**18.54**	**43,523.32**
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	2, 4	15,936.16	1,559.55	17,495.71	13,937.79	1,682.41	15,620.20
(ii) Trade payables		6.83	-	6.83	0.71	-	0.71
(iii) Others	4	1,574.74	(2.92)	1,571.82	1,431.65	(56.56)	1,375.09
(b) Provisions		3,355.75	(84.10)	3,271.65	3,464.36	(82.80)	3,381.56
(c) Deferred tax liabilities (net)		-	-	-	1,306.95	(38.00)	1,268.95
(d) Other non-current liabilities	6, 7	-	113.48	113.48	0.01	117.89	117.90
		20,873.48	**1,586.01**	**22,459.49**	**20,141.47**	**1,622.94**	**21,764.41**
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		15,574.86	-	15,574.86	14,282.91	-	14,282.91
(ii) Trade payables		4,002.71	-	4,002.71	3,606.38	-	3,606.38
(iii) Other financial liabilities	1, 2, 12	10,396.93	562.87	10,959.80	9,911.19	500.44	10,411.63
(b) Other current liabilities	6	5,487.84	5.22	5,492.96	4,278.30	5.25	4,283.55
(c) Provisions	8	2,639.12	3.53	2,642.65	2,501.66	(124.28)	2,377.38
(d) Current tax liabilities (net)		11.90	-	11.90	11.90	-	11.90
		38,113.26	**571.62**	**38,684.88**	**34,592.34**	**381.41**	**34,973.75**
TOTAL EQUITY & LIABILITIES		**98,268.00**	**2,072.27**	**1,00,340.27**	**98,238.59**	**2,022.89**	**1,00,261.48**

* Excluding reclassifications

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

C (iii)- Reconciliation between previous GAAP and Ind AS for impact on statement of profit and loss (₹ crore)

Particulars	Notes to first time adoption	Previous GAAP For the year ended 31st March, 2016	Adjustments*	Ind AS for the year ended 31st March, 2016
Revenue				
Revenue from operations	26	43,858.71	16.46	43,875.17
Other income	27	616.63	(21.96)	594.67
		44,475.34	**(5.50)**	**44,469.84**
Expenses				
Cost of materials consumed	28	17,155.23	-	17,155.23
Changes in inventories of finished goods and work in Progress	29	540.61	-	540.61
Excise duty		4,823.29	-	4,823.29
Employee benefits expense	30	9,845.41	(130.44)	9,714.97
Finance costs	31	2,046.71	253.74	2,300.45
Depreciation and amortisation expense		2,122.12	280.23	2,402.35
Other expenses	32	15,140.43	(599.97)	14,540.44
		51,673.80	**(196.46)**	**51,477.34**
Profit/(Loss) Before Tax		**(7,198.46)**	**190.96**	**(7,007.50)**
Tax expense				
Deferred tax		(2,984.66)	75.11	(2,909.55)
Earlier years		(76.51)		(76.51)
Total tax expense		**(3,061.17)**	**75.11**	**(2,986.06)**
Profit/(Loss) for the year		**(4,137.29)**	**115.85**	**(4,021.44)**
Other Comprehensive Income				
A i) Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligations		-	(145.08)	(145.08)
Changes in fair value of FVOCI equity instruments		0.00	0.42	0.42
ii) Income tax relating to items that will not be reclassified to profit or loss		(0.00)	49.57	49.57
Other Comprehensive Income for the year		**0.00**	**(95.09)**	**(95.09)**
Total Comprehensive Income for the year		**(4,137.29)**	**20.76**	**(4,116.53)**

* Excluding reclassifications

37. DETAILS OF ASSETS PLEDGED

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Inventories and trade receivables (to the extent pledged)	**1,552**	2,256	6,558
Non Current			
Plant & Machinery (movable assets) - Durgapur Steel Plant (to the extent pledged)	**1,162**	1,176	1,190
Plant & Machinery (movable assets) - Bokaro Steel Plant (to the extent pledged)	**2,500**	-	-
Land (at Mouje-Wadej of city taluka, District Ahemadabad,Gujrat) - ISP	**0.02**	0.02	0.02

38. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit/(loss) before tax	**(4,850.86)**	(7,007.50)
Domestic tax rate for PFS	**34.6080%**	34.6080%
Expected tax expense [A]	**(1,678.79)**	(2,425.16)
Adjustment for tax-exempt income/ non-deductible expenses	**(9.51)**	18.05
Adjustment for difference tax rate items	**0.47**	0.47
Deferred tax liability/ assets not recognised	**(9.01)**	3.86
Tax incentive on specific expenditure	**(353.00)**	(524.84)
Tax related to earlier years	**15.14**	(76.51)
MAT credit reversal	**28.50**	12.71
Others	**(11.43)**	5.36
Total adjustments [B]	**(338.83)**	(560.90)
Actual tax expense [C=A+B]	**(2,017.62)**	(2,986.06)
Tax expense comprises:		
Current tax expense	**-**	-
Deferred tax credit	**(2,017.62)**	(2,986.06)
Tax expense recognized in Statement of profit and loss [D]	**(2,017.62)**	(2,986.06)

39.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i)	Claims against the Company pending appellate/judicial decisions :			
	a) Excise Duty	**3751.71**	2096.16	1667.91
	b) Sales Tax on inter-state stock transfers from plants to stockyards*.	**740.99**	739.30	739.33
	c) Other sales tax matters	**628.34**	717.65	230.26
	d) Income Tax	**1288.55**	1224.85	1186.83
	e) Other duties, cess and levies	**6311.57**	5248.51	2777.74
	f) Civil matters **	**3178.30**	3760.48	2776.79
	g) Entry Tax	**2173.75**	2050.71	1647.65
	h) Miscellaneous **	**15109.38**	14655.47	11238.66
	* No liability is expected to arise, as sales tax has been paid on eventual sales. ** includes claims of ₹ 47.44crore (as at 31st March, 2016 ₹ 47.44crore) (as at 1st April, 2015 ₹ 47.43crore), against which there are counter-claims of ₹ 26.30crore (as at 31st March, 2016 ₹ 26.30crore) (as at 1st April, 2015 ₹28.06crore).			
(ii)	Other claims against the Company not acknowledged as debt:			
	a) Sales Tax	**43.16**	24.11	16.48
	b) Duties, cess and levies	**616.51**	475.28	266.07
	c) Civil Matters	**89.94**	82.67	55.23
	d) Miscellaneous *	**2494.37**	1272.45	975.24
	* includes claims of ₹ 100.94 crore (as at 31st March, 2016 ₹100.94 crore) (as at 1st April, 2015 ₹ 100.94 crore), against which there are counter-claims of ₹ 103.95 crore (as at 31st March, 2016 ₹ 103.95 crore)(as at 1st April, 2015 ₹ 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	**32.89**	33.79	31.59
(iv)	Bills drawn on customers and discounted with banks.	**37.38**	35.00	41.22
(v)	Price escalation claims by contractors/suppliers and claims by employees.	**408.62**	166.58	250.71

39.2 a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by the States and has laid down principles/tests for consideration. The respective regular Benches of the Apex Court would hear the matters as per laid down principles. Pending decisions by the regular Benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh and Jharkhand, the Entry Tax demands, under dispute, of ₹1092.28 crore, ₹352.16 crore, ₹92.23 crore and ₹5.15 crore respectively upto 31st March, 2017 aggregating to ₹1541.82 crore (including a sum of ₹1091.02 crore, , ₹341.15 crore, ₹92.23 crore and ₹5.15 upto 31st March, 2016 and a sum ₹1084.32 crore, ₹333.95 crore, ₹92.23 crore and ₹5.15 as at 1st April, 2015) have been treated as contingent liabilities.

The Company has deposited ₹ 1761.20 crore (upto 31st March, 2016 ₹ 1600.95 crore, as at 1st April, 2015 ₹1436.58 crore) against the said demand.

(ii) Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹254.21 crore upto 31st March, 2017 (upto 31st March, 2016 ₹155.44 crore, as at 1st April, 2015 ₹ 79.90 crore) have been treated as contingent liabilities.

b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. The appeal filed by DVC pertaining to tariff of 2004-09 is yet to be decided by the Hon'ble Supreme Court of India. As per legal opinion received by the Company, the decision of Hon'ble Supreme Court of India on determination of the tariff of 2004-09 may have an effect on the subsequent periods. Pending final decision in this regard, the claim of DVC of ₹ 587.72 crore upto 31st March, 2017 (upto 31.03.2016 ₹491.27 crore, as at 01.04.2015 ₹393.59 crore) has been considered as Contingent Liability and included in Note No. 39.1(i)(f) above. Against the said demands, the entire amount has been paid to DVC.

39.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3045.41 crore upto 31st March, 2017 (upto 31.03.2016 ₹2375.95 crore, as at 01.04.2015 ₹63.31 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 39.1(i)(e) above.

39.4 The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification by the Ministry of Mines, Government of India and the price published by India Bureau of Mines on a monthly basis for both iron ore lumps and fines separately. A circular was issued by the State Government of Odisha regarding payment of royalty on fines at the rate of lumps on 07.09.2010 retrospectively effective from August 2009. The Government of India, vide circular dated 23.07.2012, directed the State Government of Odisha to withdraw the circular dated 07.09.2010. Accordingly, excess royalty for fines at the rate applicable for lumps, paid in two Iron Ore Mines of the Company amounting to ₹144.34 crore, has been shown as Claims Recoverable. As the Company has disputed the matter with the Appropriate Authorities pending withdrawal of the circular of the State Government of Odisha, the amount of ₹144.34 crore (As on 31.03.2016 ₹144.34 and 01.04.2015 ₹144.34 crore) has been included in the Contingent Liability, in Note No. 39.1(ii)(b) above.

39.5 In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹ 325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 39.1(v) above.

39.6 Indigenous washed coking coal supplies, have been claimed by Bharat Coaking Coal Limited (BCCL) and Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 13th January, 2017 and 14th January, 2017 respectively, which is in deviation from the mutually agreed price with the Company for the year 2016-17. The Company has accounted for the supplies based on agreed prices as per jointly signed Memorandum of Understanding, valid for supplies w.e.f. 1st April, 2016 to 31st March, 2017, between SAIL and BCCL & CCL. The differential claims of BCCL & CCL, amounting to ₹334.45 crore at unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 39.1(ii)(d) above.

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

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

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

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital commitments	13580.65	15688.09	13013.17
Other commitments	1532.38	1444.26	1399.69

40.2 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. 22 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, 2017are as under:

(₹ crore)

No.	Description	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
i.	The principal amount remaining unpaid to supplier as at the end of the Year.	38.12	29.46	27.27
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the Year.	-	-	
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-	

		For the Year ended	
		31st March, 2017	31st March, 2016
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.	-	-

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

41.1 Sales include sale to Government Agencies recognised on provisional contract prices during the Year ended 31st March 2017: ₹3807.78 crore (Previous Year: ₹3779.85 crore) and cumulatively upto 31st March, 2017: ₹18342.41 crore (upto Previous Year: ₹14667.87 crore).

41.2 The long-term agreement for wage revision expired on 31st December, 2016. Pending finalisation of fresh agreement w.e.f. 1st January, 2017, an all-inclusive provision of ₹107.15 crore towards salaries and wages revision, has been made on ad-hoc basis.

41.3 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 ₹261.60 crore (₹226.22 crore) and ₹77.83 crore (₹50.78 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 2017	31st March 2016
Raw Materials	26.93	66.25
Employees Benefits Expenses	88.87	95.18
Stores & Spares Consumed	9.44	5.39
Power & Fuel	4.80	14.79
Repairs & Maintenance	4.13	4.78
Depreciation and Amortisation Expenses	6.42	6.04
Other Expenses	119.01	33.61
Finance Cost	2.00	0.18
Total	**261.60**	**226.22**

41.4 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, 2017, no provision is required to be made during the year, as the value in use of assets of Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant and IISCO Steel Plant, based on the present value of estimated future cash-flows expected to arise from the continuing use of an asset and from its disposal at the end its useful life, is more than the carrying amount of the respective CGU.

No provision is required to be made during the year for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant, as the net realisable value thereof, assessed by an independent agency, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2017 for Alloy Steels Plant and Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

41.5 As per Section 135 of the Companies Act, 2013 effective from 1st April, 2014, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, the Company reported average net loss made during the three immediately preceding financial years, no budget is required to be spent for the Financial Year 2016-17. Total amount to be spent by the Company is ₹22.80 crore i.e. unspent amount of previous year. The Company has spent an amount of ₹29.05 crore on CSR activities during the year 2016-17 under the following heads :

Particulars	**₹ crore**
Education	8.96
Healthcare	3.39
Livelihood Generation	2.97
Women Empowerment	0.90
Drinking Water	0.95
Sanitation	1.50
Sports	0.97
Art & Culture	2.13
Rural Development	2.68
Social Security	0.26
Environment Sustainability	3.13
Project Identification and Monitoring	0.00
Capacity Building of Personnel	0.00
Total	**29.05**

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

a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received up-front, after adjusting against book value, is booked to other revenues 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) Finance lease liabilities (refer note 21 and 23) are secured by the related assets held under finance lease. Future minimum finance lease payments of the respective years were as follows:

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	**1-5 years**	**After 5 years**	**Total**
31st March, 2017				
Lease payment	251.21	913.69	2255.38	3420.28
Finance charge	(158.59)	(556.78)	(1233.80)	(1949.17)
Net present value	92.62	356.91	1021.58	1471.11
31st March, 2016				
Lease payment	276.26	870.49	2222.86	3369.61
Finance charge	(145.26)	(478.65)	(1281.99)	(1905.90)
Net present value	131.00	391.84	940.87	1463.71
31st March, 2015				
Lease payment	280.30	873.31	2365.11	3518.72
Finance charge	(154.58)	(497.43)	(1387.45)	(2039.46)
Net present value	125.72	375.88	977.66	1479.26

c) **Description of major leasing arrangements**

Power plant

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

Oxygen plant

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

Mining land

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

d) (i) 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 ₹14.16 crore (₹13.96 crore).

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

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Not later than one year	**43.06**	43.06	43.06
Later than 1 year and not later than 5 years	**172.23**	172.23	172.23
Later than 5 years	**301.41**	344.47	387.53

41.7 As per the Department of Public Enterprises (DPE) 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. Accordingly the Company has made provision for pension benefit for executives @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st January, 2017. Further, pension benefit for non-executives has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st January, 2017.

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 ₹2367.93 crore (₹324.81 crore during the Year) and ₹46.05 crore (₹5.45 crore during the Year) have been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively.

41.8 During the year, the Company had Specified Bank Notes (SBN) or other denomination notes as defined in the MCA notification G.S.R. 308E dated March 30, 2017 on the details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	**Specified Bank Notes (SBNs)**	**Other Denomination Notes (ODNs)**	**Total**
Closing Cash on Hand as on 08.11.2016	8203000	1266017	9469017
(+) Permitted Receipts	28605500	92848906	121454406
(-) Permitted Payments	303000	12115358	12418358
(-) Amounts Deposited in Bank	36505500	80982492	117487992
Closing cash on hand as on 30.12.2016	-	1017073	1017073

41.9 As per Government of India guidelines on payment of dividends, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax or 5% of the Net-worth, whichever is higher, subject to the maximum dividend permitted under the Companies Act, 2013 and other rules, unless lower dividend proposed to be paid is justified after analysis of the various financial parameters of the Company. In case, the Company is not able to comply with the guidelines, specific exemption has to be obtained from Department of Investment & Public Asset Management (DIPAM), Government of India. Keeping in view the adverse financial position of the Company due to losses, the Company took up the matter with DIPAM for exemption from compliance of the guidelines for payment of dividends for the financial year 2015-16. DIPAM intimated to the Company that efforts should be made to pay minimum dividend. The Company has again represented the matter to DIPAM for exemption and final decision in this regard is awaited.

41.10 Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2016-17 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized as income during the year amounting to ₹11.40 crore (till date ₹19.11 crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India received during the year such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exist regarding collectability and measurability of revenue.

41.11 Based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f. 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the year 2016-17, excluding depreciation, of ₹ 97.95 crore (Previous Year ₹ 101.04 crore) has been included under Note No.32 'Other Expenses' in Statement of Profit and Loss (refer Note No 32). Head-wise bifurcation is as under:

(₹ crore)

Account Head	**For the year ended 31st March, 2017**	**For the year ended 31st March, 2016**
Salary and Wages	53.41	51.49
Stores and Spares	7.77	11.85
Power purchased	11.44	11.22
Repairs and Maintenance	6.84	7.63
Miscellaneous Expenses and Provisions	22.02	22.98
Total Expenditure	**101.48**	**105.17**
Less: Income	3.53	4.13
Net Expenditure	**97.95**	**101.04**

42.1 DEFINED BENEFIT SCHEMES

42.1.1 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 up to 30 days once in a financial year up to 18th November, 2015 and stopped thereafter.

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

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

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

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

42.1.2 Other disclosures, as required under Ind AS 19 on 'Employee Benefits', in respect of defined benefit obligations are :

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	5692.84 (5457.44)	2535.85 (2411.82)	872.63 (845.95)	94.95 (106.10)	21.02 (21.17)
ii)	Service Cost	375.36 (472.63)	303.44 (284.28)	- (-)	- (-)	1.60 (1.47)
iii)	Interest Cost	381.98 (441.63)	173.00 (189.49)	60.24 (67.37)	6.52 (8.59)	1.43 (1.69)
iv)	Actuarial Gains(-) / Losses(+)	550.79 (123.60)	28.06 (216.51)	86.89 (50.28)	11.68 (-11.38)	1.82 (-1.02)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	847.91 (802.48)	300.34 (566.25)	83.55 (90.97)	8.92 (8.86)	2.73 (2.29)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	6153.06 (5692.82)	2740.01 (2535.85)	936.21 (872.63)	104.23 (94.45)	23.14 (21.02)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

Sl. No.	Particulars	2016-17	2015-16
i)	Fair Value of plan assets as at the beginning of the year	5494.74	5061.05
ii)	Expected return on plan assets	94.53	28.80
iii)	Actual Company's contribution	696.38	802.38
iv)	Interest Income/Actuarial Gain/Loss	398.35	404.89
v)	Benefits payments	847.91	802.48
vi)	Fair value of plan assets as at the end of the year	5836.21	5494.69
vii)	Present value of defined benefit obligation [33.1.2)(a)(vii)]	6153.06	5692.82
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	316.85	198.13

*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2017-18, after considering the return on the investments.

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

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	375.36 (472.63)	303.44 (284.28)	- (-)	- (-)	1.60 (1.47)
ii)	Interest Cost	-16.37 (36.74)	173.00 (189.49)	60.24 (67.37)	6.52 (8.59)	1.43 (1.69)
iii)	Actuarial Gains (-)/Losses	550.79 (123.60)	28.06 (216.51)	86.89 (46.42)	11.68 (-11.38)	1.82 (-1.02)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	93.25 (28.80)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	816.53 (604.17)	504.50 (690.28)	147.13 (113.79)	18.20 (-2.79)	4.85 (2.14)
vii)	Employees' Benefits Expenses : a) Charged to Profit & Loss Account (Note 30)	356.51 (498.54)	491.23 (678.33)	58.34 (66.77)	- (-)	4.85 (2.14)
	b) Charged to Expenditure During Construction (Note 5.1)	-1.25 (0.50)	3.56 (1.60)	- (-)	17.29 (-2.53)	- (-)
	c) Charged to OCI	456.26 (94.80)	- (-)	88.79 (50.28)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	5.01 (-)	9.71 (-)	- (-)	0.91 (-0.26)	- (-)
viii)	Actual Return on Plan Assets	491.63 (433.71)				

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit Schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	(256.33)	254.97
ii)	Leave	(122.34)	121.81
iii)	Post Retirement Benefit	(30.07)	30.55
iv)	Long Term Service Award	(1.13)	1.03
v)	Retirement Travelling Allowance	(4.83)	4.90

(e) Effect of one percentage point change in the salary escalation rate on Employees' Benefit Schemes

(₹ crore)

Sl. No.	Particulars	1 percentage point decrease in discount rate	1 percentage point increase in discount rate
i)	Gratuity	254.97	(229.85)
ii)	Leave	123.47	(120.17)

(f) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under Post-retirement Medical Benefits Scheme

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement Medical Benefits	(17.96)	19.80

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2017	As at 31.03.2016
Insurance Investments	85.03	83.60
Central Government Securities	1.54	1.57
State Government Securities	4.77	4.90
PSU Bonds	8.63	9.91
Cash at Bank	0.03	0.02
Total	100.00	100.00

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2017	As at 31st March, 2016
i)	Discount Rate (per annum)	7.25%	8%
ii)	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.25%	8%
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2017
Upto 1 year	781.26
Between 1 to 2 years	804.35
Between 2 to 3 years	807.95
Between 3 to 4 years	815.25
Between 4 to 5 years	818.28
Between 5 to 10 years	4263.21
More than 10 years	24861.59
Total Undiscounted Payments related to Past Service	33151.90
Less: Discount for Interest	26998.83
Projected Benefit Obligation	**6153.07**

43. GENERAL

43.1 Segment Reporting

i) Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under Ind AS 108, Operating Segments' issued by Ministry of Corporate Affairs.

ii) In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Ind AS 108, Operating Segments, issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

43.2 Related Party

As per Ind AS 24 `Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties, are given below: -

A. Name of the related party and nature of relationship

Subsidiary Companies

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

Joint Venture Companies

NTPC-SAIL Power Company Limited
Bokaro Power Supply Company Private Limited
SAIL Bansal Service Centre Limited
Mjunction Services Limited
Bhilai Jaypee Cement Limited
S&T Mining Company Private Limited
SAIL & MOIL Ferro Alloys Private Limited
International Coal Ventures Private Limited
SAIL-SCI Shipping Private Limited
SAIL SCL Kerala Limited
SAIL-RITES Bengal Wagon Industry Private Limited
SAIL Kobe Iron India Private Limited
TMTSAL SAIL JV Limited
SAL SAIL JVC Limited
SAIL-Bengal Alloy Castings Private Limited
Prime Gold-SAIL JVC Limited
VSL SAIL JVC Limited
Abhinav-SAIL JVC Limited
N.E. Steel & Galvanising Private Limited
North Bengal Dolomite Limited
Romelt-SAIL (India) Limited
NMDC SAIL Limited
Bastar Railway Private Limited

Associate Company

Almora Magnesite Limited

Other Companies

ICVL Mauritius
Riverdale Mining (PTY) Limited (RML)
Minas De Banga (Mauritius) Limited Mozambique
ICVL Zambeze Mauritius Limited
ICVL Ventures Mauritius
Promark Services Limited RPU
Benga Power Plant (Mauritius) Limited
Minas De Benga LDA
ICVL Zambeze LDA
ICVL Ventures LDA
Minas De Changara LDA
Benga Energia SA
IISCO Ujjain Pipe & Foundry Co. Limited
UEC-SAIL Information Technology Limited

Post Employment Benefit Plans

HSL BSP Provident Fund, Bhilai
DSP Provident Fund, Durgapur
Hindustan Steel Ltd Contributory Provident Fund, Rourkela
Bokaro Steel Employees Provident Fund, Bokaro
IISCO Limited Provident Institution, Burnpur
IISCO Limited Provident Institution, Kolkata
IISCO Limited Works Provident Fund, Burnpur
SAIL ASP Provident Fund, Durgapur
Salem Steel Provident Fund, Salem
Visvesvaraya Iron and Steel Plant Employees Provident Fund Trust, Bhadravati
SAIL Provident Fund, New Delhi
Hindustan Steel Provident Fund, Ranchi
Hindustan Steel Limited, Central Purchase Organisation, Sales & Transport, Calcutta Provident Fund
Bharat Refractories Provident Fund, Bokaro
IFICO Provident Fund, Ramgarh
CCSO Provident Fund, Dhanbad
SAIL RMD Establishment and Administrative Offices Employees Provident Fund, Kolkata
Bolani Ores Mines Provident Fund , Bolani
SAIL Employees' Superannuation Benefit Fund
SAIL Gratuity Fund

B. Key Management Personnel

Shri P.K. Singh
Shri Anil Kumar Chaudhary
Shri Raman
Shri S.S. Mohanty (upto 30th June 2016)
Shri Kalyan Maity
Shri Binod Kumar (upto 28th Feb 2017)
Dr. N. Mahapatra
Dr. G. Vishwakarma
Ms. Soma Mondal (w.e.f 1st March 2017)
Shri A. Maitra
Shri S. Chandrasekaran
Shri P Saidev
Shri R.K. Rathi
Shri A.K. Rath
Smt. K Raman
Shri C Srikanta
Shri S K Garai
Shri M. Ravi
Shri M.R. Panda
Shri B.K. Jha (upto 30th April 2016)
Shri Neeraj Mathur
Shri Somdev Das
Shri R Mitra
Shri S K Aggarwal
Shri H.P. Singh
Shri S.K. Jain
Shri U.K. De
Shri S. Kolay
Shri Sukumar Hedge
Shri A.Kumar
Shri Ashoke Kumar Paul (w.e.f. 2nd May, 2016)
Shri P.K. Mishra
Shri B.N. Thakur
Shri N Ramachandran

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

(₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Key Management Personnel	Total	Note No. and Account Head
i)	Purchase of Investment	100.92 (323.97)	-	100.92 (323.97)	8 : Investments
ii)	Advance for purchase of shares	100.68 (99.22)	-	100.68 (99.22)	11 : Other Financial Assets
iii)	Services rendered	1.94 (2.08)	-	1.94 (2.08)	27: Other income
iv)	Rental Income	0.12 (13.02)	-	0.12 (13.02)	
v)	Dividend Received	90.87 (70.21)	-	90.87 (70.21)	
vi)	Sale of Goods	2.26 (30.17)	-	2.26 (30.17)	26 : Revenue from Operations
vii)	Purchase of Goods	105.08 (97.24)		105.08 (97.24)	
viii)	Purchase of Power	2047.53 (2151.86)		2047.53 (2151.86)	
ix)	Services received	44.35 (41.04)	-	44.35 (41.04)	32 : Other Expenses
		3.19 (2.68)	-	3.19 (2.68)	5 : Capital WIP
x)	Managerial remuneration	- (-)	7.42 (6.20)	7.42 (6.20)	30 : Employees' Benefits Expenses
xi)	Interest Income	0.51 (0.49)		0.51 (0.49)	

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

(₹ crore)

Sl. No.	Particulars	Subsidiary/Associate/ Joint Ventures	Note No. and Account Head
i)	Investments	1331.65 (1230.73)	8 : Investments
ii)	Provision for Investments	4.63 (4.43)	
iii)	Other Loans and Advances	39.60 (54.13)	10 : Loans
iv)	Provision for Loans and Advances	4.85 (4.85)	
v)	Advance for Purchase of Shares	104.27 (102.77)	11 : Other Financial Assets
vi)	Trade Receivable	4.39 (2.65)	9 : Trade Receivables
vii)	Trade Payable	141.69 (140.82)	22 : Trade Payables
viii)	Security Deposit	0.33 (0.33)	23 : Other Financial Liabilities

D. Disclosure of Material Transactions with Related Parties

(₹ crore)

	For the year ended 31st March 2017	For the year ended 31st March 2016	Note No. and Account Head
Purchase of Investment			
VSL SAIL JVC Limited	**0.46**	0.84	8 : Investments
Prime Gold SAIL JVC Limited	**-**	2.08	
International Coal Ventures Pvt. Ltd.	**98.73**	313.03	
SAIL Rites Bengal Wagon Industries Pvt. Ltd.	**1.73**	7.37	
SAIL SCL Kerala Ltd	**-**	0.65	
Advance for Purchase of Shares			
VSL SAIL JVC	**0.01**	0.45	11 : Other Financial Assets
Bastar Railway Pvt Ltd	**-**	-	
International Coal Ventures Pvt. Ltd.	**100.00**	98.72	
SAIL SCL Kerala Ltd	**0.66**	-	
NMDC SAIL Limited	**0.01**	-	
Chhattisgarh Mega Steel Limited	**-**	0.05	
Sale of Goods			
Bhilai Jaypee Cement Limited	**2.26**	30.17	26 : Revenue from Operations
Purchase of Goods	**105.08**	97.24	
Purchase of Power	**2047.53**	2151.86	
Dividend Income			
Mjunction Services Limited	**90.87**	70.21	27 : Other Income
Services Rendered			
Bhilai Jaypee Cement Limited	**1.67**	1.80	
Mjunction Services Limited	**0.15**	0.14	
SAIL-Bansal Services Centre Ltd.	**0.03**	0.04	
Bokaro Power Supply Co. Pvt. Ltd.	**0.09**	0.10	
Auction Services			
Mjunction Services Limited	**44.35**	41.04	32 : Other Expenses
	3.19	2.68	5 : Capital WIP
Conversion Charges			
SAIL-Bansal Services Centre Ltd.	**1.84**	1.66	32 : Other Expenses

E. During the year, Sales and Trade Receivables include ₹9009.19 crore (₹ 9912.77 crore) and ₹ 1493.07 crore (₹ 2506.50 crore) for transactions with the Central Government (including Indian Railways) which constitute 19.07 % (23.62%) and 49.97% (69.72%) of the Sales and Trade Receivables respectively.

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

Brief Description of Provisions :

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

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

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

(₹ crore)

Movement of provisions	**Mines afforestation costs**	**Mines closure costs**	**Over burden removal costs**	**Total**
Balance as at 1st April, 2016	238.72	109.90	84.50	433.12
Additions during the Year	0.00	17.11	19.70	36.81
Amounts utilised during the Year	0.00	67.29	0.51	67.80
Unused amount reversed during the Year	0.00	0.10	0.44	0.54
Balance as at 31st March, 2017	**238.72**	**59.62**	**103.25**	**401.59**

43.4 Particulars in respect of Loans and Advances as per the disclosure requirement of regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

(₹ crore)

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

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

ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and

iii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

Notes to the Standalone Financial Statements for the year ended 31st March, 2017

44. OPERATING SEGMENT INFORMATION

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	Total
REVENUE											
- **External Sales**											
Current Year ended 31st March 2017	14,135.97	6,209.54	9,683.32	11,796.81	4,709.85	383.07	2,015.72	169.15	76.81		**49,180.24**
PreviousYear ended 31st March 2016	14,661.52	6,094.97	7,693.32	9,073.55	3,317.08	393.40	1,772.39	219.36	68.47		**43,294.06**
- **Inter Segment Sales**											
Current Year ended 31st March 2017	639.75	173.36	273.76	234.89	49.44	224.61	9.52	24.78	3,406.99	(5,037.10)	-
PreviousYear ended 31st March 2016	684.85	178.49	100.86	122.67	46.33	200.14	11.25	32.42	3,822.65	(5,199.66)	-
- **Total revenue from sale of products**											
Current Year ended 31st March 2017	14,775.72	6,382.90	9,957.08	12,031.70	4,759.29	607.68	2,025.24	193.93	3,483.80	(5,037.10)	**49,180.24**
PreviousYear ended 31st March 2016	15,346.37	6,273.46	7,794.18	9,196.22	3,363.41	593.54	1,783.64	251.78	3,891.12	(5,199.66)	**43,294.06**
RESULT											
- **Operating Profit / (-) Loss before Interest and Exceptional items**											
Current Year ended 31st March 2017	546.87	(724.42)	(703.22)	251.85	(1,326.32)	(1.78)	(112.45)	(114.88)	78.05		**(2,106.30)**
PreviousYear ended 31st March 2016	803.09	(301.37)	(1,895.58)	(1,572.94)	(1,493.36)	(58.00)	(334.05)	(111.56)	256.72		**(4,707.05)**
- **Finance cost**											
Current Year ended 31st March 2017											**2,527.82**
PreviousYear ended 31st March 2016											**2,300.45**
- **Exceptional item (Voluntary Retirement Compensation)**											
Current Year ended 31st March 2017											**216.74**
PreviousYear ended 31st March 2016											-
- **Tax expenses**											
Current Year ended 31st March 2017											**(2,017.62)**
PreviousYear ended 31st March 2016											**(2,986.06)**
- **Profit/(Loss) for the year**											
Current Year ended 31st March 2017											**(2,833.24)**
PreviousYear ended 31st March 2016											**(4,021.44)**
OTHER INFORMATION											
- **Segment assets**											
Current Year ended 31st March 2017	27,079.13	6,006.72	18,906.12	14,437.15	18,836.19	600.26	2,554.16	678.16	17,441.58		**1,06,539.47**
PreviousYear ended 31st March 2016	24,452.24	5,700.74	18,729.80	14,665.33	18,776.06	580.22	2,858.02	640.80	13,937.06		**1,00,340.27**
- **Segment Liabilities (including Long Term Borrowing)**											
Current Year ended 31st March 2017	6,872.38	2,060.83	3,821.43	3,284.97	1,577.12	232.30	372.66	151.41	52,157.31		**70,530.41**
PreviousYear ended 31st March 2016	6,449.77	2,018.96	3,495.61	3,141.98	1,440.61	220.25	441.77	128.62	44,488.94		**61,826.51**
- **Capital expenditure**											
Current Year ended 31st March 2017	1,683.88	403.56	1,212.44	1,259.91	635.67	3.71	11.91	2.43	252.43		**5,465.94**
PreviousYear ended 31st March 2016	1,779.70	602.48	1,258.08	1,237.02	1,137.22	(3.52)	62.57	19.74	445.14		**6,538.43**
- **Depreciation**											
Current Year ended 31st March 2017	419.36	188.37	667.72	487.93	607.05	9.30	96.31	7.30	196.61		**2,679.95**
PreviousYear ended 31st March 2016	374.25	169.08	618.53	432.68	499.89	9.27	91.83	7.04	199.78		**2,402.35**
- **Non Cash expenses other than Depreciation**											
Current Year ended 31st March 2017	8.98	16.20	5.45	29.91	26.73	4.48	3.45	2.43	49.92		**147.55**
PreviousYear ended 31st March 2016	17.86	6.24	35.81	16.81	63.63	13.17	1.45	2.23	35.57		**192.77**

SOCIAL AMENITIES

(₹ crore)

Expenses	Township	Education	Medical	Social & cultural activities	Co-operative societies	Transport & Dairy	Total	Previous Year
Employees' Remuneration & Benefits								
- Salaries & wages	191.21	86.79	283.12	7.19	6.05	8.35	582.71	612.72
- Company contribution to Provident Fund	22.77	9.96	31.05	1.69	0.19	1.05	66.71	70.39
- Travel concessions	6.87	2.10	6.86	0.17	0.00	1.44	17.44	28.70
- Welfare expenses	10.44	74.26	80.64	1.62	0.00	1.34	168.30	108.80
- Consumption of medicines	4.87	0.80	59.20	1.28	0.25	0.43	66.83	71.72
- Gratuity	23.93	13.49	21.25	0.67	0.02	1.40	60.76	61.26
Total	**260.09**	**187.40**	**482.12**	**12.62**	**6.51**	**14.01**	**962.75**	**953.59**
Stores & Spares	26.81	0.70	6.62	1.47	0.00	0.62	36.22	32.21
Repair & maintenance	129.01	1.59	23.17	0.38	0.21	0.32	154.68	161.49
Power & fuel	416.77	6.09	16.07	4.40	0.00	0.32	443.65	436.41
Miscellaneous expenses	37.53	5.48	24.36	1.63	0.00	5.29	74.29	76.42
Depreciation	37.45	2.93	12.70	0.54	0.35	0.72	54.69	56.15
Total	**907.66**	**204.19**	**565.04**	**21.04**	**7.07**	**21.28**	**1726.28**	**1716.27**
Less: Income	243.32	6.84	83.44	0.14	0.00	0.27	334.01	309.24
Net Deficit	**664.34**	**197.35**	**481.60**	**20.90**	**7.07**	**21.01**	**1392.27**	**1407.03**

Independent Auditors' Report

Comments	Management's Replies

To the Members of Steel Authority of India Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Steel Authority of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements"), in which are incorporated the Returns of 8 branches for the year ended on that date audited by the branch auditors of the Company's branches.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies(Indian Accounting Standards) Rules, 2015 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS 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 Ind AS Financial Statements.

Basis for Qualified Opinion

The Company has not provided for:

(i) Entry tax amounting to ₹1796.03 crore (Current year ₹111.04 crore and up to last year ₹1684.99 crore) (Refer Note No.39.2(a)(i) & (ii)); and

(ii) amount paid to Damodar Valley Corporation (DVC) against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore (current year ₹96.45 crore and up to last year ₹491.27 crore). (Refer Note No. 39.2 (b)).

The total impact of above para (i) & (ii) resulted in understatement of loss (net of tax) for the year ended 31st March, 2017 by ₹1558.78 crore, overstatement of other equity as on 31st March, 2017 by ₹ 1558.78 crore, understatement of current liabilities by ₹ 2383.75 crore and understatement of assets by ₹824.97 crore.

Management's Replies:

In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches of the Apex Court on levy of entry tax in the States of Chhattisgarh, Odisha, Uttar Pradesh and in respect of the case pertaining to Calcutta High Court, the Entry Tax demands under dispute have been treated as contingent liabilities.

In respect of item stated at (ii), the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time.

The above stated disputed demands, stated at (i) and (ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2017. Therefore, there is no adverse impact on loss for the year.

Comments	Management's Replies

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate Financial Statements of the branches referred to in the Other Matters paragraph below, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss (including total comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:

I. Sales include sale to the Government Agencies during the year ₹ 3807.78 crore and cumulative up to 31st March, 2017 ₹ 18342.41 crore which is recognised on provisional contract prices. (Refer Note No. 41.1); and

II. Recognition of Deferred Tax Assets of ₹3352.42 crore (including ₹1623.16 crore for the year) on the accumulated business losses as on 31st March, 2017 and unused tax credit (MAT Credit Entitlement) of ₹1051.00 crore as on 31st March, 2017. (Refer Note No.12).

Our opinion is not qualified in respect of this matter.

Other Matter

a) The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Standalone Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) audited by the auditors for the respective years ended 31st March, 2016 and 31st March, 2015 whose reports dated 30th May, 2016 and 29th May, 2015 respectively expressed modified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

b) We did not audit the financial statements of 8 branches included in the Standalone Ind AS Financial Statements of the Company whose financial statements reflect total assets of ₹45,416.36 crore as at 31st March, 2017 and total revenues of ₹16,909.93 crore for the year ended on that date. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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, based on our audit and on the consideration of the reports of the branch auditors on the separate financial statements of the branches, referred to in the Other Matters paragraph above,we report to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

   e) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.

   f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements; (Refer Note No.43.5)

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 a case of delay in transferring ₹ 64,85,490/- being the amount of unpaid dividend for financial year 2008-09, required to be transferred to the Investor Education and Protection Fund by the Company. However, the same has been transferred to the said fund before 31st March, 2017; and

The Final Unclaimed Dividend for 2008-09 was due for transfer to IEPF account on 16th November, 2016. The Ministry of Corporate Affairs notified the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") along with detailed procedure effective from 7th September 2016. The Rules required that all shares in respect of which dividend has not been claimed or paid for seven consecutive years or more shall be transferred to IEPF Suspense Account. The Rules further provided that where 7 years are completed or being completed within 3 months of coming into force of the Rules, the company shall initiate the aforesaid procedure immediately and transfer the shares after completion of 3 months. As per procedure prescribed in the Rules, the Company sent individual notices as well as through publication in newspapers, to 11346 shareholders, having unclaimed dividend of ₹64.85 lakh, providing them time up to 15.12.2016 to claim the dividend. Meanwhile, the implementation of Rules was deferred in December, 2016. However, the Company deposited the Unclaimed Dividend on 3rd February, 2017 after processing the cases of claimants for the Final Unclaimed Dividend.

iv. The Company has provided requisite disclosures in Note No. 41.8 to its Standalone Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

3. As required by Section 143(5) of the Act, we give in the "Annexure C", a statement on the matters specified in the Directions issued by the Comptroller and Auditor General of India for the Company.

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Date : 30th June, 2017

Independent Auditors' Report

(Annexure-A to the Independent Auditors' Report)

Comments	Management's Replies

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2017

i. In respect of its fixed assets:

a. The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets. However, the location and the extent of area in respect of few lands needs to be updated in the fixed assets registers and have to be reconciled with the revenue records as to the extent of holding and location of land. The delay is attributable to procedural matters involved in ascertaining and reconciling with revenue records maintained by the revenue departments of state governments involved.

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. However, it is observed that certain land and buildings are under encroachment/unauthorised occupation. No material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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

c. According to the information and explanations given to us and on basis of our examination of records of the Company, the title deeds of immovable property are held in the name of Company except for items mentioned below:

Particulars	Freehold Land	Leasehold Land	Building
Not in name of Company	48468.47 acres	17334.86 acres	571.24 sq. Mtr and 1 case
Gross block of land not in name of Company (₹ crore)	122.24	148.59	0.57
Net block of land not in name of Company (₹ crore)	122.24	131.02	0.33

ii. In respect of physical verification of Inventory:

a. The inventories have been physically verified by the Management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey/estimates.

b. In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a) and (iii) (b) of Paragraph 3 of the Order are not applicable to the Company.

iv. The Company has not granted any loan or made any investments or given any guarantee and provided any security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposit from public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and rules framed there under, during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess and other applicable Statutory Dues to the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2017.

b. According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2017 as given herein below:

Statute	Nature of Dues	Amount (₹ crore)	Forum where disputes are pending
Sales Tax & VAT	Sales Tax and VAT Demands	4.15 538.22 716.11 105.84	Supreme Court High Courts Sales Tax Tribunals Sales Tax Departments
Entry Tax	Entry Tax	1097.43 739.03 483.71 19.02	Supreme Court High Courts Tribunal Department

Comments				Management's Replies

Central Excise Act, 1944	Excise Duty	354.81 1993.19 987.58 559.78	Supreme Court High Courts CESTAT Department
Service Tax	Service Tax	0.79 189.56 50.93	High Court CESTAT Department
Customs Duty	Customs Duty	5.09	CESTAT
Income Tax Act, 1961	TDS on Perks	33.10	High Courts
	Other TDS matters	46.71 1 .67 0.95	High Courts ITAT Department
	Income Tax Disputes	194.52 213.16 289.03	High Courts ITAT Department
	TOTAL	**8624.38**	

viii. The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans from banks and financial institutions have been applied for the purpose for which they were obtained.

x. According to the information and explanations given to us and based on the audit procedures performed, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Ind AS 24 - `Related Party Disclosures' specified under Section 133 of the Act read with relevant rules.

xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Date : 30th June, 2017

Independent Auditors' Report

(Annexure-B to the Independent Auditors' Report)

Comments	Management's Replies

Referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of STEEL AUTHORITY OF INDIA LIMITED **("the Company")** as of 31st March 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility For Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Comments	Management's Replies

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

Independent Auditors' Report

(Annexure-C to the Independent Auditors' Report)

Questions	Auditors' Comments	Management's Replies

(Referred to in paragraph 3 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Steel Authority of India Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2017)

Directions issued by the Comptroller and Auditor General of India under sub section 5 of Section 143 of the Companies Act, 2013, based on the verification of records of the Company and according to information and explanations given to us, we report as under:

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

1. Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.

The Company has clear title/lease deeds for freehold and leasehold land respectively except for 65803.32 acres of freehold/leasehold land.

Management's Reply: Necessary action is being taken for registration of pending title deeds and eviction of unauthorised occupants of land.

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

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

Name of Plant/ Unit	Nature of dues	Amount involved (₹ Crore)	Major reasons of waiver or write off
Rourkela Steel plant	Hospital Dues in respect of non-entitled patients	0.08	Poor patients
CMO (Southern Region)	Credit sales to Bridge & Roof (India) Limited	0.32	Delay in supply
CMO (T&S)	Old Claims	0.01	No chances of recovery

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

The Company has maintained adequate records in respect of inventories lying with third parties. No assets were received as gifts from the Government or other authorities during the year.

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Date : 30th June, 2017

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 STANDALONE FINANCIAL STATEMENT OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

Comments	Management's Replies
The preparation of financial statements of Steel Authority of India Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017. 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, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report:	
A. COMMENTS ON PROFITABILITY **Balance Sheet** **1. (i) Note 11 : Other Financial Asset: ₹2,267.85 crore** SAIL/ISP, Burnpur developed a new railway siding for handling of raw materials, Engine-on-load scheme was applicable for this new siding. Due to failure of ISP to unload/load the wagons within permissible free time under EOL scheme, Indian Railways deducted ₹8.15 crore from ISP on account of Engine Hire charges for the period between December 2015 and December 2016 since the bills preferred by the Railways were not paid by ISP. This amount was however accounted for as Claims recoverable. Non-provisioning of above has resulted in overstatement of Other Financial Asset-Claims recoverable and understatement of Other expenses and Loss by ₹8.15 crore.	The IISCO Sidings-Damodar (IISD) mentioned in the comment, is not a new siding but only relocation of existing siding and all rail rakes are moving through this relocated siding. The project report for this relocation has been approved by the Railways. A Joint Committee consisting of officials of Railways and Company has already recommended that "Engine-on-Load (EOL) System may not be introduced for unloading operations at IISD, as the train engine will get heavily detained and lead to inefficiency in train operations." The layout and logistics of IISD siding restrict the placement of full rake, for unloading. Further, EOL System is not feasible for unloading of rakes with BOXN wagons having Tippler system. ISP has already lodged a claim on Railways for ₹ 8.15 crore deducted towards engine hire charges/ EOL and the same is being pursued for recovery. Thus, there is no overstatement of Other Financial Asset - Claims Recoverable and understatement of Other Expenses and Loss.
Statement of Profit and Loss **2. (i) Note-32 Other Expenses ₹14,220.21 crore** (a) SAIL and Ministry of Railways entered into a Memorandum of Understanding (MoU) in February, 2003 for supply of long rails to Indian Railways (IR). SAIL supplied the rails to IR during 2008-2012 on provisional price. Excise duty was paid on the provisional price and invoices were raised on the IR. The price of rails supplied during above period was finalized in October 2013 and the final price was lower than the provisional price in case of rails supplied during the period between 2008 and 2010. Railways deducted ₹31.51 crore for excess excise duty paid on differential price. Since there is no clause in the MoU for mutual adjustment of excise duty in case of escalation/de-escalation of final price, the possibility of refund of the amount by IR is remote. Therefore provision for doubtful recoveries should have been made in the accounts. The company however made partial provision for doubtful recoveries. This has resulted in understatement of Other Expenses and Loss by ₹15.75 crore.	The matter of unilateral notional deduction of Excise Duty and Sales Tax against de-escalation credit notes issued to Railways has been taken up with Railways for refund. Meanwhile in line with the Company's Accounting Policy for creation of provision based on age of debtors, out of outstanding dues of ₹31.51 crore, the Company has provided ₹15.75 crore as doubtful debt. As the matter is being pursued with Railways for recovery of the entire amount, there is no understatement of Other Expenses and Loss.
(b) NTPC-SAIL Power Supply Company Limited (NSPCL), a 50:50 Joint Venture company between SAIL and NTPC claimed ₹22.87 crore towards Deferred Tax Liability from SAIL in October 2016. The bill was not accepted by SAIL and provision was not created even though the said demand has materialized. Non-accountal of above by SAIL has resulted in understatement of Other expenses and Loss by ₹22.87 crore.	As per Power Purchase Agreement between the Company and NSPCL, the income tax liability is accounted for and reimbursed to NSPCL at the time of actual payment to the Income Tax Department. NSPCL claimed re-imbursement of tax towards reversal of Deferred Tax Liability (DTL) for the years 2009-10 to 2015-16. However, no tax has actually been paid to Income Tax Department on account of reversal during the period, as NSPCL has been paying income tax U/s 115JB of the Income Tax Act, 1961 i.e. under the provisions of Minimum Alternate Tax (MAT). Accordingly, there is no liability on SAIL to reimburse the tax payment due to reversal of DTL to NSPCL. Hence, there is no understatement of Other Expenses & Loss.
For and on the behalf of the Comptroller & Auditor General of India Sd/- (Indu Agrawal) Principal Director of Commercial Audit & Ex-Officio Member, Audit Board, Ranchi Place : Ranchi Date : 31st July, 2017	For and on behalf of Board of Directors Sd/- (P.K. Singh) Chairman Place: New Delhi Date: 11th August, 2017

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.

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

Based on our verification of the SAIL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SAIL for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Compliances/processes/systems under following specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company:

   (a) Mines Act, 1952

   (b) Mines and Mineral (Regulation and Development) Act, 1957

   (c) The Factories Act, 1948

   (d) Explosives Act, 1884

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India. Generally complied with.

(b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.

(c) DPE Guidelines on Corporate Governance for CPSE.

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

1. Compliance of Regulation 17 (1) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. appointment of requisite no. of Independent Directors on the Board of the Company.

2. Compliance of Regulation 17(10) & 25(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not carried out the performance evaluation of

the Directors.

We further report that in the absence of requisite number of independent Directors, the Company has not complied with the requirement pertaining to the composition of the Board of Directors to be constituted as per the DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For Agarwal S. & Associates,

Company Secretaries,

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

Place: New Delhi
Date: 18.05.2017

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

Annexure 'A' to Secretarial Audit Report

To,
The Members,
Steel Authority of India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

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

Place: New Delhi
Date: 18.05.2017

CORPORATE GOVERNANCE REPORT 2016-17

(a) Company's Philosophy

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

(b) Board of Directors

As on 31st March, 2017, the Board of Directors comprised of a full time Chairman, 6 Whole Time Directors (i.e. Executive Directors) and 8 Non-Executive Directors (consisting of 2 Government Nominee Directors and 6 Independent Directors). During the year, 12 Board meetings were held on 26.04.2016, 30.05.2016, 10.06.2016, 12.07.2016, 23.08.2016, 08.09.2016, 21.09.2016, 24.11.2016, 08.12.2016, 23.12.2016, 09.02.2017 and 24.03.2017.

The names of Directors, their attendance at the Board meetings held during 2016-17 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 2016-17	Attend-ance at last AGM	No. of other Directorships held as on 31.03.2017 *	No. of Board Committee(s) as Chairman/Member as on 31.03.2017**
1. Shri P. K. Singh	Executive Chairman	12	Yes	1	-
2. Shri Anil Kumar Chaudhary	Executive Director	12	Yes	-	1-M
3. Shri S.S. Mohanty (Upto 30.06.2016)	Executive Director	3	-	4	-
4. Shri Kalyan Maity	Executive Director	12	Yes	-	-
5. Dr. Atmanand (Upto 17.07.2016)	Independent Director	4	-	-	-
6. Shri J.M. Mauskar (Upto 17.07.2016)	Independent Director	4	-	-	-
7. Shri Binod Kumar (Upto 28.02.2017)	Executive Director	9	-	-	-
8. Shri Sunil Barthwal	Non-Executive Director (Govt. Nominee)	10	-	4	-
9. Mrs. Bharathi S. Sihag (Upto 30.11.2016)	Non-Executive Director (Govt. Nominee)	4	-	4	-
10. Shri P. K. Dash	Independent Director	12	Yes	2	1-M
11. Prof. Ashok Gupta	Independent Director	11	-	-	1-M
12. CA Parmod Bindal	Independent Director	12	Yes	-	1-C 1-M
13. Mrs. Anshu Vaish	Independent Director	10	Yes	-	1-M
14. Dr. N. Mohapatra	Executive Director	12	Yes	-	1-M
15. Shri G. Vishwakarma	Executive Director	12	Yes	1	-
16. Shri Raman (From 01.07.2016)	Executive Director	9	Yes	3	1-M
17. Shri Saraswati Prasad (From 08.02.2017)	Non-Executive Director (Govt. Nominee)	2	-	4	-
18. Dr. Samar Singh (From 04.02.2017)	Independent Director	2	-	-	1-C 1-M
19. Shri Nilanjan Sanyal (From 04.02.2017)	Independent Director	2	-	-	-
20. Ms. Soma Mondal (From 01.03.2017)	Executive Director	1	-	-	-

* Includes Directorship in Private companies. ** Only Audit Committee and Stakeholders' Relationship Committee are considered for this purpose. M = Member, C = Chairman

(c) Audit Committee:

(i) Terms of reference:

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

The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors, discusses their findings, suggestions and other related matters and reviews 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.

(ii) Composition:

The Audit Committee of the Board was initially formed in 1998 and has been reconstituted from time to time. As on 31.03.2017, the Audit Committee consisted of CA. Parmod Bindal (Chairman), Shri P.K. Dash, Prof. Ashok Gupta, Mrs. Anshu Vaish, Dr. Samar Singh and Director(Technical). During the last year, the Committee met 11 times and attendance of the Members at the meetings is given below:

Name of the Director	Status	No. of meetings attended
Dr. Atmanand, Independent Director (Upto 17.07.2016)	Chairman	5
Shri J.M. Mauskar, Independent Director (Upto 17.07.2016)	Member	5
Shri S.S. Mohanty, Director (Technical) (Upto 30.06.2016)	Member	4
Shri P.K. Dash, Independent Director	Member	11
CA Parmod Bindal, Independent Director	Member	11
Prof. Ashok Gupta, Independent Director	Member	6
Mrs. Anshu Vaish, Independent Director	Member	5
Shri Raman, Director (Technical) (from 01.07.2016)	Member	7

(d) Nomination & Remuneration Committee

(i) Being a Government Company, the nomination and fixation of terms and conditions for appointment as Director, is made by Government of India. However, the Company has constituted a Committee on Nomination & Remuneration to, inter-alia, look into various HR issues, matters prescribed under the Companies Act, 2013 and SEBI Regulations, finalization of Performance Related Pay (PRP) for the executives of the Company in terms of Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises, etc. As on 31st March, 2017, the Nomination & Remuneration Committee consisted of Mrs. Anshu Vaish (Chairperson), Shri P.K. Singh, Chairman, SAIL, Shri Sunil Barthwal, Government Nominee Director, Prof. Ashok Gupta, Independent Director and Shri Nilanjan Sanyal, Independent Director, as Members.

As per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board was required to carry out evaluation of every Director's performance. Further, Regulation 17(10) & 25(4) of SEBI (LODR) 2015 and the Code for Independent Directors pursuant to Section 149 (8) of the Companies Act, 2013 requires the performance evaluation of Independent Directors to decide their continuance or otherwise. Further, the MCA has vide its notification date 5th June, 2015 notified exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The appointment of Functional Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made based on nomination by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by Administrative Ministry.

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

(₹)

Name of the Director	Salary	Perquisites, etc.	Total
Shri P.K. Singh	36,60,994	4,13,194	40,74,188
Shri Anil Kumar Chaudhary	37,32,939	4,00,510	41,33,449
Shri S.S. Mohanty (Upto 30.06.2016)	9,62,557	1,20,059	10,82,616
Shri Kalyan Maity	36,30,714	-	36,30,714
Shri Binod Kumar (Upto 28.02.2017)	31,89,528	-	31,89,528
Dr. N. Mohapatra	35,43,058	3,51,264	38,94,322
Shri G. Vishwakarma	29,90,438	3,80,045	33,70,483
Shri Raman (from 01.07.2016)	33,05,142	2,61,781	35,66,923
Ms. Soma Mondal (from 01.03.2017)	2,76,400	32,301	3,08,701
Total	**2,52,91,770**	**19,59,154**	**2,72,50,924**

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

(iv) The salary of the Whole Time Directors is governed by pay scales and Rules of the Government. No variable incentive is being paid to the Directors except Performance Related Pay, paid to them on annual basis as per DPE guidelines.

(v) **Terms & Conditions**

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

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

(e) Stakeholders' Relationship Committee

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

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

(iii) There were no complaints pending for redressal as on 31.03.2016. Number of shareholders' complaints received during the year from 01.04.2016 to 31.03.2017 was 11. All the 11 complaints were resolved and no complaint was pending for redressal as on 31.03.2017.

(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.

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

(h) In addition to the above, the following Board Sub-Committees have been constituted by the Company so that the issues are examined in detail before the same are considered by the Board of Directors:

- Strategic Alliance(s) & Joint Ventures - To examine and recommend to the Board the issues relating to formation of Strategic Alliance(s) and Joint Ventures of the Company and review their performance.
- Projects Committee - To monitor and recommend to the Board the matters regarding taking up of new projects, monitoring of implementation of major capital projects viz-a-viz approved plan, etc.
- MOU, Vision & Strategic Planning Committee - To recommend to the Board targets to be fixed in the annual MOU to be signed with the Government and to evaluate the performance of the Company against the targets finalized under the MOU. To give direction for formulation of Company's long term vision and strategic plan.
- Health, Safety & Environment - To review the Policy, Procedures, Systems, etc. on Health, Safety and Environmental matters and submit its recommendations to the Board.
- Raw Materials including Mining issues Committee - To review availability of the required quantity & quality of Raw Materials for Plants. To review the operational performance of the Mines. However, no meeting was held during the year.

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

Board Sub-Committee	Audit Committee	Projects Committee	Strategic Alliance(s) & Joint Ventures Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	MOU, Vision & Strategic Planning Committee	Health, Safety & Environment Committee	Stake holders Relationship Committee
1.	2.	3.	4.	5.	6.	7.	8.	9.
Meetings held	11	5	3	9	4	1	4	2
Directors Attendance								
Shri P.K. Singh	-	-	-	4	-	-	-	-
Shri Anil Kumar Chaudhary	-	5	3	-	4	1	-	2
Shri S.S. Mohanty (upto 30.06.2016)	4	1	-	-	2	-	1	-
Shri Kalyan Maity	-	-	-	-	-	-	3	-
Dr. Atmanand (upto 17.07.2016)	5	-	-	2	2	-	-	-
Shri J.M. Mauskar (upto 17.07.2016)	5	1	1	2	-	-	1	-
Shri Sunil Barthwal	-	3	3	6	-	1	-	-
Shri P.K. Dash	11	5	3	-	-	1	-	-
Prof. Ashok Gupta	6	-	-	9	2	1	4	-
CA Parmod Bindal	11	4	3	-	-	-	-	2
Mrs. Anshu Vaish	5	-	-	7	4	-	4	-
Dr. N. Mohapatra	-	-	-	-	4	-	3	2
Shri G. Vishwakarma	-	5	3	-	-	1	-	-
Shri Raman (from 01.07.2016)	7	4	-	-	2	-	3	-
Dr. Samar Singh (from 04.02.2017)	-	-	-	-	-	-	-	-
Shri Nilanjan Sanyal (from 04.02.2017)	-	-	-	-	-	-	-	-
Ms. Soma Mondal (from 01.03.2017)	-	-	-	-	-	-	-	-

(j) In addition to above, 4 meetings of Independent Directors were held during the Financial Year 2016-17.

(k) **General Body Meetings:**

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2015-16	21.09.2016	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2014-15	24.09.2015	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2013-14	23.09.2014	10.30 a.m.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

i) In the last 3 years, four Special Resolutions (2013-14-2; 2014-15-1 and 2015-16-1) were passed in the AGMs and none through Postal Ballot.

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

(l) Disclosures:

(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 paid to Independent Directors for attending the meetings of the Board/Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.

(ii) Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Director is made by Government of India.

(iii) Letter of appointment to Independent Directors: SAIL being a Government Company, Directors on its Board are nominated/appointed by the Government of India. During the Financial Year 2016-17, 2 Independent Directors were nominated by the Government of India on the Board of the Company. The letters of appointment were issued to these Independent Directors based on the Terms and Conditions mentioned by the Government of India, while nominating/appointing the Independent Directors.

(iv) Familiarisation programme for Independent Directors: An induction cum familiarisation programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product portfolio, Financial and Operational Performance, Modernization and Expansion Programme, etc., The Company also organizes visits of the Directors to various Plants/Units of the Company for first- hand knowledge of the operations of the Plants/Units. Further, the Directors are nominated to the training programmes by various institutions such as DPE, SCOPE, IOD, etc. on issues related to Corporate Governance, etc. The details of familarisation programmes imparted to Independent Directors are available on the website of the Company - www.sail.co.in

(v) 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. However, there has been a case of delay in transferring Rs.64,85,490/- being the amount of unpaid dividend for financial year 2008-09, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(vii) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India during the Financial Year 2016-17. However, there is shortfall of a few numbers of Independent Directors. SAIL being a Government Company, the Directors on its Board are appointed, based on nomination by the Government of India. The matter of nominating the requisite number of Independent Directors on the Board of SAIL is under consideration of the Government. Further, the Company has not fully adopted non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(viii) There were two woman Directors on the Board of the Company as on 31st March, 2017.

(ix) Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL were issued by the Ministry of Steel vide file No.7(12)/2008-SAIL(PC) dated 5th October, 2009. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC.

(x) The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

(xi) Code of Conduct: The Board has laid down a Code of Conduct covering the requirements to be complied with by all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the Code is received from them on annual basis. The Code of Conduct has been placed on the website of the Company - www.sail.co.in.

(xii) Policy on Related Party Transactions: In terms of the Listing Agreement, the Board of Directors of the Company has adopted a Policy on Related Party Transactions. The Policy is placed on the website of the Company - www.sail.co.in.

(xiii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy for determination of Material Subsidiaries. The Policy is placed on the website of the Company - www.sail.co.in. The Company did not have any Material Subsidiary during 2016-17.

(xiv) In terms of the Regulation 43A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy and the same is uploaded on the website of the Company - www.sail.co.in.

(xv) 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	30.06.2016	30.09.2016	31.12.2016	31.03.2017
Date of Publication	09.09.2016	09.12.2016	10.02.2017	31.05.2017
Name of the Newspapers E-English H-Hindi	Mint (E) Hindustan (H)	Business Line (E) Amar Ujala (H)	Mint (E) Hindustan(H)	Business Standard (H&E)

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 22nd September, 2017 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

(ii) Financial Year: 1st April, 2016 - 31st March, 2017.

(iii) Date of Book Closure: 23rd August, 2017 to 25th August, 2017(Both days inclusive).

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

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

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

The GDRs issued by the Company in 1996 are listed at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS, UK

The Annual Listing fee for 2016-17 has been paid to each of the Stock Exchange(s).

(v) The monthly high and low quotes of the Company's shares during each month in the Financial Year 2016-17 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are indicated below:

MONTH & YEAR	SENSEX		SAIL at BSE (₹)		NIFTY		SAIL at NSE (₹)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL' 16	26100.54	24523.20	48.75	42.05	7992.00	7516.85	48.80	42.05
MAY'16	26837.20	25057.93	48.00	38.45	8213.60	7678.35	48.00	38.45
JUNE' 16	27105.41	25911.33	45.95	40.75	8308.15	7927.05	46.00	40.70
JULY' 16	28240.20	27034.14	51.10	45.75	8674.70	8287.55	51.15	45.60
AUGUST' 16	28532.25	27627.97	50.90	45.00	8819.20	8518.15	51.00	45.00
SEPTEMBER '16	29077.28	27716.78	54.80	44.25	8968.70	8555.20	54.70	44.15
OCTOBER' 16	28477.65	27488.30	52.45	46.55	8806.95	8506.15	52.40	46.55
NOVEMBER '16	28029.80	25717.93	53.60	44.75	8669.60	7916.40	53.70	44.10
DECEMBER' 16	26803.76	25753.74	56.15	47.20	8274.95	7893.80	56.10	47.10
JANUARY' 17	27980.39	26447.06	65.20	48.90	8672.70	8133.80	65.30	48.85
FEBRUARY'17	29065.31	27590.10	68.15	58.15	8982.15	8537.50	68.15	58.10
MARCH' 17	29824.62	28716.21	64.90	58.85	9218.40	8860.10	64.65	58.75

(vi) Registrar and Share Transfer Agent

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

(vii) Share Transfer System:

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

(viii) Distribution of Shareholdings as on 31st March, 2017:

Shareholding	Shareholders		Amount	
	Number	% of Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	331671	88.67	410990840	0.99
501 - 1000	22191	5.94	180444820	0.44
1001 - 2000	10672	2.85	163868840	0.40
2001 - 3000	3487	0.93	89639850	0.22
3001 - 4000	1508	0.40	54778530	0.13
4001 - 5000	1301	0.35	61896970	0.15
5001 - 10000	1749	0.47	130870590	0.32
10001 - 50000	1156	0.31	233807800	0.56
50001 - 100000	122	0.03	85233990	0.21
Above 100000	192	0.05	39893720660	96.58
Total	**374049**	**100.00**	**41305252890**	**100.00**

(ix) Shareholding pattern as on 31st March, 2017

	Category	No. of Shares held	%age of Shareholding
A.	**Promoters' holding**		
1	Promoters		
	- Indian Promoters v.i.z., Govt of India	3097767449	75.00
	- Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	Sub-Total	**3097767449**	**75.00**
B	**Non-Promoters Holding**		
3	Institutional Investors		
a	Mutual Funds and UTI	51402323	1.24
b	Banks & Financial Institutions	163196561	3.95
c	Insurance Companies	471425760	11.41
d	Foreign Institutional Investors (FIIs)	175983209	4.26
	Sub-Total	**862007853**	**20.86**
4	Others		
a	Private Corporate Bodies	5617595	0.14
b	Indian Public	128845103	3.12
c	NRIs/OCBs	36169654	0.88
d	Any other (Please specify) - GDR	117635	0.00
	Sub-Total	**170749987**	**4.14**
	GRAND TOTAL	**4,13,05,25,289**	**100.00**

(x) Status of dematerialization as on 31.03.2017

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	4072217277	98.59	221373
CDSL	51780879	1.25	102505
Total Dematerialised	**4123998156**	**99.84**	**323878**
Physical	6527133	0.16	50171
Total	**4130525289**	**100.00**	**374049**

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

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

STEEL PLANTS

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

UNITS

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawahar Lal Nehru Road, Kolkata-700 071, West Bengal
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand
- Environment Management Division, 6, Ganesh Chandra Avenue, (5th Floor), Kolkata-700013, West Bengal
- Growth Division, 97, Park Street, Kolkata-700016, West Bengal
- Management Training Institute, Ranchi-834002, Jharkhand
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata-700017, West Bengal
- Research & Development Centre for Iron & Steel, Ranchi-834002, Jharkhand
- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar District Centre, Delhi-110092
- SAIL Safety Organisation, Ranchi-834002, Jharkhand
- SAIL Refractory Unit, Bokaro-827001, Jharkhand

SUBSIDIARIES

- IISCO-Ujjain Pipe & Foundry Company Limited, Kolkata (under liquidation)
- SAIL Jagdishpur Power Plant Limited, New Delhi-110003
- SAIL Refractory Company Limited, Salem-636013, Tamilnadu
- SAIL Sindri Projects Limited, Chasnala-828135, Jharkhand
- Chhattisgarh Mega Steel Limited, Bhilai-490001, Chhattisgarh

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

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

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members of
Steel Authority of India Limited

We have examined the compliance of the conditions of Corporate Governance by Steel Authority of India Limited (CIN:L27109DL1973GOI006454) ("the Company") for the year ended 31st March, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") and in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India, to the extent applicable during the year.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

The Company has not complied with the requirements of minimum number of independent directors in the composition of Board of Directors for the year ended 31st March, 2017;

we certify that the Company has complied with the other conditions of Corporate Governance.

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

For Singhi & Co.	**For Chatterjee & Co**	**For V.K. Dhingra & Co.**	**For A.K. Sabat & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 302049E	FRN: 302114E	FRN:000250N	FRN:321012E
Sd/-	Sd/-	Sd/-	Sd/-
(Shrenik Mehta)	**(R.N. Basu)**	**(Vipul Girotra)**	**(A.K. Sabat)**
Partner	Partner	Partner	Partner
(M. No. 063769)	(M. No. 050430)	(M.No.084312)	(M.No.030310)

Place : New Delhi
Date : 30th May, 2017

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN): L27109 DL 1973 GOI 006454
2. Name of the Company: Steel Authority of India Limited
3. Registered Address: Ispat Bhawan, Lodhi Road, New Delhi - 110003
4. Website: www.sail.co.in
5. Email id: investor.relation@sailex.com
6. Financial Year reported: 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Steel and Steel products, National Industrial Classification (NIC) Code: 330
8. List three key products / services that the Company manufactures / provides (as in balance sheet):
   (i) Manufacture of Hot Rolled and Cold Rolled Steel Products
   (ii) Manufacture of Rails
   (iii) Manufacture of Wire Rods, Structurals, etc.
9. Total number of locations where business activity is undertaken by the Company:
   (i) International locations: Nil
   (ii) SAIL operates and owns five Integrated Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela and Burnpur & three Special Steel Plants at Salem, Durgapur and Bhadravati. Another Unit, Chandrapur Ferro-Alloy Plant (CFP) produces Ferro-alloys. It also has SAIL Refractory Unit (SRU) at Bokaro, with four refractory manufacturing Units in Jharkhand and Chhattishgarh.

   Apart from these, the other Units of SAIL are as follows:
   - SAIL Growth Works at Kulti, West Bengal;
   - Raw Materials Division (RMD)- Iron Ore Mines at Kiriburu, Meghahatuburu, Gua, Manoharpur (Chiria) in Jharkhand, Bolani, Kalta, Barsua(including Taldih), in Odisha;
   - BSP Mines(Iron Ore) at Rajhara Group, Dalli Group, Rowghat in Chhattisgarh;
   - RMD flux mines at Kuteshwar in MP; Bhawanathpur, Tulsidamar in Jharkhand;
   - BSP Flux Mines at Nandini, Hirri, Baraduar in Chhattisgarh;
   - VISP Flux Mines at Bhadigund, Kenchapuda in Karnataka;
   - Collieries Division(Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
   - Central Marketing Organisation, HQ at Kolkata,
   - Central Coal Supply Organisation, Dhanbad,
   - SAIL Consultancy Division at Delhi,
   - R & D Center for Iron & Steel, SAIL Safety Organisation, Centre for Engineering & Technology and Management Training Institute at Ranchi.
   - Environment Management Division and Growth Division at Kolkata.
   - Central Power Training Institute at Rourkela.
   - Transport & Shipping at Kolkata.

   SAIL has a pan India distribution network of 37 Branch Sales Offices (BSOs), 27 Customer Contact Offices (CCOs) and 67 Warehouses.
10. Markets served by the Company - Local / State / National / International: National & International

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 4,130.53 crore
2. Total turnover (INR) : ₹ 49,180 crore
3. Total loss after taxes (INR) : ₹ 2,833.24 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Although the Company has incurred losses during the Financial Year 2016-17, however, as a responsible Corporate Citizen, the Company has been fulfilling its obligations towards CSR initiatives. Accordingly, the CSR spending during 2016-17 has been Rs.29.05 crore.
5. List of activities in which expenditure in 4 above has been incurred :
   A) Promotion of Healthcare including Drinking Water Facilities and Sanitation: Swachh Vidyalay Abhiyan
   B) Promotion of Education, Income Generation & Skill/Vocational Training
   C) Empowerment of Women, Care for Senior Citizens and Differently-abled persons
   D) Environmental Sustainability
   E) Promotion of Heritage, Art & Culture
   F) Promotion of Sports
   G) Rural Development: Infrastructure Development

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes, the Company has four Subsidiary Companies, viz.:

   A. SAIL Refractory Company Limited.
   B. SAIL Jagdishpur Power Plant Limited.
   C. SAIL Sindri Projects Limited.
   D. Chhattisgarh Mega Steel Limited.

2 **Do the Subsidiary Company / Companies participate in the BR initiative of the parent Company? If yes, then indicate the number of such subsidiary company(s):**

   Business Responsibility initiatives of the parent company are applicable on the subsidiary companies.

3 **Do any other entity / entities (e.g. suppliers, distributors etc.) that the company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities?[Less than 30%, 30-60%, More than 60%]**

   No

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

   a) Details of the Director / Directors responsible for BR policy/policies:
   - DIN Number 07352648
   - Name: Dr. N. Mohapatra
   - Designation: Director (Personnel)
   - Details of the BR head

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

2. **Principal-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

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

* - http://sail.co.in/pdf/corporateenvironmentalpolicy.pdf
@ - http://sail.co.in/pdf/csrpolicy.pdf

3. **Governance related to BR:**
   - **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

     Annually.
   - **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

     Yes, the Company publishes printed versions of its Sustainability Report. An electronic version of the report is uploaded on the Company's website in the intervening year as a web update. The hyperlink for viewing the Sustainability Report of the Company is http://www.sail.co.in/

Section E : Principle-wise Performance

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

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.**

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

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

2. **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 797 complaints from various sources including those referred by Central Vigilance Commission, Ministry of Steel were received in SAIL Vigilance during 2016-17 and the same were examined vis-à-vis extant systems and procedures, policies, rules, etc. followed in the Company and actions as per rules, including systemic improvements were advised against the irregularities noticed in these complaints and the same were agreed to by management for implementation. Hence, it may be construed that almost 100% complaints were satisfactorily resolved as per procedure in vogue.

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

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

   i) TMT EQR Rebars(Thermo-mechanically treated earthquake resistant) which provide improved ductility to concrete structures thereby improving safety of buildings.

   ii) Seismic resistant grade TMT Rebars as per specification Fe 500S have been developed with regard to safety concerns of buildings in seismic zones and high rise buildings.

   iii) Parallel flange Structural, which can be used in place of conventional structural reducing overall consumption of steel thereby, adding value to the customer.

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

   i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain

Consumption per unit of production in SAIL	Current Year	Previous year
Specific water consumption (m^3/TCS)	3.75	3.83
Particulate matter (PM) emission load (kg/TCS)	0.77	0.81

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

   The information is not available.

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

   In addition to regular supplies from captive mines of SAIL, certain key input materials like coal, fluxes (limestone, dolomite), etc. are sourced either through competitive buying or long term arrangement with established suppliers. Environment Management System (EMS) is in place with ISO-14000 certification of Plants & Units. There are continuous efforts to minimize impact of carbon footprint. Transportation of all raw materials from mines and ports to Plants is carried through rail. Well laid out systems and procedures of competitive buying reinforce sustainable sourcing of Company's requirement.

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

   In line with extant policy of Government of India, certain categories of goods & services are procured from Small & Medium Enterprises (SMEs). Major Plants also have local level Ancillary Policy which further enables procurement of goods & services from local and small producers including communities like Mahila Samiti / Samaj, Self Help Groups, etc. in the vicinity of Plant locations. Vendor Development Programs are organized periodically by the Plants which help in capacity and capability building of local and small vendors.

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

   SAIL believes in the Policy of 4Rs (reduce, recover, recycle and reuse) across all our operations. A large quantity of wastes and by-products like slag, dust, sludge, used firebricks, etc. is generated during the iron and steel making process. Slag, which accounts for a majority of by-products, is utilized internally and also sold to external agencies. Blast Furnace slag is used for cement making while BOF slag is used internally for sinter making and also as material for road base, internal rail track ballast, etc. During the year 2016-17, 89.47% of BF slag and 71.24% of BOF slag were utilised.

   Other wastes like, BF flue dust, mill scale, lime/dolo fines and refractory wastes are also used internally and sold to outside agencies. The belief of reuse and recycle is firmly embedded in the organizational approach of SAIL and there have been several initiatives to maximise the utilisation of solid waste generated at various operations.

   During 2016-17, 24.72% solid wastes were internally re-cycled out of total utilisation of 83.20% of solid wastes. Moreover, by-product gases like Coke Oven gas, BF gas and LD gas are used as fuels at the different shops of the Plants.

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

1. **Please indicate the Total number of employees.**

   As on 1.4.2017 total number of employees in SAIL : 82964 (Executives-12840; Non-Executives - 70124)

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

   As on 1.4.2017, number of Contract labour engaged at SAIL Plants/Units : 59606

3. **Please indicate the Number of permanent women employees**

   As on 1.4.2017, permanent women employees in SAIL : 4782 (Executives- 975; Non-Executives - 3807)

4. **Please indicate the Number of permanent employees with disabilities.**

   As on 1.4.2017, total number of permanent employees with disabilities in SAIL Plants/Units : 909 (Executives - 145; Non-Executives - 764)

5. **Do you have an employee association that is recognized by management?**

   Recognition to trade unions having majority representation of non-executive employees is granted as per process, at the Plant/Unit level. At apex level, National Joint Committee for Steel Industry (NJCS), a bipartite forum consisting representatives from five Central Trade Union viz. INTUC, AITUC, CITU, HMS & BMS and representatives from recognized union of main Plants, provides representation to all non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants/Units which are affiliated to Steel Executives' Federation of India (SEFI)-the apex body representing executives in SAIL.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Almost all employees of SAIL are members of either Trade Unions or Officers' Associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

   Information pertaining to Child labour/Forced labour/Involuntary labour and Discriminatory Employment is given in the table below:

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	Nil
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 = 40.6
   - Permanent women employees =40
   - Casual / Temporary / Contractual employees = 100
   - Employees with disabilities = 40

   Training need of each individual in the organization is assessed. Under PMS, each executive is asked to inform the Management as to what training 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) are imparted to all permanent employees including female employees and differently abled employees. During the year 2016-17, total 36,059 (40.6% 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 Programme wherein contractual workers are engaged in various activities. 100% of contractual workers are given safety awareness training which is mandatory for issuing gate pass to Plant premise. Skill up-gradation of contractual workers is also taken care of while on job at their work place.

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

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

   Yes

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

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

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

   Some of the special initiatives taken by the Company are as under:

   (i) In an effort to align the marginalized masses, a project to promote comprehensive Water Supply and Sanitation has been initiated by Rourkela Steel Plant covering 897 households in 10 villages of Kuarmunda Block. Each household is being provided potable water through a ground water source, storage tank and supply network of pipelines with 3 tap points and Sanitation unit with RCC roof on partnership model. The villagers have been mobilized and empowered for their active participation in the project. Village level committees have been formed for long-term sustenance of the project.

   (ii) In an attempt to bring the future generations of tribal to the mainstream, 331 tribal children are being provided free education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere at Gyanodya Chatrawas, Bhilai & BSP School Rajhara; Birhors (a tribe near extinction) under Gyanjyoti Yojna at Bokaro; Saranda Suvan Chhatravas, Kiriburu; RTC Residential Public School, Manoharpur Ore Mines; and at Kalinga Institute of Social Sciences sponsored by RSP.

   (iii) Literate to Matriculate a mission program: 1400 school dropouts girls and women educated upto primary/middle class level, from peripheral villages of Bokaro have been identified and enrolled with the National Institute of Open Schooling, Ranchi. The women are provided with free Training and Learning Materials and Preparatory classes to enable them to appear for matriculation exams. The classes are being organised at Panchayat level through Zila Saksharta Samiti (ZSS).

Principle 5: Business should respect and promote human rights

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

   The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource practices.

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

   11 number of complaints were received from the stakeholders during 2016-17 and all the complaints were resolved during 2016-17.

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

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

   Policy and Strategy formulation at SAIL is a well-structured process guided by Company's Vision and Credo. Elements of Sustainability are ingrained in SAIL's Vision, Strategies and Policies. The basket of Policies that includes Quality, Environmental, Safety Policies, etc. encompasses concepts of Sustainability. Plant level Policies on Human Resource, Occupational Health and Safety, Communication, Maintenance, Township, Energy Management and Social Accountability, etc. also promote concept of Sustainable Development.

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

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

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

   Yes, as a responsible corporate citizen, the Company has taken up various initiatives for climate change mitigation through technology up-gradation, sourcing of good quality of raw materials, retrofitting and revamping of old pollution control systems, etc. All these efforts, with particular emphasis on adoption of cleaner and energy efficient technologies, have ensured a reduction in specific emission of carbon dioxide by more than 5% during the last five years.

   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 CO_2 around the area.

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

   Corporate Sustainability Report, 2015-16, has been published as per GRI G4 Guidelines (New Guidelines of GRI) after having been confirmed by GRI to have successfully completed the GRI content index service and receiving the organisational mark of GRI. This is available in the Corporate Governance section of the Company's website (www.sail.co.in).

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

   Yes, the Company has in place an Enterprise Risk Management(ERM) Policy and has established mechanisms to identify and assess potential environmental risks and accordingly mitigation plan has been developed through Surveys, Advance Warning System (AWS) to foresee future risks, Risk Control Self Assessment (RCSA) Workshops, Discussions, Analysis of changing business scenarios, Scaling of risks, Compliance status, Reviews, etc. RCSA workshops are conducted for all the operations and outcome of these workshops ensure location-wise, prioritized risk registers. Risk owners have been identified for each of the identified risks and mitigation plans formulated, which are reviewed and updated on quarterly basis. ERM is a dynamic process to meet to objective of the Organisation.

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

   The Company had identified several energy efficiency projects which were being implemented during the on-going Modernization and Expansion Programme for availing the Clean Development Mechanism (CDM) benefits. Six projects have been validated as Verified Emission Reduction (VER) projects as per VCS and ISO standards. Around 1.37 Million Tonnes of CO_2 equivalent carbon credits have been accrued.

Implementation of an Environment Management System linked to ISO 14001 standard, which is essentially a voluntary initiative, has become an effective tool in SAIL towards protection of the environment. During the Financial Year 2016-17, warehouses of CMO at Bokaro and Bengaluru have been recommended for certification to EMS linked to ISO 14001:2015.

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

Yes, adoption of some notable cleaner technologies during the on-going Modernization and Expansion Programme of SAIL which have led towards energy savings are: Taller Coke Oven Batteries with Coke Dry Cooling Plant (CDCP); Bigger Volume Blast Furnaces with Top Gas Pressure Recovery Turbine (TRT); Heat recovery from the sinter coolers; new Bloom cum Round casters; Gas fired boiler for power generation; etc.

The Company has already 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 & lighting systems at various locations. A 1 MW grid connected Solar Power Plant has been commissioned at RSP.

To fulfil SAIL's Renewable Energy Commitment, a Solar Power Plant project is being developed through NTPC-SAIL Power Company Limited, a Joint Venture Company of NTPC and SAIL. Further, the Company is also considering formation of a Joint Venture Company with M/s Green Energy Development Corporation of Odisha Limited for installation of a Hydro Electric Power Plant at Rourkela.

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

The emissions are mostly within the permissible limits as prescribed by the CPCB/SPCB. Quality of effluent discharged from all the outfalls is also within the norms. The wastes generated are handled and managed as per the stipulated Guidelines/Rules. These are reported by the Company to the CPCB/SPCB on regular basis.

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

One direction each from the SPCB and the MoEFCC was received during the Financial Year 2016-17. Action plan for compliance of these directions has been prepared in consultation with the statutory bodies and are under implementation.

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

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

The Company is a Member of:

A. Confederation of Indian Industry (CII)
B. Federation of Indian Chambers of Commerce and Industry (FICCI)
C. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
D. World Steel Association (WSA)
E. Standing Conference of Public Enterprises (SCOPE)
F. Indian Steel Association
G. Institute for Steel Development & Growth
H. All India Organisation of Employees(AIOE)
I. Employee Federation of India (EFI)

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

Yes, Sustainable Business Principles and Waste Management are the ones amongst the stated broad areas.

Principle 8: Businesses should support inclusive growth and equitable development

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

Yes, SAIL's Social Objective is synonymous with Corporate Social Responsibility (CSR). Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins with being aware of the impact of its business on society.

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

SAIL CSR initiatives are undertaken in conformity to the prevalent statutes like 'The Companies Act, 2013', CSR Rules, 2014 and DPE Guideline on CSR & Sustainability, 2014. SAIL carries out CSR projects in and around steel townships, mines and far flung locations across the Country in the area of rural development including Development of Model Steel Villages, 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 and Sustainability, Women Empowerment, Assistance to people with disabilities, Sustainable Income Generation through Self Help Groups, Promotion of Sports, Art, Culture & Recreational Activities, etc.

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

Under the guidance of the Board level CSR Committee, the CSR activities/projects listed in the approved Annual Plan of SAIL, are 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, CSR Rules and CSR Policy of the Company.

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

Except in cases, where financial assistance is provided for a specific CSR project proposed by a specific agency, the external implementation partners having strong credentials and track records, are identified for undertaking CSR projects, as defined in 'The Companies Act-2013'.

3. **Have you done any impact assessment of your initiative?**

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

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

- The impact assessments of Bhilai and Rourkela Steel Plants' CSR projects in 2014-15 have been carried out by NABARD Consultancy Services (NABCONS).
- The impact assessment of Salem Steel Plant's CSR projects in 2014-15 has been carried out by Madras School of Social Work, Chennai.
- The impact assessment of Raw Materials Division's CSR projects in 2014-15 covering 129 villages of 7 mines in States of Odisha and Jharkhand has been carried out by Institute of Social Sciences, Bhubaneswar (ISS).

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

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

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

(₹ crore)

Year	CSR Allocation	CSR Expenditure
2014-15	78	35.04
2015-16	100.16 (including unspent amount of Rs.42.96 crores of 2014-15).	76.16
2016-17	29.34 (including unspent amount of Rs.24 crores of 2015-16)	29.05

Apart from the exclusive CSR budget, SAIL also spends to the tune of Rs.350 crores annually for providing social facilities to Non-SAIL populace residing in the peripheral areas of SAIL Plants/Units either free or at a very nominal cost, such as Healthcare, Education, Sanitation, Drinking water availability, infrastructure like roads & street lights, promotion of Sports, Art and Culture, etc.

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

The details of CSR activities undertaken are as follows:

- SAIL has achieved 100% compliance by construction of 672 toilets in schools without toilets/having dysfunctional toilets falling within the peripherals of SAIL Plants & Units acknowledging the Prime Minister's ambitious drive for promotion of sanitation and hygiene in remote areas, under "Swachch Vidyalaya Campaign".
- SAIL is providing healthy & nutritious Mid-Day Meals to around 63,000 students in 500 Govt. schools daily, in and around Bhilai and Rourkela, in association with Akshya Patra Foundation.
- **Education:** To develop the society through education, SAIL is running over 145 schools within and outside its steel townships to provide modern education to more than 55,000 children and is assisting over 500 schools with about 63,000 students by providing Mid-day meals. Special Schools (Kalyan Vidyalaya) for BPL category students are run at integrated steel Plant locations with facilities of free education, mid-day meals, uniforms, shoes, text books, stationary items, school bag, water bottles, etc. are running under CSR.
- **Healthcare:** SAIL's extensive and specialised Healthcare Infrastructure provide basic and specialized healthcare to more than 1,10,000 villagers during 2016-17.
- 4700 health camps and Ambulances/MMUs provided medical facilities like free health check-up, lab investigations, medicine, immunization, etc. at the doorsteps of over 1,60,000 villagers during 2016-17.
- Over 78 Lakh people across 435 villages have been connected to mainstream by SAIL since its inception, by constructing and repairing of roads. Over 8000 water sources have been installed during last four years thereby enabling easy access to drinking water to over 46 lakh people living in far-flung areas.
- To promote renewable sources of energy, Solar street lights have been installed, Solar Lanterns and Smokeless chullahs have been distributed among the rural people. Maintaining parks, water bodies and botanical gardens in its townships and plantation & maintenance of over 3 Lakh trees at various locations have also been carried out for environment conservation.
- **Vocational and specialised skill development** trainings have been imparted to 2176 village youths and 1878 women folks in 2016-17 in industrial and agriculture techniques, soft skills, handlooms, empowering them to bond with mainstream. About 576 rural youths have been sponsored for ITI trainings at various ITIs.
- **Sports, Art & Culture:** Various sports coaching and events viz. SAIL Khel Mela at Bhilai, Samvardhan; Rural Sports, Football and Kabbadi at Rourkela, Durgapur and Burnpur; Archery championships, Kho-Kho and Ladies Cricket Coaching and matches at West Singhbhum, Jharkhand & Keonjhar, Odisha witnessed participation of about 2,000 rural youths. 4,000 folk artists, students and Viewers participated in the Lok Kala Mahotsava organised at Bhilai and Grameen Lokutsavas at Thanod and Aheri villages of Durg.

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

Besides, at some of Plant 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.

Impact assessment of CSR activities is carried out to assess the effects of our CSR initiatives. Also reforms/updates of the processes based on the feedback received from the beneficiaries are incorporated so that the sense of ownership is generated among the community and it adopts the social interventions in letter and spirit.

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

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

A total of 1850 quality complaints including the complaints pending at the beginning of the year were received from customers in 2016-17, out of which 63 (around 3%) were pending as of March 31, 2017, while the rest were settled satisfactorily. The pending complaints are in the process of settlement.

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 /Heat number, size, quality of the item is displayed on the product label for source authentication. In case of branded products, product brand is also displayed. Over and above, if there is an additional requirement from the customer, attempt is made to incorporate the same on the label.

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

There is no such case pending as of end of financial year.

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

Yes, Customer satisfaction is measured in the form of Customer Satisfaction Index (CSI) for Key Accounts which is computed every month based on the feedback collected from identified Key Customers on parameters pertaining to Product Quality, Service and Price.

Annexure-IV to the Directors' Report

Consolidated Balance Sheet
As at 31st March, 2017

(₹ crore)

	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	**48,776.83**	44,395.76	36,248.77
(b) Capital work-in-progress	5	**23,275.39**	24,927.22	29,209.54
(c) Investment property	6	**0.86**	0.88	0.90
(d) Intangible assets	7	**1,522.58**	1,546.20	1,510.21
(e) Investments accounted for using the equity method		**2,410.41**	2,216.80	2,054.48
(f) Financial assets				
(i) Investments	8	**65.05**	62.24	61.81
(ii) Trade receivables	9	**-**	-	2.25
(iii) Loans	10	**453.52**	449.95	426.98
(iv) Other financial assets	11	**257.68**	489.41	623.72
(g) Deferred tax assets (net)	12	**3,848.75**	1,669.81	-
(h) Current tax assets (net)	13	**235.81**	278.10	609.89
(i) Other non current assets	14	**1,062.99**	976.47	798.16
		81,909.87	77,012.84	71,546.71
Current assets				
(a) Inventories	15	**15,736.09**	14,708.24	17,274.12
(b) Financial assets				
(i) Trade receivables	9	**2,934.69**	3,151.42	3,585.89
(ii) Cash and cash equivalents	16	**140.64**	145.18	165.04
(iii) Other bank balances	17	**238.19**	200.37	2,211.72
(iv) Loans	10	**72.73**	65.18	66.97
(v) Other financial assets	11	**2,268.18**	1,762.84	2,338.81
(c) Current tax assets (net)	13	**-**	0.89	0.00
(d) Other current assets	14	**4,302.91**	4,234.74	4,238.53
		25,693.43	24,268.86	29,881.08
Assets classified as held for sale	18	**11.94**	20.59	20.46
TOTAL ASSETS		**1,07,615.24**	1,01,302.29	1,01,448.25
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	**4,130.53**	4,130.53	4,130.53
(b) Other equity	20	**32,911.73**	36,020.90	40,449.42
(c) Non-controlling interest		**0.01**	-	-
		37,042.27	40,151.43	44,579.95
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	**19,087.48**	17,495.71	15,620.20
(ii) Trade payables	22	**7.36**	6.83	0.71
(iii) Others financial liabilities	23	**1,365.93**	1,571.82	1,375.09
(b) Provisions	24	**3,596.40**	3,273.72	3,387.15
(c) Deferred tax liabilities (net)	12	**-**	-	1,375.28
(d) Other non-current liabilities	25	**151.29**	113.48	117.90
		24,208.46	22,461.56	21,876.33
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	**19,813.04**	15,574.86	14,282.91
(ii) Trade payables	22	**5,218.41**	3,983.54	3,597.31
(iii) Other financial liabilities	23	**12,781.96**	10,975.60	10,428.57
(b) Other current liabilities	25	**5,609.56**	5,494.99	4,287.46
(c) Provisions	24	**2,924.87**	2,648.41	2,383.17
(d) Current tax liabilities (net)	13	**16.67**	11.90	12.55
		46,364.51	38,689.30	34,991.97
TOTAL EQUITY & LIABILITIES		**1,07,615.24**	1,01,302.29	1,01,448.25

Significant Accounting Policies
The accompanying notes are an integral part of these consolidated financial statements

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[R.N. Basu]
Partner
M. No. 050430

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Lalit Ahuja]
Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2017

(₹ crore)

	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
Revenue from operations	26	**49,828.95**	43,932.73
Other income	27	**449.48**	529.04
Total Income		**50,278.43**	44,461.77
Expenses			
Cost of materials consumed	28	**21,161.45**	17,183.00
Changes in inventories of finished goods and work in progress	29	**117.34**	540.45
Excise duty		**5,327.18**	4,834.29
Employee benefits expense	30	**8,963.78**	9,728.57
Finance costs	31	**2,527.82**	2,300.45
Depreciation and amortisation expense		**2,681.62**	2,404.42
Other expenses	32	**14,192.11**	14,548.94
Total Expenses		**54,971.30**	51,540.12
Profit before exceptional item, share of net profits of investment accounted for using equity method and tax		**(4,692.87)**	(7,078.35)
Share of (loss) in investments accounted for using equity method		**193.92**	(35.86)
Profit/(Loss) before Exceptional items & tax		**(4,498.95)**	(7,114.21)
Add: Exceptional Items			
- Voluntary retirement compensation		**(216.74)**	-
Profit/(Loss) Before Tax		**(4,715.69)**	(7,114.21)
Tax expense			
Current tax		**30.64**	23.42
Deferred tax		**(2,005.30)**	(2,886.11)
Earlier years		**15.14**	(75.02)
Total tax expense		**(1,959.52)**	(2,937.71)
Profit/(Loss) for the year		**(2,756.17)**	(4,176.50)
Other Comprehensive Income			
A i) Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		**(546.07)**	(144.45)
Gains and losses from investments in equity instruments designated at fair value through OCI		**3.02**	0.42
ii) Income tax relating to items that will not be reclassified to profit or loss		**188.78**	49.35
B i) Items that will be reclassified to profit or loss			
Share of the OCI of associate and joint ventures accounted for using the equity method		**0.52**	50.84
ii) Income tax relating to items that will be reclassified to profit or loss			
Other Comprehensive Loss for the year		**(353.75)**	(43.83)
Total Comprehensive Loss for the year		**(3,109.92)**	(4,220.33)
Profit attributable to owners			
Owners of the parent		**(2,756.17)**	(4,176.50)
Non-controlling interest		**-**	-
		(2,756.17)	(4,176.50)
Total comprehensive Income for the year			
Owners of the parent		**(3,109.92)**	(4,220.33)
Non-controlling interest		**-**	-
		(3,109.92)	(4,220.33)
Earnings per equity share			
Number of Equity Shares (face value of ₹ 10 each)		**4130525289**	4130525289
Basic and diluted earnings per share (₹)		**(6.67)**	(10.11)
Significant Accounting Policies	3		

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

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
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In terms of our report of even date

For Singhi & Co.
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Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2017

(₹ crore)

A Equity Share Capital

Particulars	Balance as at 1st April, 2015	Changes in equity share capital	Balance as at 31st March, 2016	Changes in equity share capital	Balance as at 31st March, 2017
Equity shares with voting rights	4,130.09	0.30	4,130.39	0.02	4,130.41
Equity shares without voting rights	0.44	(0.30)	0.14	0.02	0.12

(₹ crore)

B Other Equity

	Reserves and Surplus					Other comprehensive income - Reserve				
	Capital Reserve	Securities Premium Reserve	General reserve	Bond redemption reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Investment accounted for as equity method	Total other equity	Non-controlling interest	Total
Balance as at 1st April, 2015	**500.88**	**235.10**	**5,099.17**	**1,008.88**	**33,605.39**	**-**	**-**	**40,449.42**	**-**	**40,449.42**
Loss for the year	-	-	-	-	(4,176.50)	-	-	(4,176.50)	-	(4,176.50)
Other comprehensive loss for the year	-	-	-	-	(94.46)	(0.22)	50.84	(43.84)	-	(43.84)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(4,270.96)**	**(0.22)**	**50.84**	**(4,220.34)**	**-**	**(4,220.34)**
Impact of Depreciation on account of SCH II of Companies Act 2013	-	-	-	-	(86.61)	-	-	(86.61)	-	(86.61)
Transfer from bond redemption reserve	-	-	-	(63.03)	63.03	-	-	-	-	-
Transfer to bond redemption reserve	-	-	-	504.11	(504.11)	-	-	-	-	-
Transfer to general reserve	-	-	1.55	-	(1.55)	-	-	-	-	-
Changes due to additional investment in joint ventures	2.70	-	-	-	-	-	-	2.70	-	2.70
	2.70	-	1.55	441.08	(529.24)	-	-	(83.91)	-	(83.91)
Transaction with owners in their capacity as owners:										
Dividends	-	-	-	-	(103.26)	-	-	(103.26)	-	(103.26)
Tax on dividends	-	-	-	-	(21.02)	-	-	(21.02)	-	(21.02)
	-	-	-	-	(124.28)	-	-	(124.28)	-	(124.28)
Balance as at 31st March, 2016	**503.58**	**235.10**	**5,100.72**	**1,449.96**	**28,680.91**	**(0.22)**	**50.84**	**36,020.89**	**-**	**36,020.89**
Balance as at 1st April, 2016	**503.58**	**235.10**	**5,100.72**	**1,449.96**	**28,680.91**	**(0.22)**	**50.84**	**36,020.89**	**-**	**36,020.89**
Loss for the year	-	-	-	-	(2,756.17)			(2,756.17)		(2,756.17)
Other comprehensive income/(loss) for the year	-	-	-	-	(357.29)	3.02	0.52	(353.75)		(353.75)
Total comprehensive income/ (loss) for the year	-	-	-	-	(3,113.46)	3.02	0.52	(3,109.92)	-	(3,109.92)
Transfer from bond redemption reserve	-	-	-	(84.09)	84.09	-	-	-	-	-
Transfer to bond redemption reserve	-	-	-	607.77	(607.77)	-	-	-	-	-
Transfer to general reserve	-	-	2.04	-	(2.04)	-	-	-	-	-
Changes due to additional investment in joint ventures	0.75	-	-	-	-	-	-	0.75	-	0.75
	0.75	-	2.04	523.68	(525.72)	-	-	0.75	-	0.75
Transaction with owners in their capacity as owners:										
Dividends	-	-	-	-	-	-	-	-	-	-
Tax on dividends	-	-	-	-	-	-	-	-	-	-
Transaction with non-controlling interest	-	-	-	-	(0.01)	-	-	(0.01)	0.01	-
	-	-	-	-	(0.01)	-	-	(0.01)	0.01	-
Balance as at 31st March, 2017	**504.33**	**235.10**	**5,102.76**	**1,973.64**	**25,041.72**	**2.80**	**51.37**	**32,911.71**	**0.01**	**32,911.72**

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

For Chatterjee & Co.
Chartered Accountants
Firm Registration No.302114E
Sd/-
[R.N. Basu]
Partner
M. No. 050430

For V K Dhingra & Co.
Chartered Accountants
Firm Registration No.000250N
Sd/-
[Lalit Ahuja]
Partner
M. No. 085842

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

Place : New Delhi
Dated : May 30, 2017

Cash Flow Statement

For the year ended 31st March, 2017

(₹ crore)

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**(4,715.69)**	(7,114.20)
	Adjustments for:		
	Depreciation and amortisation expense	**2,681.62**	2,404.42
	Gain on disposal of fixed assets (net)	**48.17**	68.05
	Interest income	**4.85**	186.92
	Dividend income	**(1.05)**	(0.54)
	Finance costs	**2,527.82**	2,300.45
	Loss on sale of non current investments	**(0.01)**	(7.31)
	Bad debts and provision for doubtful advances/receivables	**74.47**	27.81
	Other provisions	**73.20**	165.25
	Share of profit from joint ventures	**(193.92)**	35.86
	Unclaimed balances and excess provisions written back	**(97.62)**	(80.59)
	Operating profit/(loss) before working capital changes	**401.84**	(2,013.88)
	Change in assets and liabilities		
	Trade receivable	**239.88**	489.49
	Loans, other financial assets and other assets	**(439.41)**	514.57
	Trade payable	**1,235.40**	392.36
	Other financial liabilities, other liabilities and provisions	**1,810.70**	1,953.58
	Inventories	**(1,100.85)**	2,400.64
	Cash flow from operating activities post working capital changes	**2,147.56**	3,736.76
	Income tax paid (net)	**12.54**	305.99
	Net cash flow from operating activities (A)	**2,160.10**	4,042.75
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	**(5,454.27)**	(6,651.98)
	Proceeds from sale/disposal of property, plant & equipment	**27.53**	158.99
	Purchase of current and non-current investments	**1.60**	(137.34)
	Movement in fixed deposits (net)	**(37.82)**	2,011.35
	Interest received	**(4.85)**	(186.92)
	Dividend received	**1.05**	0.54
	Net cash flows/ (used) in investing activities (B)	**(5,466.76)**	(4,805.36)
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings (net)	**1,591.77**	1,875.51
	Repayment of short-term borrowings (net)	**4,238.18**	1,291.95
	Finance cost paid	**(2,527.82)**	(2,300.45)
	Dividend paid (including tax)	**-**	(124.28)
	Net cash flow /(used) in financing activities (C)	**3,302.13**	742.73
	Decrease in cash and cash equivalents (A+B+C)	**(4.53)**	(19.88)
	Cash and cash equivalents at the beginning of the year	**145.18**	165.04
	Cash and cash equivalents at the end of the year — Note no. 16	**140.64**	145.18

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

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

For and on behalf of Board of Directors

Sd/-
(M.C.Jain)
Company Secretary

Sd/-
(Anil Kumar Chaudhary)
Director (Finance)
DIN: 03256818

Sd/-
(P. K. Singh)
Chairman
DIN: 06398868

In terms of our report of even date

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

Place : New Delhi
Dated : May 30, 2017

Notes to Consolidated Financial Statements for the Year ended 31st March 2017

1. **Corporate Information**

Nature of Operations

Steel Authority of India Limited ('SAIL' or the 'Parent Company'), a public sector undertaking conferred with Maharatna status by Government of India, together with its subsidiaries, joint ventures and associate (collectively referred to as the 'Group') is engaged primarily in steel manufacturing business in the country.

General information and statement of compliance with Ind AS

The consolidated financial statements of the Group have been prepared on accrual basis of Accounting in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Group has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2016, the Group has prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These are Group's first consolidated financial statements prepared in accordance with Ind AS (see note 36 for explanation on transition to Ind AS). For the purpose of comparatives, consolidated financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The consolidated financial statements for the year ended 31 March 2017 were authorized and approved by the Board of Directors on 30th May, 2017.

2. **Summary of significant accounting policies**

a) **Overall consideration**

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for the following -

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

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2017.

The Group consolidate the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates and joint ventures

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- Joint ventures - Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.
- Joint operations - The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

b) **Business combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognise the gain directly in equity as capital reserve, without routing the same through OCI

Where settlement of any part of cash consideration is deferred, the amount payable in future is discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which the similar borrowing could be obtained from an independent financier under comparable terms and condition.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

On transition to Ind AS

Ind AS 103 'Business Combinations' has not been applied to acquisitions of subsidiaries, or of interests in associates and joint ventures that occurred before the transition date. Previous GAAP carrying amount of goodwill has been carried under Ind AS.

c) Current versus Non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

2.1 Functional and Presentation Currency

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

2.2 Use of Estimates and Management Judgement

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

3. Significant Accounting Policies

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

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

Tangible Assets

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

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

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

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

3.1.2 Subsequent Cost

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

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

3.1.3 Depreciation

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

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

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

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

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

Depreciation on Bhilai Expansion Power Project (pp-II) located at Bhilai is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations in accordance with Schedule II of the 'Companies Act, 2013.

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

3.2 Intangible assets

3.2.1 Recognition and measurement

Mining Rights

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

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

Other Intangible Assets

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

Research and Development

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

3.2.2 Subsequent Cost

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

3.3 Impairment of Non-Financial Assets

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

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

3.4 Stripping Cost

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

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

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

3.5 Borrowing Costs

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

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

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

3.6 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

3.7 Government Grants

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

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

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

3.8 Foreign Currency Transactions

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

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

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

3.9 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

Short Term Employee Benefits

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

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

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

3.10 Revenue Recognition

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

Sale of goods

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

Marine export sales are recognised on:

i) the issue of bill of lading, or

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

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

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

Interest and Dividend Income

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

3.11 Adjustment pertaining to Earlier Years

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

3.12 Claims for Liquidated Damages and Price Escalation

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

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

3.13 Leases

Group as a Lessee

Finance leases

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

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

Operating leases

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

Group as a Lessor

Finance leases

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

Operating leases

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

3.14 Investment Properties

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

3.15 Non-current assets held for sale

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

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

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

3.16 Mine Closure

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

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions and Contingent Liabilities

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

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

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

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

Contingent Assets

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

3.18 Income Taxes

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

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Segment Reporting

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

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

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements.

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

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

3.21 Equity and Reserves

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

Other components of equity include the following:

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

3.22 Financial Instruments

Recognition, initial measurement and de-recognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Amortised cost

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

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

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

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

Financial assets at FVTPL

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

Financial assets at FVOCI

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

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

Classification and subsequent measurement of financial liabilities

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

Embedded Derivatives

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

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

Trade Receivables

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

Other Financial Assets

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

3.23 Significant Judgements, Assumptions and Estimations in applying Accounting Policies

3.23.1 Classification of Leases

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

3.23.2 Close-down and Restoration Obligations

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

3.23.3 Recognition of Deferred Tax Assets

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

3.23.4 Inventories

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

3.23.5 Defined Benefit Obligation (DBO)

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

3.23.6 Fair Value Measurements

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

3.23.7 Provisions and Contingencies

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

3.23.8 Mines Closure and Restoration Obligations

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

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

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

4. PROPERTY, PLANT AND EQUIPMENT
(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block *
	As at 1st April, 2015	Additions	Disposals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Disposals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
A. Plant, Mines & Others										
Land (Including cost of Development)										
-Freehold land	266.26	1.52	-	267.78	0.87	-	-	0.87	266.91	265.39
-Leasehold land	959.01	21.81	1.54	979.28	113.86	58.99	1.33	171.52	807.76	845.15
Buildings and related equipments	3,941.04	641.94	(511.17)	5,094.15	1,385.66	158.55	48.26	1,495.95	3,598.20	2,555.37
Developed mines	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Plant and machinery										
-Steel Plant	51,468.58	9,496.05	821.02	60,143.61	22,822.50	1,694.05	8.62	24,507.93	35,635.68	28,646.08
-Others - owned	2,586.85	158.15	(5.76)	2,750.76	1,829.74	116.14	62.80	1,883.08	867.68	757.11
-Others - leasehold (Refer note (ii))	1,378.01	77.64	-	1,455.65	429.03	110.71	-	539.74	915.91	948.98
Furniture and fixtures	115.44	4.58	1.51	118.51	80.97	5.06	0.38	85.65	32.86	34.46
Vehicles	1,269.04	53.80	14.02	1,308.82	643.33	65.66	10.01	698.98	609.84	625.71
Office equipments	57.53	4.51	2.07	59.97	44.57	3.43	1.91	46.09	13.88	12.96
Miscellaneous articles	302.36	27.65	20.95	309.06	198.36	14.06	14.44	197.98	111.08	104.00
Roads, Bridges & Culverts	257.63	54.29	2.46	309.46	175.60	33.31	2.06	206.85	102.61	82.03
Water Supply & Sewerage	636.52	31.20	115.57	552.15	314.24	17.90	26.05	306.09	246.05	322.28
Railway Lines And Sidings	609.37	62.55	42.09	629.83	239.58	12.97	19.62	232.93	396.90	369.79
EDP equipments	392.96	10.47	1.55	401.87	323.45	22.61	2.38	343.69	58.19	69.50
Subtotal 'A'	**64,240.61**	**10,646.16**	**505.85**	**74,380.92**	**28,601.77**	**2,313.44**	**197.86**	**30,717.35**	**43,663.57**	**35,638.83**
B. Social Facilities										
Land (Including cost of Development)										
-Freehold land	10.88	-	-	10.88	-	-	-	-	10.88	10.88
-Leasehold land	6.89	-	-	6.89	5.78	0.11	-	5.89	1.00	1.11
Buildings and related equipments	627.03	35.16	(1.75)	663.94	284.73	17.75	0.68	301.80	362.15	342.31
Plant and machinery										
- Others	134.17	7.27	0.48	140.96	89.13	5.72	0.29	94.56	46.40	45.04
Furniture and fixtures	25.32	2.03	0.73	26.62	17.94	1.41	0.37	18.98	7.64	7.38
Vehicles	11.19	-	0.21	10.98	9.23	0.55	0.20	9.58	1.40	1.96
Office equipments	4.20	0.52	0.17	4.55	3.41	0.33	0.12	3.62	0.93	0.79
Miscellaneous articles	205.28	9.74	0.19	214.83	115.32	11.21	(0.14)	126.67	88.16	89.96
Roads, Bridges & Culverts	93.36	29.85	(0.63)	123.84	55.53	14.11	(0.59)	70.23	53.61	37.83
Water Supply & Sewerage	122.71	6.18	(93.68)	222.57	107.28	4.36	(7.76)	119.40	103.17	15.43
EDP equipments	12.72	0.24	0.85	12.11	11.11	0.63	1.08	10.66	1.45	1.61
Subtotal 'B'	**1,253.75**	**90.99**	**(93.43)**	**1,438.17**	**699.46**	**56.18**	**(5.75)**	**761.39**	**676.79**	**554.30**
C. Property, plant and equipment retired from active use										
Assets retired from active use	55.64	6.49	6.73	55.40	-	-	-	-	55.40	55.64
Subtotal 'C'	**55.64**	**6.49**	**6.73**	**55.40**	**-**	**-**	**-**	**-**	**55.40**	**55.64**
Total	**65,550.00**	**10,743.64**	**419.15**	**75,874.49**	**29,301.23**	**2,369.62**	**192.11**	**31,478.73**	**44,395.76**	**36,248.77**

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

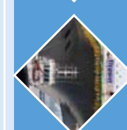
4. PROPERTY, PLANT AND EQUIPMENT

(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	As at 1st April, 2016	Additions	Disposals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Disposals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
A. Plant, Mines & Others										
Land (Including cost of Development)										
-Freehold land	267.78	9.69	(0.02)	277.49	0.87	-	-	0.87	276.62	266.91
-Leasehold land	979.28	0.50	-	979.78	171.52	45.16	-	216.68	763.10	807.76
Buildings and related equipments	5,094.15	75.96	1.41	5,168.70	1,495.95	146.37	(0.01)	1,642.32	3,526.38	3,598.20
Developed mines	0.02	0.00	-	0.02	-	-	-	-	0.02	0.02
Plant and machinery										
-Steel Plant	60,143.61	6,298.19	212.54	66,229.26	24,507.93	2,001.48	161.43	26,347.98	39,881.28	35,635.68
-Others - owned	2,750.76	344.03	47.75	3,047.04	1,883.08	119.45	37.03	1,965.50	1,081.54	867.68
-Others - leasehold (Refer note (ii))	1,455.65	101.58	-	1,557.23	539.74	117.62	(0.01)	657.37	899.86	915.91
Furniture and fixtures	118.51	5.00	(1.83)	125.33	85.65	4.87	(1.42)	91.93	33.40	32.86
Vehicles	1,308.82	29.84	10.80	1,327.86	698.98	66.46	9.17	756.27	571.59	609.84
Office equipments	59.97	2.05	1.73	60.29	46.09	3.23	1.63	47.69	12.60	13.88
Miscellaneous articles	309.06	12.46	2.77	318.75	197.98	13.73	1.87	209.84	108.91	111.08
Roads, Bridges & Culverts	309.46	33.97	0.19	343.24	206.85	22.43	0.02	229.26	113.98	102.61
Water Supply & Sewerage	552.15	4.76	0.03	556.88	306.09	18.67	0.03	324.74	232.14	246.05
Railway Lines And Sidings	629.83	93.47	13.92	709.38	232.93	14.10	13.17	233.86	475.52	396.90
EDP equipments	401.87	16.40	2.03	416.24	343.69	14.56	1.79	356.46	59.78	58.19
Subtotal 'A'	**74,380.92**	**7,027.90**	**291.32**	**81,117.50**	**30,717.35**	**2,588.13**	**224.70**	**33,080.78**	**48,036.72**	**43,663.57**
B. Social Facilities										
Land (Including cost of Development)										
-Freehold land	10.88	-	-	10.88	-	-	-	-	10.88	10.88
-Leasehold land	6.89	2.50	-	9.39	5.89	0.06	-	5.95	3.44	1.00
Buildings and related equipments	663.94	20.80	0.70	684.04	301.80	15.66	0.38	317.08	366.97	362.15
Plant and machinery										
- Others	140.96	9.23	0.73	149.46	94.56	5.38	0.44	99.50	49.96	46.40
Furniture and fixtures	26.62	1.87	1.61	26.88	18.98	1.43	0.90	19.51	7.37	7.64
Vehicles	10.98	0.38	0.13	11.23	9.58	0.34	0.12	9.80	1.43	1.40
Office equipments	4.55	0.14	0.16	4.53	3.62	0.28	0.16	3.74	0.79	0.93
Miscellaneous articles	214.83	15.49	3.52	226.80	126.67	11.59	2.97	135.29	91.51	88.16
Roads, Bridges & Culverts	123.84	7.06	-	130.90	70.23	14.88	-	85.11	45.79	53.61
Water Supply & Sewerage	222.57	3.99	0.02	226.54	119.40	4.57	0.02	123.95	102.59	103.17
EDP equipments	12.11	1.13	1.22	12.02	10.66	0.41	1.16	9.91	2.11	1.45
Subtotal 'B'	**1,438.17**	**62.59**	**8.09**	**1,492.67**	**761.39**	**54.60**	**6.15**	**809.84**	**682.84**	**676.79**
C. Property, plant and equipment retired from active use										
Assets retired from active use	55.40	9.02	7.14	57.28	-	-	-	-	57.28	55.40
Subtotal 'C'	**55.40**	**9.02**	**7.14**	**57.28**	-	-	-	-	**57.28**	**55.40**
Total	**75,874.49**	**7,099.51**	**306.55**	**82,667.45**	**31,478.74**	**2,642.73**	**230.85**	**33,890.62**	**48,776.84**	**44,395.76**



Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note: Allocation of Depreciation		
(a) Charged to profit and loss account	**2,681.62**	2,404.42
(b) charged to expenditure during construction	**5.12**	6.45
	2,686.74	2,410.87

(i) Contractual Obligations:

Refer note 39.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Land:

(a) Includes 67,718.76 acres (67,681.64 acres as on 31st March, 2016, 67354.96 acres as on 1st April, 2015) owned / possessed / taken on lease by the Group, in respect of which title/lease deeds are pending for registration.

(b) Includes 34061.08 acres (34061.08 acres as on 31st March, 2016, 35334.08 acres as on 1st April 2015) in respect of which title is under dispute.

(c) 9007.46 acres (8856.73 acres as on 31st March, 2016, 8851.69 acres as on 1st April 2015) transferred/agreed to be transferred or made available for settlement to various Joint Ventures / Central / State / Semi-Government authorities, in respect of which conveyance deeds remain to be executed/registered.

(d) 6384.17 acres (7181.43 acres as on 31st March, 2016, 6345.43 acres as on 1st April 2015) given on lease to various agencies/employees/ex-employees.

(e) Includes 4436.70 acres (4440.70 acres as on 31st March, 2016, 4211.42 acres as on 1st April 2015) under unauthorised occupation.

(f) 1762.92 acres (1762.92 acres as on 31st March, 2016, 1762.92 acres as on 1st April 2015) of Land which is not in the actual possession, shown as deemed possession.

(g) ₹68.71 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.

(h) Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd.(NHAI) had notified its intention to acquire 9.553 acres.

(i) Includes 21.13 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, determining compensation of ₹13.91 crore only for 15.62 acres. Management proposes to contest the same with appropriate authorities. Pending further action in the matter, no effect of above has been given in the accounts.

(iii) Other Assets:

(a) Buildings include net block of ₹ 21.18 crore (₹21.73 crore as on 31st March, 2016, ₹22.15 crore as on 1st April, 2015) for which conveyance deed is yet to be registered in the name of the Group.

(b) Includes 6035 residential quarters/houses under unauthorised occupation.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5. CAPITAL WORK IN PROGRESS			
Steel Plants & Units	**22,922.89**	24,616.37	28,885.79
Township	**107.49**	110.40	153.85
Ore Mines and Quarries	**399.14**	348.48	262.79
Less: Provisions	**(199.32)**	(187.32)	(131.77)
	23,230.20	24,887.93	29,170.66
Construction Stores and Spares	**37.49**	34.67	36.07
Less: Provision for non-moving items	**(3.39)**	(3.29)	(2.77)
	34.10	31.38	33.30
Expenditure during construction pending allocation	**11.09**	7.91	5.58
	23,275.39	24,927.22	29,209.54

(i) Expenditure during construction pending allocation

	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening balance	**7.91**	5.58	4.40
"Expenditure incurred during the year "Employees' Remuneration & Benefits"			
Salaries & Wages	**121.40**	133.50	141.82
Group's contribution to Provident Fund	**10.86**	12.51	13.73
Travel Concession	**3.08**	4.00	2.87
Welfare Expenses	**0.11**	0.13	(0.10)
Gratuity	**0.71**	3.20	1.22
	136.16	153.34	159.54
Other expenses			
Technical Consultants' fees & know-how	**8.56**	7.92	18.89
Power & Fuel	**134.97**	84.76	198.69
Other expenses	**6.68**	30.38	46.31
Interest & Finance charges	**581.90**	643.72	637.88
Depreciation	**5.12**	6.45	8.19
	737.23	773.23	909.96
Recoveries			
Interest Earned	**0.47**	0.66	1.68
Liquidated Damages	**2.49**	7.60	0.58
Hire Charges	**0.35**	0.42	0.71
Sundries	**17.99**	1.58	(1.46)
	21.30	10.26	1.51
Net expenditure during the year	**852.09**	916.31	1,067.99
Less: Amount allocated to Property, plant & equipment /Capital Work-in-progress	**848.91**	913.98	1,066.81
Balance carried forward	**11.09**	7.91	5.58

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

6. INVESTMENT PROPERTY

(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated amortisation				Net block	Net block *
	1st April, 2015	Additions/ Adjustments	Disposals/ Adjustments	31st March, 2016	1st April, 2015	For the Year	Disposals/ Adjustments	31st March, 2016	31st March, 2016	1st April, 2015
Buildings	1.45	-	-	1.45	0.55	0.02	-	0.57	0.88	0.90
Total	**1.45**	**-**	**-**	**1.45**	**0.55**	**0.02**	**-**	**0.57**	**0.88**	**0.90**

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	1st April, 2016	Additions	Disposals/ Adjustments	31st March, 2017	1st April, 2016	Additions	Disposals/ Adjustments	31st March, 2017	31st March, 2017	1st April, 2016
Buildings	1.45	-	-	1.45	0.57	0.02	-	0.59	0.86	0.88
Total	**1.45**	**-**	**-**	**1.45**	**0.57**	**0.02**	**-**	**0.59**	**0.86**	**0.88**

6. INVESTMENT PROPERTY (CONTD.)

(i) Contractual obligations

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

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

	31st March, 2017	31st March, 2016
Rental income	**1.30**	1.08
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment properties before depreciation	**1.30**	1.08
Depreciation	**0.02**	0.02
Profit from leasing of investment properties	**1.27**	1.06

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

(iii) Leasing arrangements

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

	31st March, 2017	31st March, March, 2016	1st April, 2015
Within one year	**0.02**	0.01	0.01
Later than one year but not later than 5 years	**0.02**	0.03	0.03
later than 5 years	**0.07**	0.07	0.07
	0.11	0.11	0.11

(iv) Fair value

Particulars	31st March, 2017	31st March, March, 2016	1st April, 2015
Investment properties	**21.66**	21.66	21.66

(v) Estimation of fair value

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

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

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

c) Circle rate of the property as provided by state government.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

7. INTANGIBLE ASSETS

(For the year ended 31st March, 2016)

(₹ crore)

Description	Gross block				Accumulated amortisation				Net block	Net block *
	1st April, 2015	Additions/ Adjustments	Disposals/ Adjustments	31st March, 2016	1st April, 2015	For the Year	Disposals/ Adjustments	31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
A. Plant, Mines & Others										
Computer Software	99.34	1.18	0.02	100.50	90.80	3.75	0.01	94.54	5.96	8.54
Mining Rights	1,727.27	75.99	-	1,803.26	225.74	37.40	-	263.14	1,540.12	1,501.53
Subtotal 'A'	**1,826.61**	**77.17**	**0.02**	**1,903.76**	**316.54**	**41.15**	**0.01**	**357.68**	**1,546.08**	**1,510.07**
B. Social Facilities										
Computer Software	0.75	0.07	0.20	0.62	0.61	0.08	0.19	0.50	0.12	0.14
Subtotal 'B'	**0.75**	**0.07**	**0.20**	**0.62**	**0.61**	**0.08**	**0.19**	**0.50**	**0.12**	**0.14**
Total	1,827.36	77.24	0.22	1,904.38	317.15	41.23	0.20	358.18	1,546.20	1,510.21

* Represents deemed cost on the date of transition to IndAS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

(For the year ended 31st March, 2017)

(₹ crore)

Description	Gross block				Accumulated depreciation				Net block	Net block
	As at 1st April, 2016	Additions	Disposals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year**	Disposals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
A. Plant, Mines & Others										
Computer Software	100.50	1.28	(0.58)	101.20	94.54	3.24	0.59	97.19	4.01	5.96
Mining Rights	1,803.26	19.07	-	1,822.33	263.14	40.69	-	303.83	1,518.50	1,540.12
Subtotal 'A'	**1,903.76**	**20.35**	**(0.58)**	**1,923.53**	**357.68**	**43.93**	**0.59**	**401.02**	**1,522.51**	**1,546.08**
B. Social Facilities										
Computer Software***	0.62	0.01	-	0.63	0.50	0.06	-	0.56	0.07	0.12
Subtotal 'B'	**0.62**	**0.01**	**-**	**0.63**	**0.50**	**0.06**	**-**	**0.56**	**0.07**	**0.12**
Total	**1,904.38**	**20.36**	**(0.58)**	**1,924.16**	**358.18**	**43.99**	**0.59**	**401.58**	**1,522.58**	**1,546.20**

**All amortisation charges are included within depreciation and amortisation expense

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

8. INVESTMENTS

	Number of shares			(₹ crore)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Investment carried at cost						
In Joint ventures (unquoted)-Defunct entities						
North Bengal Dolomite Ltd (Face value-100/share)	**97,900**	97,900	97,900	**0.98**	0.98	0.98
Romelt SAIL (India) Limited	**63,000**	63,000	63,000	**0.06**	0.06	0.06
				1.04	1.04	1.04
Investments carried at fair value through other comprehensive income						
Quoted equity						
HDFC Limited (Face value - ₹2/share)	**60,000**	60,000	60,000	**9.00**	6.64	7.87
HDFC Bank Limited (Face value - ₹2/share)	**2,500**	2,500	2,500	**0.36**	0.27	0.26
ICICI Bank Limited (Face value - ₹2/share)	**1,43,000**	1,43,000	1,43,000	**3.94**	3.38	4.50
				13.30	10.29	12.63
Unquoted equity						
TRL Krozaki Refractories Limited	**22,03,150**	22,03,150	22,03,150	**29.93**	29.93	28.64
Indian Potash Limited	**3,60,000**	3,60,000	3,60,000	**13.43**	13.43	12.30
Haridaspur Paradeep Railway Co Ltd	**50,00,000**	50,00,000	50,00,000	**5.00**	5.00	5.00
Cement & Allied Products (Bihar) Limited	**2**	2	2	**-**	-	-
Chemical & Fertilizer Corporation (Bihar) Limited	**1**	1	1	**-**	-	-
Bhilai Power Supply Company Limited	**5**	5	5	**-**	-	-
MSTC Limited	**80,000**	80,000	80,000	**6.66**	6.66	6.31
IISCO Ujjain Pipe & Foundary Company Limited (under liquidation)#	**30,00,000**	30,00,000	30,00,000	**3.00**	3.00	3.00
UEC SAIL Information Technology Limited*	**1,80,000**	1,80,000	1,80,000	**0.18**	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	**500**	500	500	**0.01**	0.01	0.01
				58.21	58.21	55.44
In Co-operative society						
Bokaro Steel Employees' Co.-operative Credit Society	**1,16,500**	1,16,500	1,16,500	**0.12**	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative Society	**250**	250	250	**-**	-	-
NMDC Meghahatuburu Employees' Co-operative Society (Face value ₹100/share)	**25**	25	25	**-**	-	-
DSP Employees' Co-operative Society Limited (Face value ₹100/share)	**1,377**	1,377	1,377	**0.01**	0.01	0.01
Bolani Ores Employees' Consumer co-operative Society Limited (Face value ₹25/share)	**200**	200	200	**-**	-	-
IISCO Employees Primary Co-operative Society ((Face value ₹20/share)	**23,000**	23,000	23,000	**0.05**	0.05	0.05
				0.18	0.18	0.18
Total				**72.73**	69.72	69.29
Provision for impairment in the value of investments				**7.68**	7.48	7.48
Net investment				**65.05**	62.24	61.81
Aggregate amount of quoted investments (market value thereof)				**13.30**	10.29	12.63
Aggregate amount of unquoted investments				**59.43**	59.43	56.66
Aggregate amount of impairment in value of investments				**7.68**	7.48	7.48
				65.05	62.24	61.81

^ All equity shares have face value ₹ 10 each unless otherwise stated.
*Entity is under liquidation therefore not considered as joint venture despite of joint agreement between shareholders.
#Entity is under liquidation therefore not in the control of the Group.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
9. TRADE RECEIVABLES						
(Unsecured, considered good unless otherwise stated)						
Unsecured*						
Considered good	**-**	-	2.25	**2,934.69**	3,151.42	3,585.89
Considered doubtful	**7.83**	6.43	34.98	**181.89**	152.23	137.38
	7.83	6.43	37.23	**3,116.58**	3,303.65	3,723.27
Provision for doubtful receivables	**(7.83)**	(6.43)	(34.98)	**(181.89)**	(152.23)	(137.38)
	-	-	2.25	**2,934.69**	3,151.42	3,585.89

* Receivables due by directors and its officers of the Parent Company is nil (previous year nil)

	Non-current			Current		
10. LOANS						
(Unsecured, considered good unless otherwise stated)						
Security deposits	**110.65**	140.54	108.83	**21.33**	14.01	11.59
Loan to employees	**157.40**	195.38	239.92	**58.57**	62.57	59.75
Loan to related parties	**-**	-	-	**7.00**	-	2.24
Loan to others	**185.49**	114.05	78.25	**1.33**	7.41	0.44
	453.54	449.97	427.00	**88.23**	83.99	74.02
Provision for doubtful receivables	**(0.02)**	(0.02)	(0.02)	**(15.50)**	(18.81)	(7.05)
	453.52	449.95	426.98	**72.73**	65.18	66.97

* Receivables includes amounts due from directors

	Non-current			Current		
11. OTHER FINANCIAL ASSETS						
Derivative asset	**46.59**	265.30	351.25	**180.95**	208.65	119.19
Advances for purchase of shares	**99.53**	99.80	139.91	**-**	-	-
Claims recoverable	**-**	-	21.39	**773.29**	608.07	778.98
Receivables other than trade	**103.46**	115.45	102.07	**245.38**	175.05	142.50
Receivables from employee	**0.12**	0.88	0.35	**6.88**	7.77	20.04
Bills Receivable	**-**	-	0.77	**1,072.99**	773.55	1,181.14
Advances to related parties	**10.53**	10.53	10.53	**23.66**	47.92	151.95
	260.23	491.96	626.27	**2,303.15**	1,821.01	2,393.80
Provision for doubtful interest	**(0.02)**	(0.02)	(0.02)	**(32.07)**	(55.27)	(52.09)
Provision for doubtful related parties advances	**(2.53)**	(2.53)	(2.53)	**(1.39)**	(1.39)	(1.39)
	257.68	489.41	623.72	**2,269.69**	1,764.35	2,340.32

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12. DEFERRED TAX			
Tax effect of items constituting deferred tax liabilities			
Difference between book and tax depreciation	**7,451.63**	6,106.53	4,527.81
Amortisation of financial assets/liabilities	**31.39**	34.35	62.23
Undistributed profits of subsidiary and joint ventures	**158.86**	130.88	109.50
Fair value adjustment through OCI	**8.88**	8.88	8.24
	7,650.76	6,280.64	4,707.78
Tax effect of items constituting deferred tax assets			
Retirement benefits	**108.77**	67.65	137.54
Finance lease obligations	**75.83**	61.58	58.55
Derivative adjustments	**84.35**	9.07	10.16
Unpaid taxes and duties to be allowed on payment	**1,122.61**	1,487.41	916.13
Losses available for offsetting against future taxable income	**8,563.67**	4,792.57	594.30
Others	**493.28**	452.68	527.58
	10,448.51	6,870.96	2,244.26
Deferred tax (assets) /liabilities (net)	**(2,797.75)**	(590.32)	2,463.52
Tax credit (minimum alternative tax)	**(1,051.00)**	(1,079.50)	(1,088.24)
	(3,848.75)	(1,669.82)	1,375.28

Deferred taxes arising from temporary differences and unused tax losses for year ended 31 March, 2017 are summarized as follows:

(₹ crore)

Deferred tax assets/(liabilities)	**As at April 1, 2016**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**As at March 31, 2017**
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	6,106.53	1,345.10	-	7,451.63
Amortisation of financial assets/liabilities	34.35	(2.95)	-	31.39
Undistributed profits of subsidiary and joint ventures	130.88	27.97	-	158.86
Fair value adjustment through OCI	8.88	0.00	-	8.88
	6,280.64	**1,370.12**	**-**	**7,650.76**
Tax effect of items constituting deferred tax assets				
Retirement benefits	67.65	(147.65)	188.78	108.77
Finance lease obligations	61.58	14.25	-	75.83
Derivative adjustments	9.07	75.27	-	84.35
Unpaid taxes and duties to be allowed on payment	1,487.41	(364.80)	-	1,122.61
Losses available for offsetting against future taxable income	4,792.57	3,771.10	-	8,563.67
Tax credit (minimum alternative tax)	1,079.50	(28.50)	-	1,051.00
Others	452.68	40.61	-	493.28
	7,950.46	**3,360.28**	**188.78**	**11,499.51**
Deferred tax (assets) /liabilities (net)	**(1,669.82)**	**(1,990.16)**	**(188.78)**	**(3,848.75)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

12. DEFERRED TAX (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31 March, 2016 are summarized as follows: (₹ crore)

Deferred tax assets/(liabilities)	As at April 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2016
Tax effect of items constituting deferred tax liabilities				
Difference between book and tax depreciation	4,527.81	1,578.72	-	6,106.53
Amortisation of financial assets/liabilities	62.23	(27.88)	-	34.35
Undistributed profits of subsidiary and joint ventures	109.50	21.38	-	130.88
Fair value adjustment through OCI	8.24	-	0.64	8.88
	4,707.78	**1,572.22**	**0.64**	**6,280.64**
Tax effect of items constituting deferred tax assets				
Retirement benefits	137.54	(119.89)	49.99	67.65
Finance lease obligations	58.55	3.03	-	61.58
Derivative adjustments	10.16	(1.09)	-	9.07
Unpaid taxes and duties to be allowed on payment	916.13	571.28	-	1,487.41
Losses available for offsetting against future taxable income	594.30	4,198.27	-	4,792.57
Tax credit (minimum alternative tax)	1,088.24	(8.74)	-	1,079.50
Others	527.58	(74.90)	-	452.68
	3,332.51	**4,567.96**	**49.99**	**7,950.46**
Recognised in retained earnings, pursuant to Schedule II application	**-**	**(33.12)**	**-**	**-**
Deferred tax (assets) /liabilities (net)	**1,375.27**	**(2,962.62)**	**(49.35)**	**(1,669.82)**

The Group is having accumulated business losses (Including Investment Allowance) of ₹24,744.77 crore (Previous year ₹13,848.16 crore) [including accumulated unabsorbed depreciation of ₹15,057.93 crore (Previous Year ₹8,851.44 crore)] and MAT credit of ₹1,051.00 crore as on 31 March 2017 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹9,686.84 crore (Previous Year ₹4,996.72 crore) are available for offset for maximum period of eight years from the incurrence of loss and unused tax (MAT) credit will be available for offset within maximum period of fifteen years.

In view of the various measures being implemented by the Government for upliftment of the Steel Industry and to boost the demand coupled with steps being taken by the Group to reduce the cost, improvement in the efficiency/productivity, the Group is certain that it will be able to improve its physical and financial performance in future. Consequently, the Group will be able to earn sufficient future taxable profits to adjust the accumulated business losses/unabsorbed depreciation and unused MAT credit.

Accordingly, deferred tax asset of ₹3,352.42 crores on accumulated business losses (including ₹1623.16 crores during the year ended 31st March, 2017) and MAT credit of ₹1051.00 crores, has been recognised as on 31st March, 2017.

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
13. CURRENT TAX ASSETS/LIABILITIES						
Current tax assets						
Advance income tax (net of provision)	**235.81**	278.10	609.89	**0.00**	0.89	0.00
	235.81	278.10	609.89	**0.00**	0.89	0.00
Current tax liabilities						
Opening Balance	**-**	-	-	**11.90**	11.90	51.96
Add : Provision during the year	**-**	-	-	**-**	-	499.15
(less) Amount paid during the year	**-**	-	-	**4.77**	-	(528.47)
(less) Provision written back during the year	**-**	-	-	**-**	-	(10.09)
	-	-	-	**16.67**	11.90	12.55
	235.81	278.10	609.89	**(16.67)**	(11.01)	(12.55)
14. OTHER ASSETS						
Advances to contractors & suppliers	**280.46**	188.32	124.93	**277.94**	174.83	245.26
Advances Others	**4.18**	3.57	4.31	**828.89**	872.37	715.48
Deposits with government authorities	**624.82**	587.76	537.84	**2,519.05**	2,209.68	1,996.34
Gold coins in hand	**-**	-	-	**0.23**	0.23	0.23
Prepaid expenses	**34.12**	41.09	47.04	**36.64**	36.55	35.83
Claims receivable	**-**	-	-	**742.67**	1,058.76	1,346.40
Export incentive receivables	**-**	-	-	**41.26**	12.97	18.04
Capital advances	**191.50**	198.10	124.06	**-**	-	-
	1,135.08	1,018.84	838.18	**4,446.68**	4,365.39	4,357.58
Less: Provision for doubtful other assets	**(72.09)**	(42.37)	(40.02)	**(143.77)**	(130.65)	(119.05)
	1,062.99	976.47	798.16	**4,302.91**	4,234.74	4,238.53

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
15. INVENTORIES*			
Stores & Spares			
Production	**1,848.85**	1,964.42	2,187.46
Fuel Stores	**91.72**	77.31	119.38
Others	**27.36**	25.76	28.86
In-transit	**114.48**	140.76	169.74
(less) Provision for Non Moving/Obsolete items	**(212.36)**	(204.05)	(196.04)
	1,870.05	2,004.20	2,309.40
Raw Material			
Raw Material	**2,590.00**	2,098.35	3,133.61
Add: In transit	**1,471.24**	674.68	1,215.43
(less) Provision for unusable materials	**(15.80)**	(20.17)	(9.81)
	4,045.44	2,752.86	4,339.23
Finished / Semi-finished products			
Finished Goods	**5,829.59**	5,243.60	7,116.46
Work-in-Progress	**3,991.01**	4,707.58	3,509.02
	9,820.60	9,951.18	10,625.48
	15,736.09	14,708.24	17,274.12

*Valued as per accounting policy No. 3.6

16. CASH AND CASH EQUIVALENTS

Cash and stamps on hand	**0.07**	0.79	1.00
Cheques in hand	**109.92**	129.28	144.78
Balances with banks			
Current accounts	**14.56**	2.95	7.32
Term Deposits with original maturity upto 3 months	**16.09**	12.16	11.56
Term Deposits as per court orders with original maturity upto 3 months	**-**	-	0.38
	140.65	145.18	165.04

17. OTHER BANK BALANCES

Earmarked bank balances	**159.31**	155.84	145.18
Unpaid dividend accounts	**8.53**	9.23	11.73
Term Deposits Earmarked with original maturity upto 3 months	**-**	0.14	0.14
Fixed deposits maturity for more than 3 months but less than 12 months	**70.35**	35.16	2,054.67
	238.19	200.37	2,211.72

18. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale			
	11.94	20.59	20.46
	11.94	20.59	20.46

On floatation of tender for sale of items of Property, Plant and Equipment, it is considered highly likely that such assets will be sold within next 12 months and such assets are treated as 'Assets classified as held for sale'.

Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

	Number of shares			(₹ crore)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
19. EQUITY SHARE CAPITAL						
Authorised capital						
Equity shares of ₹ 10 each	**500,00,00,000**	500,00,00,000	500,00,00,000	**5,000.00**	5,000.00	5,000.00
				5,000.00	5,000.00	5,000.00
Issued and subscribed capital & fully paid-up						
Equity shares of ₹ 10 each	**4,13,05,25,289**	4,13,05,25,289	4,13,05,25,289	**4,130.53**	4,130.53	4,130.53
				4,130.53	4,130.53	4,130.53

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

	Number of shares		(₹ crore)	
	As at 31st March, 2017	As at 31st March, 2016	**As at 31st March, 2017**	As at 31st March, 2016
Equity Shares with voting rights				
Opening balance	**4,13,03,92,654**	4,13,00,92,154	**4,130.39**	4,130.09
Add : Shares converted into shares with voting rights during the year	**15,000**	3,00,500	**0.02**	0.30
Closing balance	**4,13,04,07,654**	4,13,03,92,654	**4,130.41**	4,130.39
Equity Shares without voting rights*				
Opening balance	**1,32,635**	4,33,135.00	**0.14**	0.44
Less : Shares converted into shares with voting rights during the year	**15,000**	3,00,500	**0.02**	0.30
Closing balance	**1,17,635**	1,32,635	**0.12**	0.14
Total Equity shares outstanding	**4,13,05,25,289**	4,13,05,25,289	**4,130.53**	4,130.53

i) *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 even of liquidation of the Parent Company.

iii) The Group does not have a holding company.

iv) Details of shareholders holding more than 5% shares in the Parent Company.

	% holding		Number of shares	
	As at 31st March, 2017	As at 31st March, 2016	**As at 31st March, 2017**	As at 31st March, 2016
Equity shares of ₹10 each fully paid up				
President of India	**75**	75	**3,09,77,67,449**	3,09,77,67,449
LIC of India	**10.70**	10.70	**44,18,74,667**	44,18,74,667

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

(₹ crore)

	As at 31st March, 2017	As at 31st March, 2016
20. OTHER EQUITY		
Reserves & Surplus		
Capital reserve		
Opening balance	**503.58**	500.88
Changes due to additional investment in joint ventures	**0.75**	2.70
Changes during the year	**-**	-
	504.33	503.58
Securities premium reserve		
Opening balance	**235.10**	235.10
Changes during the year	**-**	-
	235.10	235.10
General reserve		
Opening balance	**5,100.72**	5,099.17
Changes during the year	**2.04**	1.55
	5,102.76	5,100.72
Bond redemption reserve		
As per last balance sheet	**1,449.96**	1,008.88
Transfer from retained earnings	**607.77**	504.11
Transfer to retained earnings	**(84.09)**	(63.03)
	1,973.64	1,449.96
Retained earnings		
Opening balance	**28,680.91**	33,605.39
Net profit for the year	**(2,756.17)**	(4,176.50)
Other comprehensive income	**(357.29)**	(94.46)
Transfer from bond redemption reserve	**84.09**	63.03
Transfer to bond redemption reserve	**(607.77)**	(504.11)
Equity dividend	**-**	(103.26)
Tax on equity dividend	**-**	(21.02)
Transfer to general reserve	**(2.04)**	(1.55)
Transaction with non-controlling interest	**(0.01)**	-
Depreciation adjustment	**-**	(86.61)
	25,041.72	28,680.91
Other Comprehensive Income		
Equity Instruments through Other Comprehensive Income		
Opening balance	**(0.22)**	-
Change in fair value of FVOCI equity instruments	**3.02**	(0.22)
	2.80	(0.22)
Share in Other Comprehensive Income of equity accounted investees		
Opening balance	**50.84**	-
Changes during the year	**0.52**	50.84
Deferred tax		
	51.37	50.84
Total other equity	**32,911.72**	36,020.89
Total other equity as at 1st April, 2015		40,449.42

Nature and purpose of other reserves

Securities premium reserve

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

Other Comprehensive Income(OCI) reserve

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

Bond redemption reserve

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

Capital reserve

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

1) Group's share of capital reserve in its joint venture, which was recognised due to business combination accounted for under previous GAAP.
2) Group's bargain gain on acquiring additional state in joint ventures".

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

21. BORROWINGS

(₹ crore)

				Non-current		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
SECURED						
Redeemable Non-Convertible Bonds						
Rate of Interest	**Maturity Date**	**Call/Put option (yr)**	**SECURITY REF**			
9.35%	09-Sep-2026	12/nil	(a)	**455.00**	455.00	455.00
9.00%	14-Oct-2024		(a)	**1,000.00**	1,000.00	1,000.00
8.70%	25-Aug-2024		(a)	**300.00**	300.00	300.00
8.30%	01-Aug-2023		(a)	**1,200.00**	-	-
8.30%	03-Aug-2023		(a)	**800.00**	-	-
8.35%	19-Nov-2022		(a)	**1,185.00**	1,185.00	-
9.30%	23-Aug-2021		(a)	**400.00**	400.00	400.00
8.55%	11-Aug-2021		(a)	**700.00**	700.00	700.00
8.27%	25-Aug-2020		(a)	**265.00**	265.00	-
8.72%	30-Apr-2020		(a)	**660.00**	660.00	660.00
8.75%	23-Apr-2020		(a)	**545.00**	545.00	545.00
8.65%	01-Feb-2020	5/nil	(a)	**242.00**	242.00	242.00
8.30%	21-Jan-2020		(a)	**500.00**	500.00	500.00
8.65%	30-Dec-2019		(a)	**450.00**	450.00	450.00
8.50%	07-Dec-2019		(a)	**120.00**	120.00	120.00
8.60%	19-Nov-2019		(a)	**335.00**	335.00	335.00
8.75%	15-Sep-2019		(b,d)	**100.00**	100.00	100.00
8.80%	22-Jun-2019		(a)	**825.00**	825.00	825.00
7.70%	11-May-2019	5/5	(a)	**25.00**	25.00	25.00
8.90%	01-May-2019	5/nil	(b)	**950.00**	950.00	950.00
8.80%	26-Oct-2018		(b,c)	**112.00**	126.00	140.00
8.18%	10-Aug-2018		(a)	**1,000.00**	1,000.00	-
8.25%	27-Jul-2018		(a)	**500.00**	500.00	-
8.35%	09-Jun-2018		(a)	**420.00**	420.00	-
9.30%	25-May-2018		(a,k)	**360.00**	360.00	360.00
8.25%	06-May-2018	3/3	(a)	**245.00**	800.00	800.00
7.95%	09-Apr-2018		(a)	**670.00**	670.00	-
8.38%	16-Dec-2017		(a)	**-**	645.00	645.00
8.75%	08-Nov-2017	3/3	(a)	**-**	-	500.00
9.18%	27-Aug-2017		(a)	**-**	300.00	300.00
Term Loans						
From banks						
Rupee loan			(m)	**2,500.00**	-	-
				16,864.00	13,878.00	10,352.00
Unsecured						
Foreign currency loan						
1	KFW, Germany		(e)	**327.06**	377.17	355.19
2	Bank of Tokyo Mitsubishi		(f)	**-**	-	414.63
3	Bank of Tokyo Mitsubishi		(g)	**-**	438.24	824.32
4	Sumitomo Mitsubishi Banking Corp		(h)	**0.01**	657.00	1,236.16
5	Natexis Banque		(i)	**14.75**	18.56	17.97
6	Mizuho Corporate Bank Ltd		(j)	**322.12**	656.87	927.56
Steel development fund			(l)	**204.16**	204.16	204.16
				868.10	2,352.00	3,979.99
Long term maturities of finance lease obligations				**1,355.38**	1,265.71	1,288.21
				19,087.48	17,495.71	15,620.20

No loans have been guaranteed by the directors and others.

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

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

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

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

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

c) Redeemable in 12 equal yearly instalments of `14 crore each starting w.e.f 26th October 2014. Installment payable on 26th Oct, 2017 has been shown in Other Current Liabilities

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

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

f) The loan is repayable in 3 equal yearly instalments on 11th March starting from 2015 at an interest rate of 6 month London Inter Bank Offered Rate (LIBOR) +1%. Interest is paid half yearly .

g) The loan is repayable in 3 equal yearly instalments on 11th August starting from 2015 at an interest rate of 6 month LIBOR +1%. . Interest is paid half yearly.

h) The loan is repayable in 3 equal yearly instalments on 16th November starting from 2015 at an interest rate of 6 month LIBOR +1.06%. Interest is paid half yearly.

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

j) The loan is repayable in 3 equal yearly instalments on 21st December starting from 2016 at an interest rate of 6 month LIBOR +1.75%. Interest is paid half yearly.

k) Redeemable in 5 equal yearly instalments starting w.e.f 25th May 2018.

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

m) Secured by charges ranking pari-passu on the present and the future movable plant and machinery of BSL to the extent of loan.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

21. BORROWINGS (CONTD.)

(₹ crore)

	Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Repayable on demand :			
From banks	**1,302.09**	2,256.04	5,552.55
Other loans and advances:			
From banks	**250.00**	-	1,005.00
Unsecured	**-**	-	-
Other loan	**600.00**	-	800.00
Commercial paper	**7,883.93**	7,721.23	-
Foreign currency loans	**9,777.02**	5,597.59	6,925.36
	19,813.04	15,574.86	14,282.91

1. Security disclosure for the outstanding short-term borrowings as on 31 March, 2017 :

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

(i) Hypothecation of all current assets

(₹ crore)

	Non-current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
22. TRADE PAYABLES						
Due to micro, small and medium-enterprises (refer note 43.1)				**38.12**	29.46	27.27
Amount payable to related parties				**11.58**	12.91	7.38
Amount payable to contractors/suppliers/others	**7.36**	6.83	0.71	**5,168.71**	3,941.17	3,562.66
	7.36	6.83	0.71	**5,218.41**	3,983.54	3,597.31
23. OTHERS FINANCIAL LIABILITIES						
Employee related dues	**458.39**	517.79	416.07	**161.73**	144.06	146.26
Interest Accrued but not due on borrowings	**580.25**	707.92	700.46	**1,076.09**	924.68	666.78
Other liabilities-debtors banking arrangement				**228.16**	295.00	379.00
Derivative liability	**-**	-	-	**603.57**	153.68	144.96
Current maturities of long-term borrowings	**-**	-	-	**2,381.74**	1,909.22	1,788.77
Current maturities of finance lease obligation	**-**	-	-	**113.39**	161.61	145.03
Unclaimed Matured Deposits and Interest Accrued thereon	**-**	-		**1.03**	1.03	1.03
Security deposits	**-**	-	-	**1,233.06**	1,081.25	803.21
Unpaid dividends	**-**	-	-	**8.53**	9.23	11.73
Payable for capital works	**-**	-	-	**2,532.75**	2,048.86	2,246.92
Other Payables	**327.29**	346.11	258.56	**4,441.92**	4,246.98	4,094.88
	1,365.93	1,571.82	1,375.09	**12,781.96**	10,975.60	10,428.57
24. PROVISIONS						
Provision for gratuity	**81.90**	1.22	243.83	**237.22**	199.43	158.87
Provision for accrued leave liability	**2,437.58**	2,294.39	2,191.36	**303.75**	242.47	221.32
Provision for post retirement medical & settlement benefits	**931.02**	867.04	856.32	**108.95**	100.05	95.76
Provision for long term service award	**19.98**	18.34	18.46	**3.06**	2.64	2.68
Provision for mines closure	**53.97**	43.17	35.24	**-**	-	-
Provision for pollution control	**-**	-	-	**39.43**	53.65	83.93
Provision for foreign exchange fluctuation	**-**	-	-	**13.02**	-	15.29
Provision for wage revision	**-**	-	-	**1,545.02**	1,428.87	1,279.58
Provision for mine afforestation/ restoration etc.	**-**	-	-	**341.97**	323.22	280.98
Other provisions	**71.94**	49.56	41.94	**332.44**	298.08	244.77
	3,596.40	3,273.72	3,387.15	**2,924.87**	2,648.41	2,383.17
25. OTHER LIABILITIES						
Income received in advance from customers				**1,763.07**	1,839.41	804.97
Income received in advance- others				**82.53**	50.18	53.67
Deferred income*	**151.29**	113.48	117.90	**10.98**	5.23	5.26
Other Payables				**3,752.98**	3,600.18	3,423.56
	151.29	113.48	117.90	**5,609.56**	5,494.99	4,287.46
Government grants						
Opening balance	**26.95**	26.63				
Additions	**2.12**	4.51				
Closing Balance	**(1.28)**	(4.19)	-	-	-	-
	27.79	26.95	-	5,609.56	5,494.99	4,287.46

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

(₹ crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
26. REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	**47,437.74**	42,784.68
Exports	**1,737.83**	557.25
Export Incentives	**66.37**	9.54
	49,241.94	43,351.47
Sale of services		
Service charges	**31.89**	33.44
	31.89	33.44
Other operating revenues		
Social amenities-recoveries	**334.01**	317.74
Sale of empties etc.	**70.74**	61.89
Sundries	**150.37**	168.19
	555.12	547.82
	49,828.95	43,932.73
27. OTHER INCOME		
Interest income :		
Loans & advances to other companies	**0.88**	0.89
Customers	**80.87**	91.69
Employees	**20.21**	25.30
Bank deposits	**4.85**	186.92
Others	**45.23**	44.90
	152.04	349.70
Dividend income		
Dividend from Investments*	**1.05**	0.54
	1.05	0.54
Gain on sale of investments	**0.01**	7.31
	0.01	7.31
Other Non-operating income		
Subsidy, relief and concession	**4.43**	5.18
Grant-in-aid	**0.10**	0.01
Provisions no longer required written back	**42.66**	31.26
Write back of Other liabilities	**54.96**	49.33
Liquidated damages	**75.53**	47.81
Foreign exchange fluctuations (net)	**76.60**	-
Others	**42.10**	37.90
	296.38	171.49
	449.48	529.04
28. COST OF MATERIALS CONSUMED		
Iron ore	**3,614.87**	4,160.07
Coal	**16,198.51**	12,083.07
Coke	**70.64**	81.64
Limestone	**1,107.24**	1,128.43
Dolomite	**450.33**	482.95
Ferro Manganese	**340.96**	357.29
Ferro Silicon	**193.63**	187.47
Silico Manganese	**904.24**	845.75
Intermediary Products	**0.01**	-
Zinc	**122.03**	104.99
Aluminium	**226.91**	229.16
Others	**1,321.62**	1,245.67
	24,550.99	20,906.49
Less :Inter Account adjustments	**3,389.54**	3,723.49
	21,161.45	17,183.00

(₹ crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stock		
Finished Goods	**5,549.15**	7,109.38
Work in Progress	**4,402.03**	3,516.10
	9,951.18	10,625.48
Closing stock		
Finished Goods	**5,828.08**	5,240.00
Work in Progress	**3,992.52**	4,711.18
	9,820.60	9,951.18
Less : Excise Duty on accretion(-) / Depletion to stock	**13.24**	133.85
	117.34	540.45
30. EMPLOYEE BENEFIT EXPENSE*		
Salaries & wages	**6,888.42**	6,887.30
Leave encashment	**491.23**	678.33
Group's contribution to Provident & other Funds	**889.91**	954.22
Travel concession	**22.21**	250.28
Welfare expenses	**314.27**	459.16
Gratuity	**357.74**	499.43
	8,963.78	9,728.72
Less : Grants in Aid received from Government of Karnataka	**-**	0.15
	8,963.78	9,728.57
Expenditure on Employees' Remuneration and Benefits not included above and charged to:		
a) Expenditure During Construction	**136.16**	136.16
	136.16	136.16

* For descriptive notes on disclosure of defined benefit obligation refer note 42.

	Year ended 31st March, 2017	Year ended 31st March, 2016
31. FINANCE COSTS		
Interest Cost		
- Foreign Currency Loans*	**552.45**	658.75
- Non Convertible Bonds	**794.54**	608.10
- Bank Borrowings - working capital	**63.12**	47.89
- Steel Development Fund Loans	**3.74**	3.20
- Others	**1,105.51**	974.31
- Interest under Income Tax Act	**0.01**	-
Other Borrowing Costs	**8.45**	8.20
	2,527.82	2,300.45

*Including foreign exchange fluctuations of ₹188.52 crore (₹-3.02 crore on 31st March, 2016)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Expenditure on Interest & Finance charges not included above & charged to Expenditure During Construction:		
Foreign currency loans	**108.06**	147.71
Non Convertible Bonds	**468.48**	491.05
Steel Development Fund loans - Interest	**4.43**	4.96
Others	**0.93**	-
	581.90	643.72

(₹ crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
32. OTHER EXPENSES		
Consumption of Stores & Spares Parts		
Consumption	**3,621.28**	3,780.97
Less: Departmentally manufactured stores	**859.64**	959.11
Less: Finished products internally consumed as stores and spares	**532.15**	567.05
	2,229.49	2,254.81
Repairs & Maintenance		
Buildings	**202.17**	197.27
Plant & Machinery	**714.23**	650.02
Others	**223.86**	221.29
	1,140.27	1,068.58
Handling Expenses		
Raw Material	**333.34**	325.51
Scrap Recovery	**297.33**	314.33
	630.67	639.84
Remuneration to Auditors		
Audit Fees	**1.94**	1.52
Tax Audit Fees	**0.47**	0.41
For other Services	**0.99**	0.94
Out of Pocket Expenses	**0.65**	0.89
	4.05	3.76
Provisions		
Doubtful Debts, Loans and Advances	**74.47**	27.81
Investments	**0.20**	0.00
Stores, Spares and Sundries	**73.00**	165.25
	147.67	193.06
Power and Fuel	**5,249.99**	5,348.52

(₹ crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
32. OTHER EXPENSES (CONTD.)		
Freight Outward	**1,166.58**	1,135.37
Royalty and Cess	**997.18**	1,333.99
Conversion Charges	**454.33**	413.32
Excise Duty on Inter-Plant Transfer /	**292.12**	305.40
Demurrage & Wharfage	**53.41**	48.64
Water Charges & Cess on Water Pollution	**121.02**	111.43
Insurance	**32.50**	29.31
Law charges	**0.04**	0.11
Postage, Telegram & Telephone	**20.53**	18.69
Printing & Stationery	**9.88**	9.68
Rates & Taxes	**69.82**	48.99
Rent	**60.77**	70.02
Security Expenses	**492.65**	425.34
Travelling Expenses	**156.48**	148.69
Expenses on temporary suspended mines	**97.95**	101.04
Training Expenses	**30.60**	41.07
Foreign Exchange Fluctuation (Net)	**-**	75.73
Expenditure on Corporate Social Responsibility (Refer note-41.5)	**29.62**	74.47
Loss on dilution of stake in joint ventures (net)	**0.50**	29.07
Loss on sale/scrapping of Fixed Assets (Net)	**48.17**	68.05
Cost Audit Fee and Reimbursement of Expenses	**0.32**	0.20
Write-Offs - Miscellaneous	**0.01**	0.25
Handling Expenses - Finished goods	**160.75**	186.59
Commission to Selling Agents	**7.34**	7.06
Export Sales Expenses	**22.97**	8.85
Miscellaneous	**464.43**	349.04
	14,192.11	14,548.94

33. FINANCIAL INSTRUMENTS

i) Fair values hierarchy

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

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

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

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

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

As at 31st March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		227.54		227.54
Investments at FVOCI				
Equity instruments*				
Quoted	13.30			13.30
Unquoted			59.43	59.43
Total financial assets	**13.30**	**227.54**	**59.43**	**300.27**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		603.57		603.57
Total financial liabilities	**-**	**603.57**	**-**	**603.57**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

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

As at 31st March, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		473.95		473.95
Investments at FVOCI				
Equity instruments*				
Quoted	10.29			10.29
Unquoted			59.43	59.43
Total financial assets	**10.29**	**473.95**	**59.43**	**543.67**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		153.68		153.68
Total financial liabilities	**-**	**153.68**	**-**	**153.68**

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

As at 1st April, 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Derivative financial assets		470.44		470.44
Investments at FVOCI				
Equity instruments*				
Quoted	12.63			12.63
Unquoted			56.66	56.66
Total financial assets	**12.63**	**470.44**	**56.66**	**539.73**
Financial liabilities				
Financial instruments at FVTPL				
Derivative liability		144.96		144.96
Total financial liabilities	**-**	**144.96**	**-**	**144.96**

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

	Level	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets							
Loans	Level-3	526.25	534.66	515.13	518.68	493.95	493.95
Derivative financial assets	Level-2	227.54	227.54	473.95	473.95	470.44	470.44
Equity instruments*							
Quoted	Level-1	13.30	13.30	10.29	10.29	12.63	12.63
Unquoted	Level-3	59.43	59.43	59.43	59.43	56.66	56.66
Total financial assets		**826.52**	**834.93**	**1,058.80**	**1,062.35**	**1,033.68**	**1,033.68**
Financial liabilities							
Borrowings	Level-3	43,280.15	43,628.65	37,069.00	37,225.74	33,583.15	33,838.95
Other payables	Level-3	9,164.69	9,298.01	8,395.31	8,506.50	7,978.66	7,978.66
Derivative liability	Level-2	603.57	603.57	153.68	153.68	144.96	144.96
Total financial liabilities		**53,048.41**	**53,530.23**	**45,617.99**	**45,885.92**	**41,706.77**	**41,962.57**

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

(v) Unquoted investments

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

vi) The following table presents the changes in level 3 items for the periods ended 31st March, 2017 and 31st March, 2016: (₹ crore)

Particulars	Unlisted equity securities
As at 1st April, 2015	**56.66**
Gain/Loss recognised in other comprehensive income	2.8
As at 31st March, 2016	**59.43**
Gains/losses recognised in other comprehensive income	-
As at 31st March, 2017	**59.43**

34. FINANCIAL RISK MANAGEMENT

i) Financial instruments by category (₹ crore)

	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets									
Investments									
Equity instruments*		72.73			69.72			69.29	
Trade receivables			2,934.69			3,151.42			3,588.14
Cash and cash equivalents			140.64			145.18			165.04
Other Bank Balances			238.19			200.37			2,211.72
Loans			526.25			515.13			493.95
Derivative financial assets	227.54			473.95			470.44		
Other receivables			2,299.82			1,779.81			2,493.60
Total	**227.54**	**72.73**	**6,139.60**	**473.95**	**69.72**	**5,791.93**	**470.44**	**69.29**	**8,952.45**
Financial liabilities									
Borrowings			43,280.15			37,069.00			33,583.15
Trade payable			5,225.77			3,990.37			3,598.02
Derivative liability	603.57			153.68			144.96		
Other payables			9,164.69			8,395.31			7,978.66
Total	**603.57**	**-**	**57,670.62**	**153.68**	**-**	**49,454.68**	**144.96**	**-**	**45,159.83**

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

ii) Risk Management

The group is exposed to various risk in relation to financial instruments. The group's financial asset and liabilities are by category are summarised in note 34(i). The main types of risks are market risk, credit risk and liquidity risk. The Group’s risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group’s short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are 'described below:

A) Credit risk

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

-Cash and cash equivalents

-Derivative financial instruments

-Trade receivables

-Other financial assets measured at amortized cost

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

a) Credit risk management

Cash and cash equivalent

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

Derivative financial instruments

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

Trade receivables

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

Other financial assets measured at amortized cost

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

b) Expected credit losses

Group provides expected credit losses based on the following

Trade receivables

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

(₹ crore)

Ageing (As at 31st March, 2017)	0-3 months old	3-12 months old	12-24 months old	24-36 months old	more than 36 months old	Total
Gross carrying amount	2295.26	420.10	135.85	37.96	227.41	3,116.58
Expected loss rate	0.03%	0.37%	1.84%	6.60%	76.84%	
Expected credit loss provision	0.59	1.54	2.50	2.50	174.74	181.89
Carrying amount of trade receivables (Net of impairment)	2,294.65	418.56	133.35	35.46	52.67	2,934.69

Ageing (As at 31st March, 2016)	0-3 months old	3-12 months old	12-24 months old	24-36 months old	more than 36 months old	Total
Gross carrying amount	2448.61	535.62	34.81	101.91	182.69	3,303.66
Expected loss rate	0.02%	0.33%	7.49%	2.53%	79.21%	
Expected credit loss provision	0.58	1.76	2.61	2.57	144.72	152.24
Carrying amount of trade receivables (Net of impairment)	2,448.03	533.86	32.20	99.34	37.98	3,151.42

Ageing (As at 1st April, 2015)	0-3 months old	3-12 months old	12-24 months old	24-36 months old	more than 36 months old	Total
Gross carrying amount	2432.93	787.79	305.52	13.40	185.89	3,725.52
Expected loss rate	0.03%	0.29%	0.84%	14.45%	70.76%	
Expected credit loss provision	0.62	2.31	2.58	1.94	129.94	137.38
Carrying amount of trade receivables (Net of impairment)	2,432.31	785.48	302.94	11.46	55.95	3,588.14

Reconciliation of Expected credit loss provision

(₹ crore)

Particulars	Unlisted equity securities
As at 1st April, 2015	**131.83**
Changes in provision	14.86
As at 31st March, 2016	**152.24**
Changes in provision	24.24
As at 31st March, 2017	**181.89**

Other financial assets measured at amortized cost

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

B) Liquidity risk

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

Maturities of financial liabilities

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

(₹ crore)

Contractual maturities of financial liabilities as at 31st March, 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings*	24,177.67	4,569.02	4,652.70	13,282.34	46,681.73
Trade payable	5,218.41	1.29	5.64	0.43	5,225.77
Other payables	10,436.76	125.35	105.25	1,453.49	12,120.85
Total	**39,832.84**	**4,695.66**	**4,763.59**	**14,736.26**	**64,028.35**
Derivatives					
Derivative liability (Net Settled)	603.57				603.57
Total	**603.57**	**-**	**-**	**-**	**603.57**

Contractual maturities of financial liabilities as at 31st March, 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings*	20,054.28	3,672.83	4,765.96	12,135.48	40,628.55
Trade payable	3,983.54	1.27	0.37	5.19	3,990.37
Other payables	9,039.50	132.74	110.59	1,635.33	10,918.15
Total	**33,077.32**	**3,806.84**	**4,876.92**	**13,775.99**	**55,537.08**
Derivatives					
Derivative liability	153.68				153.68
Total	**153.68**	**-**	**-**	**-**	**153.68**

Contractual maturities of financial liabilities as at 1st April, 2015	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings*	18,233.78	2,692.93	3,526.40	10,008.35	34,461.46
Trade payable	3,597.31	-	-	0.71	3,598.02
Other payables	8,630.40	110.01	105.48	1,510.47	10,356.36
Total	**30,461.49**	**2,802.94**	**3,631.88**	**11,519.53**	**48,415.84**
Derivatives					
Derivative liability	144.96				144.96
Total	**144.96**	**-**	**-**	**-**	**144.96**

* Borrowings excludes finance lease obligations, refer note 44.6(b) for disclosure of maturity profile of finance lease obligations.

C) Market Risk

a) Foreign currency risk

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 7.86% change of the INR/USD exchange rate for the year ended at 31 March 2017 (2016: 11.83%). A +/- 4.09% change is considered for the INR/EUR exchange rate (2016: 4.92%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ crore, are as follows:

(₹ crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	38.25		5.95	
Cash and cash equivalents				
Other Bank Balances				
Loans				
Gross derivative financial assets	10,099.90		6,924.71	
Other receivables				
Net exposure to foreign currency risk (assets)	**10,138.15**	**-**	**6,930.66**	**-**
Financial liabilities				
Borrowings	13,039.83	327.06	9,791.53	377.17
Trade payable	57.25	307.02	58.73	294.50
Derivative liability				
Other payables				
Net exposure to foreign currency risk (liabilities)	**13,097.08**	**634.08**	**9,850.26**	**671.67**

Sensitivity

'The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
USD sensitivity		
INR/USD- increase by 4.09% (31 March 2017)	(121.02)	
INR/USD- decrease by 4.09% (31 March 2017)	121.02	
INR/USD- increase by 4.92% (31 March 2016)		(143.64)
INR/USD- decrease by 4.92% (31 March 2016)		143.64
Euro sensitivity		
INR/EUR- increase by 7.86% (31 March 2017)	(49.84)	
INR/EUR- decrease by 7.86% (31 March 2017)	49.84	
INR/EUR- increase by 11.83% (31 March 2016)		(79.46)
INR/EUR- decrease by 11.83% (31 March 2016)		79.46

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

b) Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March 2017, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2016: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March 2017, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Variable rate borrowing	9,777.02	5,597.59
Fixed rate borrowing	33,503.13	31,471.41
Total borrowings	**43,280.15**	**37,069.00**

Sensitivity

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest sensitivity		
Interest rates – increase by 100 basis points	432.80	370.69
Interest rates – decrease by 100 basis points	(432.80)	(370.69)

ii) Assets

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

Interest rate risk exposure

'Below is the overall exposure of the Financial Assets: (₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Variable rate deposits/Loans	-	-
Fixed rate deposits/Loans	674.62	670.19
Total deposits	**674.62**	**670.19**

c) Price risk

Exposure

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

35 CAPITAL MANAGEMENT

The Group' s capital management objectives are

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

- to provide an adequate return to shareholders

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

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

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net debts	42,901	36,723	31,206
Total equity	37,042	40,151	44,580
Net debt to equity ratio	**116%**	**91%**	**70%**
Dividends			
(i) Equity shares			
Final dividend for the year ended 31 March, 2015 of ₹ 0.25	Nil	103.26	-
(ii) Dividends not recognised at the end of the reporting period			
The directors had recommended the payment of a final dividend of ₹ 0.25 for the year ended 31 March, 2015 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	Nil	Nil	103.26

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

36 FIRST TIME ADOPTION OF IND AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2017 the comparative information presented in these financial statements for the year ended 31 March, 2016 and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the Group's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2 Decommissioning liabilities included in cost of property, plant and equipment

Ind AS 101 permits a first-time adopter to not comply with the requirements of accounting for changes in decommissioning liabilities that occurred before the date of transition to Ind ASs and only adjust the carrying value of property, plant and equipment by the amount of decommissioning liability that existed on the date of transition after considering the impact of accumulated depreciation.

For the purpose of the determining the present value of liability, the rate of discount on government securities applicable for the relevant period when the such liability first arose was applied.

3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

5 Investment in Subsidiary/ Joint ventures and associates

Ind AS 101 permits a first-time adopter who to elects to account for its investments subsidiaries, joint ventures and associates at cost to continue with the carrying value of such investments as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in equity instruments carried at FVTPL or FVOCI

b) Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

For the purpose of certain financial instruments carried at amortised cost for which fair value was determined on the date of transition to Ind AS, discount rates as at the date of transition were determined on the following basis:

i) Loans given to employees: rates as per third party banks applicable to employees

ii) Finance lease obligations in relation to oxygen plant: rates as per Group's last available incremental borrowing rate

iii) Finance lease obligations in relation to power plants: implicit rate in the lease

iv) Other financial assets and financial liabilities: State Bank of India's base rate

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

C (i) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015 (₹ crore)

	Notes to first time adoption	As at 31st March, 2016	As at 1st April, 2015
Total equity (shareholder's funds) as per previous GAAP		**39,929.20**	**43,740.20**
Adjustments:			
Measurement of financial assets and liabilities at amortised cost	4	66.44	182.44
Recognition and measurement of certain arrangements and leases of land as finance leases	2	(210.35)	(173.24)
Measurement of equity instruments at fair value through OCI	5	48.71	48.29
Measurement of derivatives and embedded derivatives at fair value through profit and loss	1	(26.22)	(29.37)
Classification of certain leases of land as operating leases	6	(83.08)	(87.21)
Recognition of grant from government as deferred income	7	(28.21)	(27.89)
Capitalisation of major repairs and capital spares	3	58.76	(131.36)
Proposed dividend including dividend distribution tax	8	0.94	125.26
Change from proportionate consolidation of equity method of accounting		8.90	5.24
Effects of Ind AS transition on equity of joint ventures and associates		426.71	923.42
Deferred tax impact on Ind AS adjustments	11	(116.57)	(69.60)
Others		76.20	73.77
Total adjustments		**222.23**	**839.75**
Total equity as per Ind AS		**40,151.43**	**44,579.95**

2 Reconciliation of total comprehensive income for the year ended 31st March, 2016 (₹ crore)

	Notes to first time adoption	As at 31st March, 2016
Profit after tax as per previous GAAP		(4,296.75)
Adjustments:		
Measurement of derivatives and embedded derivatives at fair value through profit and loss	1	3.15
Recognition and measurement of certain arrangements and leases of land as finance leases	2	(37.10)
Capitalisation of major repairs and capital spares	3	190.12
Measurement of financial assets and liabilities at amortised cost	4	(115.99)
Deferred tax impact on Ind AS adjustments	11	(109.88)
Change from proportionate consolidation of equity method of accounting		4.33
Effects of Ind AS transition on profits of joint ventures and associates		33.97
Others		151.66
Total adjustments		**120.25**
Profit/(Loss) after tax as reported under Ind AS		**(4,176.50)**
Other Comprehensive Income (OCI) (net of tax):		
Remeasurement of defined benefit obligations	10	(94.46)
Measurement of equity instruments at fair value through OCI	5	(0.22)
Share of OCI of equity method investees		50.84
Total Comprehensive Profit/(Loss) under IND-AS		**(4,220.33)**

3 Impact of Ind AS adoption on statement of cashflows for the year ended 31st March, 2016 (₹ crore)

	Previous GAAP	Adjustments	Ind AS
Profit after tax as per previous GAAP			
Adjustments:			
Net cash flows from operating activities	3,498.29	544.46	4,042.75
Net cash flows from investing activities	(3,549.86)	(1,255.50)	(4,805.36)
Net cash flows from financing activities	87.05	655.68	742.73
Net increase/ (decrease) in cash and cash equivalents	**35.48**	**(55.37)**	**(19.89)**
Cash and cash equivalent as at 1st April, 2015	355.92	(190.88)	165.04
Cash and cash equivalents as at 31st March, 2016	**391.40**	**(246.24)**	**145.15**

Note – 1

Measurement of derivatives

Under previous GAAP, forward contracts which are outstanding as at the reporting date were restated at the closing spot rate with corresponding amortization of forward premium. Under Ind AS, these derivative contracts are accounted for as FVTPL. "Further under Ind AS embedded derivatives not closely related to the host contract are separated and these derivative contracts have been also accounted for as FVTPL.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

Note – 2

Recognition and measurement of certain arrangements and leases of land as finance leases

Under previous GAAP, leases of land were not classified between operating or finance leases as there was no specific accounting requirement. Accordingly, all such leases were capitalized as fixed assets. Further, there was no guidance for recognising embedded leases under the previous GAAP.

Under Ind AS certain leases of land have been considered finance leases in accordance with Ind AS 17 also certain other arrangements have been treated as finance lease of property, plant and equipment (PP&E), resulting into increase in depreciation and finance cost, while reducing cost of goods/ services procured.

Note – 3

Capitalisation of major repairs and capital spares

Under previous GAAP spares were recognised as inventory and charged to P&L upon issuance and all expenditure on repairs was charged to P&L unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance.

Under Ind AS spares have been capitalised if they were held by the Group for use in business and that is expected to be used for more than one year. Similarly cost of major repairs and overhauls to continue to operate an item of PP&E has been capitalised as a cost of such PP&E.

Note – 4

Measurement of financial assets and liabilities at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note – 5

Measurement of equity instruments at fair value through OCI

Under previous GAAP, investments in long-term equity instrument are shown at cost and tested for other than temporary diminution. Under Ind AS, such investments are accounted for under Ind AS 109 which requires the Group to measure such instruments at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) (except for investment in subsidiaries, associates and joint venture).

Note – 6

Classification of certain leases of land as operating leases

Under previous GAAP, leases of land where Group was a lessor were not classified between operating or finance leases as there was no specific accounting requirement. Accordingly, all such leasehold lands were derecognized and lease premium was booked as sales consideration.

Under Ind AS certain leasehold land previously derecognized have been considered operating leases in accordance with Ind AS 17 therefore the premium on such leases has been recognized as deferred income.

Note – 7

Recognition of grant from government as deferred income

Under previous GAAP, grants received in nature of promoter's contribution were directly credited to equity. Under Ind AS, grants received where conditions for recognition were not met have been recognized as deferred income.

Note – 8

Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

Note –9

Retained earnings

Retained earnings as at 1st April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note – 10

Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note – 11

Deferred tax

Under Ind AS, deferred tax is created using a balance sheet approach considering the taxable and deductible temporary differences, unlike previous GAAP where a concept of timing difference was applied. Ind AS adjustments recorded by the Group also have a deferred tax impact which has been recognised in the financial statements.

Note – 12

Guaranteed receivables

Under Ind AS, financial assets and liabilities are not offset unless there is a legal right to setoff accordingly certain trade receivables and related liabilities have been reported on a gross basis under Ind AS.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

C(ii)- Reconciliation between previous GAAP and Ind AS for impact on balance sheet

(₹ crore)

Particulars	Notes to first time adoption	Previous GAAP as at 31st March, 2016	Adjustments	Ind AS as at 31st March, 2016	Previous GAAP as at 1st April, 2015	Adjustments	Ind AS as at 1st April, 2015
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	2, 3	42,733.08	1,662.67	44,395.76	34,677.23	1,571.54	36,248.77
(b) Capital work-in-progress	3	24,884.26	42.96	24,927.22	29,195.82	13.72	29,209.54
(c) Investment property		0.00	0.88	0.88	(0.00)	0.90	0.90
(d) Intangible assets		1,546.20	-	1,546.20	1,510.21	-	1,510.21
(e) Investments accounted for using the equity method		1,781.19	435.61	2,216.80	1,125.82	928.66	2,054.48
(e) Financial assets		-	-			-	-
(i) Investments	5	13.53	48.71	62.24	13.52	48.29	61.81
(ii) Trade receivable	3	37.34	(37.34)	-	30.39	(28.14)	2.25
(iv) Loans	2, 4	487.53	(37.58)	449.95	481.08	(54.10)	426.98
(v) Other financial assets	1, 4	219.63	269.78	489.41	267.89	355.83	623.72
(f) Deferred tax assets (net)	10	1,786.39	(116.57)	1,669.81	0.00	(0.00)	-
(g) Current tax assets (net)		278.10	-	278.10	609.89	-	609.89
(h) Other non current assets		1,007.08	(30.61)	976.47	802.68	(4.52)	798.16
		74,774.33	**2,238.51**	**77,012.84**	**68,714.53**	**2,832.18**	**71,546.71**
Current assets							
(a) Inventories	3	15,163.64	(455.41)	14,708.24	17,758.85	(484.73)	17,274.12
(b) Financial assets		-				-	
(i) Trade receivable	12	2,908.61	242.81	3,151.42	3,215.13	370.76	3,585.89
(ii) Cash and cash equivalents		145.18	-	145.18	165.04	-	165.04
(iii) Other bank balances		200.37	-	200.37	2,211.72	-	2,211.72
(iv) Loans	4	(46.70)	111.89	65.18	(16.69)	83.66	66.97
(v) Other financial assets	1, 4	1,553.19	209.65	1,762.84	2,218.71	120.10	2,338.81
(c) Current tax assets (net)		0.89	-	0.89	0.00	-	0.00
(d) Other current assets		4,223.91	10.84	4,234.74	4,228.45	10.09	4,238.53
	19	**24,149.10**	**119.78**	**24,268.88**	**29,781.21**	**99.87**	**29,881.08**
Assets classified as held for sale		0.03	20.56	20.59	0.00	20.46	20.46
TOTAL ASSETS		**98,923.46**	**2,378.85**	**1,01,302.31**	**98,495.74**	**2,952.51**	**1,01,448.25**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		4,130.53	-	4,130.53	4,130.53	-	4,130.53
(b) Other equity		35,798.67	222.23	36,020.90	39,609.67	839.75	40,449.42
		39,929.20	**222.23**	**40,151.43**	**43,740.20**	**839.75**	**44,579.95**
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	2, 4	15,936.16	1,559.55	17,495.71	13,937.79	1,682.41	15,620.20
(ii) Trade payables		6.83	-	6.83	0.71	-	0.71
(iii) Others	4	1,574.74	(2.92)	1,571.82	1,431.65	(56.56)	1,375.09
(b) Provisions		3,357.82	(84.10)	3,273.72	3,469.95	(82.80)	3,387.15
(c) Deferred tax liabilities (net)		-	-	-	1,305.67	69.60	1,375.28
(d) Other non-current liabilities	6, 7	0.00	113.48	113.48	0.01	117.89	117.90
		20,875.55	**1,586.01**	**22,461.56**	**20,145.79**	**1,730.54**	**21,876.32**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		15,574.86	-	15,574.86	14,282.91	-	14,282.91
(ii) Trade payables		3,983.54	-	3,983.54	3,597.31	-	3,597.31
(iii) Other financial liabilities	1, 2, 12	10,412.73	562.87	10,975.60	9,928.15	500.42	10,428.57
(b) Other current liabilities	6	5,489.76	5.23	5,494.99	4,282.21	5.25	4,287.46
(c) Provisions	8	2,645.89	2.52	2,648.41	2,506.62	(123.45)	2,383.17
(d) Current tax liabilities (net)		11.90	-	11.90	12.55	-	12.55
		38,118.69	**570.61**	**38,689.30**	**34,609.74**	**382.22**	**34,991.96**
TOTAL EQUITY & LIABILITIES		**98,923.44**	**2,378.85**	**1,01,302.29**	**98,495.73**	**2,952.51**	**1,01,448.23**

* Excluding reclassifications and adjustments to individual line items upon application of equity method

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

C (iii)- Reconciliation between previous GAAP and Ind AS for impact on statement of profit and loss (₹ crore)

Particulars	Notes to first time adoption	Previous GAAP for the year ended 1st April, 2015	Adjustments*	Ind AS 31st March, 2016
Revenue				
Revenue from operations	26	43,916.27	16.46	43,932.73
Other income	27	551.00	(21.96)	529.04
		44,467.28	**(5.50)**	**44,461.77**
Expenses				
Cost of materials consumed	28	17,183.00	-	17,183.00
Purchase of Stock in Trade		-	-	-
Changes in inventories of finished goods and work in Progress	29	540.45		540.45
Excise duty		4,834.29		4,834.29
Employee benefits expense	30	9,859.01	(130.44)	9,728.57
Finance costs	31	2,046.71	253.74	2,300.45
Depreciation and amortisation expense		2,124.18	280.23	2,404.42
Other expenses	32	15,149.82	(600.88)	14,548.94
		51,737.45	**(197.34)**	**51,540.11**
Profit before share of net profits of investment accounted for using equity method and tax		**(7,270.18)**	**191.83**	**(7,078.34)**
Share of (loss) in investments accounted for using equity method		(40.19)	4.33	(35.86)
Profit/(Loss) before tax		(7,310.36)	196.16	(7,114.20)
Profit/(Loss) before tax		(7,310.36)	196.16	(7,114.20)
Tax expense				
Current tax		23.42		23.42
Deferred tax		(2,962.02)	75.91	(2,886.11)
Earlier years		(75.02)		(75.02)
Total tax expense		**(3,013.62)**	**75.91**	**(2,937.71)**
Profit/(Loss) for the year		**(4,296.74)**	**120.25**	**(4,176.49)**
Other Comprehensive Income				
A i) Items that will not be reclassified to profit and loss				
Remeasurements of post employment benefit obligations		-	(144.45)	(144.45)
Changes in fair value of FVOCI equity instruments		-	0.42	0.42
Others		-	-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	49.35	49.35
B i) Items that will be reclassified to profit or loss				
Share of the OCI of associate and joint ventures accounted for using the equity method		-	50.84	50.84
ii) Income tax relating to items that will be reclassified to profit or loss				
Other Comprehensive Income for the year		**-**	**(43.83)**	**(43.83)**
Total Comprehensive Income for the year		**(4,296.74)**	**76.42**	**(4,220.32)**

* Excluding reclassifications

D. Due to application of equity method assets and liabilities of joint ventures which were proportionately consolidated in the previous GAAP have been aggregated into a single line investment. The following table shows the break-down of assets and liabilities on the date of transition to Ind AS:

Particulars	Proportionate share of assets and liabilities 1st April, 2015
Non-Current Assets	**973.92**
Financial	1,845.26
Non-Financial	2,819.18
Total	
Current Assets	
Financial	543.17
Non-Financial	266.45
Total	**809.62**
Total assets (A)	**3,628.80**
Non-Current Liabilities	
Financial	437.34
Non-Financial	294.07
Total	**731.41**
Current Liabilities	
Financial	504.13
Non-Financial	176.76
Total	**680.89**
Total liabilities (B)	**1,412.30**
Total Equity (A-B)	**2,216.50**
Reconciliation	
Total proportionate share in net assets 1st April, 2015	**2,216.50**
Adjustment for share of share application money pending allotment:	(167.86)
Adjusted share in net assets	**2,048.64**
Unrecognised losses due to application of equity method	5.24
Amount of investment recognised using equity method	**2,053.88**
Share in associate accounted for using equity method	0.60
Amount of investment recognised using equity method on date of transition	**2,054.48**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

37. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEES

A. Joint ventures individually significant to the Group

NTPC SAIL Power Company Limited

(₹ crore)

Summarised balance sheet	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current assets			
Cash and cash equivalents	5.14	242.64	154.82
Other assets	920.51	538.63	678.43
	925.65	781.27	833.25
Non-current assets	**2,202.61**	**2,162.67**	**2,317.67**
Current Liabilities			
Financial liabilities (excluding trade payables and provisions)	316.96	282.11	261.95
Other Liabilities	103.23	107.97	229.96
	420.19	**390.08**	**491.91**
Non-Current liabilities			
Financial liabilities (excluding trade payables and provisions)	570.13	555.21	742.28
Other liabilities	164.43	243.42	268.96
	734.56	**798.63**	**1,011.24**
Net assets	**1,973.51**	**1,755.23**	**1,647.77**
Ownership interest	**50.00%**	**50.00%**	**50.00%**
Carrying amount of interest	**986.76**	**877.62**	**823.89**

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	2,526.31	2,436.07
Depreciation and ammortisation	147.20	139.72
Interest income	94.46	69.48
Interest Expense	76.52	105.43
Income tax expense or income	46.73	18.52
Profit or loss from continuing operations.	388.87	251.96
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	(2.08)	(0.01)
Total comprehensive income.	386.79	251.95
Ownership interest	**50.00%**	**50.00%**

Mjunction Services Limited

(₹ crore)

Summarised balance sheet	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current assets			
Cash and cash equivalents	51.72	39.06	26.83
Other assets	210.95	187.38	155.10
	262.67	**226.44**	**181.93**
Non-current assets	**93.99**	**88.85**	**97.83**
Current Liabilities			
Financial liabilities (excluding trade payables and provisions)	92.08	80.23	91.41
Other Liabilities	24.90	19.86	17.53
	116.98	**100.09**	**108.94**
Non-Current liabilities			
Financial liabilities (excluding trade payables and provisions)	-	-	-
Other liabilities	12.60	11.16	9.86
	12.60	**11.16**	**9.86**
Net assets	**227.08**	**204.04**	**160.96**
Ownership interest	**50.00%**	**50.00%**	**50.00%**
Carrying amount of interest	**113.54**	**102.02**	**80.48**

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	176.15	175.54
Depreciation and ammortisation	8.07	7.87
Interest income	0.16	0.05
Interest Expense	-	-
Income tax expense or income	16.06	19.93
Profit or loss from continuing operations	37.75	43.04
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	0.25	0.03
Total comprehensive income	38.00	43.07
Ownership interest	**50.00%**	**50.00%**

International Coal Ventures Limited

(₹ crore)

Summarised balance sheet	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current assets			
Cash and cash equivalents	50.92	30.00	79.44
Other assets	37.21	30.76	11.90
	88.13	**60.76**	**91.34**
Non-current assets	**2,217.58**	**2,135.70**	**1,861.28**
Current Liabilities			
Financial liabilities (excluding trade payables and provisions)	248.04	255.46	72.83
Other Liabilities	0.51	9.04	19.43
	248.55	**264.50**	**92.26**
Non-Current liabilities			
Financial liabilities (excluding trade payables and provisions)	-	-	-
Other liabilities	14.58	20.35	28.80
	14.58	**20.35**	**28.80**
Net assets	**2,042.58**	**1,911.61**	**1,831.56**
less: share application money pending allotment	**(180.01)**	**(193.69)**	**(335.20)**
Ownership interest	**46.73%**	**46.62%**	**49.59%**
Carrying amount of interest	**870.38**	**800.89**	**742.04**

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	13.91	27.11
Depreciation and ammortisation	0.13	0.08
Interest income	0.65	1.01
Interest Expense	89.91	6.15
Income tax expense or income	0.40	-
Profit or loss from continuing operations.	(67.33)	(433.56)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	3.26	108.80
Total comprehensive income.	(64.07)	(324.76)
Ownership interest	**46.73%**	**46.62%**

Bokaro Power Supply Co. Ltd.

(₹ crore)

Summarised balance sheet	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current assets			
Cash and cash equivalents	134.91	165.37	78.90
Other assets	295.04	310.56	320.00
	429.95	**475.93**	**398.90**
Non-current assets	**834.01**	**779.11**	**775.39**
Current Liabilities	-	-	-
Financial liabilities (excluding trade payables and provisions)	150.74	194.29	196.45
Other Liabilities	70.72	91.33	71.93
	221.46	**285.62**	**268.38**
Non-Current liabilities	-	-	-
Financial liabilities (excluding trade payables and provisions)	15.79	6.98	6.77
Other liabilities	258.20	248.33	271.42
	273.99	**255.31**	**278.19**
Net assets	**768.51**	**714.11**	**627.72**
Ownership interest	**50.00%**	**50.00%**	**50.00%**
Carrying amount of interest	**384.26**	**357.06**	**313.86**

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	900.72	951.04
Depreciation and ammortisation	-	-
Interest income	25.61	27.04
Interest Expense	15.66	19.29
Income tax expense or income	2.09	10.65
Profit or loss from continuing operations	78.54	99.21
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	(0.49)	0.21
Total comprehensive income	78.53	99.20
Ownership interest	**50.00%**	**50.00%**

Bhilai Jaypee Cement Limited

(₹ crore)

Summarised balance sheet	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current assets			
Cash and cash equivalents	4.20	2.13	7.87
Other assets	31.43	64.34	130.86
	35.63	**66.47**	**138.73**
Non-current assets	**775.68**	**776.80**	**777.93**
Current Liabilities			
Financial liabilities (excluding trade payables and provisions)	258.54	169.81	225.69
Other Liabilities	435.83	471.71	402.12
	694.37	**641.52**	**627.81**
Non-Current liabilities			
Financial liabilities (excluding trade payables and provisions)	13.94	30.53	38.64
Other liabilities	5.62	4.81	2.84
	19.56	**35.34**	**41.48**
Net assets	**97.38**	**166.41**	**247.37**
Ownership interest	**26.00%**	**26.00%**	**26.00%**
Calculated share of net assets	**25.32**	**43.27**	**64.32**
Goodwill	**5.73**	**5.73**	**5.73**
Carrying amount of interest	**31.05**	**49.00**	**70.05**

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	84.13	444.03
Depreciation and ammortisation	38.43	38.47
Interest income	-	-
Interest Expense	18.92	32.86
Income tax expense or income	(30.80)	(35.68)
Profit or loss from continuing operations	(69.03)	(80.54)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	(0.31)	-
Total comprehensive income	(69.34)	(80.54)
Ownership interest	**26.00%**	**26.00%**

B. Summarised financial information for Joint Ventures not individually significant

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit or loss from continuing operations	(24.89)	(29.45)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	0.01	(0.05)
Total comprehensive income	(24.88)	(29.40)

C. Associates, not individually significant

(₹ crore)

Summarised statement of profit and loss	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit or loss from continuing operations	0.52	1.56
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	0.52	1.56

D. The unrecognised share of losses of joint ventures, both for the reporting period and cumulatively, where the Group has stopped recognising its share of losses of the joint venture when applying the equity method

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
SAL SAIL JVC Limited			
reporting period	-	-	-
cumulative	0.01	0.01	0.01
SAIL MOIL Ferro Alloys Private Limited			
reporting period	0.19	0.21	
cumulative	1.67	1.48	1.27
SAIL SCL Kerala Limited			
reporting period	4.84	4.10	
cumulative	12.25	7.41	3.96
Abhinav SAIL JVC Limited			
reporting period	-	0.01	-
cumulative	0.02	0.01	-
SAIL Bengal Alloy Castings Pvt. Limited			
reporting period	-	0.01	-
cumulative	-	0.01	-

E. Dividends received from the joint ventures

(₹ crore)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
NTPC SAIL Power Company Limited	84.25	72.21
Mjunction Services Limited	7.22	-
International Coal Ventures Limited	-	-
Bokaro Power Supply Co. Limited	12.32	6.52
Bhilai Jaypee Cement Limited	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

37A. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

S. No.	Name	Relationship	Nature of activity	Principal Place of Business	Proportionate Ownership in %		
					As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	SAIL Jagdishpur Power Plant Limited	Subsidiary	Power Production	India	100%	100%	100%
2	SAIL Refractory Company Limited	Subsidiary	Refactory Material production	India	100%	100%	100%
3	SAIL Sindri Projects Limited	Subsidiary	Cement Production	India	100%	100%	100%
4	Chhattisgarh Mega Steel Limited	Subsidiary	Steel Production	India	74%	100%	100%
5	NTPC SAIL Power Company Ltd	Joint-venture	Power Production	India	50%	50%	50%
6	Bokaro Power Supply Co. Pvt. Ltd.	Joint-venture	Power Production	India	50%	50%	50%
7	Mjunction Services Limited	Joint-venture	Consultancy Services	India	50%	50%	50%
8	SAIL Bansal Service Centre Ltd	Joint-venture	Consultancy Services	India	40%	40%	40%
9	Bhilai Jaypee Cement Limited	Joint-venture	Cement Production	India	26%	26%	26%
10	S& T Mining Co. Pvt. Limited	Joint-venture	Coal Mining	India	50%	50%	50%
11	International Coal Ventures Private Ltd.	Joint-venture	Coal Mining	India/ Mozambique	47%	47%	50%
12	SAIL-MOIL Ferro Alloys Private Ltd.	Joint-venture	Ferro Manganese Production	India	50%	50%	50%
13	SAIL SCI Shipping Pvt. Limited	Joint-venture	Logistics	India	50%	50%	50%
14	SAIL SCL Kerala Limited	Joint-venture	Steel Production	India	49%	49%	48%
15	SAIL RITES Bengal Industry Pvt. Ltd.	Joint-venture	Railway Wagon Production	India	50%	50%	50%
16	SAIL Kobe Iron India Pvt. Limited	Joint-venture	Steel Production	India	50%	50%	50%
17	SAIL-BENGAL Alloy Castings Private Ltd.	Joint-venture	Alloy Casting	India	50%	50%	50%
18	Prime Gold-SAIL JVC Limited	Joint-venture	Steel Production	India	26%	26%	26%
19	VSL SAIL JVC Limited	Joint-venture	Alloy Casting	India	21%	26%	26%
20	Abhinav SAIL JVC Limited	Joint-venture	Alloy Casting	India	26%	26%	26%
21	NMDC SAIL Limited	Joint-venture	Railway Project	India	49%	-	-
22	TMT SAL SAIL JV Limited	Joint-venture	Metal Products	India	26%	26%	26%
23	SAL SAIL JVC Limited	Joint-venture	Metal Products	India	26%	26%	26%
24	Bastar Railway Private Limited	Joint-venture	Railway Project	India	21%	-	-
25	Almora Magnesite Limited	Associate	Megnesite Mining	India	20%	20%	20%

38. DETAILS OF ASSETS PLEDGED

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Inventories and trade receivables (to the extent pledged)	**1,552**	2,256	6,558
Non Current			
Plant & Machinery (movable assets) - Durgapur Steel Plant (to the extent pledged)	**1,162**	1,176	1,190
Plant & Machinery (movable assets) - Bokaro Steel Plant (to the extent pledged)	**2,500**	-	-
Land (at Mouje-Wadej of city taluka, District Ahemadabad, Gujrat) - ISP	**0.02**	0.02	0.02

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

39. EFFECTIVE TAX RECONCILIATION

(₹ crore)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit/(Loss) before tax	**(4,715.69)**	(7,114.21)
Domestic tax rate for PFS	**0.34608**	0.34608
Expected tax expense [A]	**(1,632.01)**	(2,462.09)
Adjustment for tax-exempt income/ non-deductible expenses	**(10.71)**	17.85
Adjustment for difference tax rate items	**0.47**	0.47
Deferred tax liability/ assets not recognised	**(9.01)**	4.12
Tax incentive on specific expenditure	**(353.00)**	(524.84)
Tax related to earlier years	**15.14**	(75.02)
MAT credit reversal	**28.50**	12.71
Deferred tax on undistributed profit of subsidiary	**2.61**	1.71
Tax rate difference on undistributed profits and dividend income	**8.37**	80.80
Others	**(9.89)**	6.58
Total adjustments [B]	**(327.52)**	(475.62)
Actual tax expense [C=A+B]	**(1,959.52)**	(2,937.71)
Tax expense comprises:		
Current tax expense	**30.64**	24.91
Deferred tax credit	**(1,990.16)**	(2,962.62)
Tax expense recognized in profit and loss [D]	**(1,959.52)**	(2,937.71)

40. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2017	Net Worth			Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income	
Name of the entity in the group	**Ownership in % As at 31 March, 2017**	**Proportionate Share**	**As % of Consolidated Net Worth**	**Share in Profit/ (Loss)**	**As % of Consolidated Profit/ (Loss)**	**Share in Other Comprehensive Income**	**As % of Consolidated Other Comprehensive Income**	**Share in Total Comprehensive Income**	**As % of Consolidated Total Comprehensive Income**
Steel Authority of India	100	36,009.06	97.21%	(2,833.24)	102.80%	(353.60)	99.96%	(3,186.84)	102.51%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
SAIL Refractory Company Limited	100	116.76	0.32%	21.01	-0.76%	(0.67)	0.19%	20.34	-0.65%
SAIL Sindri Projects Limited	100	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Chhattisgarh mega steel limited	74	0.03	0.00%	-	0.00%	-	0.00%	-	0.00%
Joint-ventures									
NTPC SAIL Power Company Pvt. Ltd	50	986.76	2.66%	194.43	-7.05%	(1.04)	0.29%	193.39	-6.22%
Bokaro Power Supply Co. Pvt. Ltd.	50	384.26	1.04%	39.27	-1.42%	0.25	-0.07%	39.52	-1.27%
Mjunction Services Limited	50	113.54	0.31%	18.87	-0.68%	(0.12)	0.03%	18.75	-0.60%
SAIL Bansal Service Centre Ltd	40	0.50	0.00%	(0.16)	0.01%	0.00	0.00%	(0.16)	0.01%
Bhilai Jaypee Cement Limited	26	25.32	0.07%	(17.87)	0.65%	(0.08)	0.02%	(17.95)	0.58%
S& T Mining Co. Pvt. Limited	50	(0.50)	0.00%	(2.53)	0.09%	-	0.00%	(2.53)	0.08%
International Coal Ventures Private Ltd.	46.62	868.33	2.34%	(31.39)	1.14%	1.52	-0.43%	(29.87)	0.96%
SAIL-MOIL Ferro Alloys Private Ltd.	50	(1.67)	0.00%	(0.19)	0.01%	-	0.00%	(0.19)	0.01%
SAIL SCI Shipping Pvt. Limited	50	0.07	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%
SAIL SCL Kerala Limited	49.26	(17.14)	-0.05%	(6.14)	0.22%	-	0.00%	(6.14)	0.20%
SAIL RITES Bengal Industry Pvt. Ltd.	50	14.83	0.04%	(6.49)	0.24%	-	0.00%	(6.49)	0.21%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Prime Gold-SAIL JVC Limited	26	6.44	0.02%	1.07	-0.04%	-	0.00%	1.07	-0.03%
VSL SAIL JVC Limited	26	1.58	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	(0.03)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
NMDC SAIL Limited	49	0.02	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
TMT SAL SAIL JV Limited	26	(0.00)	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
Bastar Railway Private Limited	21	0.49	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
Associates									
AlmoraMagnesite Limited	20	1.01	0.00%	0.10	0.00%	-	0.00%	0.10	0.00%
Non-controlling interest		**0.01**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**
Consolidation adjustments		**1,467.65**	**-3.96%**	**132.87**	**4.82%**	**-**	**0.00%**	**131.87**	**4.24%**
Grand total		**37,042.27**	**100.00%**	**(2,756.17)**	**100.00%**	**(353.75)**	**100.00%**	**(3,108.92)**	**100.00%**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

41. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2016	Net Worth			Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income	
Name of the entity in the group	Ownership in % As at 31 March, 2016	Proportionate Share	As % of Consolidated Net Worth	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive Income
Steel Authority of India	100	39,195.90	97.62%	(4,021.44)	96.29%	(95.09)	216.93%	(4,116.53)	97.56%
Subsidiaries									
SAIL Jagdishpur Power Plant Limited	100	0.03	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL Refractory Company Limited	100	102.00	0.25%	15.89	-0.38%	0.41	-0.94%	16.30	-0.39%
SAIL Sindri Projects Limited	100	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Chhattisgarh mega steel limited	100	0.04	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Joint-ventures									
NTPC SAIL Power Company Pvt. Ltd	50	877.61	2.19%	125.98	-3.02%	(0.00)	0.01%	125.97	-2.99%
Bokaro Power Supply Co. Pvt. Ltd.	50	357.06	0.89%	49.61	-1.19%	0.11	-0.24%	49.71	-1.18%
Mjunction Services Limited	50	102.02	0.25%	21.52	-0.52%	0.02	-0.03%	21.54	-0.51%
SAIL Bansal Service Centre Ltd	40	0.65	0.00%	(0.33)	0.01%	(0.01)	0.02%	(0.34)	0.01%
Bhilai Jaypee Cement Limited	26	43.27	0.11%	(20.94)	0.50%	-	0.00%	(20.94)	0.50%
S& T Mining Co. Pvt. Limited	50	2.03	0.01%	(2.08)	0.05%	0.02	-0.03%	(2.07)	0.05%
International Coal Ventures Private Ltd.	46.62	800.89	1.99%	(202.13)	4.84%	50.72	-115.72%	(151.40)	3.59%
SAIL-MOIL Ferro Alloys Private Ltd.	50	(1.48)	0.00%	(0.21)	0.01%	-	0.00%	(0.21)	0.00%
SAIL SCI Shipping Pvt. Limited	50	0.07	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%
SAIL SCL Kerala Limited	49.26	(11.00)	-0.03%	(6.97)	0.17%	-	0.00%	(6.97)	0.17%
SAIL RITES Bengal Industry Pvt. Ltd.	50	19.59	0.05%	(2.74)	0.07%	-	0.00%	(2.74)	0.06%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
Prime Gold-SAIL JVC Limited	26	5.36	0.01%	(1.53)	0.04%	-	0.00%	(1.53)	0.04%
VSL SAIL JVC Limited	26	1.34	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
TMT SAL SAIL JV Limited	26	(0.00)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
SAL SAIL JVC Limited	26	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
Associates									
AlmoraMagnesite Limited	20	0.91	0.00%	0.31	-0.01%	-	0.00%	0.31	-0.01%
Consolidation adjustments		**1,345.09**	**-3.35%**	**131.39**	**3.15%**	**-**	**0.00%**	**130.39**	**3.09%**
Grand total		**40,151.43**	**100.00%**	**(4,176.50)**	**100.00%**	**(43.83)**	**100.00%**	**(4,219.33)**	**100.00%**

42.1 CONTINGENT LIABILITIES

(₹ crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	In Respect of SaIL:			
(i)	Claims against the Group pending appellate/judicial decisions against which the Group has counter claims of ₹26.30crore (as at 31st March 2016 ₹26.30crore)(as at 1st April 2015 ₹28.06crore) * includes sales tax on inter-state stock transfers from SAIL plants to stockyards -₹740.99 crores (31st March 2016 ₹739.30 crores) (as at 1st April 2015 ₹739.33 crores) for which no liability is expected to arise, as sales tax has been paid on eventual sales.	**33182.59**	30493.13	22265.17
(ii)	Other claims against the Group not acknowledged as debts against which the Group has counter-claims of ₹103.95 crore (as at 31st March 2016 ₹103.95 crore)(as at 1st April 2015 ₹103.95 crore).	**3243.98**	1854.51	1313.02
(iii)	Disputed income tax/service tax/other demand on joint venture company for which company may be contingently liable under the joint venture agreement	**32.89**	33.79	31.59
(iv)	Bills drawn on customers and discounted with banks.	**37.38**	35.00	420.15
(v)	Price escalation claims by contractors/suppliers and claims by certain employees, extent whereof is not ascertainable	**408.62**	166.58	250.71
	Inclued above in respect of Joint Ventures:			
(i)	Claims against the Company pending appellate/judicial decisions	**0.42**	0.78	0.86
(ii)	Other claims against the Company not acknowledged as debt	**38.16**	45.03	42.79

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

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Capital commitments	13582.21	15689.19	13014.50
Other commitments	1532.36	1444.26	1399.69

42.3 In respect of SAIL:

a) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by the States and has laid down principles/tests for consideration. The respective regular Benches of the Court would hear the matters as per laid down principles. Pending decisions by the regular Benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh, and Jharkhand, the Entry Tax demands, under dispute, of ₹1092.28 crore, ₹352.16 crore, ₹92.23 crore and ₹5.15 crore upto 31st March, 2017 aggregating to ₹1541.82 crore (including a sum of ₹1091.02 crore, ₹341.15 crore, ₹92.23 crore and ₹5.15 upto 31st March, 2016 and a sum of ₹1084.32 crore, , ₹333.95 crore, ₹92.23 crore and ₹5.15 upto 1st April, 2015) have been treated as contingent liabilities.

The Company has deposited ₹ 1761.20 crore (upto 31st March, 2016 ₹ 1600.95 crore) (upto 1st April, 2015 ₹ 1436.58 crore) against the said demand which has been treated as Deposit and disclosed under Non-Current Financial Assets-Loans.

Pending final decision by the Hon'ble Calcutta High Court, in the case of levy of Entry Tax in West Bengal, the disputed Entry Tax demands of ₹254.21 crore for the year ended 31st March, 2017 (for the year ended 31st March, 2016 ₹155.44 crore)(for the year ended 1st April, 2015 ₹ 79.90 crore) have been treated as contingent liabilities.

b) Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. The appeal filed by DVC pertaining to tariff of 2004-09 is yet to be decided by the Hon'ble Supreme Court of India. As per legal opinion received by the Company, the decision of Hon'ble Supreme Court of India on determination of the tariff of 2004-09 may have an effect on the subsequent periods. Pending final decision in this regard, the claim of DVC of ₹ 587.72 crore upto 31st March, 2017 (upto 31.03.2016 ₹491.27 crore, as at 01.04.2015 ₹393.59 crore) has been considered as Contingent Liability and included in Note No. 42.1(i)(f) above. Against the said demands, the entire amount has been paid to DVC.

42.4 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015 the State Government of Jharkhand has made a demand of ₹3045.41 crore upto 31st March, 2017 (upto 31.03.2016 ₹2375.95 crore, as at 01.04.2015 ₹63.31 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 42.1(i) above.

42.5 The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification by the Ministry of Mines, Government of India and the price published by India Bureau of Mines on a monthly basis for both iron ore lumps and fines separately. A circular was issued by the State Government of Odisha regarding payment of royalty on fines at the rate of lumps on 07.09.2010 retrospectively effective from August 2009. The Government of India, vide circular dated 23.07.2012, directed the State Government of Odisha to withdraw the circular dated 07.09.2010. Accordingly, excess royalty for fines at the rate applicable for lumps, paid in two Iron Ore Mines of the Company amounting to ₹144.34 crore, has been shown as Claims Recoverable. As the Company has disputed the matter with the Appropriate Authorities pending withdrawal of the circular of the State Government of Odisha, the amount of ₹144.34 crore (As on 31.03.2016 ₹144.34 and 01.04.2015 ₹144.34 crore) has been included in the Contingent Liability, in Note No. 42.1(ii) above.

42.6 In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ` 325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 42.1(v) above.

42.7 Indigenous washed coking coal supplies, have been claimed by Bharat Coaking Coal Limited (BCCL) and Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 13th January, 2017 and 14th January, 2017 respectively, which is in deviation from the mutually agreed price with the Company for the year 2016-17. The Company has accounted for the supplies based on agreed prices as per jointly signed Memorandum of Understanding, valid for supplies w.e.f. 1st April, 2016 to 31st March, 2017, between SAIL and BCCL & CCL. The differential claims of BCCL & CCL, amounting to ₹334.45 crore at unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 42.1(ii) above.

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

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

43.1 The amount due to Micro and Small Enterprises as defined in the `The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 22 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, 2017 are as under: (₹ crore)

No.	Description	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
i.	The principal amount remaining unpaid to supplier as at the end of the Year.	38.12	29.46	27.27
ii.	The amount of interest accrued during the year and remaining unpaid at the end of the Year.	-	-	
iii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-	
		For the Year ended		
		31st March, 2017	31st March, 2016	
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.	-	-	

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

44.1 In respect of SAIL, Sales include sale to Government Agencies recognised on provisional contract prices during the Year ended 31st March 2017: ₹3807.78 crore (Previous Year: ₹3779.85 crore) and cumulatively up to 31st March, 2017: ₹18342.41 crore (up to Previous Year: ₹14667.87 crore).

44.2 In respect of SAIL, the long-term agreement for wage revision expired on 31st December, 2016. Pending finalisation of fresh agreement w.e.f. 1st January 2017, an all-inclusive provision of Rs.107.15 crore towards salaries and wages revision, has been made on ad-hoc basis.

44.3 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 ₹261.60 crore (₹226.22 crore) and ₹77.83 crore (₹50.78 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, 2017	31st March, 2016
Raw Materials	26.93	66.25
Employees Benefits Expenses	88.87	95.18
Stores & Spares Consumed	9.44	5.39
Power & Fuel	4.80	14.79
Repairs & Maintenance	4.13	4.78
Depreciation and Amortisation Expenses	6.42	6.04
Other Expenses	119.01	33.61
Finance Cost	2.00	0.18
Total	**261.60**	**226.22**

44.4 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 2017, no provision is required to be made during the year, as the value in use of assets of Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant and IISCO Steel Plant, based on the present value of estimated future cash-flows expected to arise from the continuing use of an asset and from its disposal at the end its useful life, is more than the carrying amount of the respective CGU.

No provision is required to be made during the year for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant, as the net realisable value thereof, assessed by an independent agency, as on 31st March, 2015 for Salem Steel Plant and as on 31st March, 2017 for Alloy Steels Plant and Visvesvaraya Iron & Steel Plant, is more than the carrying amount of respective CGU.

In the opinion of the management, there is no impairment of assets in the Rotary Polisher unit in Salem amounting to ₹7.29 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 ₹34.63 crore.

44.5 As per Section 135 of the Companies Act, 2013 effective from 1st April, 2014, SAIL is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility (CSR) Policy. Since, the Company reported average net loss made during the three immediately preceding financial years, no budget is required to be spent for the Financial Year 2016-17. Total amount to be spent by the Company is ₹22.80 crore i.e. unspent amount of previous year. The Company has spent an amount of ₹29.05 crore on CSR activities during the year 2016-17 under the following heads :

Particulars	₹ crore
Education	8.96
Healthcare	3.39
Livelihood Generation	2.97
Women Empowerment	0.90
Drinking Water	0.95
Sanitation	1.50
Sports	0.97
Art & Culture	2.13
Rural Development	2.68
Social Security	0.26
Environment Sustainability	3.13
Project Identification and Monitoring	0.00
Capacity Building of Personnel	0.00
Total	**29.05**

SRCL, has spent an amount of ₹0.57 crore, on CSR activities during the year 2016-17.

44.6 In respect of SAIL, Information on leases as per Indian Accounting Standards (Ind AS)17 on `Leases':

(a) The Company has granted lease of properties to the employees and third parties for varying periods. The lease premium received up-front, after adjusting against book value, is booked to other revenues 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) Finance lease liabilities (refer note 21 and 23) are secured by the related assets held under finance lease. Future minimum finance lease payments of the respective years were as follows:

(₹ crore)

	Minimum Lease Payment Due			
	Within 1 year	**1-5 years**	**After 5 years**	**Total**
31st March, 2017				
Lease payment	251.21	913.69	2255.38	3420.28
Finance charge	-158.59	-556.78	-1233.80	-1949.17
Net present value	92.62	356.91	1021.58	1471.11
31st March 2016				
Lease payment	276.26	870.49	2222.86	3369.61
Finance charge	-145.26	-478.65	-1281.99	-1905.90
Net present value	131.00	391.84	940.87	1463.71
31st March 2015				
Lease payment	280.30	873.31	2365.11	3518.72
Finance charge	-154.58	-497.43	-1387.45	-2039.46
Net present value	125.72	375.88	977.66	1479.26

c) Description of major leasing arrangements

Power plant

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

Oxygen plant

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

Mining land

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

d) (i) 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 ₹14.16 crore (₹13.96 crore).

(ii) From the Balance Sheet date, the future Minimum lease payments under non-cancellable operating leases are :

(₹ crore)

	2016-17	**2015-16**	**2014-15**
Not later than one year	43.06	43.06	43.06
Later than I year and not later than 5 years	172.23	172.23	172.23
Later than 5 years	301.41	344.47	387.53

44.7 As per the Department of Public Enterprises (DPE) guidelines, SAIL 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. Accordingly the Company has made provision for pension benefit for executives @ 9% of Salary w.e.f. 1st January, 2007 and 3% of Salary w.e.f. 1st January, 2017. Further, pension benefit for non-executives has been provided @ 6% of Salary w.e.f. 1st January, 2012 and 2% of Salary w.e.f. 1st January, 2017.

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 ₹2367.93 crore (₹324.81 crore during the Year) and ₹46.05 crore (₹5.45 crore during the Year) have been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively.

44.8 During the year, SAIL had Specified Bank Notes (SBN) or other denomination notes as defined in the MCA notification G.S.R. 308E dated March 30, 2017 on the details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	**Specified Bank Notes (SBNs)**	**Other Denomination Notes (ODNs)**	**Total**
Closing Cash on Hand as on 08.11.2016	8203000	1266017	9469017
(+) Permitted Receipts	28605500	92848906	121454406
(-) Permitted Payments	303000	12115358	12418358
(-) Amounts Deposited in Bank	36505500	80982492	117487992
Closing cash on hand as on 30.12.2016	-	1017073	1017073

44.9 As per Government of India guidelines on payment of dividends, SAIL is required to pay a minimum annual dividend of 30% of Profit After Tax or 5% of the Net-worth, whichever is higher, subject to the maximum dividend permitted under the Companies Act, 2013 and other rules, unless lower dividend proposed to be paid is justified after analysis of the various financial parameters of the Company. In case, the Company is not able to comply with the guidelines, specific exemption has to be obtained from Department of Investment & Public Asset Management (DIPAM), Government of India. Keeping in view the adverse financial position of the Company due to losses, the Company took up the matter with DIPAM for exemption from compliance of the guidelines for payment of dividends for the financial year 2015-16. DIPAM intimated to the Company that efforts should be made to pay minimum dividend. The Company has again represented the matter to DIPAM for exemption and final decision in this regard is awaited.

44.10 Contributions in cash and kind made for the period from the Financial Year 2006-07 to 2016-17 to Railway authorities for laying out railway line from Rajhara to Rowghat would be recovered in cash at the rate of 7% per annum for 37 years on total contribution towards redemption of SAIL's contribution after commencement and fulfilment of assured traffic from Rowghat mines. Management is of view that the criteria laid out in Memorandum of Understanding will be met and interest accrues from the date of investment. The refund amount comprises principal and interest elements. Accordingly, the interest element has been computed and recognized as income during the year amounting to ₹11.40 crore (till date ₹19.11 crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India received during the year such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exist regarding collectability and measurability of revenue.

44.11 In respect of SAIL, based on materiality and comparability, in respect of temporarily discontinuation of operation of mines namely Barsua (w.e.f 17.05.2014), Bhawnathpur (w.e.f 29.04.2013) and Punapani (w.e.f 01.03.2004.) due to environmental/forestry clearance issues, net expenditure during the year 2016-17, excluding depreciation, of ₹ 97.95 crore (Previous Year ₹ 101.04 crore) has been included under Note No.32 'Other Expenses' in Statement of Profit and Loss (refer Note No 32). Head wise bifurcation is as under:

(₹ crore)

Account Head	F.Y. 2016-17	F.Y. 2015-16
Salary and Wages	53.41	51.49
Stores and Spares	7.77	11.85
Power Purchased	11.44	11.22
Repairs and Maintenance	6.84	7.63
Miscellaneous Expenses and Provisions	22.02	22.98
Total Expenditure	**101.48**	**105.17**
Total Income	-3.53	-4.13
Net Expenditure	**97.95**	**101.04**

45.1 DEFINED BENEFIT SCHEMES

45.1.1 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 up to 30 days once in a financial year up to 18th November 2015 and stopped thereafter.

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

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

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

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

In respect of SAIL:

45.1.2 Other disclosures, as required under Indian Accounting Standards (Ind AS)-19 (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
i)	Present Value of projected benefit obligations, as at the beginning of the year.	5692.84 (5457.44)	2535.85 (2411.82)	872.63 (845.95)	94.95 (106.10)	21.02 (21.17)
ii)	Service Cost	375.36 (472.63)	303.44 (284.28)	- (-)	- (-)	1.60 (1.47)
iii)	Interest Cost	381.98 (441.63)	173.00 (189.49)	60.24 (67.37)	6.52 (8.59)	1.43 (1.69)
iv)	Actuarial Gains(-) / Losses(+)	550.79 (123.60)	28.02 (216.51)	86.89 (50.28)	11.68 (-11.38)	1.82 (-1.02)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	847.91 (802.48)	300.10 (566.25)	83.55 (90.97)	8.92 (8.86)	2.73 (2.29)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	6153.06 (5692.82)	2740.21 (2535.85)	936.21 (872.63)	104.23 (94.45)	23.14 (21.02)

(b) Reconciliation of Fair Value of Assets and Obligations

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

(₹ crore)

Sl. No.	Particulars	2016-17	2015-16
i)	Fair Value of plan assets as at the beginning of the year	5494.74	5061.05
ii)	Expected return on plan assets	94.53	28.80
iii)	Actual Company's contribution	696.38	802.38
iv)	Interest Income/Actuarial Gain/Loss	398.35	404.89
v)	Benefits payments	847.91	802.48
vi)	Fair value of plan assets as at the end of the year	5836.21	5494.69
vii)	Present value of defined benefit obligation [45.1.2)(a)(vii)]	6153.06	5692.82
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	316.85	198.13

* SAIL does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2017-18, after considering the return on the investments.

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

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

(₹ crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	375.36 (472.63)	303.44 (284.28)	- (-)	- (-)	1.60 (1.47)
ii)	Interest Cost	-16.37 (36.74)	173.00 (189.49)	60.24 (67.37)	6.52 (8.59)	1.43 (1.69)
iii)	Actuarial Gains (-)/Losses	550.79 (123.60)	28.06 (216.51)	86.89 (46.42)	11.68 (-11.38)	1.82 (-1.02)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	93.25 (28.80)	- (-)	- (-)	- (-)	- (-)
vi)	Total (i+ii+iii+iv-v)	816.53 (604.17)	504.50 (690.28)	147.13 (113.79)	18.20 (-2.79)	4.85 (2.14)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 25)	356.51 (498.54)	491.23 (678.33)	58.34 (66.77)	- (-)	4.85 (2.14)
	b) Charged to Expenditure During Construction (Note 12.1)	-1.25 (0.50)	3.56 (1.60)	- (-)	17.29 (-2.53)	- (-)
	c) Charged to OCI (Note 27)	456.26 (94.80)	- (-)	88.79 (50.28)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	5.01	9.71	- (-)	0.91 (-0.26)	- (-)
viii)	Actual Return on Plan Assets	491.63 (433.71)				

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit schemes

(₹ crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	-256.33	254.97
ii)	Leave	-122.34	121.81
iii)	Post retirement benefit	-30.07	30.55
iv)	Long term service award	-1.13	1.03
v)	Retirement Travelling Allowance	-4.83	4.90

(e) Effect of one percentage point change in the salary escalation rate on Employees' Benefit Schemes

(₹ crore)

Sl. No.	Particulars	One percentage point decrease in discount rate	One percentage point increase in discount rate
i)	Gratuity	254.97	-229.85
ii)	Leave	123.47	-120.17

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

(₹ crore)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Post-retirement Medical Benefits	-17.96	19.80

(g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2017	As at 31.03.2016
Insurance Investments	85.03	83.60
Central Government Securities	1.54	1.57
State Government Securities	4.77	4.90
PSU Bonds	8.63	9.91
Cash at Bank	0.03	0.02
Total	100.00	100.00

(h) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2017	As at 31st March, 2016
i)	Discount Rate (per annum)	7.25%	8%
ii)	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.10% to 0.50% depending upon the age	Executives & Non-executives- 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	7.25% p.a.	8% p.a.
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

(i) Maturity Profile of Defined Benefit Obligations

(₹ crore)

Period	As at 31st March, 2017
Upto 1 year	781.26
Between 1 to 2 years	804.35
Between 2 to 3 years	807.95
Between 3 to 4 years	815.25
Between 4 to 5 years	818.28
Between 5 to 10 years	4263.21
More than 10 years	24861.59
Total Undiscounted Payments related to Past Service	33151.90
Less: Discount for Interest	26998.83
Projected Benefit Obligation	**6153.07**

In respect of SAIL Refractory Company Limited :

45.1.3 Other disclosures, as required under Indian Accounting Standards (Ind AS)-19 (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
i)	Present Value of projected benefit obligations, as at the beginning of the year	8.64 (9.13)
ii)	Service Cost	0.47 (0.31)
iii)	Interest Cost	0.61 (0.70)
iv)	Actuarial Gains(-) / Losses(+)	1.09 (0.71)
v)	Past Service Cost	- (-)
vi)	Benefits Paid	0.37 (0.79)
vii)	Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv-v-vi)	10.43 (8.64)

(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	2016-17	2015-16
i)	Fair Value of plan assets as at the beginning of the year	5.59	3.12
ii)	Expected return on plan assets	0.41	0.34
iii)	Actual Company's contribution	2.50	3.00
iv)	Actuarial gain/(loss)	0.06	0.08
v)	Benefits payments	0.38	0.79
vi)	Fair value of plan assets as at the end of the year	8.18	5.59
vii)	Present value of defined benefit obligation [45.1.3 (a)(vii)]	10.43	8.64
viii)	Net liability recognised in the Balance sheet (vii)-(vi) *	2.25	3.05

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

(₹ crore)

Sl.No.	Particulars	2016-17	2015-16
i)	Service Cost	0.47	0.31
ii)	Interest Cost	0.21	0.36
iii)	Actuarial Gains(-)/Losses	1.03	-0.64
iv)	Past Service Cost		
v)	Expected Return on Plan Assets	-0.38	0.79
vi)	Total (i+ii+iii+iv-v)	1.33	0.83
vii)	Employees' Benefits Expenses :		
	a) Charged to Profit & Loss Account		
	b) Charged to OCI	1.33	0.83

(d) Effect of half percentage point change in the Discount rate on Employees' Benefit Schemes

(₹ crore)

Sl.No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Defined Benefit Obligation	-0.23	0.24

(e) Effect of half percentage point change in the salary escalation rate on Employees' Benefit Schemes

(₹ crore)

Sl.No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Defined Benefit Obligation	0.21	-0.21

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

(₹ crore)

Sl.No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
i)	Defined Benefit Obligation	-0.42	0.44

(g) Actuarial Assumptions

Sl. No.	Description	As at 31st March, 2017	As at 31st March, 2016
i)	Discount Rate (per annum)	7.25%	8%
ii)	Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives - 0.10% to 0.50% depending upon the age	Executives & Non-executives - 0.10% to 0.50% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medi-claim premium.	5% for hospital cost and Nil for Medi-claim premium.
v)	Estimated Rate of Return on Plan Assets	8% p.a.	8% p.a.
vi)	Salary Escalation	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.	Executives : 6% p.a. Non-Executives : 6% p.a. All employees- 6% step-up after every 10 years of service starting 2017.
		The estimate of future salary increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors	

45.2 Segment Reporting

i) Business Segments: The five Integrated Steel Plants and three Alloy Steel Plants, being manufacturing units, have been considered as primary business segments for reporting under `Indian Accounting Standards (Ind AS)-108-Operating Segments' issued by Ministry of Corporate Affairs.

Geographical segments have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.

ii) In the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of `Indian Accounting Standards (Ind AS)-108 - Operating Segments', issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

45.3 Related Party

As per Indian Accounting Standards (Ind AS)-24 - `Related Party Disclosures' issued by the Ministry of Corporate Affairs, the names of the related parties, excluding Government controlled enterprises, are given below:

Nature of Relationship	Name of the related party
Key Management Personnel	Shri P.K. Singh Shri Anil Kumar Chaudhary Shri Raman Shri S.S. Mohanty (upto 30th June 2016) Shri Kalyan Maity Shri Binod Kumar (upto 28th Feb 2017) Shri N. Mahapatra Shri G. Vishwakarma Smt Soma Mondal (w.e.f. 01st March 2017) Shri A. Maitra Shri S. Chandrasekaran Shri P Saidev Shri R.K. Rathi Shri A.K. Rath Smt. K Raman Shri C Srikanta Shri S K Garai Shri M. Ravi Shri M.R. Panda Shri B.K. Jha (upto 30.04.2016) Shri Neeraj Mathur Shri Somdev Das Shri R Mitra Shri S K Aggarwal Shri H.P. Singh Shri S.K. Jain Shri U.K. De Shri S. Kolay Shri Sukumar Hedge Shri A.Kumar Shri Ashoke Kumar Paul (w.e.f. 02.05.2016) Shri P.K.Mishra Shri B.N.Thakur Shri N Ramachandran

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

Brief Description of Provisions :

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

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

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

(₹ crore)

Movement of provisions	Mines afforestation costs	Mines closure costs	Over burden removal costs	Total
Balance as at 1st April, 2016	238.72	109.90	84.50	433.12
Additions during the Year	0.00	17.11	19.70	36.81
Amounts utilised during the Year	0.00	67.29	0.51	67.80
Unused amount reversed during the Year	0.00	0.10	0.44	0.54
Balance as at 31st March, 2017	238.72	59.62	103.25	401.59

45.5 In case of International Coal Ventures Limited, the consolidated financial statements have been considered on the basis of actual shareholding percentage instead of Share Capital ratio to be maintained as specified in Joint Venture Agreement between SAIL and other Joint Venture partners.

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies

TO THE MEMBERS OF STEEL AUTHORITY OF INDIA LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Steel Authority of India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies(Indian Accounting Standards) Rules, 2015 (as amended).

The respective Board of Directors of the companies included in the Group and of its associates 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 its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

Basis for Qualified Opinion

The Holding Company has not provided for :

(i) Entry tax amounting to ₹ 1796.03 crore (Current year ₹ 111.04 crore and up to last year ₹ 1684.99 crore) (Refer Note No.42.3(a)); and

(ii) amount paid to Damodar Valley Corporation (DVC) against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹ 587.72 crore (current year ₹ 96.45 crore and up to last year ₹ 491.27 crores). (Refer Note No42.3 (b)).

Management's Reply:

In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the constitutional validity of levy of Entry Tax by the States and has laid down principles/ tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. Pending decision by the regular benches

Independent Auditors' Report on Consolidated Financial Statements

Comments	Management's Replies

The total impact of above paragraphs (i) & (ii) resulted in understatement of loss (net of tax) for the year ended 31st March, 2017 by ₹1558.78 crore, overstatement of other equity as on 31st March, 2017 by ₹ 1558.78 crore, understatement of current liabilities by ₹ 2383.75 crore and understatement of assets by ₹ 824.97 crore.

of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Uttar Pradesh and in respect of the case pertaining to Calcutta High Court, the Entry Tax demands under dispute have been treated as contingent liabilities.

In respect of item stated at (ii), the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time.

The above stated disputed demands, stated at (i) and (ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st March, 2017. Therefore, there is no adverse impact on loss for the year.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the auditors on separate Financial Statements of the subsidiaries, associates and Jointly controlled entities referred to below in the Other Matters paragraph, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and Jointly controlled entities as at 31st March, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:

I. Sales include sales to Government agencies for ₹ 3807.78 crore and cumulative up to 31st March, 2017: ₹ 18342.41 crore which is recognised on provisional contract prices. (Refer Note No. 44.1);

II. recognition of Deferred Tax Assets of ₹ 3352.42 crore (including ₹ 1623.16 crore for the year) on the accumulated business losses as on 31st March, 2017 and unused tax credit (MAT Credit Entitlement) of ₹ 1051.00 crore as on 31st March, 2017 (Refer Note No. 12); and

III. In International Coal Ventures Private Limited, a significant jointly controlled entity of Holding Company, there is non- adherence to the Share Capital ratio to be maintained between Holding Company and other joint venture partners as per requirements of Articles of Association of the jointly controlled entity and the Joint Venture agreement. The financial statement have been considered on the basis of actual shareholding percentage of the Holding Company in the jointly controlled entity (Refer Note No. 45.5).

Our opinion is not modified in respect of these matters.

Other Matters

A. We did not audit the Financial Statements of subsidiaries specified in Annexure B included in the Consolidated Ind AS Financial Statements, whose Financial Statements reflect total assets of ₹168.36 crore as at 31st March, 2017, total revenues of ₹ 146.52 crore, total net profit after tax of ₹ 20.99 crore, total comprehensive profits of ₹ 20.32 crore and net cash flows of ₹ 6.94 crore for the year ended on that date, as considered in their respective Ind AS Financial Statements.

The Statement also includes the Group's share of net profit of ₹ 172.82 crore and total comprehensive income of ₹ 173.18 crore for the year ended 31st March, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of Jointly controlled entities specified in Annexure C, whose Financial Statements are not audited by us.

These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

B. The Statement includes the Group's share of net profit of ₹ 21.10 crore and total comprehensive income of ₹ 21.26 crore for the year ended 31st March, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of Joint Ventures and Associates specified in Annexure C, whose Financial Statements are not audited by us. These unaudited Financial Statements/ Financial Information have been furnished to us by the Management and our opinion on Statement is based solely on such

Comments	Management's Replies

unaudited Financial Statements/ Financial Information. In our opinion and according to the information given to us by the Management, these Financial Statements are not material to the Group.

C. In case of one subsidiary and four jointly controlled entities, the Financial Statements as at 31st March, 2017 are not available. The investment in these companies has been fully provided for as at 31st March, 2017. In the absence of their Financial Statements as at 31st March, 2017, the total assets, total revenue and total profit/loss of these entities have not been included in the Consolidated Ind AS Financial Results.

D. The Comparative Financial Information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of 4 subsidiaries and 6 jointly controlled entities included in this Consolidated Ind AS Financial Statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us. The Comparative Financial Information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of 1 associate and 14 jointly controlled entities included in this Consolidated Ind AS Financial Results prepared in accordance with the Ind AS have been certified by the Management and not audited by us.

E. The Comparative Financial Information of the Holding Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Consolidated Ind AS Results, are based on the Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the auditors for the respective years ended 31st March, 2016 and 31st March, 2015 whose reports dated 10th June, 2016 and 29th May, 2015 respectively expressed a modified opinion on those Consolidated Financial Statements, and have been restated to comply with Ind AS. The adjustments made to the previously issued said Financial Statements as adjusted for differences in accounting principles to comply with Ind AS have been audited by us.

Our report is not modified in respect of the matters specified in Other Matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate Financial Statements and the other financial information of joint operations, subsidiaries, associates and Jointly controlled entities companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

(b) 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 Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The reports on the accounts of the Holding Company, Subsidiaries, Associate and Jointly Controlled Companies incorporated in India, audited under Section 143 (8) of the Act by other auditors have been sent to us / 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 and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS 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 Ind AS Financial Statementscomply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.

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

(h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary companies / associate companies / jointly controlled companies incorporated in India, internal financial controls over financial reporting, and

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 Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entities (Refer Note 42.1).	
ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.	
iii. There has been a case of delay in transferring ₹64,85,490/- being the amount of unpaid dividend for financial year 2008-09, required to be transferred to the Investor Education and Protection Fund by the Company. However, the same has been transferred to the said fund before 31st March, 2017;and	The Final Unclaimed Dividend for 2008-09 was due for transfer to IEPF account on 16th November, 2016. The Ministry of Corporate Affairs notified the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") along with detailed procedure effective from 7th September 2016. The Rules required that all shares in respect of which dividend has not been claimed or paid for seven consecutive years or more shall be transferred to IEPF Suspense Account. The Rules further provided that where 7 years are completed or being completed within 3 months of coming into force of the Rules, the company shall initiate the aforesaid procedure immediately and transfer the shares after completion of 3 months. As per procedure prescribed in the Rules, the Company sent individual notices as well as through publication in newspapers, to 11346 shareholders, having unclaimed dividend of ₹64.85 lakh, providing them time up to 15.12.2016 to claim the dividend. Meanwhile, the implementation of Rules was deferred in December, 2016. However, the Company deposited the Unclaimed Dividend on 3rd February, 2017 after processing the cases of claimants for the Final Unclaimed Dividend.
iv. The Company has provided requisite disclosures in Note 44.8 to its Consolidated Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedure and relying on the Management representation, we report that the disclosure are in accordance with books of account maintained by the Company and as produced to us by the Management.	

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman

Place : New Delhi
Date : 30th June, 2017

Comments	Management's Replies

(Referred under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group, its associates and jointly controlled entities as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of STEEL AUTHORITY OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, its associate and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure-A to the Independent Auditor's Report on Consolidated Financial Statement

Comments	Management's Replies

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies, and 6 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

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

Sd/-
[Lalit Ahuja]
Partner
(M. No. 085842)

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.: 0321012E

Sd/-
[A.K. Sabat]
Partner
(M. No. 30310)

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

Sd/-
[R.N. Basu]
Partner
(M. No. 50430)

Place : New Delhi
Dated : 30th May, 2017

MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

Comments	Management's Replies
The preparation of consolidation financial statements of Steel Authority of India Limited for the year ended 31st March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Steel Authority of India Limited for the year ended 31 March 2017 which include the standalone financial statements of Steel Authority of India Limited: its three[1] subsidiaries, and three[2] joint venture companies all controlled by the government and/or government companies. Supplementary audit under section 143(6)(a) of the Act of one subsidiary company[3], seven[4] such joint venture companies and one[5] associate company was not completed pending finalization of their accounts and/or audit as on date. Under section 143(6)(a) of the Act, I am not required to conduct supplementary audit of the financial statements of the ten[6] companies not controlled by the government but included in the consolidated financial statement. Financial statement of one subsidiary[7] and one[8] joint venture company controlled by the government and two[9] companies not controlled by the government were not consolidated. (Details are enclosed as Annexure-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 **Consolidated Balance Sheet** **1 (i) Note 11 : Other Financial Asset: ₹2,268.18 crore** SAIL/ISP, Burnpur developed a new railway siding for handling of raw materials, Engine-on-load scheme was applicable for this new siding. Due to failure of ISP to unload/load the wagons within permissible free time under EOL scheme, Indian Railways deducted ₹8.15 crore from ISP on account of Engine Hire charges for the period between December 2015 and December 2016 since the bills preferred by the Railways were not paid by ISP. This amount was however accounted for as Claims recoverable. Non-provisioning of above has resulted in overstatement of Other Financial Asset-Claims recoverable and understatement of Other expenses and Loss by ₹8.15 crore.	The IISCO Sidings-Damodar (IISD) mentioned in the comment, is not a new siding but only relocation of existing siding and all rail rakes are moving through this relocated siding. The project report for this relocation has been approved by the Railways. A Joint Committee consisting of officials of Railways and Company has already recommended that "Engine-on-Load (EOL) System may not be introduced for unloading operations at IISD, as the train engine will get heavily detained and lead to inefficiency in train operations." The layout and logistics of IISD siding restrict the placement of full rake, for unloading. Further, EOL System is not feasible for unloading of rakes with BOXN wagons having Tippler system. ISP has already lodged a claim on Railways for ₹ 8.15 crore, deducted towards engine hire charges/ EOL and the same is being pursued for recovery. Thus, there is no overstatement of Other Financial Asset - Claims Recoverable and understatement of Other Expenses and Loss.

1 SAIL Refractory Company Ltd., SAIL Jagdishpur Power Plant Ltd. and Chhattisgarh Mega Steel Ltd.
2 NTPC-SAIL Power Company Ltd., SAIL-Bengal Alloy Casting Pvt. Ltd. and International Coal Ventures Private Limited.
3 SAIL Sindri Projects Ltd..
4 Bokaro Power Supply Company Pvt. Ltd. SAIL & MOIL Ferro Alloys Pvt. Ltd., SAIL SCL Kerala Limited SAIL RITES Bengal Wagons Industry Pvt. Ltd. NMDC SAIL Ltd., SAIL SCI Shipping Pvt. Ltd. and Bastar Railway Pvt. Ltd.
5 Almora Magnesite Limited
6 Mjunction Services limited, Bhilai Jaypee Cement Limited, S & T Mining Co. Pvt. Limited, SAIL Kobe Iron India Pvt. Limited, SAL SAIL JVC Limited, TMT SAL SAIL JVC Limited, Prime Gold-SAIL JVC Limited, SAIL Bansal Service Centre Limited, Abhinav SAIL JVC Limited, VSL SAIL JVC Limited
7 IISCO Ujjain Pipe & Foundry Company Ltd.
8 North Bengal Dolomite Limited
9 Romelt SAIl (India) Ltd and UEC SAIL Information Technology Limited

<table>
<tr><th>Comments</th><th>Management's Replies</th></tr>
<tr><td>
Consolidated Statement of Profit and Loss

2. (i) Note-32 Other Expenses ₹14,192.111 crore

(a) SAIL and Ministry of Railways entered into a Memorandum of Understanding (MoU) in February, 2003 for supply of long rails to Indian Railways (IR). SAIL supplied the rails to IR during 2008-2012 on provisional price. Excise duty was paid on the provisional price and invoices were raised on the IR. The price of rails supplied during above period was finalized in October 2013 and the final price was lower than the provisional price in case of rails supplied during the period between 2008 and 2010. Railways deducted ₹31.51 crore for excess excise duty paid on differential price. Since there is no clause in the MoU for mutual adjustment of excise duty in case of escalation/de-escalation of final price, the possibility of refund of the amount by IR is remote. Therefore provision for doubtful recoveries should have been made in the accounts. The company however made partial provision for doubtful recoveries. This has resulted in understatement of Other Expenses and Loss by ₹15.75 crore.
</td><td>
The matter of unilateral notional deduction of Excise Duty and Sales Tax against de-escalation credit notes issued to Railways has been taken up with Railways for refund.

Meanwhile in line with the Company's Accounting Policy for creation of provision based on age of debtors, out of outstanding dues of ₹31.51 crore, the Company has provided ₹15.75 crore as doubtful debt. As the matter is being pursued with Railways for recovery of the entire amount, there is no understatement of Other Expenses and Loss.
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<tr><td>
(b) NTPC-SAIL Power Supply Company Limited (NSPCL), a 50:50 Joint Venture company between SAIL and NTPC claimed ₹22.87 crore towards Deferred Tax Liability from SAIL in October 2016. The bill was not accepted by SAIL and provision was not created even though the said demand has materialized. Non-accountal of above by SAIL has resulted in understatement of Other expenses and Loss by ₹22.87 crore.
</td><td>
As per Power Purchase Agreement between the Company and NSPCL, the income tax liability is accounted for and reimbursed to NSPCL at the time of actual payment to the Income Tax Department.

NSPCL claimed re-imbursement of tax towards reversal of Deferred Tax Liability (DTL) for the years 2009-10 to 2015-16. However, no tax has actually been paid to Income Tax Department on account of reversal during the period, as NSPCL has been paying income tax U/s 115JB of the Income Tax Act, 1961 i.e. under the provisions of Minimum Alternate Tax (MAT).

Accordingly, there is no liability on SAIL to reimburse the tax payment due to reversal of DTL to NSPCL. Hence, there is no understatement of Other Expenses & Loss.
</td></tr>
<tr><td>
For and on the behalf of the
Comptroller & Auditor General of India
Sd/-
(Indu Agrawal)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board, Ranchi
Place : Ranchi
Date : 31st July, 2017
</td><td>
For and on behalf of Board of Directors

Sd/-
(P.K. Singh)
Chairman
Place: New Delhi
Date: 11th August, 2017
</td></tr>
</table>

Statement showing name of Subsidiary, Joint Venture and Associate Companies of SAIL and status of consolidation of accounts (2016-17)

Annexure-1

Sl. No.	Name of the related party and nature of relationship	Whether accounts were consolidated	Whether under the jurisdiction of C&AG
	Parent Company		
	Steel Authority of India Limited	Yes	Yes
	Subsidiary Companies of SAIL		
1	SAIL- Jagdishpur Power Plant Limited	Yes	Yes
2	SAIL Refractory Company Limited	Yes	Yes
3	SAIL Sindri Projects Limited	Yes	Yes
4	Chhattisgarh Mega Steel Limited	Yes	Yes
5	IISCO Ujjain Pipe & Foundry Co. Limited	No	Yes
	Joint Venture Companies of SAIL		
6	NTPC-SAIL Power Company Ltd.	Yes	Yes
7	Bokaro Power Supply Company Private Limited	Yes	Yes
8	SAIL - Bengal Alloy Castings Private Limited	Yes	Yes
9	SAIL & MOIL Ferro Alloys Private Limited	Yes	Yes
10	SAIL- SCI Shipping Private Limited	Yes	Yes
11	International Coal Ventures Private Limited	Yes	Yes
12	SAIL SCL Kerala Limited	Yes	Yes
13	SAIL-RITES Bengal Wagon Industry Private Limited	Yes	Yes
14	North Bengal Dolomite Limited	No	Yes
15	NMDC SAIL Limited	Yes	Yes
16	Bastar Railway Private Limited	Yes	Yes
17	Mjunction Services Limited	Yes	No
18	Bhilai Jaypee Cement Limited	Yes	No
19	S & T Mining Company Private Limited	Yes	No
20	SAIL Kobe Iron India Private Limited	Yes	No
21	SAL SAIL JVC Limited	Yes	No
22	TMT SAL SAIL JV Limited	Yes	No
23	Prime Gold-SAIL JVC Limited	Yes	No
24	VSL SAIL JVC Limited	Yes	No
25	Abhinav-SAIL JVC Limited	Yes	No
26	SAIL Bansal Service Centre Limited	Yes	No
27	Romelt-SAIL (India) Limited	No	No
28	UEC-SAIL Information Technology Limited	No	No
	Associate Company of SAIL		
29	Almora Magnesite Limited	Yes	Yes

* Accounts of one subsidiary Company and one Joint Venture Company which are controlled by the Government were not consolidated.

Accounts of three Joint Venture Companies not controlled by the Government were not consolidated.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

Operating segment information

(₹ crore)

PARTICULARS	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	OTHERS	INTER SEGMENT SALES	TOTAL
REVENUE											
- External Sales											
Current Year ended 31st March 2017	14,135.97	6,209.54	9,683.32	11,796.81	4,709.85	383.07	2,015.72	169.15	138.51		49,241.94
PreviousYear ended 31st March 2016	14,661.52	6,094.97	7,693.32	9,073.55	3,317.08	393.40	1,772.39	219.36	125.88		43,351.47
- Inter Segment Sales											
Current Year ended 31st March 2017	639.75	173.36	273.76	234.89	49.44	224.61	9.52	24.78	3,406.99	(5,037.10)	-
PreviousYear ended 31st March 2016	684.85	178.49	100.86	122.67	46.33	200.14	11.25	32.42	3,822.65	(5,199.66)	-
- Total Revenue											
Current Year ended 31st March 2017	14,775.72	6,382.90	9,957.08	12,031.70	4,759.29	607.68	2,025.24	193.93	3,545.50	(5,037.10)	49,241.94
PreviousYear ended 31st March 2016	17,726.54	8,012.53	9,583.05	13,175.37	1,914.96	780.03	2,216.05	279.33	3,714.91	(6,776.12)	43,351.47
RESULT											
- Operating Profit / (-) Loss before Interest and Exceptional items											
Current Year ended 31st March 2017	546.87	(724.42)	(703.22)	251.85	(1,326.32)	(1.78)	(112.45)	(114.88)	213.22		(1,971.13)
PreviousYear ended 31st March 2016	803.09	(301.37)	(1,895.58)	(1,572.94)	(1,493.36)	(58.00)	(334.05)	(111.56)	150.01		(4,813.76)
- Finance cost											
Current Year ended 31st March 2017											2,527.82
PreviousYear ended 31st March 2016											2,300.45
- Exceptional items (Volutaey Retirement Compensation)											
Current Year ended 31st March 2017											216.74
PreviousYear ended 31st March 2016											-
- Tax expenses											
Current Year ended 31st March 2017											(1,959.52)
PreviousYear ended 31st March 2016											(2,937.71)
- Net Profit / Loss (-)											
Current Year ended 31st March 2017											(2,756.17)
PreviousYear ended 31st March 2016											(4,176.50)
OTHER INFORMATION											
- Segment Assets											
Current Year ended 31st March 2017	27,079.13	6,006.72	18,906.12	14,437.15	18,836.19	600.26	2,554.16	678.16	18,517.35		1,07,615.24
PreviousYear ended 31st March 2016	24,452.24	5,700.74	18,729.80	14,665.33	18,776.06	580.22	2,858.02	640.80	14,899.08		1,01,302.29
- Segment Liabilities (including Long Term Borrowing)											
Current Year ended 31st March 2017	6,872.38	2,060.83	3,821.43	3,284.97	1,577.12	232.30	372.66	151.41	52,199.87		70,572.97
PreviousYear ended 31st March 2016	6,449.77	2,018.96	3,495.61	3,141.98	1,440.61	220.25	441.77	128.62	43,813.29		61,150.86
- Capital Expenditure											
Current Year ended 31st March 2017	13,634.38	2,450.16	4,621.04	3,939.09	4,555.30	7.06	192.47	11.63	984.13		30,395.26
PreviousYear ended 31st March 2016	1,779.70	602.48	1,258.08	1,237.02	1,137.22	(3.52)	62.57	19.74	3,445.27		9,538.56
- Depreciation											
Current Year ended 31st March 2017	419.36	188.37	667.72	487.93	607.05	9.30	96.31	7.30	198.28		2,681.62
PreviousYear ended 31st March 2016	374.25	169.08	618.53	432.68	499.89	9.27	91.83	7.04	201.85		2,404.42
- Non Cash expenses other than Depreciation											
Current Year ended 31st March 2017	8.98	16.20	5.45	29.91	26.73	4.48	3.45	2.43	50.04		147.67
PreviousYear ended 31st March 2016	17.86	6.24	35.81	16.81	63.63	13.17	1.45	2.23	35.86		193.06

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associate Company/Joint Ventures for the year ended 31st March, 2017

Part "A": Subsidiaries

Sl. No.	Particulars	Details			
1.	**Name of the subsidiary**	**SAIL Refractory Company Limited**	**SAIL Jagdishpur Power Plant Limited**	**SAIL Sindri Projects Limited**	**Chhattisgarh Mega Steel Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
					₹ crore
4.	Share capital	0.05	0.05	0.05	0.05
5.	Reserves & Surplus	116.71	(-) 0.03	(-) 0.03	(-) 0.01
6.	Total Assets	168.27	0.03	0.02	0.04
7.	Total Liabilities	51.51	*	*	0.04
8.	Investments	-	-	-	-
9.	Turnover	141.63	-	-	-
10.	Profit/Loss(-) before Taxation	32.65	(-) 0.01	(-) 0.01	*
11.	Provision for Taxation	11.64	-	-	-
12.	Profit/Loss (-) after Taxation	21.01	(-) 0.01	(-) 0.01	*
13.	Proposed Dividend		-	-	-
14.	% of shareholding	100	100	100	100

*Amount less than ₹50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10th July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10th July'97 was ₹17.05 crore.

For and on behalf of Board of Directors

Sd/-
(M.C. Jain)
Company Secretary

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

Sd/-
(P.K.Singh)
Chairman

Place : New Delhi
Date :30th May, 2017

Part B: Associate Companies and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures For the Year ended 31st March, 2017

Sl.	Name of the Associate /Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end	Amount of Investment in Associates / Joint Venture (₹ crore)	Extend of Holding (%)	Description of how there is significant influence	Reason why the associate / Joint venture is not consoli-dated	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ crore)	Profit/ Loss for the year (₹ crore)	Consider-ed in Consoli-dation (₹ crore)	Not Consider-ed in Consoli-dation (₹ crore)
Joint Ventures											
1	NTPC SAIL Power Company Ltd.	31-03-2017	490250050	490.25	50.00%	Note-1		986.76	388.87	194.43	194.44
2	International Coal Ventures Private Limited	31-03-2017	593759279	593.76	46.62%	Note-1		868.33	(67.33)	(31.39)	(35.94)
3	Mjunction Services Limited	31-03-2017	4000000	4.00	50.00%	Note-1		113.54	37.74	18.87	18.87
4	S& T Mining Co. Pvt. Limited	31-03-2017	12941400	12.94	50.00%	Note-1		(0.50)	(5.06)	(2.53)	(2.53)
5	SAIL SCI Shipping Pvt. Limited	31-03-2017	100000	0.10	50.00%	Note-1		0.07	-	-	-
6	SAIL RITES Bengal Wagaon Industry Pvt. Limited	31-03-2017	24000000	24.00	50.00%	Note-1		14.83	(12.97)	(6.49)	(6.48)
7	Bokaro Power Supply Co. Pvt. Ltd.*	31-03-2017	124025000	124.03	50.00%	Note-1		384.26	78.54	39.27	39.27
8	SAIL Bansal Service Centre Ltd *	31-03-2017	3200000	3.20	40.00%	Note-1		0.50	(0.40)	(0.16)	(0.24)
9	Bhilai Jaypee Cement Limited *	31-03-2017	98718048	52.51	26.00%	Note-1		25.32	(68.72)	(17.87)	(50.85)
10	SAIL-MOIL Ferro Alloys Private Limited*	31-03-2017	100000	0.10	50.00%	Note-1		(1.67)	(0.37)	(0.19)	(0.18)
11	SAIL SCL Kerala Limited *	31-03-2017	13017801	18.75	49.26%	Note-1		(17.14)	(12.46)	(6.14)	(6.32)
12	SAIL Kobe Iron India Pvt. Limited*	31-03-2017	250000	0.25	50.00%	Note-1		0.26	-	-	-
13	SAL SAIL JVC Limited *	31-03-2017	-	-	26.00%	Note-1		(0.02)	(0.01)	0.00	(0.01)
14	TMT SAL SAIL JV Limited *	31-03-2017	-	-	26.00%	Note-1			-	-	-
15	SAIL-BENGAL Alloy Castings Private Limited*	31-03-2017	10000	0.01	50.00%	Note-1			(0.01)	(0.01)	0.00
16	Prime Gold-SAIL JVC Limited*	31-03-2017	4680000	4.68	26.00%	Note-1		6.44	4.12	1.07	3.05
17	VSL SAIL JVC Limited *	31-03-2017	1297780	1.30	26.00%	Note-1			-	-	-
18	Abhinav SAIL JVC Ltd*	31-03-2017	-	-	26.00%	Note-1		(0.03)	(0.07)	(0.02)	(0.05)
19	NMDC SAIL Limited*	31-03-2017	-	0.02	49.00%	Note-1		-	(0.01)	-	(0.01)
20	Bastar Railway Pvt Limited*	31-03-2017	-	-	21.00%	Note-1		-	(0.09)	-	(0.09)
21	Romelt SAIL (India) Ltd @		63000	0.06		Note-1	Accounts not available				
22	North Bengal Dolomite Ltd @		97900	0.98		Note-1	-do-				
23	UEC SAIL Information Technology Limited #		180000	0.18		Note-1	-do-				
24	N.E. Steel & Galvanising Pvt. Limited #		-	-	49.00%	Note-1	-do-				
Associate											
1	Almora magnesite Limited*	31-03-2017	400000	0.40	20.00%	Note-2		1.01	0.52	0.10	0.42

1. Voting power as per Joint Venture Agreement
2. Holds 20% share capital

* Based on the Unaudited Accounts for the Year 2016-17
@ Operations under suspension
# Companies under winding up/liquidation

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(M.C. Jain)	**(Anil Kumar Chaudhary)**	**(P.K.Singh)**
Company Secretary	Director (Finance)	Chairman

Place : New Delhi
Date :30th May, 2017

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27109DL1973GOI006454
ii)	Registration Date	:	24th January 1973
iii)	Name of the Company	:	Steel Authority of India Limited
iv)	Category / Sub-Category of the Company	:	Public company / Limited by Shares
v)	Address of the Registered office and contact details	:	Ispat Bhawan, Lodi Road, New Delhi-110003. Contact No. +91-11-24367481. Fax No. +91-11-24367015. Email: investor.relation@sailex.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase- I, New Delhi-110020. Phone No. +91-11-41406149. Fax No. +91-11-41709881. Email: admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Flat Products (HR Coils, HR Plates, CR Coils, Pipes and Electric Sheets, etc.)	330	52
2	Long Products (TMT Bars, Wire Rods, etc.)		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-Jagdisgpur 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 - 828135, Jharkhand	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited Bhilai Steel Plant, Ispat Bhawan, Bhilai, Chhattisgarh	U27100CT2015GOI001627	SUBSIDIARY	74	2(87)
5.	IISCO Ujjain Pipe & Foundry Co. Limited (Under Liquidation) 50, Chowringhee Road, Kolkata-700071	U28113WB1964PLC026148	SUBSIDIARY	100	2(87)
6.	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601.	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
7.	NTPC-SAIL Power Company 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, Shakeshkpeare 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 TATA Centre, 43, Jawaharlal Nehru Road, Kolkata-700071.	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 Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071	U13100WB2008PTC129436	JOINT VENTURE	50	2(6)
17.	International Coal Ventures Private Limited 20th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi - 110 092	U10100DL2009PTC190448	JOINT VENTURE	46.62	2(6)
18.	SAIL SCI Shipping Private Limited, Shipping House, 13, Strand Road, Kolkata - 700 001	U61100WB2010PTC148428	JOINT VENTURE	50	2(6)
19.	SAIL-SCL Kerala Limited P.B. No. 42, Feroke - 673 631, Kozhikode, Kerala	U27104KL1969SGC002253	JOINT VENTURE	49.26	2(6)
20.	SAIL-RITES Bengal Wagon Industry Pvt. Ltd. Scope Minar, Laxmi Nagar, Delhi - 110092.	U35200DL2010PTC211955	JOINT VENTURE	50	2(6)
21.	SAIL-Kobe Iron India Private Limited Ispat Bhawan, Lodi 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)
28.	NMDC SAIL Limited 10-3-311/A, Khanij Bhavan Castle Hills, Masab Tank, Hyderabad, Hyderabad TG 500028 IN.	U27320TG2016GOI109798	JOINT VENTURE	49	2(6)
29.	Bastar Railway Private Limited Global Exploration Centre, NMDC Building Geens Villey City, Housing Board Colony Boriyakala Raipur, Raipur CT 492015 IN	U74900CT2016PTC007251	JOINT VENTURE	21	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
a) Individual/ |HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
2.Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3097767449	-	3097767449	75.00	3097767449	-	3097767449	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32407571	127300	32534871	0.79	51275023	127300	51402323	1.24	0.45
b) Banks/FI	144327257	61976	144389233	3.50	163134585	61976	163196561	3.95	045
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	471432979	1900	471434879	11.41	471423860	1900	471425760	11.41	0.00
g) FIIs	206180711	48526	206229237	4.99	175934683	48526	175983209	4.26	(-)0.73
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1):	**854348518**	**239702**	**854588220**	**20.69**	**861768151**	**239702**	**862007853**	**20.86**	**0.18**
2. Non-Institutions									
a) Bodies Corp.	21798673	70442	21869115	0.53	18172250	70342	18242592	0.44	(-)0.09
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakhs	103201261	5682597	108883858	2.64	104957731	5636489	110594220	2.68	0.04

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total No. of shares	
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	23617507	143700	23761207	0.58	18138783	112100	18250883	0.44	(-)0.14
c) Other (specify)					11065	0	11065	0.00	0.00
i) Non Resident Indian	18395138	396500	18791638	0.45	17530562	396500	17927062	0.43	(-)0.02
ii) Trust & Foundation	4727967	2800	4730767	0.11	5403330	2800	5406130	0.13	0.02
iii)Cooperative Societies	400	0	400	0.00	200400	0	200400	0.00	0.00
Sub-Total(B)(2)	**171740946**	**6296039**	**178036985**	**4.31**	**164414121**	**6218231**	**170632352**	**4.13**	**(-)0.18**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**1026089464**	**6535741**	**1032625205**	**25.00**	**1026182272**	**6457933**	**1032640205**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	63435	69200	132635	0.00	48435	69200	117635	0.00	0.00
Grand Total (A)+(B)+(C)	**4123920348**	**6604941**	**4130525289**	**100.00**	**4123998156**	**6527133**	**4130525289**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Govt. of India	3097767449	75.00	0	3097767449	75.00	0	-
	Total	3097767449	75.00	0	3097767449	75.00	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Government of India At the beginning of the year	3097767449	75.00	3097767449	75.00
	Date-wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	-	-	-	-
	At the End of the year	3097767449	75.00	3097767449	75.00

(iv) Shareholding Pattern of Top Ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2016-17	
			No. of Shares at the Beginning (31-03-16) /end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total Shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	441874667	10.70	31/03/2016				
			441874667	10.70	31/03/2017	NIL	NIL		
2	IN30081210498007	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	51099546	1.24	31/03/2016				
			51099546	1.24	31/03/2017	NIL	NIL		
3	IN30081210501340	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	21398731	0.52	31/03/2016				
					04/11/2016	4227534	Purchase	25626265	0.62
					11/11/2016	4607692	Purchase	30233957	0.73
					18/11/2016	3400000	Purchase	33633957	0.81
					25/11/2016	4847787	Purchase	38481744	0.93
					02/12/2016	1404873	Purchase	39886617	0.97
			39886617	0.97	31/03/2017				
4	IN30012611218322	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	12127645	0.29	31/03/2016				
					17/06/2016	4981823	Purchase	17109468	0.41
					01/07/2016	869346	Purchase	17978814	0.44
					08/07/2016	17413	Purchase	17996227	0.44
					11/11/2016	2025379	Purchase	20021606	0.48
					18/11/2016	2057078	Purchase	22078684	0.53
					25/11/2016	113740	Purchase	22192424	0.54
			22192424	0.54	31/03/2017				
5	IN30016710011470	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGU	16177010	0.39	31/03/2016				
					08/04/2016	64288	Purchase	16241298	0.39
					22/04/2016	44140	Purchase	16285438	0.39
					10/06/2016	50761	Purchase	16336199	0.40
					24/06/2016	195976	Purchase	16532175	0.40
					22/07/2016	40086	Purchase	16572261	0.40
					29/07/2016	119778	Purchase	16692039	0.40
					05/08/2016	95073	Purchase	16787112	0.41
					12/08/2016	100980	Purchase	16888092	0.41
					19/08/2016	143616	Purchase	17031708	0.41
					09/09/2016	58380	Purchase	17090088	0.41
					07/10/2016	62272	Purchase	17152360	0.42
					14/10/2016	42812	Purchase	17195172	0.42
					21/10/2016	145950	Purchase	17341122	0.42
					28/10/2016	58380	Purchase	17399502	0.42
					11/11/2016	126490	Purchase	17525992	0.42
					25/11/2016	153734	Purchase	17679726	0.43

Sl. No	Folio No.	Name	Shareholding: No. of Shares at the Beginning (31-03-16) /end of the Year (31-03-17)	Shareholding: % of total shares of the Company	Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2016-17: Shares	Cumulative Shareholding during the year 2016-17: % of total Shares of the Company
					02/12/2016	87570	Purchase	17767296	0.43
					06/01/2017	46992	Purchase	17814288	0.43
					13/01/2017	99858	Purchase	17914146	0.43
					20/01/2017	46992	Purchase	17961138	0.43
					03/02/2017	140976	Purchase	18102114	0.44
					17/02/2017	39160	Purchase	18141274	0.44
					24/03/2017	83385	Purchase	18224659	0.44
			18306191	0.44	31/03/2017	81532	Purchase		
6	IN30081210497730	LIC OF INDIA MARKET PLUS GROWTH FUND	17677583	0.43	31/03/2016				
			17677583	0.43	31/03/2017	NIL	NIL		
7	IN30343810003972	CAPITAL GROUP EMERGING MARKETS TOTAL OPPORTUNITIES (LUX)	9445000	0.23	31/03/2016				
					16/09/2016	4947981	Purchase	14392981	0.35
					10/02/2017	745886	Purchase	15138867	0.37
					17/02/2017	493114	Purchase	15631981	0.38
			15631981	0.38	31/03/2017				
8	IN30005410013042	ACACIA PARTNERS, LP	15102193	0.37	31/03/2016				
			15102193	0.37	31/03/2017	NIL	NIL		
9	IN30343810013442	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	15698000	0.38	31/03/2016				
					02/12/2016	-1300000	Sale	14398000	0.35
			14398000	0.35	31/03/2017				
10	IN30343810003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	10604410	0.26	31/03/2016				
					29/07/2016	477000	Purchase	11081410	0.27
					25/11/2016	691929	Purchase	11773339	0.29
					03/03/2017	542715	Purchase	12316054	0.30
			12316054	0.30	31/03/2017				0.00
11	IN30012611219356	ICICI PRUDENTIAL FOCUSED BLUECHIP EQUITY FUND	13268560	0.32	31/03/2016				
					08/07/2016	3843000	Purchase	17111560	0.41
					28/10/2016	2579667	Purchase	19691227	0.48
					17/02/2017	-4346051	Sale	15345176	0.37
					24/02/2017	-944202	Sale	14400974	0.35
					03/03/2017	-2232084	Sale	12168890	0.29
			12168890	0.29	31/03/2017				
12	1203280000374484	YUSUFFALI MUSALIAM VEETTIL ABDUL KADER .	11900000	0.29	31/03/2016				
			11900000	0.29	31/03/2017	NIL	NIL		
13	IN30081210497789	LIC OF INDIA MONEY PLUS GROWTH FUND	11754806	0.28	31/03/2016				
			11754806	0.28	31/03/2017	NIL	NIL		
14	IN30012611241922	LIC OF INDIA PROFIT PLUS GROWTH FUND	11655668	0.28	31/03/2016				
			11655668	0.28	31/03/2017	NIL	NIL		

Sl. No	Folio No.	Name	Shareholding		Date	Increase / Decrease in Share-holding	Reason	Cumulative Shareholding during the year 2016-17	
			No. of Shares at the Beginning (31-03-16) /end of the Year (31-03-17)	% of total shares of the Company				Shares	% of total Shares of the Company
15	IN30005410009118	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	4988415	0.12	31/03/2016				
					07/10/2016	3851000	Purchase	8839415	0.21
					28/10/2016	1800000	Purchase	10639415	0.26
					18/11/2016	1691927	Purchase	12331342	0.30
					25/11/2016	8073	Purchase	12339415	0.30
					10/03/2017	-1377000	Sale	10962415	0.27
			10962415	0.27	31/03/2017				
16	IN30081210000029	GENERAL INSURANCE CORPORATION OF INDIA	9940574	0.24	31/03/2016				
			9940574	0.24	31/03/2017	NIL	NIL		
17	IN30005410013034	ACACIA INSTITUTIONAL PARTNERS, LP	9590391	0.23	31/03/2016				
			9590391	0.23	31/03/2017	NIL	NIL		
18	IN30081210001728	THE NEW INDIA ASSURANCE COMPANY LIMITED	8825060	0.21	31/03/2016				
			8825060	0.21	31/03/2017	NIL	NIL		
19	IN30378610000023	STATE BANK OF INDIA	8031212	0.19	31/03/2016				
					12/08/2016	-24000	Sale	8007212	0.19
			8007212	0.19	31/03/2017				
20	IN30005410022345	ACACIA CONSERVATION FUND LP	7470130	0.18	31/03/2016				
			7470130	0.18	31/03/2017	NIL	NIL		
21	IN30343810003981	EMERGING MARKETS GROWTH FUND, INC.	29378374	0.71	31/03/2016				
					17/06/2016	-3391395	Sale	25986979	0.63
					24/06/2016	-1152783	Sale	24834196	0.60
					22/07/2016	-1034880	Sale	23799316	0.58
					29/07/2016	-3556382	Sale	20242934	0.49
					05/08/2016	-1456355	Sale	18786579	0.45
					12/08/2016	-886388	Sale	17900191	0.43
					19/08/2016	-2476420	Sale	15423771	0.37
					26/08/2016	-5784167	Sale	9639604	0.23
					02/09/2016	-291914	Sale	9347690	0.23
					09/09/2016	-2231521	Sale	7116169	0.17
			7116169	0.17	31/03/2017				
22	IN30343810003850	CAPITAL INTERNATIONAL EMERGING MARKETS FUND	14927151	0.36	31/03/2016				
					22/07/2016	-647308	Sale	14279843	0.35
					29/07/2016	-2219530	Sale	12060313	0.29
					05/08/2016	-915470	Sale	11144843	0.27
					12/08/2016	-554461	Sale	10590382	0.26
					19/08/2016	-1545759	Sale	9044623	0.22
					26/08/2016	-3618304	Sale	5426319	0.13
					02/09/2016	-181411	Sale	5244908	0.13
					09/09/2016	-1400239	Sale	3844669	0.09
					18/11/2016	-644976	Sale	3199693	0.08
			3199693	0.08	31/03/2017				

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Anil Kumar Chaudhary**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

Sl. No.	Shareholding of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
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 2016-17.

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	17575.36	17566.04	-	35141.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	787.13	137.55	-	924.68
Total (i+ii+iii)	**18362.49**	**17703.59**	**-**	**36066.08**
Change in Indebtedness during the Financial Year				
- Addition	15006.45	46466.40	-	61472.85
- Reduction	11737.95	43480.65	-	55218.60
Net Change	**3268.50**	**2985.70**	**-**	**6254.25**
Indebtedness at the end of the Financial Year				
i) Principal Amount	20843.86	20551.79	-	41395.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	832.85	243.24	-	1076.09
Total (i+ii+iii)	**21676.71**	**20795.03**	**-**	**42471.74**

Note: The opening balances has been regrouped in accordance with India Accounting Standard (INDAS)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager									Total Amount (₹)
		Shri P.K. Singh	**Shri S. S Mohanty (upto 30.06.16)**	**Shri Raman (from 01.07.16)**	**Shri Anil Kumar Chaudhary**	**Shri Kalyan Maity**	**Shri N. Mohapatra**	**Shri G. Vishwakarma**	**Shri Binod Kumar (upto 28.02.17)**	**Ms. Soma Mondal (from 01.03.17)**	
		Chairman	Director (Technical)	Director (Technical)	Director (Finance)	Director (RM&L)	Director (Personnel)	Director (P&BP)	Director (Commercial)	Director (Commercial)	
1.	**Gross Salary**	36,60,994	9,62,557	33,05,142	37,32,939	36,30,714	35,43,058	29,90,438	31,89,528	2,76,400	2,52,91,770
	(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	4,13,194	1,20,059	2,61,781	4,00,510	-	3,51,264	3,80,045	-	32,301	19,59,154
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961										
2.	**Stock Option**	-	-	-	-	-	-	-	-	-	-
3.	**Sweat Equity**	-	-	-	-	-	-	-	-	-	-
4.	**Commission** - as % of profit - others, specify	-	-	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (A)	**40,74,188**	**10,82,616**	**35,66,923**	**41,33,449**	**36,30,714**	**38,94,322**	**33,70,483**	**31,89,528**	**3,08,701**	**2,72,50,924**
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Fee For attending Board/ Committee Meetings	Commission	Others, Please Specify	Total Amount
1.	**Independent Directors***				
	Dr. Atmanand (upto 18.07.16)	3,80,000	-	-	3,80,000
	Sh. J.M Mauskar (upto 18.07.16)	3,80,000	-	-	3,80,000
	Sh. P.K. Dash	7,60,000	-	-	7,60,000
	Mrs. Anshu Vaish	7,20,000	-	-	7,20,000
	CA Parmod Bindal	8,00,000	-	-	8,00,000
	Prof. Ashok Gupta	8,20,000	-	-	8,20,000
	Dr. Samar Singh(from 04.02.17)	40,000	-	-	40,000
	Sh. Nilanjan Sanyal (from 04.02.17)	40,000	-	-	40,000
	Total(1)	39,40,000	-	-	39,40,000
2.	**Other Non- Executive Directors****				
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**39,40,000**	**-**	**-**	**39,40,000**
	Total Managerial Remuneration				
	Ceiling as per the act ((@1% of profits calculated under section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

*Only sitting fee is paid to Independent Directors.

**No sitting fee is paid to other Non-Executive Directors.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	**Shri. M. C Jain** Company Secretary	Total
1.	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 25,30,370 3,55,316 -	 25,30,370 3,55,316 -
2.	**Stock Option**	-	-
3.	**Sweat Equity**	-	-
4.	**Commission** - as % of profit - others, specify…	-	-
5.	Others, please specify	-	-
	Total (A)	**28,85,686**	**28,85,686**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding of Fees imposed	Authority (RD/NCLT/Court)	Appeal Made, if any
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
C. DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure-IX to the Directors' Report

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

i) Amount outstanding as at 31st March, 201

Particulars	Amount (₹ crore)
Loans given *	193.82
Investments made	1395.48

* ₹1.00 crore provided for.

ii) Investments made during the year ended 31st March, 2017

Name of the Entity	Relation	Amount (₹ crore)	Purpose for which the Investments are proposed to be utilised
International Coal Ventures Pvt. Limited	Joint Venture	98.73	Business Purpose
SAIL RITES Bengal Wagon Industry Pvt. Limited	Joint Venture	1.73	Business Purpose
VSL SAIL JVC Limited	Joint Venture	0.46	Business Purpose

SAIL DIVIDEND DISTRIBUTION POLICY, 2017

1. INTRODUCTION

Securities Exchange Board of India (SEBI) vide its notification dated 8th July, 2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (second amendment) which requires top five hundred listed entities based on market capitalisation (calculated as on March 31 of every year) to formulate a dividend distribution policy to be disclosed in its Annual Report and on its website. The Regulation further provides that the dividend distribution policy shall include the following parameters:

(a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;

(b) the financial parameters that shall be considered while declaring dividend;

(c) internal and external factors that shall be considered for declaration of dividend;

(d) policy as to how the retained earnings shall be utilized; and

(e) parameters that shall be adopted with regard to various classes of shares.

The Regulation also provides that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its Annual Report and on its website. The equity shares of Steel Authority of India Limited(SAIL) are listed on National Stock Exchange of India Limited(NSE) and Bombay Stock Exchange Limited. As, SAIL is ranked 101st as per NSE, based on market capitalisation, on 31st March, 2016, the regulation is applicable to the Company.

2. OBJECTIVE

The objective of this Policy is to enhance the value of the Company and its shareholders through regular dividend payout after balancing the requirement of immediate payout from profits, future growth plans and sustenance.

3. EFFECTIVE DATE

The SAIL Dividend Distribution Policy, 2017 shall be effective from the date of its approval by the Board of Directors i.e. 24th March, 2017.

4. POLICY FRAMEWORK

The Policy has been formulated in line with the provisions of the Companies Act, 2013, Regulations issued by SEBI, Guidelines on Capital Restructuring of Central Public Sector Enterprises issued by Department of Investment and Public Asset Management (DIPAM), Guidelines issued by Ministry of Finance/Ministry of Corporate Affairs and other guidelines, to the extent applicable on the Company. Any subsequent amendments in these provisions would ipso-facto apply to this Policy. The Policy is not an alternative to the decision taken by the Board regarding declaration/recommendation of dividend after considering the various relevant factors.

5. DIVIDEND

Dividend is the amount paid by the Company out of profits, to its Shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

5.1 Interim Dividend

(a) The Board of Directors of the Company shall declare the interim dividend during the financial year, as and when they consider it fit to declare.

(b) The interim dividend can be declared by the Board of Directors one or more times in a financial year and normally, the Board may consider the declaration of interim dividend after the finalization of the quarterly/half yearly financial statements of the Company.

(c) The interim dividend, if declared, shall be paid to the eligible shareholders, as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable. First interim dividend, if any, may be declared in the Board Meeting convened for approving financial statements for the 2nd quarter/half-year, and 2nd interim dividend, if any, may be declared at the time of approving financial statements for the 3rd quarter of the financial year.

(d) In case no final dividend is declared by the Company, interim dividend paid during the financial year, if any, shall be considered as final dividend in the Annual General Meeting of the Company.

5.2 Final Dividend

(a) The final dividend, if any, is paid once in a financial year after the preparation of the annual financial statements.

(b) The Board of Directors shall recommend the final dividend to the Shareholders for their approval in the Annual General Meeting of the Company. The declaration of final dividend, if any, shall be included in the ordinary business items to be transacted at the Annual General Meeting of the Company.

(c) The final dividend shall be paid to the eligible shareholders as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

6.1 The decision regarding dividend payout is a vital decision, as it determines the amount of the profit to be distributed among its shareholders and the amount of the profit to be retained in business for the future growth and modernization & expansion plan of the Company. The Company would continue to adopt a progressive and dynamic dividend distribution policy to ensure its immediate and long term requirements along with rewarding the Shareholders of the Company. Dividend for the financial year shall be decided/recommended by the Board, considering, statutory, economic, market, industry, external and internal factors.

6.2 The Company may not declare dividend or declare dividend at a lower rate under the following circumstances:

(a) in the event of the Company making losses or the profits are inadequate;

(b) where the Company is having requirement of funds for Capex requiring high capital allocation, working capital, repayment of loans taken in the past;

(c) inadequate availability of cash; and

(d) higher cost of raising funds from alternate sources.

6.3 It may be noted that declaration of dividend shall be subject to the provisions of Companies Act, 2013, SEBI Regulations, Guidelines issued by Ministry of Corporate Affairs/Ministry of Finance/Department of Investment and Public Asset Management or any other authority.

7. FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED FOR DECLARING DIVIDEND

The Board of Directors of the Company while declaring/recommending the dividend may, inter-alia, consider the following parameters:

(a) net profit earned and cash generated by the Company during the financial year;

(b) present and future Capital requirements for Capex plan and other investment opportunities;

(c) retention of sufficient profits for further leveraging in line with CAPEX needs i.e. maintenance of debt:equity ratio;

(d) availability of cash and bank balance and liquidity position of the Company;

(e) Existing borrowings, capacity to further borrow and cost of borrowings;

(f) tax on profits including dividend tax rate and outgo;

(g) financial covenants agreed in the loan and other commercial agreements;

(h) limits prescribed w.r.t. various statutes, notifications and guidelines; and

(i) any other parameter which the Board may consider fit.

8. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARING DIVIDEND

Internal Factors

In addition to the financial parameters mentioned at Sl.No.7 above, the internal factors that shall be considered by the Board for declaring/recommending dividend would include past payout of dividend, statutory provisions applicable to the Company for payment of dividend, etc.

External Factors

The external factors that shall be considered by the Board for declaring/recommending dividend would include macroeconomic factors affecting the industry and Company, commodity prices, applicable statutory provisions and guidelines, practice followed by industry and industry segment, expectations of the shareholders, any other factor which the Board may consider fit based on the general market conditions.

9. UTILISATION OF RETAINED EARNINGS

The retained earnings shall be utilized in line with the objects of the Company as mentioned in the Memorandum of Association of the Company. However, the Board of Directors may consider the following factors for utilization of the retained earnings while declaring/recommending payment of dividend:

(a) financing plan of the projects under Capex plan of the Company

(b) statutory provisions and Government guidelines with respect to issue of bonus shares, buy-back of shares, creation of reserves, etc.

(c) any other factor which the Board of Directors may deem fit.

10. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

As the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share.

11. AMENDMENTS

The Policy will be reviewed as and when the Board of Directors may deem appropriate from time to time.

Annexure-XI to the Directors' Report

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014]

(A) Conservation of energy

i) Steps taken or impact on conservation of energy

Bhilai Steel Plant (BSP)

a. Air-gas ratio control of Hot Blast Stoves in BF #6 through HT drives for Combustion Air fan motors for energy optimization.

b. Improvement in specific heat consumption of
   - Sinter Plant-II to 38.65 Mcal/t sinter, as against 39.12 Mcal/t sinter in 2015-16.
   - Rail & Structural Mill to 638 Mcal/ t input, as against 655 Mcal/t input in 2015-16

c. Improvement in specific power consumption of
   - Rail & Structural Mill to 60.4 kWh/t, as against 60.5 kWh/t in 2015-16.
   - Merchant Mill to 48.4 kWh/t, as against 49.0 kWh/t in 2015-16.

d. Installation of timers for outdoor lighting circuits of CCD-3 in COB#11 for considerable energy saving and cost control.

e. Installation & Commissioning of VVVF drives in
   - All the 4 sections of Charging Side Roller Tables of Wire Rod Mill resulting in energy saving of 580 MWh / year (approx.): Each AC drive is running 10 -11 Roller table motors.
   - Swivelling drive of Turn table-40 of Rod Finishing #2 area of Wire Rod Mill, resulting in energy saving of 9 MWh / year due to reduction in motor current for pallet movement for B, C & D strands.
   - Ladle Drier #5, #6, #7 & #8 in Ladle preparation bay of SMS-2.

f. Old inefficient pumps # 2 & #3 of Pump House #61 & #64, respectively, replaced with energy efficient pumps, with in-house resources.

g. Plant specific overall energy consumption - 6.58 Gcal/tcs.

h. Plant specific overall power consumption - 497 kwh/t of saleable steel.

Durgapur Steel Plant (DSP)

a. Commission of revamped Coke Oven Battery #5.

b. Hot repair of Coke Oven Battery #6B.

c. Cold repair of Coke Oven Battery #6A.

d. Installation of VVVF panel in Coke Oven Battery #1.

e. Photo sensors introduced in Coke Oven & Coal Chemicals area lighting.

f. All 15 silos at Coal Handling Plant put into operation.

g. Highest ever Coke Oven Gas yield @ 311.9 Nm^3/tdc.

h. Complete replacement of sinter cars in Sinter Plant -1 for suction improvement.

i. Commissioning of Coal Bed Methane injection in Blast Furnace #4 to increase Hot Blast Temperature.

j. Lowest ever Blast Furnace Coke rate of 483 kg/thm.

k. Highest ever Blast Furnace Coal Dust Injection rate of 56 kg/thm .

l. Installation of additional Coke Oven Gas burners in boilers #5 & #6, thereby drastically reducing coal consumption.

m. Closure of energy intensive Soaking Pit route. Production through Continuous Casting route increased from 88% to 95%.

n. 2 x 200 T Propane storage and handling system commissioned.

o. Top segment of Wheel Plant A-furnace recuperator replaced to increase waste heat recovery.

p. Plant specific overall energy consumption - 6.50 Gcal/tcs.

Rourkela Steel Plant (RSP)

a. Increased power generation from Top-pressure Recovery Turbine Generator (TRTG) & Back Pressure Turbine Generator (BPTG) to 14.98 MW consistently, resulting in reduced import of power from Grid.

b. Reduction in coke consumption at BF from 464 kg/thm in 2015-16 to 418 kg/ thm.

c. Consistent LD Gas recovery of 67 Nm3/tcs as in 2015-16.

d. Replacement of skid pipes with insulation in RH Furnace #5 of Hot Strip Mill to reduce heat loss.

e. Erection and commissioning of an alternate NB 800 mixed gas line to CP-II for its smooth operation.

f. Plant specific overall energy consumption - 6.43 Gcal/tcs.

g. Plant specific overall power consumption - 464 kwh/t of saleable steel.

Bokaro Steel Plant (BSL)

a. Capital Repair of
   - Sinter machine #1
   - Soaking Pit Ceramic Recuperators - 3 nos. fully & 02 nos partially.

b. Cleaning of 3 nos. Soaking Pit Metallic Recuperators.

c. Improvement of power factor by reviving capacitor bank of LF-1 sub-station of CCS.

d. Commissioning of new ID fan no-2 with VFD in SMS-II.

e. Change of heating mode in pickling from direct heating to indirect heating through steam.

f. Reduction in avg. cycle time in Annealing #1 by using base fan in 50 bases.

g. Rectification of about 110 steam leakage points & replacement of 25 steam traps.

h. Plant specific overall energy consumption - 6.69 Gcal/tcs.

i. Plant specific overall power consumption - 404 kwh/t of saleable steel.

IISCO Steel Plant (ISP)

a. Increase in
   - Coke Oven gas yield to 323 Nm3/tdc as against 313 Nm^3/tdc in 2015-16.
   - BF gas yield to 1,807 Nm^3/thm as against 1,740 Nm3/thm in 2015-16.
   - Power generation from Top-pressure Recovery Turbine (TRT) to 7.5 MW, as against 0.7 MW in 2015-16.
   - Coal Dust Injection (CDI) rate at BF #5 to 62 kg/thm, as against 21 kg/ thm in 2015-16.

b. Decrease in Coke rate at BF#5 to 479 kg/thm, as against 511 kg/thm in 2015-16.

c. Installation of energy efficient lights
   - 78 nos. of 27 W LED Well Glass Fixtures.
   - 25 nos. of 42W LED lamps in Well Glass Fittings.
   - 40 nos. of 10W LED lamps in Bulkhead Light Fittings.
   - 90 nos. of $\geq$700 Lm LED lamps with B22 caps.
   - 3,477 nos. of 18 / 20 W LED tube lights.
   - 40 nos. of 90W L.E.D. Luminaire Street Lighting.
   - 815 nos,. of retrofitted LED Tube light for T5 Tube Luminaries.
   - 2,000 nos. of retrofitted Led Lamp for conventional E27 Cap 70w HPSV / HPMV Lamps.
   - 19 nos. of 120W Led Street Light Fixture.

d. Intra Plant Energy Audit of 160 KWP off Grid Roof Top Solar Power Plant conducted.

e. 3 x 50 t Propane storage and handling system ordered.

f. Plant specific overall energy consumption - 7.30 Gcal/tcs.

ii) Steps taken by the Company for utilizing alternate sources of energy

a. Generation of 1.43 GWh of solar power at RSP.

iii) Capital Investment on energy conservation equipments

A Capital expenditure of Rs.66.98 crore, as detailed below, has been incurred during the Financial Year 2016-17:

Particulars	₹ Crore
Recovery of sensible heat of Coke by Installation of Coke Dry Quenching System in Coke Oven Battery #11 at ISP, # 6 at RSP, #11 at BSP	12.78
Bell Less Top Charging System in Blast Furnace # 3 of DSP	0.32
Top Pressure Recovery Turbine System at Blast Furnace # 5 of ISP	1.89
Coal Dust Injection System in Blast Furnace #5 at ISP, #4 at RSP (usage of auxiliary fuel to reduce Coke charging)	0.42
Installation of energy efficient Walking Beam Type Furnace at BSP, DSP, RSP, BSL & ISP	26.44
Torpedo Ladle for Hot Metal handling at BSP, RSP & ISP	15.21
Cast House Slag Granulation System at BSL	9.92
Total	**66.98**

(B) Technology absorption

i) Efforts made towards technology absorption

Research and Development Centre for Iron & Steel(RDCIS) is the Corporate R&D Unit of SAIL. Over the years, RDCIS has earned credentials of being an R&D Centre of international repute in the field of ferrous metallurgy. The major thrust of RDCIS is to plan, demonstrate and implement multi-disciplinary R&D programmes in SAIL Plants to improve their key performance indices related to quality, productivity and yield. RDCIS works with steel Plants and Central Marketing Organisation of the Company to reduce product cost, develop value added market centric products and demonstrate the application of SAIL products amongst the customers. Specific areas in which R&D activities were carried out by the Company in 2016-17 are as under:

a) Process Developments

Raw Materials

- Optimization of classifier operation to reduce gangue content in ore fines at washing Plant, MIOM, RMD.
- PLC based instrumentation and control system for performance improvement at Chasnala Washery, Collieries.

Coke Making

- Enhancing the crude Benzol yield at BSP.
- Improvement in coke quality through process optimization of coke oven at DSP.
- Coke oven battery health monitoring through cross-leakage determination at RSP.

Agglomeration

- Optimisation of sintering air flow and process parameters at Sinter Plant at BSL.
- Improvement in performance of Sinter Plant through optimisation of process parameters at ISP.

Blast Furnaces

- Introduction of hot metal temperature measurement system in Cast House of BF# 3 at DSP.
- Characterization of high temperature properties of ferrous burden being used in blast furnaces at BSP.
- Extending campaign life of BF # 4 at DSP.
- Improvement in HBT of BF #3 at DSP.

Steel Making

- Improvement in ladle heating system at SMS-II at RSP.
- Development of low cost flux practice and reduction in pipe defect at SMS-I at BSP.
- Sequence casting & quality improvement of wheel steel through Bloom cum Round caster at DSP.
- Improvement in refractory lining performance of EAF roof at ASP.

Rolling Mills

- Automation of slab extractor mechanism of RHFs and slab thickness measuring system before Roughing stand of Plate Mill at BSP.
- Design and development of a system for monitoring of critical process parameters and protection of the welding machines at R&S Mill at BSP.
- Design of an improved system for synchronisation of arms of slab kick off mechanism at HSM at BSL.
- Study the feasibility for tempering of steel plates in the existing Normalising Furnace #2, Plate Mill at BSP.
- Consistency in achieving/maintaining section in rails and modification in roll pass design at BSP.
- Qualifying criteria test of rails as per IRS-T-12-2009/EN-13674-2011 specification at BSP.
- Centralized monitoring and Control for wheel handling system at Wheel & Axle Plant at DSP.

Energy Conservation and Environment

- Energy optimization for air-gas control at stoves by HT VVVF drives for combustion air fan motors at BF #6 at BSP.
- Investigative study of cyanide and ammonia in effluent of BF # 5 GCP at ISP.

b) Laboratory based work

- Development of procedure for Pilot Oven carbonisation test for producing coke having properties similar to that of commercial ovens.
- Evaluation of new imported coking coals through Pilot Carbonization tests.
- Characterization of raw feed linkages and washed coals produced from all MCC washeries under Central Coalfields Ltd..
- Characterization of new indigenous coal and creation of a coal testing laboratory at CCSO, Dhanbad.
- Combustion simulation of existing side burner of sinter machine of IISCO Steel Plant and work out improved burner design.
- Development of model for steel superheat control.
- Development of mathematical model for study of fluid flow characteristics in Beam Blank Mould.
- Creation of databank on melting behavior of various steelmaking slags of SAIL Plants.
- Study of microstructure and texture evolution in low carbon formable steels.
- Evaluation of bond strength properties of SAIL TMT rebars.
- Upgradation of Instron 8801 servo-hydraulic universal testing machine.
- Study on the corrosion fatigue behaviour of rail steels.
- Computerisation of contract activities, cylinder rent management, registration of vendors, risk purchase tracking and MIS generation for MMD.

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 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 2016-17, the following 20 nos. of products have been developed:

- IS 1786 Fe 500S Gr. 25 mm TMT rebars at BSP for Construction.
- Normalized DMR 249 Gr A plates of 24mm thickness at BSP for Defense (Aircraft Carrier Ships).
- Non-microalloyed IS 2062 E 350 BR & B0 grade 15-30 mm thick plates at BSP for Structural.
- AB3 Grade Steel Plates at RSP for Defense (submarines).
- Hardox 400 Q&T Plates (20 mm) at RSP for Earthmovers.
- Non-microalloyed IS 2062 E350 BR plates at RSP for Structural.
- SAIL Forming 250 grade HR coil at BSL for Auto Segment (Dummy axle).
- Thinner Guage (2.3 mm) High Strength LPG (IS 15914 HS 345) at BSL for Domestic LPG Cylinder.
- API 5L X65 PSL1 HR Coils at BSL for Linepipe.
- Nano-Precipitation Strengthened Advanced High Strength steels (SAIL HT 600) at BSL for Tipper body.
- SAE 1008 (SWR 10) Wire Rod 6 & 7 mm at ISP for Construction.
- IS 1786 Fe500S TMT rebars (12 mm) at ISP for Construction.
- IS 1786 Fe500S TMT rebars (16 mm) at ISP for Construction.
- IS 1786 Fe500S TMT rebars (20 mm) at ISP for Construction.
- IS 1786 Fe500D TMT rebars (25 mm) at ISP for Construction.
- IS 1786 Fe500D TMT rebars (40 mm) at ISP for Construction.
- Non-alloyed IS 2062 E350 BR grade IPE 400 (NPB 400x189x75.66) at ISP for Construction.
- Non-alloyed IS 2062 E350 BR grade IPE 450 (NPB 450x190x77.57) at ISP for Construction.
- Non-alloyed IS 2062 E350 BR grade IPE 500 (NPB 500x200x90.68/79.36) at ISP for Construction.
- Non-alloyed IS 2062 E350 BR grade Angle 200x200x20 at ISP for Construction.

d) R&D Master Plan

RDCIS was entrusted the responsibility to revisit R&D Master Plan and introduce suitable changes in identification, selection, implementation and monitoring of R&D programs to make it more user friendly, effective and sustainable. RDCIS in consultation with the Plants/Units Champions of COE projects, other stake holders involved, identified the major roadblocks through a series of workshops/brain storming sessions, and designed a modified process which has been successfully implemented in all the Plants/Units of SAIL leading to larger participation of Plants' personnel in R&D activities across the Company. The major changes incorporated includes a process to identify projects of large technological impact under different categories, simplified purchase procedure, concept of Co-Champion, availability of funds after approval of projects and an innovative process to capture R&D expenditure across the Company. The process developed shall help to meet the following goals:

- Achieve operational goals of business plan.
- Develop global competitiveness.
- Develop in-house process development and design capabilities
- Develop/adapt radically new technologies strategically important to SAIL.
- Disseminate R&D culture in the steel Plants through "Centre of Excellence"(COE) Projects.
- Increase R&D expenditure to international benchmark of 1% of turnover.

The above called for creating Centre of Excellence(CoE) in all the Plants and implementing High Impact Projects (HIP) and Technology Missions (TM) in order to achieve technological eminence. This initiative has taken roots and is under different stages of implementation.

(ii) Benefits derived from key projects in 2016-17:

- **Process Area**

Project Title	Benefits Derived
Enhancing the crude Benzol yield, BSP	• Benzol yield increased from 7.3 kg/tdc to 7.4 kg/tdc.
Energy optimization for air-gas control at stoves by HT VVVF drives for combustion air fan motors at BF #6, BSP.	• Significant electrical energy saving in the tune of 70-75% has been recorded due to VFD drives. • Thermal life of motors will be enhanced due to reduction of harmonics. • Due to smooth variation of speed, thrust on impeller and bearings will be reduced.
Development of low cost flux practice and reduction in pipe defect at SMS-I, BSP.	• Lower rejection ~ 2.51% (avg.) level in trial heats has been achieved as compared to 3.06% (avg.) annual rejection in 2015-16.
Design and development of a system for monitoring of critical process parameters and protection of the welding machines at Rail & Structural Mill, BSP.	• The system has a feature to generate alarm at certain level and it can provide tripping command to the machine if the level exceeds the threshold limit.
Improvement in coke quality through process optimization of coke oven, DSP.	• Tar moisture has improved to < 10% and coke quality in terms of M10 has also improved to <8.0%.
Introduction of Hot Metal temperature measurement system in Cast House of BF# 3, DSP.	• With improved thermal control of the furnace, corrected coke rate of the furnace, after neutralizing other parameters, has come down by 2- 3kg/thm in Oct-Nov'16.
Improvement in HBT of BF #3, DSP.	• Monthly average of 1000^{0}C HBT was achieved on regular basis during Sept - Oct'16.
Extending campaign life of BF # 4, DSP.	• This campaign life is the highest in DSP history (BF#4 has produced 7.51 MT in its previous campaign during 1996-2006).
Sequence casting & quality improvement of wheel steel through Bloom cum Round caster, DSP.	• Sequence length up-to 4 heats have been successfully made by finishing the heat within 50 minutes in VAD excluding delays.
Centralized monitoring and Control for wheel handling system at Wheel & Axle Plant , DSP.	• Centralized monitoring facility at Shift control room as well as monitoring facility at any authenticated PC on DSP Intranet.
Coke oven battery health monitoring through cross-leakage determination, RSP.	• COB#6 has already exceeded the target pushing level envisaged (84); current pushing level is 92 pushing/day.
Improvement in ladle heating system at SMS-II, RSP.	• The ladle preheat temperature of 1100^{0}C has been achieved in 8 hrs. in the modified stands against 850-950^{0}C with the old ladle dryer stands. • Improvements in refractory lining life of the ladle and reduction in skull formation are expected due to ladle heating at about 1100^{0}C.
Optimisation of sintering air flow and process parameters at Sinter Plant, BSL.	• The specific sinter machine productivity improved by 5.18%, 3.64% & 3% in sinter machines#1, 2 & 3 respectively. • Machine speed improved by 3.82% (in m/c-1), by 7.95% (in m/c -2) and by 5.78% (in m/c-3). • The RDI & RI of BSL sinter was respectively found to be 36% & 64%, which is considered better.
Improvement in performance of Sinter Plant through optimisation of process parameters, ISP.	• Increase in specific productivity of the Plant from 0.93 to 1.15 t/m^2/hr.
Improvement in refractory lining performance of EAF roof, ASP.	• With these developed bricks, average EAF roof lining life of approx. 160 heats with an all-time record life of 200 heats have been achieved against earlier average lining life of 100 heats.
Optimization of classifier operation to reduce gangue content in ore fines at washing plant, MIOM, RMD.	• Decrease in slime loss of about 1.5 times when the ore is processed through the modified classifier. • Apart from recovery of valuable minerals, the classifier product also showed with higher iron (62.8%Fe) content in comparison to existing classifier (without modification) product (62.4%Fe). • Silica reduction also noticed to certain extent in case of modified classifier operation.
PLC based instrumentation and control system for performance improvement at Chasnala Washery.	• Reduction in annual electrical delay by~ 75% in raw coal charging area.
Characterization of new indigenous coal and creation of a coal testing laboratory at CCSO, Dhanbad.	• Widening of coal supply base.
Development of procedure for Pilot Oven carbonisation test for producing coke having properties similar to that of commercial ovens .	• Better prediction of commercial coke quality.
Evaluation of new imported coking coals through Pilot Carbonization tests.	• Widening of imported coal base.
Characterization of raw feed linkages and washed coals produced from all MCC washeries under Central Coalfields Ltd.	• Widening of indigenous coal supply base.
Combustion simulation of existing side burner of sinter machine of IISCO Steel Plant and work out improved burner design.	• Based on CFD (Computational Fluid Dynamics), a modified burner design has been worked out to improve combustion characteristics of side mounted burners of Sinter Plant, ISP. • The modified burner design shall be installed and commissioned in one Sinter Machine of ISP in the year 2017-18 to improve sinter productivity.
Development of model for steel superheat control.	• Mathematical model has been developed for predicting steel temperature at different stages of refining with respect to time using empirical co-relations and CFD modeling.

- **Product Area**

Product	Benefits Derived
IS 1786 Fe 500S Gr. 25 mm TMT rebars, BSP.	Developed Fe-500S grade TMT rebars with UTS/YS ratio of 1.25 min as per IS 1786, 2008 for construction of seismic resistant RCC structure. Process technology established for the production of 25 mm diameter TMT rebars in Fe 500S grade.
Normalized DMR 249 Gr. A plates of 24mm Thickness, BSP.	DMR 249 Gr. A plates of thickness 20-24 mm are supplied in Q&T condition whereas upto 20 mm thickness as-rolled normalized plates are accepted. Processing of as-rolled-normalised DMR 249 Gr. A plates of 24 mm thickness has been developed for naval application (Aircraft Carrier Ships).
Non-micro alloyed IS 2062 E 350 BR & B0 grade 15-30 mm thick plates, BSP.	Through modified chemistry and fine-tuned rolling practice, properties of IS 2062 E 350 BR /B0 grade structural steel are met without addition of microalloying. Product has been used successfully in fabricating road rollers.
Thinner Guage (2.3 mm) High Strength LPG (IS 15914 HS 345), BSL.	This product was developed for manufacturing light weight (18% less weight) domestic LPG cylinders as per requirement of HPCL. Process technology was established for production of 2.3 mm thick high strength (YS 500MPa) HR coils. Fabricated cylinders after normalising could achieve all the requisite properties as per specification.
Nano-Precipitation Strengthened Advanced High Strength steels (SAIL HT 600), BSL.	A new generation high-strength advanced ferritic steel developed for the first time in SAIL rolled condition through HSM. Thinner gauge(5, 6 & 8 mm) high strength HT 600 having UTS >600 MPa has been used for tipper bodies to reduce the weight .
SAIL forming 250 grade HR coil, BSL.	This product was developed for use in auto segment for manufacturing of dummy axle. Process technology was established and the properties were achieved as per specification.
API 5L X65 PSL1 HR Coils, BSL.	Product is used for making line pipes.
Hardox 400 Plates (20 mm), RSP.	Process technology was established for production of HARDOX Plates (with tensile strength 1400MPa and 380BHN hardness) in 20mm thickness for wear resistant application in Earthmoving equipment.
AB3 Grade Steel Plates, RSP.	Process technology for processing of AB3 grade plates has been developed at RSP. This steel finds application in making of submarines.
Non-microalloyed IS 2062 E350 BR plates, RSP.	Similar to development at BSP, process technology for meeting properties of IS 2062 E 350 BR/ B0 grade structural steel without addition of microalloying have been developed at RSP.
IS 1786 Fe500S TMT rebars (12 mm), ISP.	Developed Fe-500S grade TMT rebars with UTS/YS ratio of 1.25 min as per IS 1786, 2008 for construction of seismic resistant RCC structure. Process technology established for the production of 12 mm diameter TMT rebars in Fe 500S grade.
IS 1786 Fe500S TMT rebars (20 mm), ISP.	Developed Fe-500S grade TMT rebars with UTS/YS ratio of 1.25 min as per IS 1786, 2008 for construction of seismic resistant RCC structure. Process technology established for the production of 20 mm diameter TMT rebars in Fe 500S grade.
IS 1786 Fe500D TMT rebars (25 mm), ISP.	Process technology established for the production of 25 mm diameter TMT rebars in Fe 500D grade with UTS/YS ratio of 1.18 min for construction segment as per IS 1786, 2008 through newly installed bar mill of ISP.
IS 1786 Fe500D TMT rebars (40 mm), ISP.	Process technology established for the production of 40mm diameter TMT rebars in Fe 500D grade with UTS/YS ratio of 1.18 min for construction segment as per IS 1786, 2008 through newly installed Bar Mill of ISP.
Non-alloyed IS 2062 E350 BR/B0 grade IPE 400 (NPB 400x189x 75.66), ISP.	Process technology established for the production of high strength E350 BR/B0 grade narrow parallel flange beam IPE 400 (NPB 400x189x75.66) as per IS 2062 through Universal Section Mill of ISP. The process is a cost effective method for production of steel without using costly micro-alloying elements. This product finds application in steel structures in construction sector.
Non-alloyed IS 2062 E350 BR/B0 grade IPE 450 (NPB 450 x190x 77.57), ISP.	Process technology established for the production of high strength E350 BR/B0 grade narrow parallel flange beam IPE 450 (NPB 450x190x77.57) as per IS 2062 through Universal Section Mill of ISP. The process is a cost effective method for production of steel without using costly micro-alloying elements. This product is extensively used in steel structures in construction sector.
Non-alloyed IS 2062 E350 BR/B0 grade IPE 500 (NPB 500x 200x 90.68/ 79.36), ISP.	Process technology established for the production of high strength E350 BR/B0 grade narrow parallel flange beam IPE 500 (NPB 500x200x90.68/ 79.36) as per IS 2062 through Universal Section Mill of ISP. The process is a cost effective method for production of steel without using costly micro-alloying elements. This product finds application in steel structures in construction sector.
Non-alloyed IS 2062 E350 BR/B0 grade Angle 200x200x20, ISP.	Process technology established for the production of high strength E350 BR/B0 grade Angle 200x200x20 as per IS 2062 through Universal Section Mill of ISP. The process is a cost effective method for production of steel without using costly micro-alloying elements. This product is extensively used in steel structures in construction sector.
IS 1786 Fe500S TMT rebars (16 mm), ISP.	Developed Fe-500S grade TMT rebars with UTS/YS ratio of 1.25 min as per IS 1786, 2008 for construction of seismic resistant RCC structure. Process technology established for the production of 16mm diameter TMT rebars in Fe 500S grade.
SAE 1008 (SWR 10) Wire Rod 6 & 7 mm, ISP.	Process technology developed for production of SAE 1008 Grades. This grade is used for making wire mesh and ordinary grade fasteners.

Other Technology Absorption, Adaption & Innovation Measures

Technology development, absorption, adaption and further improvement are continuously taking place in the Company in different areas of Steel Plant operation through a definitive technology strategy. A number of new technologies are installed / being installed as a part of modernization/continuous improvement. These area-wise include:

Sl. No.	Description	Year	Status
COKE MAKING			
1.	Rebuilding of environment friendly Coke Oven Battery No. 5 at DSP	2016	Commissioned
2.	New 7m tall environment friendly Coke Oven Battery No. 9 at BSP.	2016	Commissioned
3.	Rebuilding of environment friendly Coke Oven Battery No. 3 at RSP	2016	Commissioned
4.	Rebuilding of environment friendly Coke Oven Battery No.7 at BSL	2017	Likely to be commissioned
SINTER MAKING/AGGLOMERATION			
IRON MAKING			
1.	**Blast Furnace (BF) with modern facilities such as :** • Conveyor charging system. • Closed Loop Cooling System with soft water as an efficient cooling system. • Modern refractory design. • Flat Cast House design with ramp for use of mobile equipment for maintenance, etc.		
i)	4060m^3 BF at BSP.	2017	Likely to be commissioned
2.	**Gas Cleaning Plant (GCP) for improvement in quality of BF gas**		
i)	GCP in BF#8, BSP.	2017	Likely to be commissioned
3.	**INBA Cast House Slag Granulation Technology at BSL**		
i)	BF#2, Cast House 4.	2017	Likely to be commissioned
ii)	BF#3, Cast House 5.	2017	Likely to be commissioned
4.	**High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of >1200°C**		
i)	Stoves System in BF#8 BSP.	2017	Likely to be commissioned
ii)	Stoves System in BF#1 RSP.	2017	Likely to be commissioned
5.	**Top Recovery Turbine in Blast Furnaces for generation of power**		
i)	Installation in BF#8 BSP.	2017	Likely to be commissioned
STEEL MAKING			
1.	Introduction of RH degassing unit at SMS-II, RSP.	2016	Commissioned
2.	Introduction of RH degassing unit at SMS, ISP.	2016	Commissioned
3.	Installation of 45 MVA SAF at CFP.	2017	Under Commissioning
4.	Introduction of Slide gate system in Tundish in CCM of SMS-II of BSL.	2016	Commissioned
ROLLING & FINISHING			
IISCO STEEL PLANT			
	Bar Mill		
	Universal Section Mill		
1.	Hot charging of blooms to reduce specific fuel consumption.	2016	Commissioned
2.	Walking-beam (WB) type re-heating furnaces.		
3.	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
4.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		

Sl. No.	Description	Year	Status
	BHILAI STEEL PLANT		
	Universal Rail Mill		
1.	Walking-beam (WB) type re-heating furnaces.	2017	Under commissioning
2.	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc..		
	Bar & Rod Mill		
1.	Hot charging of billets to reduce specific fuel consumption.	2017	Under commissioning
2.	Walking-beam (WB) type re-heating furnaces.		
3.	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars.		
4.	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods.		
5.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		
	DURGAPUR STEEL PLANT		
	Medium Structural Mill		
1.	Walking-beam (WB) type re-heating furnaces.	2017	Likely to be commissioned
2.	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc..		
3.	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions.		
	BOKARO STEEL PLANT		
	Hot Strip Mill		
	Crop-ends optimization, automatic width control, hydraulic automatic gauge control (HAGC), wedge/camber control in roughing stand.	2016	Commissioned
	Cold Rolling Mill-III		
	Coupled Picking Line & Tandem Mill, shaped roll crown control, roll shifting, work-roll thermal crown control, hydrogen batch annealing with capability for dual phase steel, galv-annealing facilities, future provision of colour coating line, etc.	2016	Commissioned

Expenditure on Research & Development **(₹ Crore)**

(a)	Capital	:	77.83
(b)	Recurring	:	261.60
	Total	:	339.43
	Total R&D Expenditure as a % of Total Turnover	:	0.69

Foreign Exchange Earnings and Outgo **(₹ Crore)**

i)	Foreign Exchange earned from exports and other activities	:	1,729.73
ii)	Foreign Exchange used:		
a)	CIF Value of imports	:	14,679.06
b)	Other expenditure in foreign currency	:	185.69

ANNUAL REPORT ON CSR ACTIVITIES 2016-17

1. A brief outline of the CSR Policy, including overview of Projects proposed to be undertaken and a reference to the web link to the CSR Policy and Projects.

1(A) Brief Outline (Objectives) of SAIL CSR Policy:

- Create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill towards the Company from those living along the periphery by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged.
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future to meet its needs.
- Support local populace by building the image of SAIL as patron of diverse pastoral sports, art & cultures.
- To operate in a socially, environmentally and economically responsible manner, so as to succeed by seeking social license.

1(B) Overview of SAIL CSR Projects/Activities:

All the CSR activities/projects fall in line with Schedule VII of the Companies Act, 2013 focussing on issues which are of foremost concern in the national development agenda:

i. Promoting healthcare including preventive health care, sanitation and access to drinking water;
ii. Promotion of education, employment/livelihood enhancing vocation skills
iii. Promotion of gender equality, empowering women, facilities for senior citizens and Persons with special abilities and socially-economically backward groups;
iv. Ensuring environmental sustainability, animal welfare and agro-forestry
v. Protection of national heritage, art and culture
vi. Training to promote rural sports
vii. Rural development

1(C) Web-link for SAIL CSR Policy and Projects: www.sail.co.in

2. Composition of the CSR Committee:

A Board Level Committee on Corporate Social Responsibility comprising Independent and Functional Directors is in place. The members of the CSR Committee as on 30th June, 2017 are:

Sl.No	Name	Designation
1	Mrs. Anshu Vaish	Independent Director & Chairperson of the Committee
2	Prof. Ashok Gupta	Independent Director
3	Dr. Samar Singh	Independent Director
4	Shri Anil Kumar Chaudhary	Director (Finance)
5	Dr. N. Mohapatra	Director(Personnel)
6	Shri Raman	Director (Technical)

3. Average Net Profit for last three FYs : ₹ (-) 605.47 crores

4. Prescribed CSR Expenditure : 'Nil' as 2% of amount as in item 3 above is in the negative

5. Details of CSR spent during FY 2016-17 :

a) Total amount to be spent : ₹ 24.0 crores (the unspent amount of 2015-16)

b) Amount unspent, if any : Nil.
(An additional amount of ₹ 5.05 Crores spent over and above ₹ 24.0 crore)

c) Manner in which the amount spent : Details furnished in prescribed format at **Annexure-A**

6. In case the company has failed to spend the 2% of average net profit of the last three FYs or any part thereof, Directors' Report to disclose reasons for such non-compliance.

Not applicable. SAIL as a responsible Corporate has spent ₹ 5.05 crore over and above ₹ 24.0 crore which was the carried over unspent amount of 2015-16.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

During 2016-17, SAIL mainly focused on sustainance of core on-going CSR activities which were primarily in the areas of education of children in CSR run schools, mid- day meals in government schools through Akshay Patra Foundation, scholarships for children, educational schemes for tribal/backward children adopted for providing comprehensive facilities, operation of Primary Health Centres for under privileged people, organisation of medical camps and operation of mobile medical units, skill development and women empowerment programmes and assistance to differently abled people. All the above activities were in accordance with provisions specified in Schedule-VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

In addition, in the area of environment conservation, more than 1 lakh trees have been planted at Bhilai under Hariyar Chhattisgarh Yojana and a Bio Diversity Park has been developed at Durgapur.

The major CSR activities undertaken by SAIL during 2016-17 have been elaborated in the prescribed format at **Annexure-A**.

Sd/-	Sd/-	Sd/-
(Dr. N.Mohapatra)	**(Anil Kumar Chaudhary)**	**(Mrs. Anshu Vaish)**
Director (Personnel)	Director (Finance)	Chairperson, CSR Committee
SAIL	SAIL	SAIL

Annexure-A

SAIL CSR PROJECTS/ACTIVITIES UNDERTAKEN DURING 2016-17

(₹ crore)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects (State & District where projects were undertaken)	Amount outlay (budget) projects wise	Amount spent on the projects: Direct expenditure or Overheads	Cumulative expenditure up to the reporting period (2014-15 to 2016-17)	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation, construction of toilets under SVA and making available safe drinking water;	Cl.(i) Healthcare, Drinking Water & Sanitation	In the peripheral areas of SAIL Plants and Units. The districts covered are Durg, Bilaspur, Balod, Kanker, Narayanpur, Dhamtari, Rajnandgaon, Champa in Chhattisgarh, Burdwan, Bankura, South 24 parganas, Nadia and Kolkata in W.Bengal, Sudergarh & Keojhar in Odisha, Bokaro, Deoghar, W.Singhbhum, Garhwa, Dhanbad, Ranch & Khunti in Jharkhand, Salem & Cuddalore in Tamilnadu, Chikamagaluru in Karnataka, Chandrapur in Maharashtra, Gwalior in MP, Guntur in Andhra Pradesh etc.	7.07	5.79	42.05	Direct and through Implementing Agencies, viz. Akshaya Patra Fdn; PG College of Nursing, Bhilai; NIOS; Zila Saksharta Samiti, RamKrishna Mission,Yogoda Satsanga Society, Ispat Mahila Samaj, SRREOSHI, Jharkraft, Aroh Fdn, Indian Red Cross Society, Durgapur Sub-Div.Branch, Samayita Math, Gopalmath Sisu Kalyan Kendra, SVVP Samity, Apex Body VVK Durgapur Info Centre, Art of Living, DSP Mahila Samaj, Blind Relief Society, Burnpur Ambagan Volunteers S.W. Org, Cure Intl, Baidyanath Sewa Trust, Piramal Swasthya,Bokaro, DMI Abasik Mahila Samaj, Asha Kiran Shelter Home, Peace House W. Trust, BIKK, Society for Rural Industria-lisation, Chh'garh Rajya Van Vikas Nigam, Vanvasi Kalyan Kendra,Bokaro, ASP/DSP SC & ST Employees W. Association, 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		13.28	11.60	40.08	
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		0.75	1.16	8.52	
4	Protection of heritage, art, culture & Training to promote rural sports,Nationally recognised sports, paralympic sports and Olympic sports;	Cl.(v) & (vii) Promotion of Sports, Art & Culture		1.21	2.93	12.93	
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		2.18	3.68	19.86	
6	Rural development projects	Cl.(x) Infrastructure & Rural Dev		1.88	2.68	13.70	
7	Capacity Building	CSR Rules, 2014 Cl.4(6)		0.57	1.21	3.11	
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)		2.40	-	-	
	Total			29.34*	29.05	140.25	

* This includes unspent amount of ₹ 24.0 Crore of 2015-16 Budget.

PRINCIPAL EXECUTIVES AS ON 18.07.2017

CORPORATE OFFICE

NEW DELHI

Chairman
P. K. Singh

Directors
Finance
Anil Kumar Chaudhary
Raw Materials & Logistics
Kalyan Maity
Projects & Business Planning with addl. charge of Director (Personnel)
Dr. Ganesh Vishwakarma
Technical
Raman
Commercial
Ms. Soma Mondal

Executive Directors
Power, Elec. & SAILCON
Tejveer Singh
Vigilance
D. Bartaria
Business Planning
S. K. Garg
Logistic & Infra.
D. K. Sama
Chairman's Sectt.
P. K. Jha
Personnel & Administration
S. P. S. Jaggi
Law & PLO
H. R. Choudhury

ED(F&A) & Secretary
M. C. Jain
ICVL
Umesh Kumar

Chief of Corporate Affairs
R. K. Singhal

Safety
R. K. Tripathi
Hridaya Mohan

Growth Division
T. S. Prakash

Management Training Institute
Mrs. Kamakshi Raman

STEEL PLANTS / UNITS

Bhilai Steel Plant
Chief Executive Officer
M. Ravi
Executive Directors
Personnel & Administration
M. K. Barman
Projects
A. K. Mathur
Works
T. B. Singh

Durgapur Steel Plant
Chief Executive Officer
A. K. Rath
Executive Directors
Personnel & Administration
Atul Srivastava
M&HS
Dr. N. Kulshreshtha - Dir I/c
Works
Harinand Rai

Rourkela Steel Plant
Chief Executive Officer
Ashwini Kumar
Executive Directors
Personnel & Administration
P. K. Pradhan
Works
S. Das
Materials Management
Paramananda Sahoo
Projects
R. Agarwal

Bokaro Steel Plant
Chief Executive Officer
P. K. Singh
Executive Directors
M&HS
Dr. A. K. Singh - Dir. I/c
Materials Management
H. P. Singh
Works
S. K. Singh
Finance & Accounts
R. Krishnaswamy

IISCO Steel Plant
Chief Executive Officer
R. K. Rathi
Executive Directors
Projects
Wakil Singh
Materials Management
C. Srikanta
Works
R. P. Mandal

Alloy Steels Plant
General Manager I/c
G. Bhattacharya

Salem Steel Plant
Executive Director
P. K. Mishra

Visvesvaraya Iron & Steel Plant
General Manager I/c
V. S. Hegde

UNITS

Research & Development Centre for Iron & Steel
Executive Director
B. N. Thakur

Raw Materials Division
Executive Director I/c with addnl. Charge of ED (T&S)
Alok Shrivastava
Projects
S. Sitapati
Personnel & Administration
Amitabha Bhattacharya

Centre for Engineering & Technology
Executive Director
P. Saidev

Central Marketing Organisation
Executive Directors
Marketing - Special Initiatives
P. K. Mishra
Marketing - Commercial
Alok Sahay
Marketing - LP & FP
Biswajit Chongdar
Marketing - SPU
Sanjeev Saurabh
Marketing - ITD
Deb Kalyan Mohanty

Transport & Shipping
General Manager
L. N. Mallick

SAIL Refractory Unit
Executive Director
Swapan Kumar Garai

Chandrapur Ferro Alloy Plant
Executive Director
S. K. Saha

Collieries
Executive Director
S. K. Basak

Environment Mgmt. Division
Executive Director
R. Mitra

STEEL AUTHORITY OF INDIA LIMITED

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI-110003

CIN: L27109DL1973GOI006454

NOTICE

NOTICE IS HEREBY GIVEN THAT the 45th Annual General Meeting of the Members of Steel Authority of India Limited will be held at 1030 hours on Friday, the 22nd September, 2017, 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, 2017, 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, 2017 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 2017-18.

SPECIAL BUSINESS

5. To appoint Dr. Samar Singh (DIN:07725642) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Dr. Samar Singh (DIN:07725642), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto 3rd February, 2020."

6. To appoint Shri Nilanjan Sanyal (DIN: 03026624) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Shri Nilanjan Sanyal (DIN:03026624), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto 3rd February, 2020."

7. To appoint Ms. Soma Mondal (DIN:06845389) as a Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Ms. Soma Mondal (DIN:06845389) who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing her candidature for the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To obtain consent for Borrowings and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

   "**RESOLVED THAT** in supersession of the Resolution passed by the Shareholders of the Company at the Annual General Meeting held on 22nd September, 1999, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company, including any Committee thereof, for borrowing from time to time any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of the business) shall not at any time exceed Rs.40,000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

   FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

9. To obtain consent for Borrowings and creation of charge on the assets of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

   "**RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to make Offer(s) or Invitation(s) to raise funds through Private Placement of Secured Non-convertible Debentures/Bonds of up to Rs.5,000 crore, during a period of one year from the date of this Annual General Meeting, in one or more tranches to such person or persons, including eligible investors (whether residents and/or non-residents and/or institutions/corporate bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets), Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Developments Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public, or other entities, authorities and such other persons, who may or may not be the bond/debenture holders of the Company, in one or more combinations thereof, including the green-shoe option (within overall limit of 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, hypothecate, mortgage, pledge in addition to existing charges, mortgages and hypothecations created by the Company on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporates, trustees for the holders of Debentures/Bonds/Other Instruments/Securities or any other persons on such terms and conditions and covenants as the Board or any Committee thereof may think fit for securing borrowings of funds, availed or to be availed, from time to time, by way of Term Loans, External Commercial Borrowings, issue of Debentures/Bonds, etc. not exceeding the limit approved by the Shareholders in terms of Section 180(1)(c) of the Companies Act, 2013.

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to authorize the Committee of the Board to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking, etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company and /or a Committee thereof as may be approved and authorized by the Board, if any, be and are hereby authorized to do all necessary acts, deeds, actions, and other things and to take all such steps as may be required or considered necessary or incidental thereto for giving effect to this resolution."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

10. To ratify the remuneration of the Cost Auditors of the Company and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution.**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.9,75,000/- plus taxes as applicable and reimbursement of Daily Allowance, travelling expenses and out of pocket expenses to be paid to the Cost Auditors viz. M/s. R.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 2017-18, 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

MJain

(M.C. Jain)
ED (F&A) and Secretary

Place: New Delhi
Dated: 11th August, 2017
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. 5 to 10 above is annexed hereto. The relevant details under Item No.2 and 3 of the Notice of the person(s) seeking re-appointment as Director required vide Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Only Members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.

4. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to submit to the Company a certified true copy of the relevant Board Resolution alongwith the specimen signature(s) of the representative(s) authorised to attend and vote on their behalf at the meeting.

5. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be supplied.

6. The Register of Members of the Company will remain closed from 23rd August, 2017 to 25th August, 2017 (both days inclusive).

7. M/s. MCS Share Transfer Agents Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities viz. Transfer/ transmission/ transposition/ dematerialisation/ rematerialisation/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfer and allied activities with this agency only at the following address:

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

8. **Dematerialisation**

i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. 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) For making nomination, Members holding shares in physical form are advised to collect the Nomination Form from the Company's Share & Transfer Agents and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).

iv) **EFT MANDATE**

Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT), for any future payouts from the Company. Under the EFT, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority (RBI or SBI). The clearing authority provides credit reports to the payee's Bank, who credits the amount to their respective accounts. It becomes inevitable that the shareholders opting for EFT should provide details of their Bank Name, IFSC Code, A/c No., A/c Type, Branch Name, 9 digit MICR No. along with their Name and Folio Number (DP-ID/Client ID) to the Company if their holding is in Physical Form and to the Depository participant, if their holding is in Demat Form.

9. 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.

10. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2009-10(Interim). The Company has, thereafter, paid/ declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2009-2010	-	17.00
2010-2011	12.00	12.00
2011-2012	12.00	8.00
2012-2013	16.00	4.00
2013-2014	20.20	-
2014-2015	17.50	2.50
2015-2016	-	-
2016-2017	-	-

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all upaid/unclaimed dividend declared by it upto Financial year 2009-10 (interim dividend). Upon completion of a period of seven years, the Company would transfer the unclaimed /unpaid dividend (final) of Financial year 2009-10 in December 2017.

Section 124(6) of the Companies Act, 2013 read with Rules provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. Accordingly, the Company would initiate the process for transfer of the shares to IEPF. The Company, has sent individual communication(s) to the concerned shareholders whose dividend has remained unpaid or unclaimed for seven consecutive years, providing complete details of the shares due for transfer to IEPF. The Company has also published Notice in the newspapers advising such shareholders to encash their unclaimed dividend to avoid transfer of the shares. Details of such Shareholders and Shares due for transfer to IEPF has been uploaded on the Company's website.

Claimants of the dividend /shares transferred to IEPF are entitled to claim refund by applying to IEPF.

11. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

12. **Green Initiative in Corporate Governance of Ministry of Corporate Affairs**

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars issued by the Ministry of Corporate Affairs, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Directors' Report, Auditors' Report, etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

Members are requested to opt for receipt of the above notices/documents through electronic mode. They are requested to register their e-mail ID for this purpose with their respective depository participant or with the Company's Registrar and Transfer Agent i.e. M/s. MCS Share Transfer Agents Limited at the address given above or e-mail at **admin@mcsregistrars.com**

Please note that these documents will also be available on the Company's website www.sail.co.in and physical copies of the same will also be available at the registered office as mentioned herein above for inspection during office hours.

13. **Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance Slip.**

14. **No Brief case or Bag or mobile phone will be allowed to be taken inside the auditorium.**

15. **General Information and Instructions for E-voting:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014 as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electric voting system from a place other than the venue of the AGM (remote e-voting).

II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot paper voting system.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The Company has engaged the services of M/s. National Securities Depository Limited(NSDL) as the Agency to provide the remote e-voting facility.

V. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm-M/s. Agarwal S. & Associates and in his absence Ms. Karishma Singh of M/s. Agarwal S. & Associates as Scrutiniser to scrutinize the remote e-voting and voting at the venue of the AGM through ballot paper in a fair and transparent manner and he has communicated his willingness to be appointed and 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. 16th September, 2017 only shall be entitled to avail the facility of remote e-voting or voting at the venue of the AGM through ballot paper.

VII. A person who becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on cut-off date i.e.16th September, 2017, can **follow the process for generating the Login ID and Password as provided in the Notice of the AGM.**

VIII. The remote e-voting period commences on 19th September, 2017 (9:00 am) and ends on 21st September, 2017 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2017, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**

IX. The Scrutinizer, after scrutinizing the votes cast at the venue of the AGM(ballot paper) and through remote e-voting, will, not later than 48 Hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith with the consolidated scrutiniser's report shall be placed on the website of the Company-www.sail.co.in and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.

X. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e.22nd September, 2017.

XI. **The process and manner for remote e-voting are as under:**

A. In case of Members who receive the Notice in electronic mode i.e. email from NSDL:

(i) Open email and open PDF file viz. "SAIL e-voting.pdf" with your Client ID No. or Registered Folio No. as password. The said PDF file contains your 'User ID' and 'Password/PIN' for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Insert your User ID and Password as Initial Password/PIN as stated at (i) above and Click Login. If you are already registered with NSDL for E-voting, then you can use your existing 'User ID' and 'Password'.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. Please do not share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select the Electronic Voting Event Number(EVEN) of "SAIL".

(viii) Now you are ready for remote e-voting as **'Cast Vote'** page opens.

(ix) Cast your vote by selecting your option and click on **"Submit"** and then click on **"Confirm"** when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ appropriate authorization together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sachinag1981@gmail.com with a copy marked to NSDL's e-mail ID **evoting@nsdl.co.in.**

B. In case of Members who receive the Notice by post i.e. physical copy:

(i) The members whose email ID is not registered with the Company/ Depository Participant(s) may obtain a login ID and password for casting his /her vote by remote e-voting by sending a request at **evoting@nsdl.co.in** or by contacting NSDL at the toll free No.: 1800-222-990, by mentioning their Demat Account No./Folio No.

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) in A above, to cast vote.

C. Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login. Thereafter, please follow the steps from Sl.Nos. (vi) to (xii) mentioned in A above, to cast your vote. Note: **Shareholders already registered with NSDL for e-voting will not receive the PDF file "SAIL e-voting.pdf".**

D. Those who became Members of the Company after dispatch of the Notice but on or before **16th September, 2017(cut-off date)** may mail to NSDL at **evoting@nsdl.co.in**, requesting for user ID and password. On receipt of user ID and password, the steps from Sl.Nos. (ii) to (xii) in A above should be followed for casting of vote.

XII. In case of any query/grievance, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com or contact:

Mr. Rajiv Ranjan, Assistant Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013 at telephone no. 022-24994738 or toll free No. 1800 222 990 or at email ID: evoting@nsdl.co.in

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com In case shareholders are holding shares in Demat Mode, USER-ID is the combination of (DPID+Client ID).

In case Shareholders are holding shares in Physical Mode, USER-ID is the combination of (Even No. + Folio No.)

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

On nomination by the President of India vide Government's Order F.No. 1(10)/2015-BLA(Vol-II) dated 31st January, 2017, Dr. Samar Singh (DIN:07725642) was appointed as an Additional Director of the Company with effect from 4th February, 2017. His tenure as Non-Official Independent Director is for a period of three years with effect from 4th February, 2017 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Dr. Samar Singh would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Dr. Samar Singh for the office of Director of the Company.

Dr. Samar Singh is a distinguished academician and presently working as a Senior Assistant Professor in Ranchi University. His area of specialization is Research and Social Services. He is Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee of the Company.

Dr. Samar Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Dr. Samar Singh that he meets with the criteria of independence as prescribed under sub- section 6 of Section 149 of the Act.

Save and except Dr. Samar Singh and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.5 of the Notice.

Keeping in view the vast expertise and knowledge of Dr. Samar Singh, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 6

On nomination by the President of India vide Government's Order F.No. 1(10)/2015-BLA(Vol-II) dated 31st January, 2017, Shri Nilanjan Sanyal (DIN:03026624) was appointed as an Additional Director of the Company with effect from 4th February, 2017. His tenure as Non-Official Independent Director is for a period of three years with effect from 4th February, 2017 or until further orders, whichever is earlier. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Nilanjan Sanyal would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act proposing the candidature of Shri Nilanjan Sanyal for the office of Director of the Company.

Shri Nilanjan Sanyal, IAS (Retd.-Odisha, 1979) was in the civil services for over 36 years. He retired as Secretary to the Government of India, Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) on 31st August, 2015. Earlier, he had held several assignments in the State of Odisha and the Central Government since 1981.

Shri Nilanjan Sanyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri Nilanjan Sanyal that he meets with the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act. He is a Member of the Nomination & Remuneration Committee of the Company.

Save and except Shri Nilanjan Sanyal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

Keeping in view the vast expertise and knowledge of Shri Nilanjan Sanyal, the Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 7

On nomination by the President of India vide Government's Order No.6/2/2016-BLA dated 25th January, 2017, Ms. Soma Mondal (DIN:06845389) was appointed as an Additional Director of the Company with effect from 1st March, 2017 subject to her re-appointment by the shareholders in the Annual General Meeting. Her tenure as Director is for a period of five years from 1st March, 2017 or till the date of her superannuation or until further orders, whichever is earliest. She is liable to retire by rotation in terms of provision of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, she would hold office upto the date of the ensuing Annual General Meeting. The notice under Section 160 of the said Act has been received proposing the name of Ms. Soma Mondal as a candidate for the office of Director of the Company.

Ms. Soma Mondal, aged 54 years, has graduated in Electrical Engineering from National Institute of Technology, Rourkela in 1984. Prior to joining SAIL, she was Director (Commercial) in National Aluminium Company Limited (NALCO). She had been instrumental in devising marketing strategies of different products for NALCO in the Domestic & Overseas markets and had also been actively involved in launch of various new products by the Company.

Ms. Soma Mondal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Save and except Ms. Soma Mondal and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No.7 of the Notice.

The Board considers it desirable that the Company should continue to avail itself of her services as a Director and recommends this Resolution for approval of the shareholders.

Item No. 8

Section 180(1)(c) of the Companies Act, 2013 provides that a Company shall not borrow funds in excess of its paid-up share capital and free reserves, except with the approval of the Shareholders by a Special Resolution passed in a General Meeting. Earlier, in terms of provision of Section 293(1)(d) of the Companies Act, 1956, consent of the Members had been obtained for the Directors to borrow upto the maximum amount of ₹ 20,000 crores exceeding paid-up share capital and free reserves of the Company. The Company would need substantial amount of funds for financing capital expenditure, meeting operational requirements, debt servicing obligations and has plans to convert short term loans to long/medium term loans during Financial Year 2017-18 and onwards. In view of the above, the borrowing limit may exceed the permissible limits under Section 180(1)(c) of the Companies Act, 2013. It is, therefore, proposed to increase the borrowing limit to ₹ 40,000/- crore or Paid-up Capital and Free reserves of the Company, whichever is higher.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and /or Key Managerial Personnel of the Company or their relative(s) is / are concerned or interested in the Resolution set out at Item No. 8 of the Notice.

Item No. 9

As informed in the previous years, your Company has taken up a massive Modernisation & Expansion programme of its Plants and also for augmentation of Raw Material supplies from its own mines. The expansion programme has been decided to be funded through a mix of debt and equity. The Company has already spent about ₹ 65,822 crore on its expansion programme till 30th June, 2017. In order to part finance the expansion programme as well as to convert short loans into medium and long term loans, your Company plans to borrow about ₹ 5,000 crore during the period of one year from the date of this Annual General Meeting or such other period as may be permitted under the Companies Act, 2013 and other applicable laws.

On analysis of the various options of raising funds through borrowing in Domestic and International Market, it has been decided by the Board of Directors to raise the funds through private placement of Secured Non-convertible Debentures / Bonds to the extent of ₹5,000 crore during the year.

The provisions of Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures/bonds. Accordingly, approval of Shareholders for the resolution as set out in Item No.9 of the Notice is being sought to borrow funds by offer or invitation to subscribe to Secured Non-convertible Debentures / Bonds for an amount upto ₹ 5,000 crore. This resolution would be valid for the period of one year from the date of this AGM. The terms and conditions of Secured Non-convertible Debentures / Bonds shall be decided by the Board of Directors / Committee thereof or any one or more Directors, as may be required.

The borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. Consent of the members is being sought in terms of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create charge, hypothecate, mortgage, pledge on any movable, immovable properties of the Company both present and future and on the whole or substantially the whole of the undertaking or undertakings of the Company and wherever situated and to authorize the Board to take necessary action in this regard.

The Board recommends the Resolution for your approval as Special Resolution.

None of the Directors and /or Key Managerial Personnel of the Company or their relative(s) is / are concerned or interested in the Resolution set out at Item No. 9 of the Notice.

Item No.10

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 27th April, 2017 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 2017-18 at a remuneration of ₹9,75,000/- plus taxes 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 taxes as applicable.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the Resolution for ratification of the fee of the Cost Auditors as set out at item No.10 of the Notice is submitted for approval of the Shareholders.

The Board recommends the resolution for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the resolution.

By order of the Board of Directors

(M.C. Jain)
ED (F&A) and Secretary

Place: New Delhi
Dated: 11th August, 2017
Registered Office:
Ispat Bhawan, Lodi Road, New Delhi-110003.
CIN: L27109DL1973GOI006454

Details of Directors seeking re-appointment in forthcoming Annual General Meeting furnished in terms of SEBI Regulations:

Name of the Director	**Shri 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, LLB., PG Diploma in Personnel/Business Management.	BE (Hons.) in Mining
List of Companies in which outside Directorship is held.	NIL	NIL
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	NIL

TALKATORA STADIUM – ROUTE MAP

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454
Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003
Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

ATTENDANCE SLIP

45th Annual General Meeting to be held on Friday, 22nd September, 2017 at 10.30 hours

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No. / Client ID No.	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I, hereby record my presence at the 45th Annual General Meeting of the Company to be held on Friday, 22nd September, 2017 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

*Applicable in case of Shares held in Physical Form

Member's/Proxy's Signature ____

NOTE:
1. The attendance slip should be signed as per the specimen signature registered with the R&TA/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the registration counter(s) at the venue against which R&TA will issue admission card.
2. Entry to the hall will be strictly on the basis of admission card as provided by R&TA.
3. Members in person/Proxy holders may please carry photo-ID card for identification/verification purposes.
4. Shareholder(s) present in person or through registered proxy shall only be entertained.
5. Briefcase, mobile phone, bag, eatables, helmets and other belongings will not be allowed to be taken inside the venue of the meeting for security purposes and shareholder(s)/ proxy holder(s) will be required to take care of their belonging(s).
6. No gifts will be distributed at the Annual General Meeting.

. . . .

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GOI006454
Registered Office: Ispat Bhawan, Lodi Road, New Delhi - 110 003
Tel: +91 11 24367481, **Fax:** +91 11 24367015, **E-mail:** investor.relation@sailex.com, Website: www.sail.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
Folio No./DP ID-Client ID	
Email ID	

I/We, being the member(s) of ……..……. shares, hereby appoint:

1.Name: .... Address: ....
E-mail Id: .... Signature: .... , or failing him
2.Name: .... Address: ....
E-mail Id: .... Signature: .... , or failing him
3.Name: .... Address: ....
E-mail Id: ....Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company to be held on 22nd September, 2017 at 1030 hours at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	**Resolutions**
	Ordinary Business
1.	To receive, consider and adopt the (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017 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, 2017 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 2017-18.
	Special Business
5.	To appoint Dr. Samar Singh (DIN:07725642) as an Independent Director of the Company.
6.	To appoint Shri Nilanjan Sanyal (DIN:03026624) as an Independent Director of the Company.
7.	To appoint Ms. Soma Mondal (DIN:06845389) as a Whole-time Director of the Company.
8.	To Authorise Board to borrow money beyond the Share Capital and Free Reserve of the Company upto Rs.40,000 crore.
9.	To obtain consent for Borrowings upto Rs.5,000 crore through private placement and creation of charge on the assets of the Company.
10.	To ratify Remuneration of Cost Auditors of the Company.

Please affix ₹ 1 Revenue Stamp

Signed this ………..day of ………...……........2017
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.

सेल SAIL

A MAHARATNA COMPANY

THE SAIL NETWORK

NOT TO SCALE

CORPORATE OFFICE	UNITS	CONSIGNMENT AGENCY YARD	BRANCH SALES OFFICES
INTEGRATED STEEL PLANTS	CMO HEAD QUARTERS	SALES RESIDENT MANAGER	1. NORTHERN REGION
ALLOY AND SPECIAL STEEL PLANTS	REGIONAL OFFICES	CUSTOMER CONTACT OFFICE	2. EASTERN REGION
FERRO ALLOY PLANT	STEEL PROCESSING UNIT	SAIL REFRACTORY UNIT (SRU)	3. WESTERN REGION
	DEPARTMENTAL WAREHOUSE	TRANSPORT & SHIPPING OFFICE	4. SOUTHERN REGION

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

6th August, 2017

BOOK POST

"Permitted to post on prepayment of postage in cash at BPC, SJ Stg., New Delhi - 110003, under CPMG, Delhi Circle, License No. DEL/BDM/BNPL SP Hub, Basant Lok/SAIL/06/16-08-2017 to 28-08-2017/139866/19 dated 04-08-2017.

To,

स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED
Ispat Bhawan, Lodi Road, New Delhi-110 003
website: www.sail.co.in

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

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