



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/2021

6<sup>th</sup> September, 2021

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

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

**Sub:Notice of 49<sup>th</sup> Annual General Meeting to be held though Video Conferencing (VC) / Other Audio Visual Means (OAVM) along with the Annual Report of the Company for the Financial Year (FY) 2020-21; Book Closure and Record Date.**

Dear Sir,

It is hereby informed that the 49<sup>th</sup> Annual General Meeting of the Members of Steel Authority of India Limited (SAIL) will be held on 28<sup>th</sup> September, 2021 at 10:30 AM through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility. Pursuant to applicable Circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India, the Notice of the AGM and Annual Report of the Company for FY ended 31<sup>st</sup> March, 2021 containing Audited Financial Statements (including Consolidated Financial Statements) and the Report of the Auditors' and the Board thereon, and other documents

Notice of the 49<sup>th</sup> Annual General Meeting is enclosed for your reference and record. The same is also available on the website of the Company-[www.sail.co.in](http://www.sail.co.in). Notice of the AGM is available at website of M/s NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

Pursuant to Section 91 of the Companies Act, 2013 and rules notified thereunder and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is thereby notified that the Register of Members of the Company will remain closed from Wednesday, 22<sup>nd</sup> September, 2021 (from end of business hours on 21<sup>st</sup> September, 2021) to Tuesday, 28<sup>th</sup> September, 2021 (both days inclusive), for the purpose of payment of Final Dividend and AGM of the Financial Year 2020-21. The Company has fixed Tuesday, 21<sup>st</sup> September, 2021 as the 'Record Date' (from end of business hours on 21<sup>st</sup> September, 2021) for determining entitlement of members to Final Dividend for the FY 2020-21, subject to approval by the Members at the AGM. The payment of final dividend, if approved by the Members at the AGM, will be paid subject to deduction of Income Tax at source (TDS).

pg. 1

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

The Cut-off Date for determining the eligibility of member to vote through Remote e-voting/ e-voting at the AGM has been fixed as 21<sup>st</sup> September, 2021 (end of business hours). A person who

is a member of the Company as on the Cut-off Date and has the right to vote at the AGM, shall be eligible to vote through Remote e-voting/ e-voting at the AGM. A person who is not a member of the Company as on the Cut-off Date and does not have the right to vote at the AGM, shall not be eligible to vote through Remote e-voting/ e-voting at the AGM.

The details of the members who are eligible to vote through Remote e-voting/ e-voting at the AGM shall be available on the website of the Company at [www.rajshyam.com](http://www.rajshyam.com) from 14<sup>th</sup> September, 2021 to 21<sup>st</sup> September, 2021 (end of business hours).

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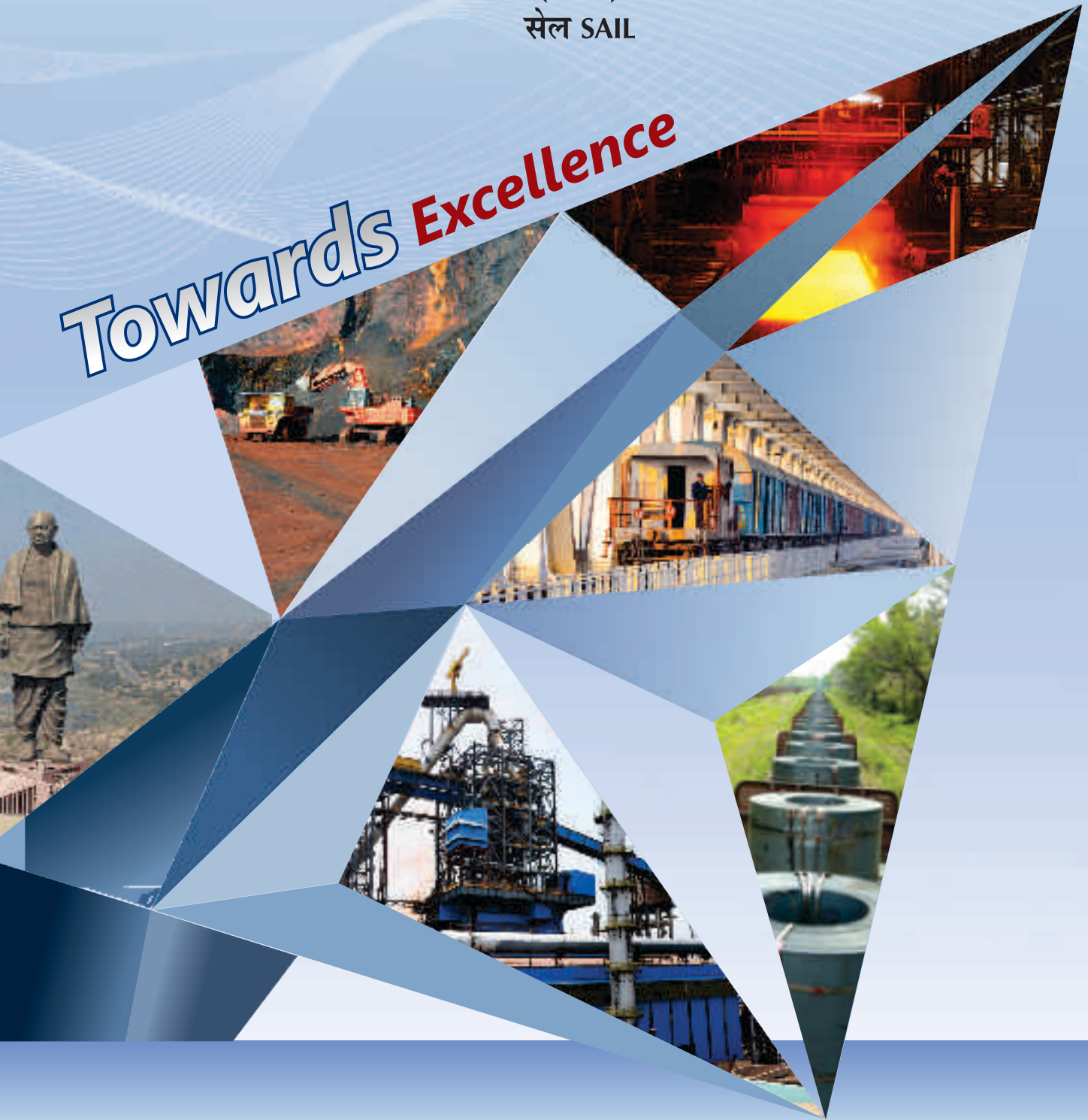
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Chairman



सेल SAIL

**Towards Excellence**



**ANNUAL  
REPORT**

**2020-21**

# Shri Narendra Modi Hon'ble Prime Minister of India Appreciates SAIL's Efforts in the fight against COVID



**Narendra Modi**   
@narendramodi

This is a good step.

Organisations could play a vital role in popularising Aarogya Setu and ensuring more people download it.

**SAIL**  @SAILsteel · Apr 15

To protect our Nation from the deadly COVID19 pandemic, all of us at @SAILsteel endorse and support the GOI initiative of the #AarogyaSetuApp. Download it on @GooglePlay or the @AppleStore. #IndiaFightsCorona #SAILagainstCorona #AarogyaSetu #SAILagainstCorona



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**AAROGYA SETU APP**

Download the App to help India in its fight against COVID-19

 @SAILmediaofficial |  @SAILsteel |  @sailauthority | There's a little bit of SAIL in everybody's life

12:56 PM · Apr 16, 2020 · Twitter Web App

3K Retweets: 20.3K Likes





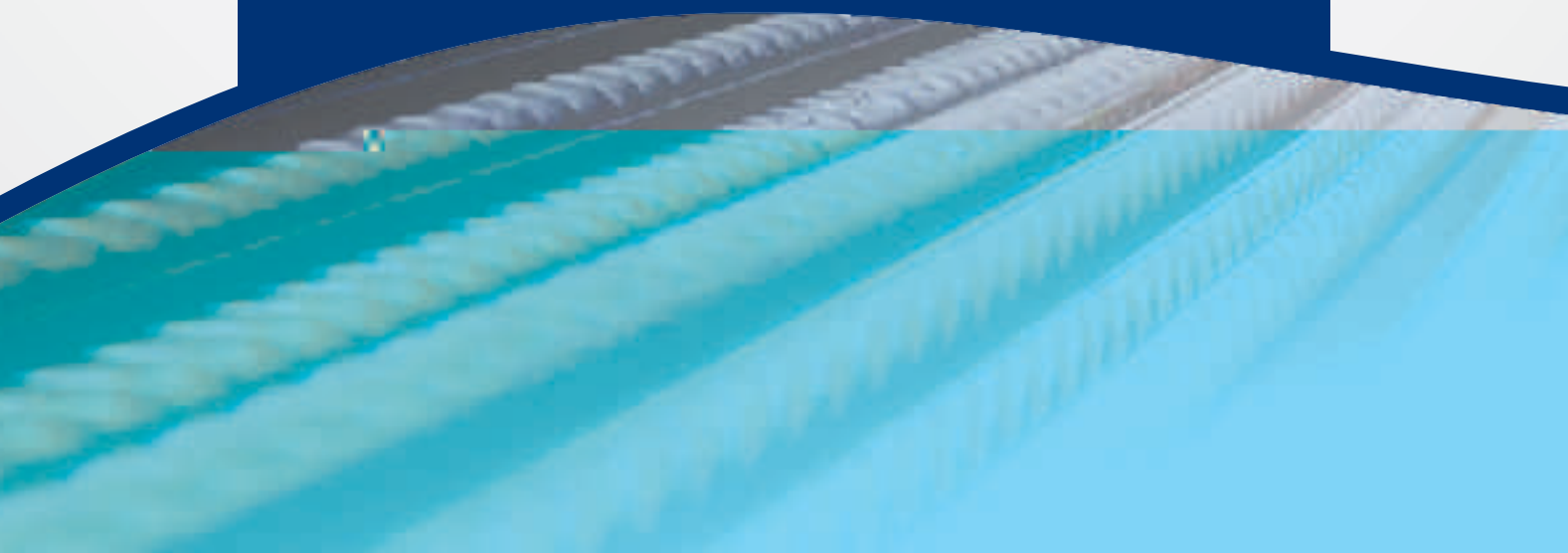
## ATMANIRBHAR BHARAT built on the strength of SAIL Steel

- Agriculture • Energy • Housing • Sky Scrapers • Stadiums • Roads • Bridges • Highways
- Railways • Metros • Airports • Ports • Ships • Space Exploration • Hospitals • Construction
- Pipelines • Manufacturing • Defence

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



VISION



WE BUILD LASTING RELATIONSHIPS WITH CUSTOMERS BASED  
ON TRUST AND MUTUAL BENEFIT.

WE UPHOLD HIGHEST ETHICAL STANDARDS IN  
CONDUCT OF OUR BUSINESS.

WE CREATE AND NURTURE A CULTURE THAT SUPPORTS  
FLEXIBILITY, LEARNING AND IS PROACTIVE TO CHANGE.

WE CHART A CHALLENGING CAREER FOR EMPLOYEES WITH  
OPPORTUNITIES FOR ADVANCEMENT AND REWARDS.

WE VALUE THE OPPORTUNITY AND RESPONSIBILITY TO MAKE  
A MEANINGFUL DIFFERENCE IN PEOPLE'S LIVES.



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## Letter to Shareholders

### Dear Shareholders,

It is my pleasure to present to you the Annual Report of the Company for the Financial Year 2020-21. As you all are aware, the year gone by saw one of the severest challenges ever faced by mankind. Covid-19 Pandemic has affected everyone across the globe, as a direct risk to the health and lives as well as threatening the livelihood by bringing down the economies. While the numbers which peaked significantly during the waves have since come down drastically, the comfort of having done away with the Pandemic has not yet been found.

Before I touch upon the performance of the Company, let me brief you on the various proactive measures taken by your Company to counter this ruthless pandemic. Your Company activated a scaled response towards management of Covid-19 at its Plants, Units, Mines and Townships. Your Company implemented the desired lockdown rules and other social distancing norms for breaking the chain of transmission of Covid-19 virus in the peripheral areas of Steel Plants and Units. SAIL Plants and Units are using full-body automatic sanitizers, touch-free hand-sanitizers, water dispensers, spraying disinfectants, using digital thermal recorders at prominent locations.

On the infrastructure front for Covid care, SAIL Hospitals at five Integrated Steel Plant locations initially earmarked 10% of the beds (330 beds) for Covid care which were later increased to more than 1000 beds. Your Company has also set up additional Covid care facilities at the integrated plant locations totalling to 1100 beds with gaseous oxygen facility from the respective Plant. SAIL Hospitals have also developed Covid-19 testing facilities like RAT, RTPCR, TRU-NAT in coordination with respective State Governments where regular testing of peripheral population is underway.

Partnering with the Nation in its fight against Covid-19, SAIL contributed ₹25 crore to the PM CARES Fund during FY'21. Your Company also stepped forward in making available the Liquid Medical Oxygen in different states. Till date, we have supplied more than One Lakh Tonne of Liquid Medical Oxygen.

Coming to the performance of your Company during FY'21, the year started on a disappointing note for the reasons mentioned above. As the demand for steel products in the domestic markets practically dissipated, your Company seized the available opportunity in the form of exports to sustain its cash flows and liquidity position. Production was regulated in line with the demand. The efficiency pointers or the techno-economic parameters also saw a major degradation due to operation of facilities at sub-optimal levels.

However, as the markets opened upon relaxations in lockdown, the demand started to surge. Your Company was aware of the situation and taking advantage of the same, set records in terms of sales volumes month after month. This helped the Company in pulling off its best ever annual sales performance of 14.937 Million Tonne (MT), growth of 5% over previous year. With simultaneous rise in the realisations, your Company achieved its highest ever annual sales turnover of ₹ 68,452 crore during the Financial Year, growth of more than 12% over previous year.

Your Company achieved its highest ever annual EBITDA or the Gross Margin at ₹13,740 crore on the back of improved operational performance as well as benevolent market conditions in the post lockdown period. Overcoming the challenges in the initial months of the fiscal, the Techno-economic Parameters viz., Coke Rate, CDI Rate and BF Productivity at 448 kg/thm, 78 kg/thm and 1.81 t/m<sup>3</sup>/day respectively recorded best ever statistics underlining the consistent efforts made by the Company in the area of efficiency improvement. The Profit Before Tax (PBT) at ₹ 6,879 crore is the highest during last ten years, more than doubling over previous year's performance. The Profit After Tax (PAT) was also the highest during the decade at ₹3,850 crore though it was impacted by the one-time hit of ₹1,289 crore from adoption of the new tax

regime under Section 115BAA. Other factors which affected the profitability are detailed in the Annual Report.

However, the highlight of the financial performance without a shadow of doubt was reduction in the leverage position. Your Company has reduced its debts from ₹51,481 crore as on 31<sup>st</sup> March, 2020 to ₹35,350 crore as on 31<sup>st</sup> March, 2021, a massive reduction of more than ₹16,000 crore. Consequently, the debt-equity for the Company improved to 0.87 as against 1.36 as on previous year end.

On the production front, Financial Year 2020-21 was impacted significantly due to Covid-19 Pandemic, yet the persistent efforts of SAIL Collective ensured growth quarter after quarter. The last quarter of the fiscal saw the Company achieve its best ever quarterly statistics in terms of Hot Metal, Crude Steel and Saleable Steel produced at 4.978 MT, 4.557 MT and 4.419 MT respectively, thus helping to bridge the deficit from the levels achieved in the previous year. The annual production of Hot Metal, Crude Steel and Saleable Steel stood at 16.582 MT (17.438 MT in FY'20), 15.215 MT (16.155 MT in FY'20) and 14.602 MT (15.083 MT in FY'20) respectively. The Company continued to increase production through concast route and reached 14.733 MT vis-à-vis 14.607 MT achieved during FY'20. The Company has completely stopped production through inefficient THF route. The saleable steel production from new facilities increased to 5.199 MT, growth of 8% over CPLY (4.799 MT).

A large number of new initiatives were undertaken across all the Plants for process improvements, with special emphasis on productivity & quality improvement, product development & commercialization, energy conservation and automation. The continuous activities in respect of product development have led to development of 17 new Steel Products during FY 2020-21 which will strengthen the Country in strategic areas such as shipbuilding, auto, railway, infrastructure & construction, etc. Some of these products have been developed from the newly commissioned production facilities, the most prominent among them being R-260 Rails, API X70 Plates, Wire Rods Coils in High Carbon/EN8 and EWN, WDG4 Wheels, etc. The Plant wise details are provided in the Annual Report.

On the raw materials front, your Company met its entire requirement of iron from its captive sources. SAIL's captive mines produced about 30.06 MT of iron ore. However, for input requirements like coal and fluxes, the production from captive sources at 0.55 MT and 1.77 MT respectively was not enough to meet the entire requirement and accordingly, the Company had to depend on indigenous as well as foreign suppliers. Another noticeable area under Raw Materials was sale of iron ore. After obtaining permission from the respective State Governments in Odisha and Chhattisgarh, your Company was able to sell 3.2 MT of the mineral. The permission, however, is still awaited in the State of Jharkhand.

On the environment front, your Company has drawn its environmental vision in consonance with the Corporate Environmental Policy, which not only addresses the need for compliance of stipulated norms but also emphasises on striving to go beyond. While the SAIL Plants and Mines operate their processes without disturbing the ecological balance, they have also been taking all appropriate measures to restore and rehabilitate the degraded eco-system, to maintain and enhance bio-diversity. These include ecological restoration of mined out areas, fresh plantation, bio-sequestration of CO<sub>2</sub>, enhancing utilization of wastes, utilization of renewable energy sources, etc. Structured plantation programmes are being carried out every year in the SAIL Plants and Mines. More than 1.72 lakh saplings were planted during the FY 2020-21, taking the cumulative plantation by SAIL to 21.21 million.

As a result of these efforts, all the sustainable parameters showed improvement with Specific PM Emission Load standing at 0.63 kg/tcs as against 0.68 kg/tcs in FY'20, Solid Waste utilisation improved to 90% vis-à-vis 88.32% during FY'20 and Specific Water Consumption reduced to 3.37 m<sup>3</sup>/tcs over 3.50 m<sup>3</sup>/tcs during FY'20. Specific Effluent Discharge and Specific Effluent Load declined to 1.62 m<sup>3</sup>/tss and 0.080 kg/tcs as against 1.83 m<sup>3</sup>/tss and 0.082 kg/tcs respectively during FY'21.



With an ambition for promotion of circular economy & improvement of environmental footprint, SAIL has signed an MoU with ICAR-IARI for participating as an industrial partner & part finance Ministry of Steel facilitated project of "Development of steel slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth".

SAIL in association with SCOPE & Deutsche Gesellschaft für International Zusammenarbeit GmbH (GIZ) is setting up "Internal Carbon Price Mechanism". This mechanism will help SAIL to better manoeuvre in changed regulatory environment, evaluate returns on investments/projects for reduction of GHG emission and to be prepared for the anticipated low carbon economy without compromising on operational efficiency and market profitability.

On the marketing front, as mentioned earlier, your Company achieved its best ever sales volume of over 14,937 MT during the Financial Year 2020-21. Continuing with its strategy of strengthening its presence in the international markets as well as the export demand during initial months of the year, your Company achieved its highest ever exports at 1.94 MT, a quantum jump of 65% over the previous year. Some of the new markets serviced were: WRC to Kenya and Egypt and HRC to China. Further, the Company explored the export to Bangladesh through riverine route for supply of PM Plates.

The brand "SAIL SeQR" reinforcement bars launched last year has been growing strength to strength by clocking 2.5 lakh tonnes during FY 2020-21, which helps in consolidating uniform brand experience in retail channel. Further, "SAIL SeQR" TMT has been rolled out from BSP during FY 2020-21, thereby enhancing its pan-India footprint. During the coming years, in addition to contribution to top line value, the brand "SAIL SeQR" is expected to not only meet the quality expectation of the Retail Sector but also to drive brand presence of the Company. Comprehensive distribution and promotion plan has been drawn up for sale of SAIL SeQR to Retail customers. Accordingly, 20 SeQR workshops and 108 ASO meets were organized in various parts of the Country. Your Company has been working towards focused brand building initiatives on "NEX" brand of structural by holding webinars and workshops with key influencers.

Your Company is working towards expanding the 2-Tier and 1-Tier distributorship network across India, which will further strengthen our position in B2C space. As a part of supplementing this initiative, online e-portal "SAIL Suraksha" has been launched during FY 2020-21 enabling even the smallest of demand being serviced through the 2-Tier distributorship network.

Subsequent to launch of Mission Poorvodaya by Government of India, SAIL has introduced an Incentivization Scheme for development of MSMEs based in the districts in which its Integrated Steel Plants are located. Around 132 MSMEs have joined under the Scheme during FY 2020-21. Besides this, your Company jointly with Indian Steel Association and its other members has devised a scheme to supply select steel products to MSME members of Engineering Export Promotion Council (EEPC) at export parity price.

In order to help build awareness and acceptance of steel usage in rural areas, SAIL has an ongoing rural outreach programme "Gaon Ki Ore". During the Financial Year 2020-21, the organisation of workshops got impacted due to the Covid-19 Pandemic. Nevertheless, 117 workshops were still conducted during the Financial Year 2020-21 across the Country with focus on small consumers, etc.

Your Company has been contributing in nation building since inception by servicing the requirement of various Infrastructure Projects and also projects of Strategic Importance. Continuing the trend, SAIL has supplied significant quantity of Steel to Power Projects, Road, Rail, Airport & Port Infrastructure Projects, Metro Rail Projects, Irrigation & Drinking Water projects, Fertiliser Industry, Oil & Gas Sector, etc. During the FY 2020-21, your Company has supplied steel to number of Projects of National Importance including Katra to Banihal Tunnel Project; BRTF Leh-Ladakh Project; Leh Airport; Eastern Dedicated Freight Corridor Corporation; Lower Subansiri Hydel Project Assam; Jiribam-Imphal Railway Project for Northeast Frontier Railway; Agartala - Akhaura Rail Link Project; Tripura, Polavaram Multipurpose National Irrigation Project near Rajahmundry, Andhra Pradesh and Rambilli Navy Project of DRDO.

The consistently improving physical and financial position of your Company has prompted the credit rating agency viz.; CARE to upgrade the long term ratings to CARE AA (Stable Outlook) from CARE AA- (Negative Outlook). The short term borrowings programme of SAIL at CARE A1+ has been reaffirmed at this highest level.

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

Your Company believes that building trust will enhance its reputation and boost the confidence of its investors & stakeholders. In line with this, SAIL has been proactively and regularly sharing key information with all stakeholders through use of different communication channels. I take this opportunity to inform you that pursuant to the circulars from the Ministry of Corporate Affairs, the 49<sup>th</sup> Annual General Meeting (AGM) of the Company is being held through Video Conferencing (VC)/ Other Audio Visual Means providing our far spread shareholders an opportunity to attend the AGM, which otherwise was difficult as per the earlier practice requiring physical presence.

Your Company has been taking a number of strategic initiatives for its turnaround, growth and sustenance. In line with the National Steel Policy 2017, your company has formulated its VISION 2030, whereby it is envisaged to enhance the crude steel capacity to 50 MT. Your Company has started working on the land bank study for next phase of expansion.

The future projections for economy and steel industry had seen sharp decline during the Covid-19 Pandemic. With the economies around the world recovering much faster than expected, the estimates for GDP growth during CY 2020 emerged much better than the projections. This has prompted the IMF to raise its projection for the future years. IMF in its World Economic Outlook published during July 2021 has projected the World growth outlook for the years 2021 and 2022 at 6.0% and 4.9% respectively. The emerging market and developing economies are expected to fare better than their advanced counterparts by growing at 6.3% and 5.2% during 2021 and 2022 respectively. At the same time, advanced economies are projected to grow at 5.6% and 4.4% during the corresponding periods.

Similar sentiments have been echoed in the Short Range Outlook published by World Steel Association in April'21. It has been forecast that Global steel demand will reach 1,874 Million Tonnes (MT) in 2021, a growth of 5.8% over 2020. Again, the growth projected for 2022 at 2.7%, augers well for the steel industry in the longer run. The growth rates for India are much sharper at 19.8% and 5.9% in 2021 and 2022 respectively. Hopefully, with the Government support especially in the area of construction and infrastructure, the projected growth rates can be maintained.

Your Company has been gearing up to capitalise the opportunities by giving thrust to increase its volumes, increase efficiencies and strengthen the logistics. To highlight the efforts, Saleable Steel production during April-July' 21 at 5.169 MT is the best ever performance by the Company for this period.

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


**(Soma Mondal)**

Chairman

Place: New Delhi

Date: 1<sup>st</sup> September, 2021

# HIGHLIGHTS

- 
- ◆ HIGHEST EVER TURNOVER ₹ 68452 CRORE
  - ◆ HIGHEST EVER EBITDA ₹ 13740 CRORE
  - ◆ REDUCTION IN BORROWINGS BY MORE THAN ₹ 16000 CRORE DURING FY 2020-21
  - ◆ DEBT-EQUITY IMPROVED TO BELOW ONE. STOOD AT 0.87 AS ON 31.03.2021



## HIGHEST EVER QUARTERLY PRODUCTION IN Q4 FY'21

- ◆ HOT METAL 4.976 MT (PREVIOUS BEST 4.798 Q3 2020-21)
- ◆ CRUDE STEEL 4.557 MT (PREVIOUS BEST 4.368 Q3 FY 2020-21)
- ◆ SALEABLE STEEL 4.418 MT (PREVIOUS BEST 4.153 Q3 FY 2020-21)

# HIGHLIGHTS



◆ UTS-90 RAILS PRODUCTION FROM THE UNIVERSAL RAIL MILL AT 6.28 LAKH TONNE



◆ HIGHEST EVER ANNUAL CONCAST PRODUCTION AT 14.733 MT

# HIGHLIGHTS



- ◆ SAIL SeQR TMT BAR FROM BHILAI STEEL PLANT
- ◆ R260 RAILS
- ◆ API X70 PLATES



- ◆ WIRE RODS IN HIGH CARBON/EN8 AND EWNR
- ◆ WDG4 WHEELS

# HIGHLIGHTS



- ◆ 117 “GAON KI ORE” WORKSHOPS ORGANISED FOR RETAIL CUSTOMERS IN RURAL AREAS
- ◆ LAUNCH OF INCENTIVISATION SCHEME UNDER MISSION POORVODAYA FOR DEVELOPMENT OF LOCAL MSMEs IN AND AROUND SAIL PLANT LOCATIONS.
- ◆ LAUNCH OF SCHEME FOR SUPPLY OF SELECT STEEL PRODUCTS TO MSMEs REGISTERED UNDER ENGINEERING EXPORT PROMOTION COUNCIL (EEPC) AT EXPORT PARITY PRICE.



- ◆ 7 DISTRIBUTORS IN TIER 1
- ◆ 41 DISTRIBUTORS AND 3500 DEALERS IN TIER 2
- ◆ SAIL SURAKSHA PLATFORM LAUNCHED FOR SMALL RETAIL CUSTOMERS

# HIGHLIGHTS



- ◆ HIGHEST EVER IRON ORE MINED 30.06 MT
- ◆ SALE OF IRON ORE 3.2 MT



- ◆ DIVIDEND PAYOUT DURING FY 2020-21: 30% OF PAT
- ◆ LONG TERM CREDIT RATING UPGRADED TO AA (STABLE OUTLOOK) BY M/S. CARE RATING



# HIGHLIGHTS



- ◆ INTEGRATED STEEL PLANTS OF SAIL HAVE SUPPLIED OVER ONE LAKH TONNES OF LIQUID MEDICAL OXYGEN (LMO).
- ◆ SAIL CONTRIBUTED ₹25 CRORE TO PM CARES FUND FOR THE FIGHT AGAINST COVID-19.



**SAIL SeQR TMT**  
now also available online at  
[www.sailsteelonline.com](http://www.sailsteelonline.com)

 स्टील अथॉरिटी ऑफ इंडिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED  
*There's a little bit of SAIL in everybody's life*

- ◆ IN A BIG STEP TO THRUST DIGITAL MARKETING, SAIL LAUNCHED THE WEBSITE [WWW.SAILSTEELONLINE.COM](http://WWW.SAILSTEELONLINE.COM) TO SELL SAIL SeQR TMT BAR ONLINE.

# HIGHLIGHTS



◆ SAIL SUPPLIED MORE THAN 9000 TONNES OF STEEL FOR THE 'ATAL TUNNEL'



# BOARD OF DIRECTORS

(AS ON 1<sup>st</sup> SEPTEMBER, 2021)



CHAIRMAN

**SMT. SOMA MONDAL**

HOLDING ADDITIONAL CHARGE OF THE POSTS OF DIRECTOR (COMMERCIAL) AND DIRECTOR (PERSONNEL)

## FUNCTIONAL DIRECTORS

DIRECTOR (TECHNICAL, PROJECTS & RAW MATERIALS)

**SHRI HARINAND RAI**

DIRECTOR (FINANCE)

**SHRI AMIT SEN**

DIRECTOR (IN-CHARGE BHLAI STEEL PLANT)

**SHRI ANIRBAN DASGUPTA**

DIRECTOR (IN-CHARGE BOKARO STEEL PLANT)

**SHRI AMARENDU PRAKASH**

HOLDING ADDITIONAL CHARGE OF THE POST OF DIRECTOR IN-CHARGE (ROURKELA STEEL PLANT)

## GOVERNMENT DIRECTORS

**SMT. SUKRITI LIKHI**

ADDITIONAL SECRETARY AND FINANCIAL ADVISOR  
MINISTRY OF STEEL, GOVERNMENT OF INDIA.

**SHRI PUNEET KANSAL**

JOINT SECRETARY, MINISTRY OF STEEL  
GOVERNMENT OF INDIA

## INDEPENDENT DIRECTORS

**SHRI KRISHAN KUMAR GUPTA**  
**SHRI N. SHANKARAPPA**

## CHIEF EXECUTIVE OFFICERS (CEOs) (PERMANENT INVITEES)

IISCO STEEL PLANT

**SHRI A. V. KAMLAKAR**

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

COMPANY SECRETARY

**SHRI M. B. BALAKRISHNAN**



Smt. Soma Mondal



Smt. Sukriti Likhi



Shri Puneet Kansal



Shri Harinand Rai



Shri Krishan Kumar Gupta



Shri Amit Sen



Shri. N. Shankarappa



Shri Anirban Dasgupta



Shri Amarendu Prakash

## STATUTORY AUDITORS

**M/S. TEJ RAJ & PAL**

CHARTERED ACCOUNTANTS

**M/S. S JAYKISHAN**

CHARTERED ACCOUNTANTS

**M/S. WALKER CHANDIOK & CO. LLP.**

CHARTERED ACCOUNTANTS

**M/S. K A S G & CO.**

CHARTERED ACCOUNTANTS

## COST AUDITORS

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

COST ACCOUNTANTS

**M/S.ABK & ASSOCIATES**

COST ACCOUNTANTS

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

COST ACCOUNTANTS

## SECRETARIAL AUDITOR

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

COMPANY SECRETARIES

## REGISTERED OFFICE

ISPAT BHAWAN, LODI ROAD,

NEW DELHI-110003

PHONE:24367481; FAX-24367015

INTERNET: WWW.SAIL.CO.IN

EMAIL: SECY.SAIL@SAIL.IN

CIN:L27109DL1973GOI006454

## BANKERS 2020-21

AXIS BANK LIMITED

BANK OF INDIA

BANK OF BARODA

(INCLUDING ERSTWHILE DENA BANK)

BANK OF MAHARASHTRA

CANARA BANK

(INCLUDING ERSTWHILE SYNDICATE BANK)

HDFC BANK LIMITED

ICICI BANK LIMITED

IDBI BANK LIMITED

IDFC FIRST BANK

INDIAN BANK

(INCLUDING ERSTWHILE ALLAHABAD BANK)

INDUSIND BANK LIMITED

JAMMU & KASHMIR BANK LIMITED

KOTAK MAHINDRA BANK LIMITED

PUNJAB NATIONAL BANK (INCLUDING

ERSTWHILE ORIENTAL BANK OF INDIA  
AND UNITED BANK OF INDIA )

PUNJAB & SIND BANK

RBL BANK LIMITED

STATE BANK OF INDIA

UNITED OVERSEAS BANK

UCO BANK

UNION BANK OF INDIA

(INCLUDING ERSTWHILE CORPORATION BANK)

YES BANK LIMITED

## TEN YEARS AT GLANCE

## FINANCIAL HIGHLIGHTS

(₹ crore)

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Gross sales	68452	61025	66267	58297	49180	43294	50627	51866	49350	50348
Net sales	68452	61025	66267	56893	43866	38471	45208	46189	43961	45654
Earnings before depreciation, interest and tax (EBIDTA)	13740	11199	10283	5184	672	(2204)	5586	5909	5621	7658
Depreciation	4102	3755	3385	3065	2680	2402	1773	1717	1403	1567
Interest & Finance charges	2817	3487	3155	2823	2528	2300	1454	968	748	678
Profit / (Loss) before exceptional items	6821	3957	3743	(703)	(4536)	(6906)	2359	2266	3470	5413
Exceptional items: Gain / (Loss)	58	(787)	(405)	(56)	(315)	(101)	-	959	(229)	(262)
Profit / (Loss) before tax (PBT)	6879	3171	3338	(759)	(4851)	(7008)	2359	3225	3241	5151
Provision for tax / (Income tax refund and deferred tax asset)	3029	1149	1159	(277)	(2018)	(2986)	266	608	1070	1608
Profit / (Loss) after tax (PAT)	3850	2022	2179	(482)	(2833)	(4021)	2093	2616	2170	3543
Dividends	1157	-	207	-	-	-	826	834	826	826
Equity Capital	4131	4131	4131	4131	4131	4131	4131	4131	4131	4131
Reserves & Surplus (net of DRE)	39364	35647	34021	31583	31879	35065	39374	38536	36894	35680
Net Worth (Equity capital and Reserves & Surplus)	43495	39777	38152	35714	36009	39196	43505	42666	41025	39811
Total Loans	37677	54127	45170	45409	41396	35141	29898	25281	21597	16320
Net Fixed Assets	67600	69019	61359	58612	50285	45926	36169	26771	16777	17127
Capital work-in-progress	8878	8752	16014	18395	23275	24927	29196	33651	35891	28205
Current Assets (including short term deposits)	31976	40918	32249	29638	25545	24304	28482	26891	27616	28431
Current Liabilities & Provisions	25908	22066	23632	24068	21486	18992	16338	15212	13012	12225
Working Capital (Current Assets less Current Liabilities)	6068	18852	8617	5570	4060	5312	12145	11679	14604	16206
Capital Employed (Net Fixed Assets + Working Capital)	73668	87871	69977	64182	54345	51238	48314	38450	31381	32921
Market price per share (in ₹) (As at the end of the period)	78.80	23.05	53.75	70.20	61.20	43.00	68.35	71.40	62.35	94.05
<b>Key Financial Ratios</b>										
EBIDTA to average capital employed (%)	17.0	14.2	15.3	8.7	1.3	(4.3)	12.9	16.9	17.5	21.0
PBT to Net Sales (%)	10.0	5.2	5.0	(1.3)	(11.1)	(18.2)	5.2	7.0	7.4	11.3
PBT to average capital employed (%)	8.5	4.0	5.0	(1.3)	(9.2)	(13.6)	5.4	8.4	10.1	14.2
Return on average net worth (%)	9.2	5.2	5.9	(1.3)	(7.5)	(9.7)	4.9	6.1	5.4	9.2
Net worth per share of ₹10	105.3	96.3	92.4	86.5	87.2	94.9	105.3	103.3	99.3	96.4
Earnings per share of ₹10	9.3	4.9	5.3	(1.2)	(6.9)	(9.7)	5.1	6.3	5.3	8.6
Price-earning ratio (times)	8.5	4.7	10.2	(60.2)	(8.9)	(4.4)	13.5	11.3	11.9	11.0
Dividend per share of ₹10	2.8	-	0.5	-	-	-	2.0	2.0	2.0	2.0
Effective dividend rate (%)	3.6	-	-	-	-	-	2.9	2.8	3.2	2.1
Debt-Equity (times)	0.9	1.4	1.2	1.3	1.1	0.9	0.7	0.6	0.5	0.4
Current ratio (times)	1.2	1.9	1.4	1.2	1.2	1.3	1.7	1.8	2.1	2.3
Capital employed to turnover ratio (times)	0.9	0.7	0.9	0.9	0.9	0.8	1.0	1.3	1.6	1.5
Working capital turnover ratio (times)	11.3	3.2	7.7	10.5	12.1	8.2	4.2	4.4	3.4	3.1
Interest coverage ratio (times)	2.9	1.8	1.8	0.6	(0.7)	(1.9)	1.8	2.3	2.6	3.8
Dividend payout ratio (%)	30.0	-	9.5	-	-	-	39.4	31.9	38.1	23.3

## PRODUCTION

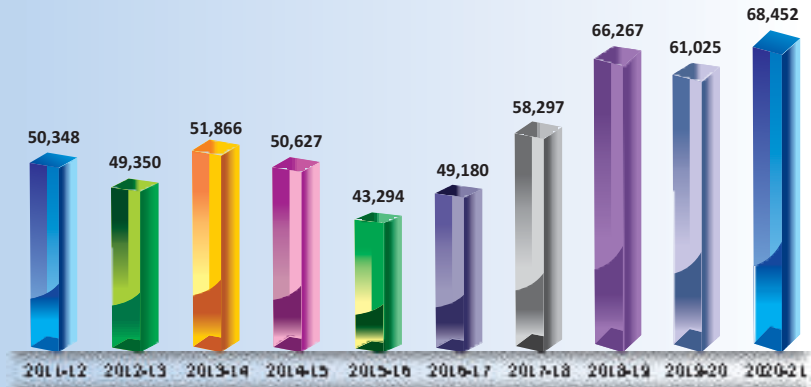
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Item	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Hot Metal	16582	17438	17513	15982	15726	15721	15413	14447	14266	14116
Crude Steel	15215	16155	16266	15020	14496	14279	13908	13579	13417	13350
Pig Iron	584	570	480	270	495	642	634	223	214	106
Saleable Steel	14602	15147	15069	14074	13867	12381	12842	12880	12385	12400
- Semi Finished Steel	3797	2995	3169	2610	3170	3054	3007	2760	2422	2527
- Finished Steel	10805	12152	11900	11464	10697	9327	9835	10120	9962	9872

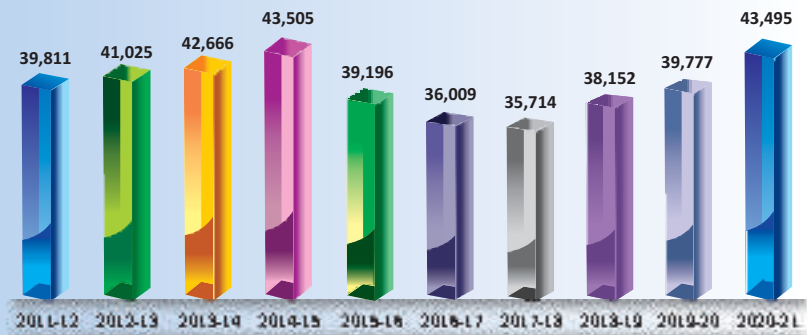
# TEN YEARS AT A GLANCE

## FINANCIAL HIGHLIGHTS

(₹ in Crores)  
**GROSS  
SALES**

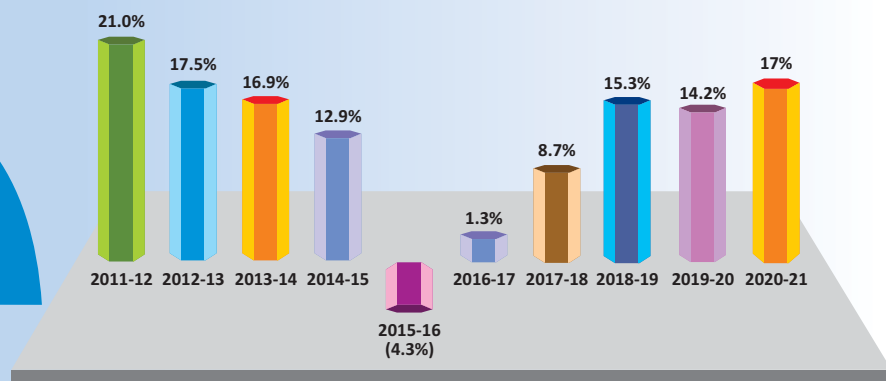


(₹ in Crores)  
**NET  
WORTH**  
(EQUITY CAPITAL  
AND RESERVES  
& SURPLUS)

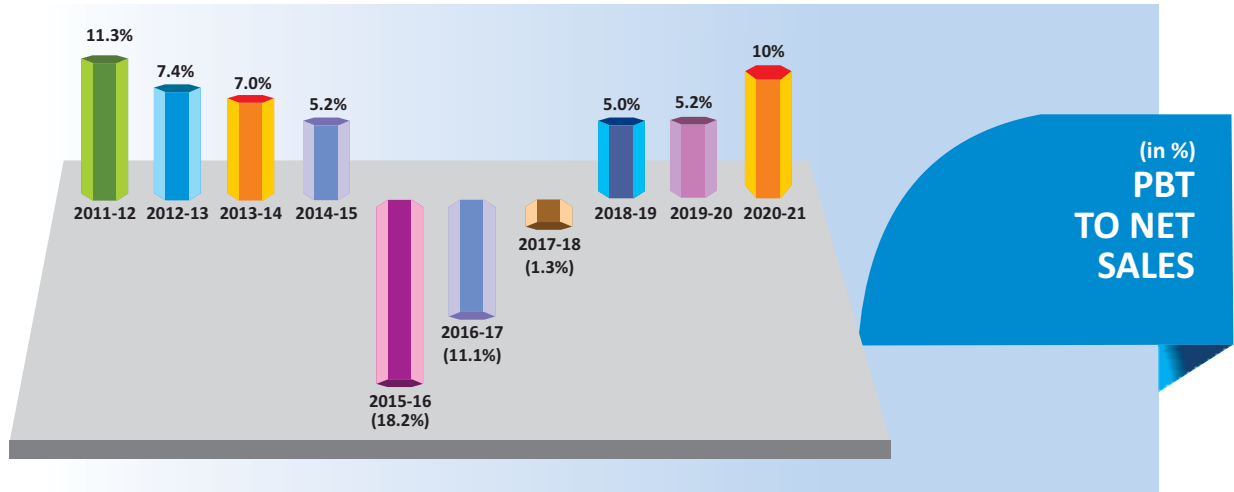


## KEY FINANCIAL RATIOS

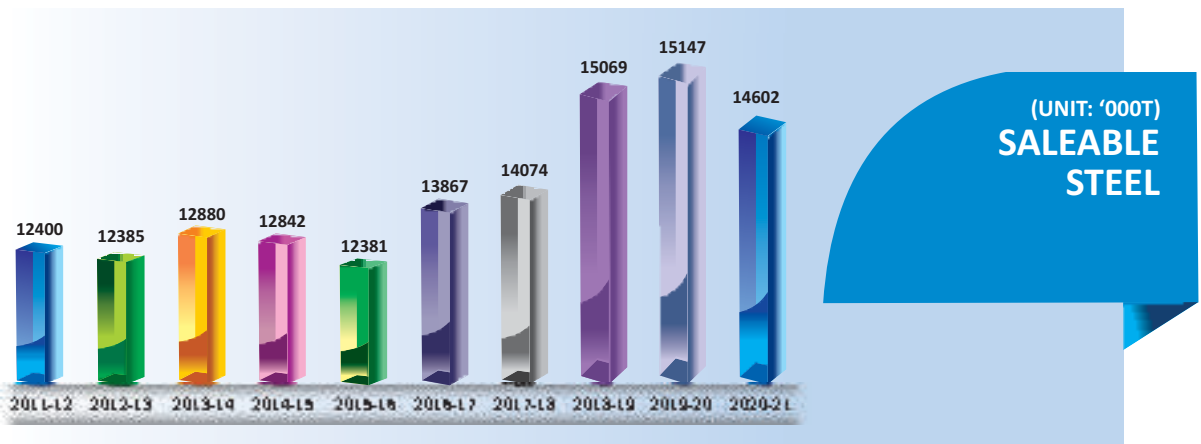
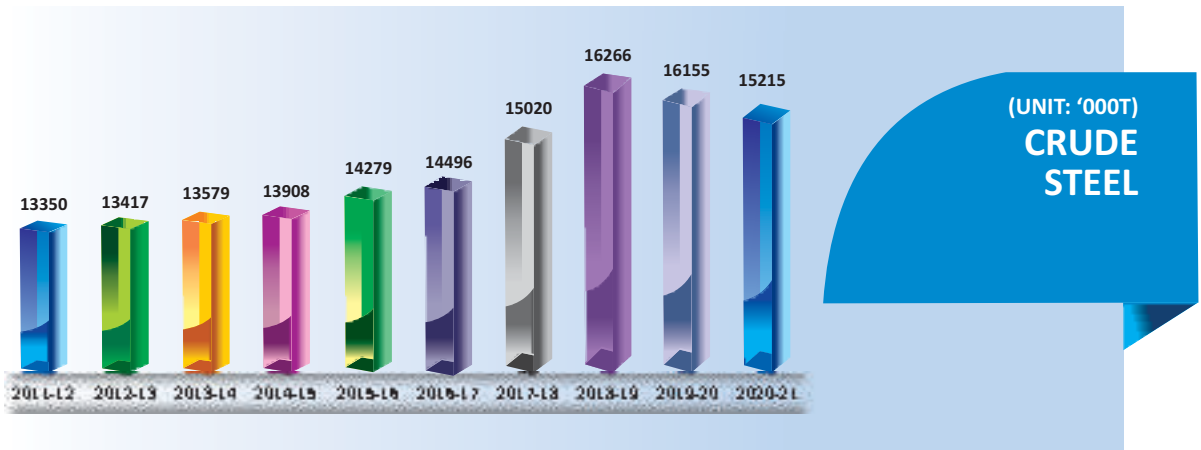
(in %)  
**EBIDTA  
TO AVERAGE  
CAPITAL  
EMPLOYED**



## KEY FINANCIAL RATIOS

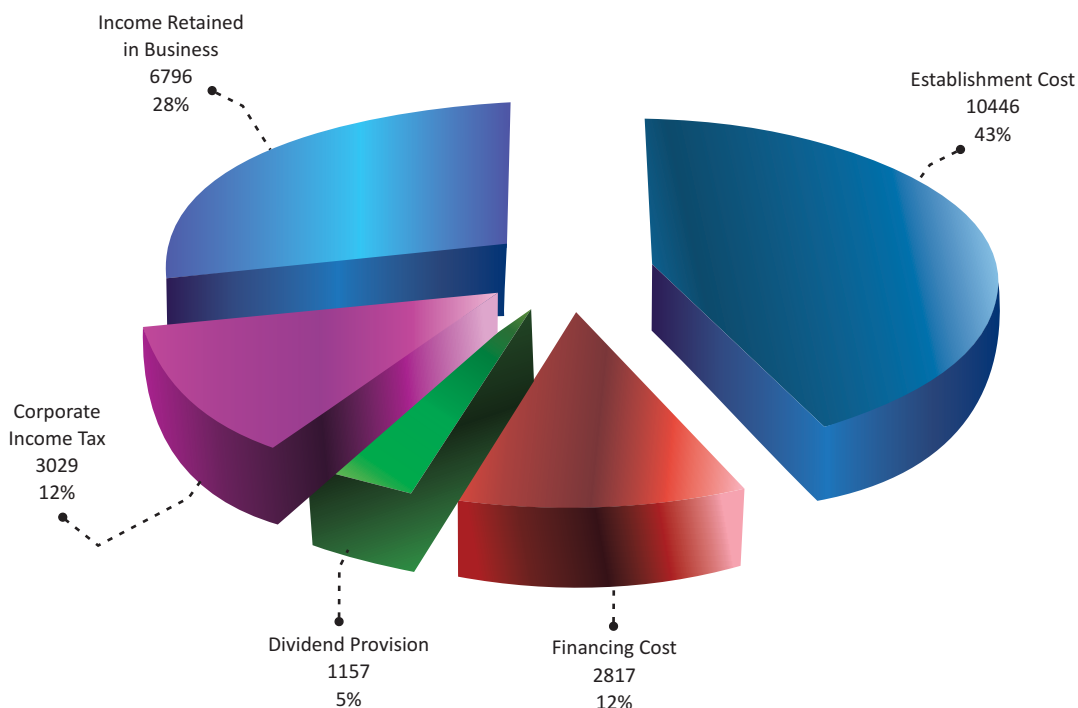


## PRODUCTION



**VALUE APPLIED**

(₹ crore,%)


**VALUE ADDED STATEMENT**

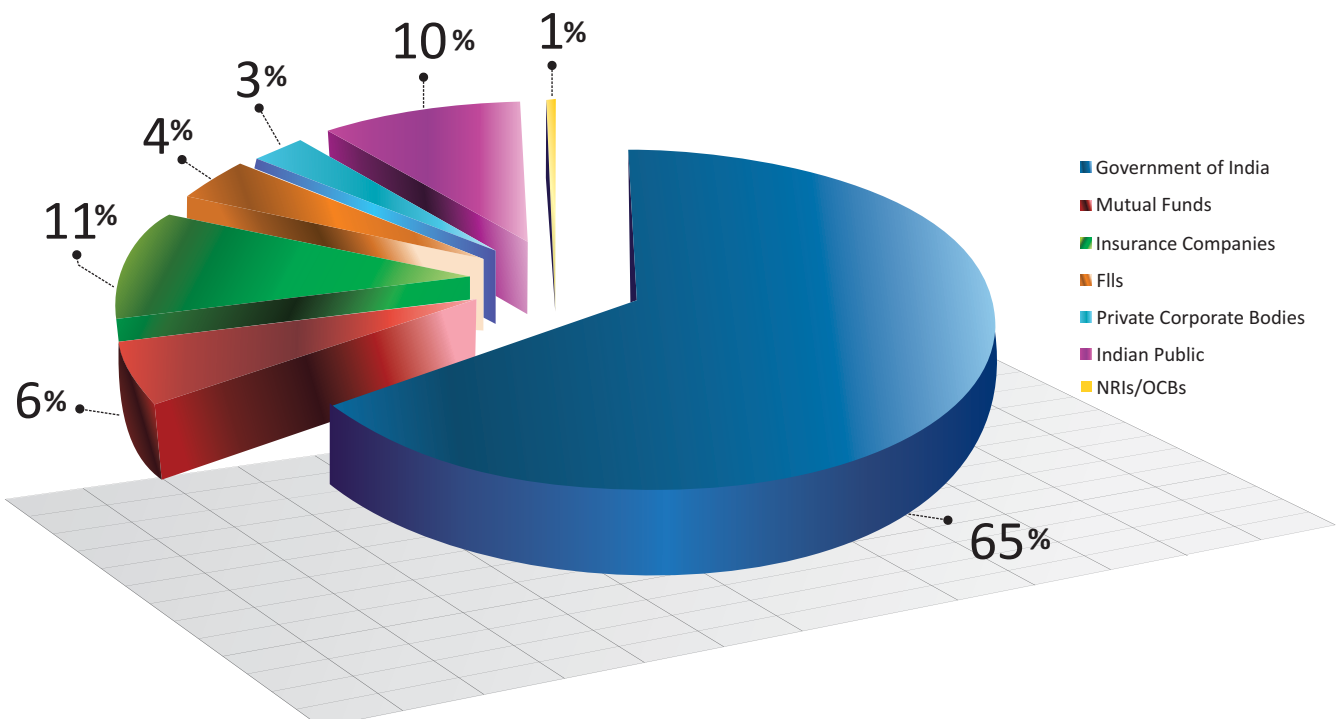
(₹ crore)

FOR THE YEAR	2020-21		2019-20	
Value of own production	64589		67075	
Other Revenues	1509	66098	1490	68565
Less: Cost of Raw Materials	23136		29213	
Stores and Spares	3631		3930	
Power and Fuel	5709		6191	
Excise Duty				
Freight Outward	2076		2211	
Other Operating Cost	7301	41853	7826	49371
<b>Total Value Added</b>		<b>24245</b>		<b>19194</b>
Establishment Cost		10446		8781
Financing Cost		2817		3487
Dividend Provision		1157		206
Corporate Income Tax		3029		1149
Dividend Tax				42
<b>Income Retained in Business</b>				
Depreciation	4102		3755	
General Reserve	0		0	
Bonds Redemption Reserve	-291		-619	
Balance of Profit	2984		2394	
Retained in Business	2694	6796	1775	5530
<b>Total Value Applied</b>		<b>24245</b>		<b>19194</b>

## SHAREHOLDING PATTERN

As on 31<sup>st</sup> March, 2021

Category	Holders	No. of Shares held	% age of Shareholding
<b>Promoters</b>			
Government of India	1	2684714550	65.00
<b>Sub-Total</b>	<b>1</b>	<b>2684714550</b>	<b>65.00</b>
<b>Non-Promoters Holding</b>			
Institutional Investors			
Mutual Funds and UTI	37	237178615	5.74
Banks, Financial Institutions, (Central/State Govt. Institutions/ Non-Govt Institutions)	21	12459314	0.30
Insurance Companies	24	437300526	10.59
FIs	115	178283693	4.32
<b>Sub-Total</b>	<b>197</b>	<b>865222148</b>	<b>20.95</b>
<b>Others</b>			
Private Corporate Bodies	2699	122263397	2.96
Indian Public	523497	429809401	10.40
NRIs/OCBs	6603	22395865	0.54
Trusts and Societies etc	51	3184061	0.08
Any other (Please specify) - GDR*	2	110,990	0.00
IEPF Authority*	1	2,824,877	0.07
<b>Sub-Total</b>	<b>532853</b>	<b>580588591</b>	<b>14.05</b>
<b>GRAND TOTAL</b>	<b>533051</b>	<b>4130525289</b>	<b>100.00</b>



# BOARD'S REPORT

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

The Board of Directors has the pleasure of presenting the 49<sup>th</sup> Annual Report of Steel Authority of India Limited (SAIL, the Company) together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021.

## A. FINANCIAL REVIEW

Financial Results (₹ crore)

Sl. No.	Particulars	Standalone Year ended	
		31 <sup>st</sup> March 2021 Audited	31 <sup>st</sup> March 2020 Audited
1	<b>Income</b>		
	(a) Revenue from operations	69110.02	61660.55
	(b) Other income	1011.69	985.22
	<b>Total Income</b>	<b>70121.71</b>	<b>62645.77</b>
2	<b>Expenses</b>		
	a) Cost of materials consumed	23136.17	29212.87
	b) Changes in inventories of finished goods, work-in-progress and by-products	4268.58	(5555.82)
	c) Employee benefits expense	10445.94	8781.32
	d) Finance costs	2817.14	3486.76
	e) Depreciation and Amortisation expenses	4102.00	3755.05
	f) Other expenses	18531.28	19023.17
	<b>Total Expenses</b>	<b>63301.11</b>	<b>58703.35</b>
3	<b>Profit before Exceptional items and Tax</b>	<b>6820.60</b>	<b>3942.42</b>
	<b>Add / (Less): Exceptional items</b>	<b>58.43</b>	<b>(771.76)</b>
4	<b>Profit before Tax</b>	<b>6879.03</b>	<b>3170.66</b>
	<b>Less: Tax expense</b>		
	Current tax	12.05	224.14
	Deferred tax (refer note 8)	3016.96	924.98
	<b>Total Tax expense</b>	<b>3029.01</b>	<b>1149.12</b>
5	<b>Net Profit for the period</b>	<b>3850.02</b>	<b>2021.54</b>

Your Company achieved Sales Turnover of ₹68,452 crore during the Financial Year (FY) 2020-21, which is higher by 12% as compared to corresponding period of last year (CPLY) mainly due to increase in Net Sales Realisation (NSR) of Saleable Steel of 5 Integrated Steel Plants by 10% and higher Sales Volume by 5%. During the Financial Year 2020-21 the Profit Before Tax and Profit After Tax are ₹6,879 crore and ₹3,850 crore respectively which shows a substantial growth as compared to CPLY Profit Before Tax of ₹3,171 crore and Profit After Tax of ₹2,022 crore. There is an accounting impact of ₹1,289 crore on Profit After Tax due to switch over to new tax regime under section 115BAA.

During the FY 2020-21, despite the lockdown in the Country during Q-1 because of Covid-19 situation, there has been significant improvement in the performance of the company mainly on account of increase in NSR of Saleable Steel (10%) and significant reduction in the imported coking coal prices (21%). The profit has further improved due to increase in saleable steel sales (5%) on account of higher demand of steel, higher sale of pig iron, secondary products and iron ore fines, decrease in expenditure of stores and spares, purchased

power rates, interest charges etc. and higher dividend income, foreign exchange gain and reversal of Covid-19 discount on sub grade iron ore fines.

Your Company continued its thrust on judicious fund management with timely repayment of loans including interest, advance planning and action for future fund raising, etc. to meet our growth objectives. There has been significant reduction in the borrowings of the company during the FY 2020-21 due to improved cash flows because of increasing steel prices and demand in India. The Company had borrowings of ₹37,677 crore as on 31<sup>st</sup> March 2021 vis-à-vis ₹54,127 crore as on 31<sup>st</sup> March 2020 in line with INDAS. The Company has hedged the foreign currency risk on Buyers' Credit and External Commercial Borrowings. The debt equity ratio of the Company as on 31<sup>st</sup> March, 2021 decreased to 0.87:1 from 1.36:1 as on 31<sup>st</sup> March, 2020 primarily due to decrease in borrowings during the year. The net worth of the Company increased to ₹43,495 crore as on 31<sup>st</sup> March 2021 from ₹39,777 crore as on 31<sup>st</sup> March 2020.

An Interim Dividend of 10% i.e. Re.1/- per equity share was paid during the month of January, 2021. The Board of Directors of your Company has further recommended a Final Dividend of 18%, subject to approval of Members in the ensuing Annual General Meeting of the Company, i.e. total dividend for FY 2020-21 being 28% on equity share capital of the Company. Further, no amount has been transferred to general reserve during the year under review.

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

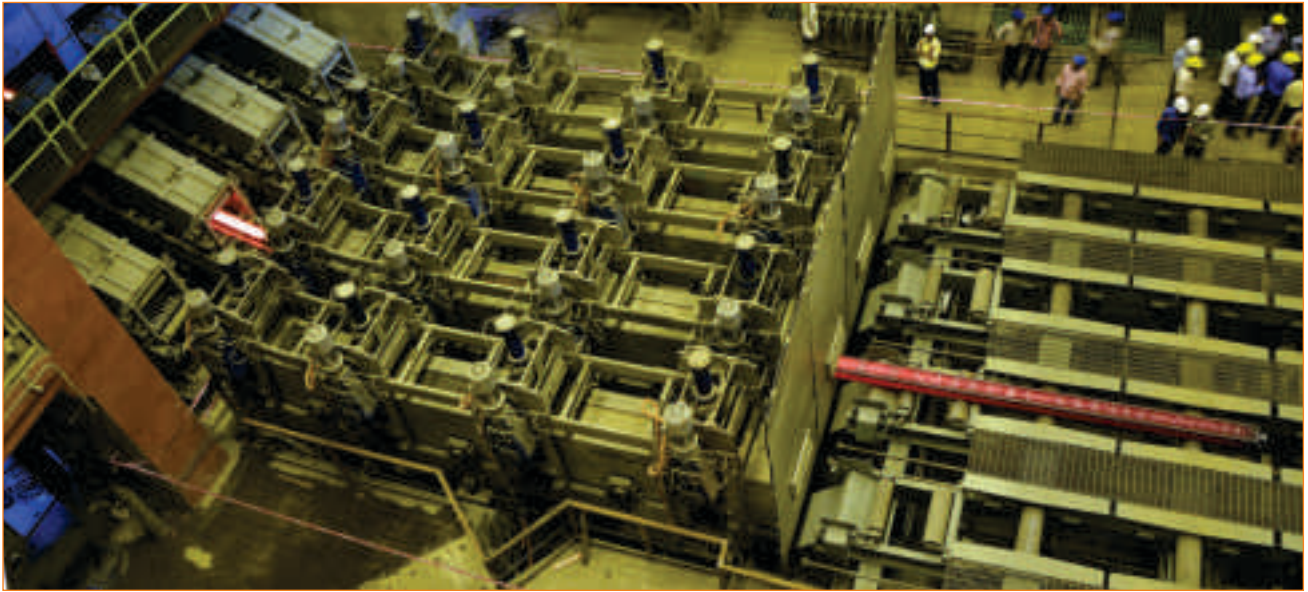
## B. OPERATIONS REVIEW

### Safety

Your Company is committed to the safety of its employees and the people associated with it including, those living in the neighbourhood of its Plants, Mines and Units. SAIL Safety Organization (SSO) monitors and guides the Safety Promotional and Fire activities undertaken at different Steel Plants/Units/Mines/Stockyards. SSO formulates and prepares appropriate Safety Policies, Procedures, Systems, Action Plans, Guidelines, etc. and follows up for their implementation and thereby helps in providing Accident-free Work Environment. The Safety Guidelines framed by Ministry of Steel, developed by SSO in association with major private steel producers of India, as well as IPSS (Inter Plant Standardisation in Steel Industry) standards have been







The Research and Development Centre for Iron & Steel (RDCIS) of the Company provided innovative technological inputs to different Plants of SAIL, with special emphasis on productivity and quality improvement, product development and commercialization, energy conservation and automation. The continuous activities in respect of product development have led to development of 17 new Steel Products during FY 2020-21. Some of these products have been developed using the newly commissioned production facilities viz., Bar & Rod Mill and Universal Rail Mill at Bhilai Steel Plant; Medium Structural Mill at Durgapur Steel Plant; New Plate Mill at Rourkela Steel Plant; Cold Rolling Mill-III at Bokaro Steel Plant; Wire Rod Mill, Bar Mill and Universal Section Mill at IISCO Steel Plant.

At Bhilai Steel Plant (BSP), Blast Furnace-8 produced 2.45 MT of Hot Metal during the FY 2020-21, surpassing 2.36 MT achieved in the previous financial year. The SMS-III achieved its best ever production of 2.2 MT, surpassing the previous best of 1.14 MT achieved in the financial year 2019-20. The Plant has achieved best ever yearly Prime UTS-90 Rails production from its newly commissioned Universal Rail Mill at 6.29 lakh tonne in the FY 2020-21 against 5.38 lakh tonne in 2019-20. The improvement in production from new Universal Rail Mill (URM), has enabled a record loading of long rails at 7.36 lakh Tonne in FY 2020-21 against 6.33 lakh Tonne in 2019-20, registering a growth of 16.3%. A new grade of Rails (R 260) was developed and supplied to Indian Railways. At BRM, rolling of "SAIL SeQR" grade TMT bars (> 10-20 mm) was successfully developed in the FY 2020-21. The Mill has produced 3.84 Lakh Tonnes of Finished products this year, overcoming the previous best of 1.83 lakh tonnes achieved in the year 2019-20. Your Company has supplied 10.87 lakh tonnes of Rails to Indian Railways in the FY 2020-21, out of which 68% component was 260 metre long rail welded panels, which has been best ever quantity supplied with a growth of 16.5% over CPLY.

Durgapur Steel Plant (DSP) recorded highest ever production from its new Medium Structural Mill (MSM) at 2.94 lakh tonnes in FY 2020-21 against 2.17 lakh tonnes during 2019-20. Among other remarkable achievements, the Plant recorded the best ever despatch of 13,688 numbers of WAG9 Wheels (an import substitution product) for electric locomotives. WDG4 Loco Wheels (500 nos.) were developed first time within a span of two months, the fastest development of any wheel type in a period of two months. Special low C (C-0.04%), low Mn and Al killed steel cast in Bloom and Round Caster for cold rolled applications and hollow structures were also developed.

At Rourkela Steel Plant (RSP), New National Benchmark was registered with respect to highest number of 48 blows in single Converter "C" on 2<sup>nd</sup> July, 2020 and highest campaign life at 2500 heats in Torpedo Ladle during March, 2021. Successful rolling, finishing and supply of 4304 tonnes of API 5L X 70m PSL2 grade steel plate for pipeline transportation system was carried out. DMR-249B



(max. and min. alloy) grade plates have been developed and dispatched for certification purpose. Certification obtained for commercial production of newly developed DMR-301 grade plates 10-40 mm thick.



Bokaro Steel Plant (BSL) registered the best ever figures for BF Productivity at 1.74 T/m<sup>3</sup>/day and Specific Water Consumption at 3.40 m<sup>3</sup>/TCS during the FY 2020-21. Highest ever BF-1 Hot Metal Production of 1.11 MT was recorded, surpassing the previous best of 1.03 MT achieved in the year 2009-10 and highest ever production of CR Coil for Sale from CRM-III at 4.7 lakh tonnes was achieved, surpassing the previous best of 4.6 lakh tonnes achieved in the year 2019-20.



and usage of renewable power sources with focussed approach on Roof Top Solar(RTS) Power Plants. A Capacity of 3010 KWp of Roof Top Solar power plants has already been installed across SAIL Plants and Units. Further, installation of 6145 KW capacity roof top solar plants is in progress at various Plants/ Units of the Company across the Country.

#### Raw Materials

During the FY 2020-21, total requirement of iron ore was met from the captive sources. Your Company's captive mines produced about 30.06 million tonnes (MT) of iron ore. However, in case of clean coking coal, a requirement of about 1.59 MT was met from indigenous sources (Coal India Limited & captive sources) and for the balance requirement of coking coal (13.70 MT), the Company had to depend on imports due to constraint of availability of required quantity and quality, within the Country. In the FY 2020-21, production from the captive collieries of the Company was about 0.55 MT, out of which 0.09 MT was raw coking coal and balance 0.46 MT was non-coking coal. In case of fluxes, around 1 MT of limestone and 0.77 MT of dolomite were produced, giving a production of 1.77 MT fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited except for small quantity produced from the captive mines.

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



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

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

However, in view of delay in grant of permissions by the respective State Governments and Statutory Authorities, Ministry of Mines vide Orders dated 3<sup>rd</sup> December, 2020 modified the earlier Orders dated 16<sup>th</sup> September, 2019 and allowed sale of 25% of the cumulative production in the previous year in a State and also sale of sub-grade minerals lying at different captive mines under intimation to the concerned State Government and Indian Bureau of Mines. Accordingly, it was planned to make available about 7 MT of iron ore in FY 2020-21, subject to the grant of various approvals by the Government of Chhattisgarh, Jharkhand and Odisha i.e. forest land handover of Topailore Lease

of Gua, CTE & CTO from JSPCB for Duargaiburu Lease for selling of dump fines, etc. Subsequently, approvals from the State Governments of Chhattisgarh and Odisha were received. However, in view of the aforementioned approvals from Jharkhand State Government being still awaited, only about 4.55 MT of iron ore could be made available in open market during FY 2020-21.

#### Grant of Forest Clearance (FC)

In order to expedite capacity expansion projects of mines, Stage-II FC of 361.295 Ha of Duargaiburu Lease of Gua Ore Mines was granted on 7<sup>th</sup> December, 2020. However, Stage-II FC for the capacity expansion of Chiria Mines and opening of South-Central blocks in Kiriburu-Meghahatuburu Mines in Saranda forest in Jharkhand is awaited from MoEFCC. In addition to this, forest land w.r.t. Topailore and Duargaiburu Mining Leases of Gua Ore Mines is also to be released by the State Government. In view of its criticality to the capacity expansion projects, the matter is being actively pursued at the level of MoEFCC, Ministry of Steel and Government of Jharkhand.

#### Grant of Environment Clearance (EC)

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

- Topailore Lease (Gua) on 19<sup>th</sup> May, 2020.
- Amalgamated Lease (Kiriburu-Meghahatuburu) on 30<sup>th</sup> July, 2020.
- 5.1 Sq. Miles Lease (Bolani) on 30<sup>th</sup> July, 2020.
- ML-130 Lease (Barsua-Taldih-Kalta) on 3<sup>rd</sup> July, 2020 (Corrigendum dated 13<sup>th</sup> July, 2020) and Amendment in redistribution again on 17<sup>th</sup> March, 2021.
- Duargaiburu Lease (Gua) on 6<sup>th</sup> November, 2020.

In addition to this, MoEFCC also granted EC for development of 1 MTPA iron ore mine at Kalwar-Nagur Lease of Bhilai Steel Plant on 7<sup>th</sup> December, 2020.

#### Extension of lease period and reservation of new areas

- Amalgamation of ML-130 & ML-162 Mining Leases of Barusa-Taldih-Kalta Mines upto 5<sup>th</sup> January, 2030 granted by Government of Odisha on 2<sup>nd</sup> December, 2020, along with extension of Lease period upto 5<sup>th</sup> January, 2030 on 30<sup>th</sup> March, 2021.
- Lease period of Tulsidamar Dolomite Lease extended upto 31<sup>st</sup> March, 2022 by Government of Jharkhand vide Order dated 13<sup>th</sup> February, 2021.
- Government of Odisha vide proceeding dated 24<sup>th</sup> February, 2021 has granted Prospecting License in respect of 268.221 ha (as per DGPS) / 277.683 ha (as per ROR) in village Thakurani Pahad Block-A, Keonjhar for a period of 3 years.

On seeking clarification, Ministry of Coal vide letter dated 21<sup>st</sup> January, 2021 has clarified that there is no prohibition in the MMDR Act for renewal of mining leases of coal mines, even if the total period of mining lease and all renewals exceeds 50 years. The clarification shall facilitate second renewal of Tasra Coal Mining Lease beyond 30<sup>th</sup> April, 2022, for which renewal application has already been made to the Jharkhand State Government on 10<sup>th</sup> July, 2020.

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

#### Commencement of interim Mining at Rowghat Anjrel Block

Mining Lease for Rowghat Deposit-F was granted by the Chhattisgarh State Government on 21<sup>st</sup> October, 2009. However, the development work of the Mine and construction of rail line linked with mining project got affected mainly due to law and order issues prevailing in the area.

Though for development of 14 MTPA Mine at Rowghat, Mine Developer cum Operator (MDO) was appointed in September, 2017, mine development may commence only after cutting of trees and handing over the forest land to SAIL by the State Government. In this regard, order for cutting of about 39,000 trees in Rowghat Deposit-F was issued by the State Government and the same has started.

As MDO will take 5 years to arrive at required scale of mining operations, SAIL made a provision of interim mining for the supply of 3 lakh tonnes of iron ore per annum for a period of three years from Anjrel Block of Rowghat. Consequent upon tree cutting permission by the State Government on 13<sup>th</sup> July, 2020, tree cutting activities could commence on 18<sup>th</sup> July, 2020. Thereafter, on 23<sup>rd</sup> November, 2020 Collector, Narainpur was requested to grant enter upon permission in the handed over forest area of Anjrel Block, and thereafter, after receiving necessary approvals to enter upon in the handed over forest area of Anjrel Block of Rowghat from Government of Chhattisgarh on 27<sup>th</sup> January, 2021, interim mining at Anjrel Block has started on 5<sup>th</sup> February, 2021.

### Status of Return of Sitanala and Parbatpur Coal Blocks

#### Sitanala Coal Block

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

#### Parbatpur Coal Block

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

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

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

In the meanwhile, MoC in February, 2020, has appointed Chairman Coal India Limited (CIL) as the designated custodian to manage and operate Parbatpur Central Coal Mine. Subsequently, on request of SAIL, DC, Bokaro appointed Magistrate for assets verification of the Parbatpur Coal Block and after completion of the same, Parbatpur Coal Block was handed over to BCCL on 10<sup>th</sup> July, 2020.



### Sales & Marketing

During the Financial Year (FY) 2020-21, your Company achieved its best ever Saleable Steel sales volume of around 14.937 million tonnes (MT), registering a growth of about 4.4% over previous year. Continuing its efforts to enhance presence in the international markets, the Company took a big leap, with saleable Steel exports being highest ever at about 1.924 MT, achieving thereby a growth of over 64% over the previous year. Further, in our pursuit for increased exports, your Company has entered into several new markets for various product categories.

During the initial Covid-19 pandemic phase and resulting lockdowns, avenues for Steel business dried up in the domestic market, which demanded strategic balancing on domestic and exports fronts. A buoyant international market at the time when domestic demand was subdued, helped in managing inventories and mitigating the impact on production volumes. The resurgence of domestic markets by third quarter, fuelled by pent-up demand, helped in liquidating excess inventories as well as catching up on lost ground during the remaining FY 2020-21.

As a part of ongoing research and development initiative, a new Rail grade R-260 was developed along with its Flash Butt welding technology and supplied to Indian Railways. Your Company has also developed WDG4 locomotive wheels as an import substitution item, thereby, furthering the cause of Atmanirbhar initiative of Government of India. Further, SAIL has successfully worked towards expanding the product-basket by developing special quality steels such as HC62, HC72, HC80, HCT1130Cr (PC115), CAQ, CHQ, Bright Bar, EN8D, EN8D Cr from Wire Rod Mill of ISP.

Your Company's presence in certain critical areas of Defence has been strategically significant with supply of DMR steel materials, which has been highest during last 11 years. In addition to this, Space exploration projects have also been serviced through supply of various special grades of alloy steels during the FY 2020-21.

The brand "SAIL SeQR" reinforcement bars is growing from strength to strength by clocking 2.5 lakh tonnes during FY 2020-21, which helps in strengthening uniform brand experience in retail channel. Your Company is working towards expanding the 2-Tier and 1-Tier distributorship network across India, which will further strengthen our position in B2C space. As a part of supplementing this initiative, online e-portal has been launched during FY 2020-21 enabling the smallest of demand being serviced through the 2-Tier distributorship network. Your Company has been working towards focused brand building initiatives on "NEX" brand of structural by holding webinars and workshops with key influencers.

Subsequent to launch of Mission Poorvodaya by Government of India, an Incentivization Scheme was introduced by SAIL for development of MSMEs based in the districts in which its Integrated Steel Plants are located and 132 MSMEs have joined during FY 2020-21. Besides this, a scheme to supply select steel products to MSME members of Engineering Export Promotion Council (EEPC) at export parity price has also been launched by your Company. Further, in line with National Steel Policy, to improve per capita consumption of steel in the Country, around 117 "Gaon Ki Ore" workshops were organised during FY 2020-21 across India.

Your Company has been contributing in nation building since inception by servicing the requirement of various Infrastructure Projects and also projects of Strategic Importance. Continuing the trend, SAIL has supplied significant quantity of Steel to Power Projects, Road, Rail, Airport & Port Infrastructure Projects, Metro Rail Projects, Irrigation & Drinking Water projects, Fertiliser Industry, Oil & Gas Sector, etc.

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

**Public Procurement Policy for Micro and Small Enterprises**

As required by the Public Procurement Policy of the Government of India, the information on procurement from Micro & Small Enterprises during Financial Years 2020-21 and 2019-20 is given below:

(₹ crore)

Particulars	2020-21	2019-20
Total Amount of Procurement	3747.22	4961.03
Total Procurement from MSE	1384.31	1431.27
%age Procurement from MSE	36.94	28.85

**Modernisation & Expansion Plan**

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

The Revised Cost Estimates (RCE) of MEP of all the Plants have been approved progressively by year 2020-21. Considering these RCEs, the indicative investment for MEP is likely to be ₹80,170 crore (Gross) (excluding the sustenance schemes). The cumulative expenditure of ₹68,267 crore (Gross) has been incurred till March, 2021 on MEP (excluding sustenance schemes).

A capital expenditure of ₹4,283 crore has been incurred during FY 2020-21 against the revised estimates of ₹4,800 crore and capex planned for the Financial Year 2021-22 is ₹ 8,000 crore.

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

**C. HUMAN RESOURCE MANAGEMENT REVIEW**

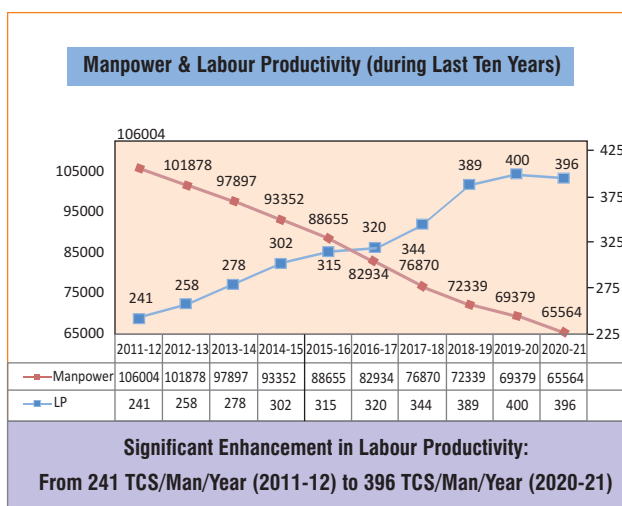
Your Company recognizes contribution of its Human Resources in providing it the competitive advantage. The Company has achieved its present level of excellence through investment in its human resource, where skill and knowledge constitute the basis of every initiative - be it technology or innovation.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

Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Human Resource initiatives in SAIL are focused on developing team spirit, employee empowerment and their involvement in various improvement activities. Strategic alignment of HRM to business

priorities and objectives has facilitated smooth transition to 'state-of-the-art' technology in the Modernization and Expansion Projects.

**Enhanced Productivity with Rationalized Manpower**

Your Company achieved the Labour Productivity (LP) of 396 TCS/Man/Year in 2020-21. The manpower strength of the Company was 65,564 nos. as on 1<sup>st</sup> April, 2021 with manpower rationalization of 3,815 nos. achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitments, building competencies and infusing a sense of commitment and passion among employees to go beyond and excel. Trend of enhanced productivity and manpower rationalization since 2011-12, onwards is depicted below:



**Developing Employee Capabilities & Competencies**

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

Preparing employees for tomorrow is being given a major thrust for effectively taking up challenges and discharging new roles and responsibilities is being given a major thrust. Overall 36,563 employees were trained against target of 25,062 employees during the Financial Year 2020-21 on various contemporary technical and managerial modules in spite of the challenges of Covid-19 pandemic. The learning and development continuity of the Organization was maintained through various online interventions, apart from the regular programs and e-learning modules being made available in the in-house e-learning portal, while ensuring adherence to all the protocols and local guidelines for the pandemic.

**Harmonious Employee Relations**

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



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

#### Implementation of Presidential Directives on Reservation for SC/ST/OBC/EWS/PWDs, etc.

- Your Company follows Presidential Directives on Reservation for Scheduled Castes, Scheduled Tribes, Other Backward Classes, etc. As on 31<sup>st</sup> March, 2021, out of total manpower of 65564, 10919 belong to SCs (16.65%), 10109 belong to STs (15.41%) and 9894 belongs to OBCs (15.02%).
- Liaison/Nodal Officers have been appointed as per Presidential Directives for due compliance of the Orders and instructions pertaining to reservation for SCs/STs/OBCs/PWDs at Plants/Units of SAIL.
- The Liaison Officers for SC/ST/OBC at respective Plants/Units along with their subordinate staff take care of interest of SC/ST and OBC respectively and the function of SC/ST/OBC cell is being carried out by them. A member belonging to SC/ST community is associated in all the Departmental Promotion Committees (DPCs)/Selection Committees for promotion. A sufficiently senior level officer of SC/ST & OBC category is nominated as member of the Recruitment Board /Selection Committees for Recruitment



- Internal workshops are conducted at regular intervals through an external expert for Liaison Officers for SC/ST/OBC and other dealing officers of SAIL Plants/Units to keep them updated on the reservation policy for SC/ST/OBC/ etc. and other related matters.
- Plants/Units of SAIL have SC/ST Employees' Welfare Associations which conduct regular meetings with Liaison Officers on implementation of reservation policy & other issues. In addition, an Apex level umbrella body namely SAIL SC/ST Employees Federation also exists in SAIL to represent the issues of SC/ST Employees in a coordinated manner.

#### Implementation of Right to Information Act, 2005

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

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

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

SAIL received a total of 2,706 applications and 482 appeals under the Act during the Financial Year 2020-21 and all of them have been disposed-off within the stipulated time frame under the Act. CIC has also taken up 97 cases and most of these cases were disposed-off in favour of the Company.

Since enactment of the Act, SAIL has received a total of 46,867 applications and 7,105 appeals upto 31<sup>st</sup> March, 2021, which were disposed-off within the stipulated time. Out of these, 940 cases were taken up by the CIC and most of these cases were disposed-off in favour of the Company.

#### Citizen Charter

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

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

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

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

The Company has set up Internal Complaints Committees in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed off during the year 2020-21 are as under:

Particulars	No. of Complaints
Number of complaints pending as on 1 <sup>st</sup> April, 2020	Nil
Number of complaints received in 2020-21	7
Number of complaints disposed off during 2020-21	5
Number of complaints pending as on 31 <sup>st</sup> March, 2021	2

#### Empanelment of SAIL Hospitals under Ayushman Bharat-PradhanMantri Jan ArogyaYojana (PM-JAY), a flagship scheme of Government of India

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

On 4<sup>th</sup> February, 2021, a meeting with Hospital Operations Division of NHA was held over Video Conference where status of empanelment of SAIL Hospitals has been shared and it has been reiterated that SAIL is committed to operationalization of PM-JAY at SAIL Hospitals. NHA has also proposed Training for operationalization of PM-JAY at one of the SAIL Hospitals to provide impetus to the process.

#### Upgradation of Ispat General Hospital, Rourkela to a Super Specialty Hospital

In the background of the announcement made by Hon'ble Prime Minister of India during his visit to Rourkela Steel Plant on 1<sup>st</sup> April, 2015, ISPAT Post Graduate Institute and Super Specialty Hospital (SSH) complex was dedicated to the nation by the Hon'ble President of India on 21<sup>st</sup> March, 2021 at Rourkela Steel Plant of SAIL. Subsequently, to tide over the surge in Covid-19 cases, the augmented ICU ventilator facilities for treatment of Covid patients, was dedicated by Shri Dharmendra Pradhan, the then Hon'ble Union Minister of Petroleum & Natural Gas and Steel, on 20<sup>th</sup> May, 2021 through virtual mode. The new state of the art hospital would provide quality healthcare facilities and specialized treatment at the doorstep of the population residing in the peripheral areas.

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

Your Company has won the following awards during the Financial Year 2020-21:

- SAIL has been awarded with the prestigious Golden Peacock Environment Management Award for the year 2020 in the Steel Sector by the Institute of Directors. The Award was received through virtual mode by Chairman, SAIL on 15<sup>th</sup> December, 2020.
- Rourkela Steel Plant was awarded the 'Greentech Foundation CSR Award, 2020' for outstanding achievement in Promotion of Health and Healthcare category for CSR Project on Comprehensive Water & Sanitation Project in Rourkela. The award was received through virtual mode by Chairman, SAIL on 1<sup>st</sup> October, 2020.
- SAIL bagged six Awards at PRSI (Public Relations Society of India) National Awards 2020 for its efforts in the field of Communication. The Awards were presented by Union Education Minister during a virtual ceremony on 21<sup>st</sup> February, 2021. SAIL has been awarded in the category of Best House Journal (English), Best Communication campaign (External Public), Best Communication Campaign of the Year- COVID-19, Special /Prestige Publication, E-newsletter and Corporate Website categories.
- SAIL awarded with the "Rajbhasha Unnayak Samman" for extensive contribution in the propagation of the use of the official language. The Award was received by Chairman, SAIL on 14<sup>th</sup> December, 2020.

- ISP bagged the second runners-up position in the Final round of AIMA's '29<sup>th</sup> National Management Games (NMG)' held through online mode on 1<sup>st</sup> September, 2020.
- In the Grand Finale of AIMA online "Women's Quiz" organised on 4<sup>th</sup> December, 2020, Bokaro Steel Plant was declared the Runners up.
- SAIL has been awarded with the prestigious 11<sup>th</sup> CII National HR Excellence Award-2020-21 Confluence on 18<sup>th</sup> March, 2021 virtually.

#### E. ENVIRONMENT MANAGEMENT



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

#### Improvement in Emissions and Discharges

SAIL Plants and Mines are efficiently operating the pollution control devices/facilities and maintaining regularly through revamping/refurbishing/revitalization and also up-grading them as and when required, for the purpose of complying with the applicable environmental standards, which are becoming more and more stringent day by day. Concerted efforts have resulted in achieving major improvements during the FY 2020-21 over the last five years in the following areas:

- The Particulate Matter (PM) Emission Load has reduced by more than 18% to 0.63 kg/tcs.
- Specific Water consumption has reduced by more than 10% to 3.37 m<sup>3</sup>/tcs.
- Specific Effluent Discharge has reduced by more than 15% to 1.62 m<sup>3</sup>/tss.
- Specific Effluent Load has reduced by around 7% to 0.080 kg/tcs.
- Utilisation of BF slag has increased by more than 10% to 98.99 %.
- Specific CO<sub>2</sub> emission has been reduced by more than 2% to 2.55 T/tcs.
- Total Solid Waste Utilisation has increased by more than 8% to 90%.

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



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

- Tall Coke Oven Batteries along with Coke Dry Cooling Plant, Land based Pushing Emission Control System, Computerised Combustion Control System, etc. at BSP, RSP and ISP.
- Sinter Plant integrated with improved ignition system (multi-slit burners), Waste Heat Recovery facility from sinter cooler, etc. at RSP and ISP.
- Blast Furnace of higher capacity, equipped with Top Pressure Recovery Turbine, Waste Heat Recovery facility, Pulverised Coal Injection, Cast House De-dusting System and torpedo ladle at BSP, RSP and ISP.
- Hot Metal handling using Torpedo Ladle at BSP, RSP, BSL and ISP.
- Progressively switching over to Cast House Slag Granulation Plant from offsite slag granulation facility.
- Phasing out of energy-intensive ingot route with continuous casting.
- Walking Beam Reheating Furnace (RHF) in place of pusher type RHF at the Rolling Mill in reducing energy consumption as well as CO<sub>2</sub> emission.
- Introduction of Variable Voltage Variable Frequency (VVVF) drives in Plant machineries.
- New BOF Converters provided with a dedicated gas holder at SMS-III of BSP and SMS-I & II of BSL, for recovery and its use as fuel.
- Maximisation of Coal Dust Injection in Blast Furnaces.
- Up-gradation of BF stoves with heat recovery system at BSP and BSL.
- New Gas-fired boilers for power generation at BSP, DSP and ISP.
- Dog House for secondary emission control at all new Converters. Retrofitting of secondary emission control system is being taken up in phased manner in case of older Converters.
- Installation of energy-efficient LED lights instead of conventional lighting systems at Plants and Units.

**New Initiatives**

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

Bhilai Steel Plant, in partnership with the MoEF & CC and UNIDO, has initiated a project for setting up a disposal facility for Polychlorinated

Biphenyls (PCBs), categorized as Persistent Organic Pollutants (POPs) at its site. The project is at advance stage of completion. On commissioning, the project will systematically dispose of the PCB wastes accumulated over the years not only in SAIL Plants but also in other industrial establishments across the Country. This unique facility will help the nation in fulfilling its international commitment.

**b. Installation of a taller chimney to safeguard environment**

Revamping of process ESP 1&2 of Sinter Plant at RSP along with replacement of 70 meter chimney with a new 100 meter tall chimney has been completed for adhering to the applicable environmental norms. This facility will also help in ensuring a safe, cleaner and greener environment.



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

Your Company is committed to reduce solid waste generation and maximise its utilisation to achieve 100% and has adopted the “4R’s Policy” (Reduce, Recover, Recycle and Reuse) across all its processes. With a view to enhance utilisation of BOF Slag, a R&D project proposal on “Development of Steel Slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth” has been taken up through ICAR-Indian Agricultural Research Institute, under the guidance of the Ministry of Steel. The project will ensure symbiotic growth of steel industry and agriculture.

**d. Environment friendly domestic waste processing facility**

As a green initiative and in compliance with the “Solid Waste Management (SWM) Rules, 2016”, BSP has set up a Solid Liquid Resource Management (SLRM) Centre. The waste is handled in a scientific and hygienic way at the centre. The wet garbage collected through door to door collection system in the township is processed to make fertilizer in specially designed trenches. The dry waste is segregated into plastic, construction debris and other inert materials.



degraded lands as a tool of environmental restoration. The greenery developed by afforestation adds to the aesthetic environment, which becomes dust and noise barriers and also a natural sink/absorber of CO<sub>2</sub>. Keeping the enormous contribution of the plants in mind, SAIL has long been adopting extensive afforestation program religiously in its Plants and Mines since its nascent stage. More than 21.21 million saplings have been planted across SAIL Plants and Mines till date. Giving special thrust for plantation, more than 1.72 lakhs of saplings have been planted during 2020-21.



## F. STRATEGIC INITIATIVES OF THE COMPANY

Your Company has adopted a multi-pronged approach that includes organic growth, brown-field projects, technology leadership through strategic alliances, ensuring raw material security by developing new mines, diversifying in allied areas, etc. In line with the above approach, SAIL has formed Joint Venture Companies in different areas viz. power generation, rail wagon manufacturing, slag cement production, securing coking coal supplies from new overseas sources, etc. New initiatives are currently being explored in areas such as pellet manufacturing in a joint venture, outsourcing of power distribution and township maintenance services in SAIL townships, etc. During the financial year 2020-21 closure of two Joint Ventures of SAIL namely SAIL Moil Ferro Alloys (P) Limited and SAIL Bengal Alloy Castings (P) Limited which were formed with MOIL Limited and Burn Standard Company Limited respectively but had failed to take off was completed. SAIL Board also approved exit of SAIL from S&T Mining Company Pvt. Ltd. (Joint Venture between SAIL and Tata Steel Limited) by transfer of the shares held by SAIL in this Joint Venture to Tata Steel Limited. The process of share transfer is being pursued with Tata Steel Limited.

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

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

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

Preliminary Information Memorandum (PIM) / Expression of Interest (Eoi) of ASP, SSP and VISP were issued on 4<sup>th</sup> July, 2019. EOI bids were opened on 10<sup>th</sup> September, 2020 and the eligible bidders have been shortlisted. The Confidential Information Memorandum (CIM), Request for Proposal (RFP) and Business Transfer Agreement (BTA) have been issued to the shortlisted bidders. The due diligence by the shortlisted bidders is under process.

### Business Excellence Initiatives

#### Implementation of Management Systems

Most of SAIL Plants/Units are certified to ISO 9000, ISO 14000, OHSAS 18000/ISO 45000, SA 8000, ISO 50000 and ISO 27000 Management Systems. Further, Empanelment of Certification Agencies for the third cycle i.e. 2020-2023 was completed in March, 2020 for Certification to six Management Systems i.e. ISO 9000, ISO 14000, OHSAS 18000/ISO 45000, SA 8000, ISO 27000 and ISO 50000 and related training. Due to the on-going Covid-19 pandemic, remote external/internal audits as well as on-site audits at some places were conducted for easy transition of existing certifications and maintaining all the Management Systems as per the requirements of the standards.

#### Information Technology Related Initiative

In today's world of dynamic business environment, wherein, the competition is growing tremendously, your Company is leveraging information technology (IT) to face the challenges in the market place, in order to maintain and improve its competitive advantage. With this objective, your Company has already implemented ERP at all its Integrated Steel Plants, Marketing Organisation and Corporate Office. The robust IT Setup is being gainfully utilised for fulfilling the business requirements, to bring in efficiency and transparency as well as to reduce the operational cost and continuing with various IT initiatives within the Organization to strengthen its business processes. Some of these initiatives accomplished during FY 2020-21 are given below:

- 'SAIL Pension Portal' has been developed to facilitate ex-employees to apply for SAIL Pension Scheme. The Portal also facilitates the concerned officers at Plants/Units in processing the applications and calculation of pension amount.



- 'CARE'- an Online Portal for enabling employees to apply for transfer on compassionate grounds has been developed to enhance transparency and employee satisfaction.
- Centralised Payroll System (CPRS) has been implemented for all the Plants/Units of SAIL, thereby bank payments of more than 65000 employees being operated centrally.
- New Online System for Executive Performance Management developed for executives in grades E-1 to E-7, ensures objective assessment of the executives and planning for their training & development.

- Your Company successfully complied with the statutory requirement of generating Invoice Registration Number and Quick Response Code under E-Invoicing System meeting the stringent deadlines. Further, ERP system was integrated with Government E-Way Bill Portal across all the Plants/Units of the Company.
- As a part of transparency, 'SAIL Vendor Payment Query Portal' has been designed and deployed where vendors can track their pending payments. Further, SAIL can also monitor high value inventory of Stores and Spares.
- As a step towards Paperless Office, On-Line Note-Sheet Approval System, ensuring confidentiality and protection against change in earlier notings and attachments, is functioning successfully. This has resulted in faster decision making, easy trackability of proposals while facilitating contactless working during the on-going Covid-19 pandemic.
- To take business automation ahead, provisions have been made for automatic mailing to customers on outstanding notification, interest bills, etc. and to vendors on generation of payment voucher.
- Technology is changing by leaps and bounds with the growth of mobile applications and digitization. In this regard, Real Time monitoring of important parameters in process areas like Blast Furnace, Steel Melting Shop, etc. has been made available on mobiles in some of the Plants. Further, for faster decision making, flow of Product Pricing from Central Marketing Organisation of the Company to respective Plants has been automated.



- The procurements are being maximized through GeM Portal of Government of India and the same has been directly integrated with SAP SAP-ERP at Bhilai Steel Plant and integration is in progress at other Plants/Units.
- Initiatives undertaken during the ongoing Covid-19 pandemic, have resulted in formation of isolation wards; launching of various systems/apps at different Plants/Units for reporting of Covid-19 cases; constant updates for reimbursement of PPE & Hygiene products; onsite attendance recording during lock down period; conducting Financial & ISO Audits from 'Remote', Virtual Platforms, etc.
- The ongoing Covid-19 pandemic has also enabled your Company to conduct the Annual General Meeting through Online Mode, Board Meetings through Video Conferencing and facilitating remote access to the employees.
- Realising that IT is the way forward, all the remote locations/mines of SAIL have now been connected through Internet to facilitate in business and virtual interaction through Video conferencing.

#### Corporate Communication

The world experienced a disruptive change in FY 2020-21 with the onset of the Covid-19 pandemic. It greatly impacted our lives in every way. The business and industries initially grappled for a while, before they could adjust and adapt to the changing scenario, where doing more and more work online became sine qua non. With prolonged lockdowns and social distancing becoming the



new norm, the role of sustained and effective communications became critical in every aspect of living, including the functioning of corporates and business houses. The changed scenario demanded that the stakeholders are continuously informed and updated about the company's activities, priorities, strategies and other developments.

#### Strategic Objective

In the recent challenging period, the evolving role of Corporate Communication assumed an even greater significance, as the aftermath of Covid-19 pandemic has necessitated timely and continual engagement with the stakeholders. The companies around the world realized the significance and the utmost need to have a full-fledged and evolved team of communicators, who in the regular as well as in times of crisis, keep the good word and works of the organization in proper perspective and public focus. The Corporate Communication is a round-the-clock exercise, bridging the gap between the Stakeholders and the Company, strategize to bring the best image of the Company to the world in tandem with the evolving realities, goals and targets of the Company. While continuously fostering stakeholders' engagement and employee motivation, the focus of corporate communication was also on aligning employees for better business performance.

#### Internal Communication



As the regular and routine communication channels and interfaces were affected during the Covid-19 period, extra efforts to keep the employees motivated and focussed during the challenging times, resulted in organisation of 'SAIL Gaurav Diwas' on 24<sup>th</sup> January, 2021 (SAIL Foundation Day) through online platform, thereby, ensuring participation from every Plant/Unit of the Company, spread over length and breadth of the Country. Also, a new SAIL logo with the caption 'Mera SAIL, Mera Gaurav', fostering a strong sense of pride among employees and their families, was launched to commemorate the occasion. A special film involving top management and a cross section of employees was made to boost the morale and spirit of the people across the Organization during lockdown.

**External Communications**

Your company maintains a transparent channel with its external stakeholders and the issuance of regular and timely press releases and media information is a testimony of that commitment. During the FY 2020-21, the corporate website, also an effective medium for highlighting and sharing Company's

information, was redesigned. In addition to this, through a well-coordinated approach, the communication efforts from SAIL's Plants and Units got an added impetus, resulting in nationwide publicity and improved image management of the Company.

**Media-Print, Electronic and Social**

Excellent media relations were maintained through proactive and regular interactions with various media like newspapers, electronic including television and web based media by sharing Company's important news on a regular and timely manner. The media was continuously informed about the various initiatives undertaken by SAIL to strengthen the nation's fight against the Covid-19 pandemic and host of other issues.

**Covid-19 Communication:**

A series of unique communication tools since the onset of Covid-19 pandemic have been deployed and still continuing to create awareness about Covid-19 and the various steps taken by your Company to tackle it. The efforts of SAIL in

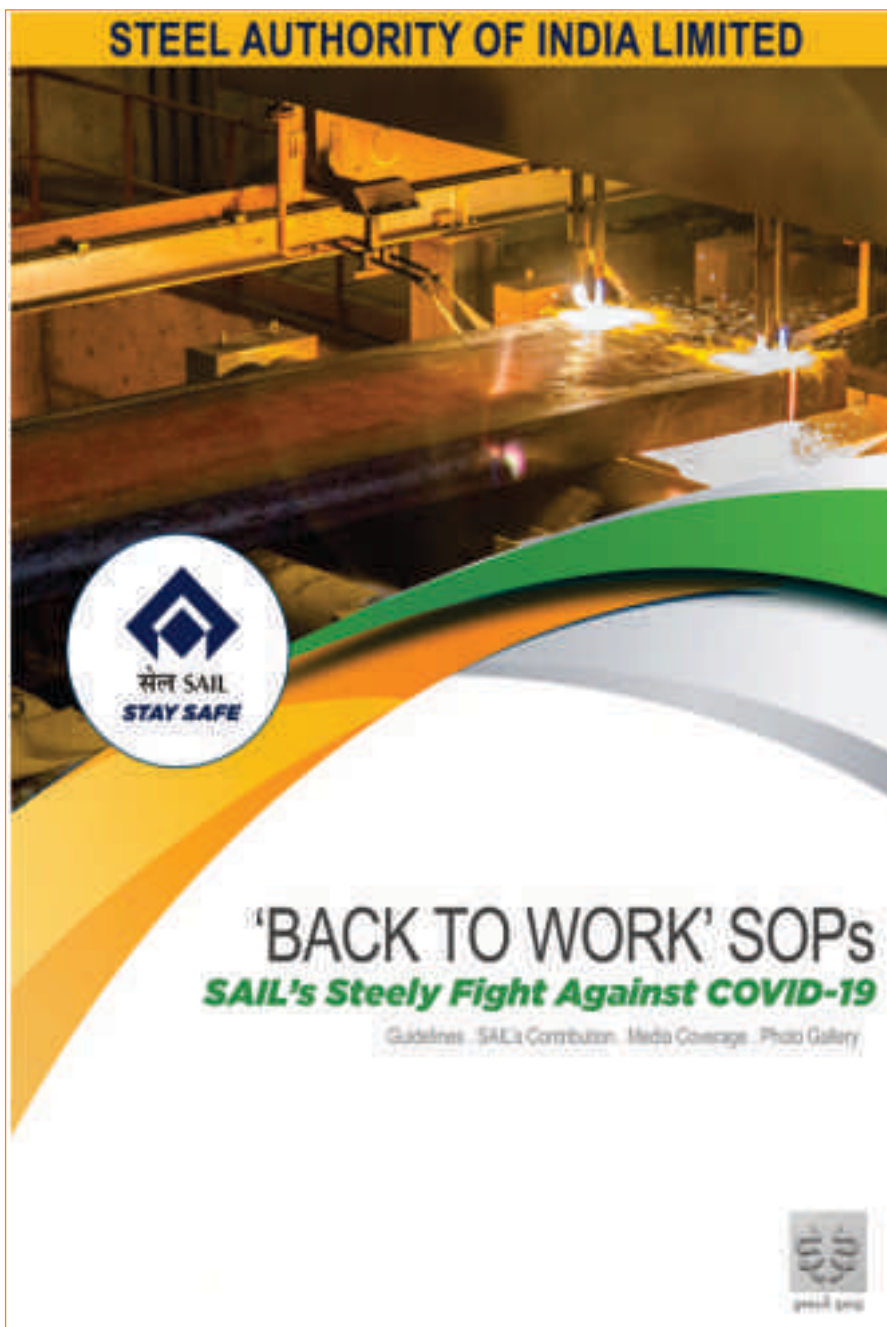
preparing a creative on 'Aarogya Setu' to create awareness about Covid-19 have been appreciated by the Hon'ble Prime Minister, Shri Narendra Modi. In addition to this, a tribute series of ten short films was conceptualized in-house to recognize the contribution of the Corona warriors including—banking sector, sanitation workers, health workers, police, volunteers, employees of power sector, steel sector, etc. and was widely disseminated across various digital platforms. These innovative films became very popular and were highly appreciated from several corners. During the lockdown period, the Company strategically advertised and propagated the Covid message of 'Stay Home, Stay Safe' on the tele-series 'Ramayana' and 'Mahabharata', the two most widely watched programs during the period. A SOP was also designed on back to workplace and widely circulated for safety of employees – after re-joining work.

**Brand Outreach**

Strategically utilizing the various platforms of media for advertising and creating brand recall, mediums which were widely viewed during the pandemic time were selected. In this regard, major SAIL and SAIL SeQR branding campaign was taken up on television during the telecast of Ramayana and Mahabharat on Doordarshan, the two most widely watched programs during the period. It gave tremendous publicity to the brand SAIL. During the year, the Company extensively promoted the use of Brand Manual and facilitated in standardizing branding for all SAIL branded products across the Country.

**Implementation of Government initiatives**

Apart from organizing routine communication drives for various government initiatives like Atmanirbhar Bharat Abhiyan, Jan Andolan, Swachh Bharat Abhiyan, Jal Shakti Abhiyan, Yoga Day, etc. your Company undertook the special campaign drive for the commemoration of Dandi March in the month of March 2021. Also, the Government's Covid-19 awareness campaigns was widely publicized at various points of time throughout the year.





### SECRETARIAL AUDITOR'S REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Agarwal S. & Associates, Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the FY ended on 31<sup>st</sup> March, 2021. Secretarial Audit Report is placed at **Annexure-III** to this Report.

With regard to the observation of the Secretarial Auditor, that composition of the Board of Directors of the Company was not as per requirements during the FY 2020-21, it is stated that appointment of Independent Directors on the Board of the Company is made by the Company based on nomination by Government of India. The Company has requested Ministry of Steel, Government of India for nomination of requisite number of Independent Directors on its Board.

In respect of observation regarding performance evaluation of the Directors not being carried out pursuant to the Regulation 17(10), 25(4) and 19(4) read with Schedule-II Part D(A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mentioned that Ministry of Corporate Affairs has vide its Notification dated 5<sup>th</sup> June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide Notification dated 5<sup>th</sup> July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

### CORPORATE GOVERNANCE

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

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

### BUSINESS RESPONSIBILITY REPORT

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

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

IISCO-Ujjain Pipe and Foundry Company Limited, a wholly owned subsidiary of the erstwhile IndiaE

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## INDEPENDENT DIRECTORS' DECLARATION

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

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

In terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees and Investments given during the FY ended on 31<sup>st</sup> March, 2021 are given in **Annexure-X** to this Report.

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

All the contracts / arrangements / transactions entered by the Company during the Financial Year 2020-21, with the related parties were in the ordinary course of business and on an arm's length basis. The transactions with the related parties have been disclosed in the financial statements. Therefore, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the Report.

## DIVIDEND DISTRIBUTION POLICY

In terms of the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy. The Policy is uploaded on the website of the Company-[https://sail.co.in/sites/default/files/Dividend\\_Distribution\\_Policy\\_2017.pdf](https://sail.co.in/sites/default/files/Dividend_Distribution_Policy_2017.pdf)

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

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014, the particulars relating to Conservation of Energy, Technology Absorption and

Foreign Exchange Earnings and Outgo are given in **Annexure-XI** to this Report.

## RISK MANAGEMENT POLICY

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

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The CSR initiatives of your Company have always been undertaken in conformity to the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and DPE Guidelines on CSR & Sustainability, 2014. SAIL carries out CSR projects in and around periphery of steel townships, mines and far flung location across the Country in the thrust areas falling in line with Schedule-VII to the Companies Act, 2013, namely, Education, Healthcare, Access to Drinking Water, Sanitation, Rural Development in Peripheral Areas, Environment Sustainability, Women Empowerment, Assistance to Divyangs, Sustainable Income Generation through Self-Help Groups, Promotion of Art and Culture, etc.

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

**CSR initiatives on COVID-19**

The Covid-19 pandemic has created an unprecedented crisis globally. The consequential lockdown by the Government to stem the spread of Covid-19 in India, has taken its toll on vulnerable sections of the society. Your Company, as a responsive corporate organization is responsible to ensure the health and safety of its facilities/premises, employees at the Plants/Units and all other persons working at the sites. SAIL has activated a scaled response towards management of the pandemic at its Plants, Units, Mines and Townships.

During FY 2020-21, your Company has contributed an amount of ₹ 25 crore to the Prime Minister’s Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund and also contributed ₹ 4 crore @ ₹ 1 crore each to the Chief Minister’s Relief Fund/Covid-19 Fund of the States of Chhattisgarh, Jharkhand, Odisha and West Bengal.

SAIL has supplied over 83000 Metric Tonnes of Liquid Medical Oxygen (LMO) to different States of the Country in its endeavour to partner the Government of India in combatting Covid-19, through Railway Oxygen Express.

SAIL Plants have setup separate Jumbo Covid-19 Care facilities equipped with gaseous oxygen through dedicated pipelines from the Plants viz. 200 bed facility with 10 ventilators and 8 ICU beds at IISCO Steel Plant, Burnpur; Covid Care Hospital with 200 beds at Durgapur Steel Plant; 114 bed care facility at Bhilai Steel Plant (BSP); Ispat Nidan Kendra with 100 oxygenated beds including 50 ventilator-attached beds at Rourkela Steel Plant (RSP); 500 bed Covid care centre (with oxygen support) has been set-up in the premises of Salem Steel Plant.

In addition, to cope up with the increased Covid-19 cases, SAIL Hospitals manned by more than 900 qualified doctors and 1500 para-medical staff to extend round the clock Healthcare, have earmarked 1000 dedicated Covid-19 beds with oxygen support and 129 ICU beds with ventilator support, created 600 beds Quarantine Facilities and developed Covid-19 testing facilities like RAT, RTPCR, TRU-NAT in coordination with the respective State Governments. Besides this, arrangements have been made for touch-free hand-sanitizers, water dispensers, spraying disinfectants, using digital thermal recorders at prominent locations, ensuring continuous water supply in all the peripheral villages.

SAIL, with the help of district authorities, civil society organizations, Self-Help Groups and its employees, is actively implementing the lockdown rules, social distancing norms and effective use of Aarogya Setu App for breaking the chain of transmission of Covid-19 virus in the peripheral areas of steel Plants and Units.

In order to support the vulnerable sections of society, daily-wage earners/labourers, poor peasants and their families, who are left with dwindled resources during the pandemic, the SAIL Plants and Units, through district authorities, are distributing dry ration packets (comprising of Rice, Dal, Salt, Condiments, wheat atta, soap, etc.), Milk packets, Milk powder, Khichdi, routine medicines, sanitary napkins for women, etc. Daily cooked meals to patients and healthcare workers are also being served. SAIL Plants/Units have also been transporting patients and health workers. CSR departments of Plants are also facilitating stitching of Face Masks, Gamachhas, Aprons, Gloves, etc. through SHGs, and their distribution to peripheral areas, District Authorities, Ministry of Steel/PMO.

**Healthcare:** SAIL’s extensive and specialised Healthcare Infrastructure provided specialized and basic healthcare to 173.6 lakh people living in the vicinity of its Plants and Units during the period 2011-2020. In order to deliver quality healthcare at the doorsteps of the needy, regular health camps are being organised in various villages on fixed days for the people living in the periphery of Plants/Units/Mines. During the FY 2020-21, regular Health Camps have been organized and 5 Mobile Medical Units (MMUs) extended quality healthcare to about 46,900 villagers at their doorsteps in peripheral areas of Plants, Units and Mines. 24 Primary Health centres at Plants exclusively provided free medical care and medicines to more than 95,000 patients, including 34,000 Covid-19 patients.

In addition to this, to fight against the surging Covid-19 pandemic, the Company rose to the occasion and newly developed state-of-art Jumbo Covid Treatment Centres with 100, 200 and 200 oxygenated beds, have been created in fast-track mode at Rourkela Steel Plant, Durgapur Steel Plant and Burnpur during the period May/June, 2021. These Centres will give boost to the Covid related medical infrastructure and provide much needed help to the patients in the region.

**Education:** To develop the society through education, SAIL is supporting about 77 schools, providing modern education to more than 40,000 children in the steel townships, 20 Special Schools (Kalyan & Mukul Vidyalayas) are benefitting around 4939 BPL category students at integrated steel plant locations with facilities of free education, mid-day meals, uniform including shoes, text books, stationary items, school bag, water bottles, etc., under CSR. SAIL in association with the Akshaya Patra Foundation, is providing Mid-day meals to about 59,000 students in over 600 Govt. schools in Bhilai and Rourkela.

**Women Empowerment & Sustainable Income Generation:**



Vocational and specialised skill development training targeted towards sustainable income generation has been provided to 383 youths & 703 women of peripheral villages in areas such as Nursing, Physiotherapy, LMV Driving, Computers, Mobile repairing, Welder, Fitter, Electrician training, Improved agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Piggery, Achar/Pappad/ Agarbati/ Candle making, Screen printing, Handicrafts, Sericulture, Yarn Weaving, Tailoring, Sewing and embroidery, Gloves, Spices, Towels, Gunny-bags, Low-cost-Sanitary Napkins, Sweet Box, Soap, Smokeless chullah making, etc. 666 youth have been sponsored for ITI training at ITCs Bolani, Bargaon, Baliapur, Bokaro Private ITI and Rourkela, etc.



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

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

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

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

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

**SAIL Employees Rendering Volunteerism & Initiatives for Community Engagement (SERVICE) Scheme:** The 'SERVICE' Scheme has been launched to support volunteer activities and community outreach by SAIL employees. It has provided a much needed platform for like-minded employees having a sense of social responsibility to unite in their effort to help the society brace the fallout of the Covid-19 Pandemic. Over 29,000 volunteers have registered on the SERVICE portal.

#### GENERAL DISCLOSURES

- During the year, the Company has not accepted any deposits under the Companies Act, 2013.
- No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, attention of Members is drawn to the statement on contingent liabilities in notes forming part of the Financial Statements.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Shri Atul Srivastava ceased to be Director w.e.f. 10<sup>th</sup> June, 2020 due to untimely demise.
- Shri Vivek Gupta ceased to be Director w.e.f. 31<sup>st</sup> July, 2020.
- CA K.S. Chauhan and Prof. N.K. Taneja have ceased to be Independent Directors w.e.f. 21<sup>st</sup> September, 2020.
- Shri Harinand Rai, Director (Technical) has been re-designated as Director (Technical, Projects & Raw Materials) w.e.f. 28<sup>th</sup> September, 2020.

- Shri Anirban Dasgupta, Director (Projects & Business Planning) has been re-designated as Director (Incharge-Bhilai Steel Plant) w.e.f. 28<sup>th</sup> September, 2020.
- Shri Amarendu Prakash, CGM (Chairman's Secretariat) has been appointed as Director (Incharge-Bokaro Steel Plant) w.e.f. 28<sup>th</sup> September, 2020.
- Shri Vijoy Kumar Singh, Additional Secretary & Financial Adviser, Ministry of Textiles having Additional Charge of Financial Adviser, Ministry of Steel ceased to be Director w.e.f. 5<sup>th</sup> November, 2020.
- Shri Shashank Priya, Additional Secretary & Financial Adviser, Ministry of Commerce & Industry, having Additional Charge of Financial Adviser, Ministry of Steel was on the Board of the Company as Government Director from 17<sup>th</sup> December, 2020 to 22<sup>nd</sup> April, 2021.
- Shri Anil Kumar Chaudhary ceased to be Chairman w.e.f. 31<sup>st</sup> December, 2020.
- Ms. Soma Mondal, Director(Commercial) has been appointed as Chairman w.e.f. 1<sup>st</sup> January, 2021.
- Ms. Sukriti Likh, Additional Secretary & Financial Adviser, Ministry of Steel, has been appointed as Government Director w.e.f. 23<sup>rd</sup> April, 2021.

#### ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors



(Soma Mondal)  
Chairman

Place: New Delhi

Date: 1<sup>st</sup> September, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management of Steel Authority of India Limited (SAIL) presents its Analysis Report covering the performance and outlook of the Company.

## A. INDUSTRY STRUCTURE & DEVELOPMENTS

### World Economic Environment

Economies all over the world are still navigating through the impacts of Covid-19 pandemic which had hit the world during late 2019 and peaked in 2020. The countries faced unimaginable losses in terms of human lives, livelihoods and the business activities across the Globe got a jolt, leading to consequent economic slowdown. The pandemic created an unprecedented health crisis across the Globe severely straining the medical resources. Amidst this situation of uncertainties and dissimilar pace of recoveries, the complete assessment of deceleration of economies is yet to be fully ascertained.

The Financial Year 2020-21 was completely exposed to the severity of the pandemic and the businesses operated under extraordinary circumstances. Though the signs of economy recovery have started to show up on the back of large scale vaccination programs and various stimulus packages and supportive policies but the road to full bounce back is an uphill task whose prospects still requires time to get steady. The recoveries in emerging markets are yet to assume stability and anticipated subsequent waves of the virus remain a threat to the recovery path. The global trade and business chains have been severely impacted with globally disrupted supply chains.

The Global Economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022 as per the April 2021 World Economic Outlook update. There was an estimated contraction of -3.3% in 2020. The Advanced Economies shrunk by an estimated 4.7% and Emerging Market and Developing Economies were estimated to have declined by about 2.2% in 2020.

Covid-19 had unprecedented receding effects on the growth rate of countries world-wide and the first half of 2020 jolted all major economies. The second half of the Financial Year saw GDP recovering stronger than expected but the performance remains significantly below pre-pandemic trends in most countries. The Pandemic has left several economies facing severe setback and challenges as they continue to struggle with the mutating virus, vaccination issues, low commodity prices and fall in exports. Expected recoveries are based on expectations of a vaccine-powered strengthening of activity during the year and additional policy support in a few large economies. Overview of World Economic Outlook Projections is as under:

### World Economic Outlook Projections (Percentage Change)

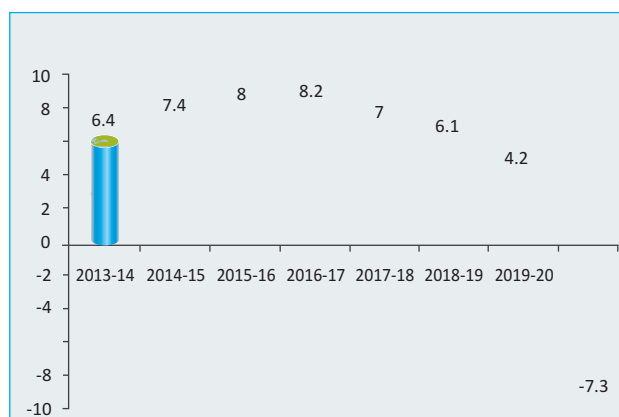
	Year Over Year		
	Estimate	Projections	
	2020	2021	2022
<b>World Output</b>	<b>-3.3</b>	<b>6.0</b>	<b>4.4</b>
<b>Advanced Economies</b>	<b>-4.7</b>	<b>5.1</b>	<b>3.6</b>
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Japan	-4.8	3.3	2.5
<b>Emerging Market and Developing Economies</b>	<b>-2.2</b>	<b>6.7</b>	<b>5.0</b>
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
Brazil	-4.1	3.7	2.6
Russia	-3.1	3.8	3.8

Source: IMF World Economic Outlook Update, April 2021

### Indian Economic Environment

India has undertaken a massive vaccination drive. With Government's prime focus to revive the economy at the earliest through various stimulus packages, revival of infrastructural activities and restarting of the economic activities in a

phased manner, the prospects of regaining the growth momentum is palpable. The GDP growth for the Financial Year 2020-21 has been estimated at (-)7.3% by the Ministry of Statistics & Programme Implementation as per their latest estimates. Though the Indian Economy has contracted due to the Covid-19 pandemic, the contraction rate has reduced from 22.4% during Q1 to 7.3% during Q2 and a growth of 1% was recorded in Q3 and 3.7% in Q4. It is expected that though urban demand has been dented by the second wave, but adoption of new Covid-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive. (sources: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=51754](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51754))



The cumulative growth in the Index of Industrial Production (IIP) for the period April, 2020 – March, 2021 over the corresponding period of the previous year for Mining, Manufacturing and Electricity sectors were (-) 7.8%, (-) 9.8% and (-) 0.5%, respectively. In the same period, while Consumer Durables registered a large decline of 15.2%, Consumer Non-durables registered a lesser decline of 2.3%. Capital Goods registered a decline of 19.2%, while Infrastructure/Construction goods registered a negative growth of 9.1%.

### World Steel

In the short range outlook released by World Steel Association in April, 2021 for 2021 and 2022, it forecast that steel demand will grow by 5.8% in 2021 to reach 1,864 Million Tonnes (MT), after declining by 0.2% in 2020. In 2022, steel demand will see further growth of 2.7% to reach 1,924.6 MT. The forecast also added that the second or third waves of infections will stabilise in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries. Despite the devastating impacts of Covid-19 pandemic, the steel industry was fortunate and passed the year 2020 with limited contraction as opposed to various other industries. Asia accounted for 1374.9 MT of Crude Steel production in 2020, an increase of 1.5% compared to 2019. China continued to dominate World Crude Steel production with an output of 1064.8 MT, with a growth of 7% over 2019. China's share in the world steel production has been constantly increasing as shown below:

India's Crude Steel production in 2020 declined by 10% over 2019 and stood at 100.3 MT. Japan produced 83.2 MT in 2020, a decline of 16.2% compared to 2019. South Korea's Output of Crude Steel stood at 67.1 MT in 2020, lower by 6% over 2019. EU saw a reduction in Crude Steel output by 11.6% to 139.1 MT in 2020 over 2019. Germany produced 35.7 MT of Crude Steel in 2020, down by 9.8% over 2019. The production in US was lower by 17.2% at 72.7 MT in 2020.

#### Top 10 Steel Producing Countries

Rank	Country	2020 (MT)	2019 (MT)	% Change
1	China	1064.8	995.4	7.0
2	India	100.3	111.4	-10.0
3	Japan	83.2	99.3	-16.2
4	United States	72.7	87.8	-17.2
5	Russia	71.6	71.7	-0.1
6	South Korea	67.1	71.4	-6.0
7	Germany	35.7	39.6	-9.8
8	Turkey	35.8	33.7	6.2
9	Brazil	31.0	32.6	-4.9
10	Iran	29.0	25.6	13.3

Source: World Steel Association

#### Outlook for Steel Industry

Riding on a positive consumption and demand trend in the steel industry, the coming times looks on the green side. WSA in its forecast sees a 2.7% growth in steel demand reaching to 1,924.6 MT in 2022. At the same time, it is also believed that For the future, structural changes in a post-pandemic world will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitisation and automation, infrastructure initiatives, reorganisation of urban centres, and energy transformation (source: WSA - <https://www.worldsteel.org/media-centre/press-releases/2021/worldsteel-short-range-outlook-april-2021.html>). The growth in consumption in India has been forecasted at 19.8% in 2021 (106.1 MT) and 5.9% in 2022 (112.3 MT).

#### Indian Steel Scenario

As per Joint Plant Committee (JPC), production of Crude Steel during fiscal 2020-21 stood at 102.4 million tonne (MT), a decline of 6.1% over 2019-20. Finished Steel production also registered a negative growth of 7.8% to stand at 94.7 MT during 2020-21, compared to previous year. While Exports of total Finished Steel increased substantially by 29.1% to 10.8 MT during 2020-21 over previous year, imports declined by 29.8% to 4.8 MT.

India's consumption of total finished steel at 93.4 MT saw a negative growth of 6.7% in 2020-21 over same period last year. Demand for Finished Steel in India is expected to remain around 106.1 MT in 2021, as projected by World Steel Association.

### 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, the outlook for the steel industry remains positive.
- Expected increase in Government expenditure in capital intensive projects.
- A sharp rebound in growth is expected after the Covid-19 pandemic is over and steel demand is expected to remain buoyant.
- The newly commissioned mills are oriented towards products required to cater to the infrastructure development.
- High export potential for markets of Middle East and South East Asia.
- Potential for improving product quality and reducing cost through operational efficiency and utilization of the new and modernized units.

#### Threats

- Increased competition from domestic and international steel companies located in India.
- Volatility in coal prices and exchange rate.

### C. RISKS AND CONCERNS

- Internally, concerns on delays in the ramping up of production, due to initial stabilization of the new mills. Further, higher capital related charges on account of incremental Depreciation and Interest on new facilities have also increased expenses.

#### • Impact of MMDR Amendment Act, 2021

The Minerals (Development and Regulation) Amendment Act (The Act) which came into force on 28<sup>th</sup> March, 2021 provides that the period of mining leases of Government Companies (other than leases granted through auction) may be extended on payment of additional amount prescribed in the Fifth Schedule of MMDR Act. On account of this provision, SAIL's Iron Ore Mines, particularly in the State of Jharkhand and Kalwar-Nagur lease of BSP in Chhattisgarh, may have to bear an additional burden of about ₹1,577 crore during FY 2021-22 on dispatch of about 13 million tonnes of iron ore to its steel plant for captive consumption.

Further, the Act also provides that captive mines (other than atomic minerals) may sell up to 50% of their annual mineral production in the open market after meeting their own needs. The Lessee will have to pay additional charges for mineral sold in the open market as prescribed in the Sixth Schedule of the Act. Collectively, on account of both these provisions, SAIL has to bear an additional burden of about ₹1,593 crore (Fifth Schedule: ₹323 crore, Sixth Schedule: ₹1,270 crore) during FY 2021-22 on sale of about 10.60 million tonne of iron ore (3.60 MT - Fresh iron ore and 7.00 MT - Dump Fines/Tailing) from its iron ore mines in the State of Jharkhand, Odisha and Chhattisgarh.

Further, as per the Act, for the extension of coal mining leases, Government Companies, have to bear an additional burden of the amount prescribed in the Fifth Schedule of the Act, thereby, putting the Government Companies at a disadvantage, where Private Parties will be granted renewals without payment of an additional levy under the Fifth Schedule.

The Company is suitably pursuing the matter with the Government.

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

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

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

Meanwhile, SAIL is regularly pursuing with Government of Jharkhand for extension of lease period of Chiria leases beyond 31<sup>st</sup> March, 2020.

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

Stage-I Forest Clearance (FC) for development of new mining pits at South and Central blocks of Kiriburu and Meghahatuburu mines was granted in October, 2010 and Compliance Report was forwarded by Government of Jharkhand for approval of MoEFCC in April, 2016.

However, approval could not be obtained due to initial link up of the grant of FC with the finalisation of Management Plan for Sustainable Mining (MPSM) for Saranda Forest and subsequently, on account of non-suitability of identified Compensatory Afforestation land. Though the proposal has since been forwarded after relentless persuasion, due to the ongoing Pandemic, there has been not much development so far.

#### • Certificate Proceeding by the Government of Jharkhand for Demand issued under Common Cause case

Certificate Case Officer (Mining), Chaibasa has initiated the certificate case proceedings against the SAIL iron ore mines viz. Kiriburu, Meghahatuburu, Gua (Duargaiburu Lease), Chiria (Dholei and Sukri-Latur leases) towards realization of alleged dues along with interest in purported compliance of the judgment dated 2<sup>nd</sup> August, 2017 passed by the Hon'ble Supreme Court in the matter of Common Cause Vs. UoI & Others. In these notices, a total demand of about ₹2,100 crore along with interest was made.

The same was challenged by SAIL before Jharkhand High Court. Accordingly the entire issue is now pending before the Hon'ble High Court.

- **Certificate Proceeding by the Government of Jharkhand in the matter of Demand issued for the extension of lease period done under the provisions of Mineral (Mining by Government Company) Rules, 2015**

Certificate Case Officer (Mining), Chaibasa had initiated the Certificate Case Proceedings against the three Iron Ore Leases viz. Dhobil Lease of Chiria, Amalgamated Lease of Kiriburu-Meghahatuburu and Duargaiburu Lease of Gua towards realization of alleged dues along with interest in the matter of extension of Lease period of the these leases under the provisions of MMGC Rules. A demand of about ₹ 3,907 crore along with interest was made.

The same was challenged by SAIL before Jharkhand High Court. The Hon'ble High Court, in its Order had stayed the operation of the demand notices and the same is still in force.

During the pendency of the aforesaid Writ Petitions, against the query of Government of Jharkhand for clarification in respect of right/claim to raise demand under MMGC Rules, 2015, Ministry of Mines has replied that under the MMGC Rules, 2015, there is no provision for payment of additional amount for extension of mining lease granted to a Government Company. Further, Petitions of Objections against the Certificate Proceedings were submitted to the office of Certificate case Officer (Mining), Chaibasa. However, due to alarming situation of Covid-19 pandemic, hearing could not be held so far.

- **Delay in release of diverted forest land under Duargaiburu Lease of Gua Mine**

On grant of Stage-II FC for diversion of 361.295 ha of forest land under Duargaiburu Lease of Gua Mine by MoEFCC, SAIL had submitted the compliance report to Jharkhand Forest Department and made a request to release the said forest land as expansion of mining operations and associated activities of Gua Mine can only be started after handing over of forest land to SAIL.

Presently the proposal is being processed in the office of Addl. Chief Secretary (F, E & CC), GoJ but on account of ongoing Corona Pandemic, no further development has taken place.

- **Delay in resolution of Surface lease ownership issue of Railway Siding of Gua Mine**

SAIL has a plan to set up a Full Rake Railway Siding facilities at Surface Lease-A of Gua Mine to dispatch 10 MTPA of iron ore to its Steel Plants as a part of expansion project. Presently, execution of Land Licensing Agreement between Railway and SAIL for Gua Railway Siding Project has been held up on account of land ownership issue.

Consequent to approval of Railway Board vide letter dated 17<sup>th</sup> November, 2020 for leasing of total Railway land measuring 36.231 acres including 29.423 acres of Surface Lease-A of SAIL as disputed land, on the insistence of S E Railways, SAIL agreed to the terms and conditions imposed by Railways and submitted the desired affidavit to the SE Railways on 18<sup>th</sup> January, 2021.

Further, to expedite the process of issuance of revised demand note and signing of Land Lease Agreement with Railways, the matter was taken up with Chief Project Director, SE Railways, wherein, it was informed that proposal for issuance of revised demand note and finalization of Land Lease Agreement is under advance stage of approval. In a another meeting held with Principal Chief Operation Manager, SE Railways, on 15<sup>th</sup> March, 2021, PCOM stated that Railways has given permission for setting up the private siding at Gua to M/s. Rungta Mines Ltd. as the land belongs to Railways and SAIL was requested to allow M/s. Rungta Mines Ltd. to continue to operate the siding within the lease hold area of SAIL.

SAIL, not adhering to the request of Railways, requested to delink operation of Rungta Mines with Land Leasing Agreement of Gua Railway Siding as the Land of Rungta Siding is outside 36.231 acres of land required for SAIL Siding. However, Railways did not agree and asked SAIL to take up the matter of operationalizing Rungta siding with the higher authorities. Accordingly, Chairman, SAIL vide letter dated 8<sup>th</sup> April, 2021 requested Chairman, Railway Board for expediting the execution of the Land Lease Agreement between S E Railways and SAIL, and also requested that any decision on operationalization of Rungta Siding may be taken by Railways post disposal of their appeal on disputed area of SAIL Lease by Commissioner, Kolhan, Jharkhand.

The pending issue related to the Gua Railway Siding matter was discussed with Ministry of Steel and Railways in June, 2021, wherein, possibilities for early resolution of the issue were deliberated.

Meanwhile, for the execution of the Project, M/s. RITES has issued the tender for Package-1 for Earth Work.

- **Delay in Execution of Lease Deed of Kalwar-Nagur Iron Ore Mining Lease of Bhilai Steel Plant.**

With grant of EC for development of 1MTPA Iron Ore Mine at Kalwar-Nagur lease of BSP by MoEFCC, the long awaited issue pending since April, 2016 has been resolved. However, development of the Mine may commence only after execution of the Lease Deed by Government of Chhattisgarh. Further applications, in respect of Consent to Establish and Consent to Operate under Air and Water Act, may be submitted to the Chhattisgarh Environment Conservation Board (CECB) only after execution of the Lease Deed. As per MMGC Rules, Kalwar-Nagur lease has a validity upto 2025. The matter is being regularly followed up with the Government of Chhattisgarh. Meanwhile, tree enumeration work under the Lease has since been completed and preparation work for "Vidohan Yojna" is under progress.

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

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

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

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

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

- **Delay in reservation of area for Sand Leases at Dugri Ghat, Het-Kandraghat, Chasnalla and Tasraghat of river Damodar, district Dhanbad for sand for stowing in captive underground mines.**

In the past, captive coal mines had lifted the sand for ongoing stowing activities based on temporary permission granted by the Government of Jharkhand. However, after discontinuation of the same in 2013, the mines had to depend upon private sand leases where supply was irregular. Therefore, to maintain consistency of coal production as well as safety of workmen in underground mines, a request was made to District Mining Officer, Dhanbad for reservation of sand mining areas at Dugri Ghat, Het Kandra Ghat, Chasnalla Ghat and Tasa Ghat on the bank of river Damodar for sand stowing of underground mines of Chasnalla and Jitpur which were earlier used by SAIL coal mines. The matter is now pending with the Ministry of Coal and being followed up regularly.

- **Delay in issuance of Letter of Intent for revised area of 407.410 Ha for Baraduar Dolomite Lease and further extension of lease period as per the provisions of Chhattisgarh Minor Minerals Rules, 2015.**

The production at Baraduar Dolomite Mining Lease for the area 523.35 Ha has stopped in 1986 due to union related issues. Now, with the increasing dolomite requirement, SAIL took up the matter with the Government of Chhattisgarh State for revival of mining lease of IDQ, Baraduar. Government of Chhattisgarh conveying its approval for first renewal of mining lease for the period 26<sup>th</sup> December, 1990 to 25<sup>th</sup> December, 2010, advised SAIL for

getting the required clearances i.e. approval of mining plan, forest clearance and environment clearance, etc. for development of the dolomite mine. In accordance with amended Chhattisgarh Minor Mineral Rule, 2015, BSP has submitted application for extension of lease from 26<sup>th</sup> December, 2020 to 25<sup>th</sup> December, 2040 to Mining Office, Janjgir-Champa.

### Status of Statutory Clearness

Mining plan for lease area of 523.35 Ha consisting of Forest Land of 432.69 Ha, Revenue Forest Land of 86.833 Ha and 3.827 Ha of Private Revenue Land was approved by IBM in 2011. Out of lease area of 523.35 Ha, Chhattisgarh State Government forwarded the proposal only for 407.41 Ha of Forest Land after deducting a Forest Land area of 100 Ha, Revenue Forest Land area of 12.113 Ha and Private Revenue Land area of 3.827Ha.

Stage-1 Forestry Clearance (FC) for diversion of 407.410 Ha of Forest Land was granted by MoEFCC in 2017 and compliance of Stage-I FC conditions is under progress.

Expert Appraisal Committee (EAC) of MoEFCC considered the proposal for grant of Environment Clearance (EC) for Baraduar Dolomite Lease on 22<sup>nd</sup> December, 2017. However, the proposal was deferred subject to clarification from the State Government for revised mining lease area of 407.410 Ha vis-à-vis earlier approved mining lease area of 523.35 hectares and submission of mining plan for revised area of 407.410 Ha.

Thereafter, on submission of Mining Plan w.r.t. revised area of 407.410 Ha to Mining Officer, Janjgir-Champa on 19<sup>th</sup> January, 2018, vide letter dated 16<sup>th</sup> March, 2018, SAIL was directed to submit Letter of Intent (LoI) for an area of 407.410 Hectare for the mining lease. In 2018, consent was given for issuance of LoI.

Pending issuance of LoI for Baraduar lease, Mineral Resource Department (MRD), Chhattisgarh informed SAIL that Baraduar Mining Lease was granted for mineral dolomite for the period of 20 years from 26<sup>th</sup> December, 1970 to 25<sup>th</sup> December, 1990 and first renewal of the lease was granted for the period of 20 years from 26<sup>th</sup> December, 1990 to 25<sup>th</sup> December, 2010 for which lease deed was not executed by SAIL. Also, SAIL has neither commenced mining operation within a period of 2 years nor has applied for continuity of mining lease or revival of lease. On account of these, Baraduar Mining Lease fall under category of "lapse of lease" as per section 4A (4) of Mines and Minerals (Development and Regulation) Act 1957 read with Rule (28) of Mineral Concession Rule, 1960.

Detailed reply to the aforesaid Show Cause Notice was submitted by SAIL along with written submissions. Issuance of LoI is still awaited.

#### ● Environment Clearance (EC) for the Mining Proposals involving violation

Consequent to review of the pending Forest Clearances and Environment Clearance proposals of Steel Sector by Secretary, MoEFCC and Secretary, Steel jointly, Joint Secretary (NCM), MoEFCC examined the pending EC proposals of SAIL's Mines viz. Pandridalli & Rajhara Pahar Iron Ore Mining Lease of BSP, Chhattisgarh, Tulsidamar Dolomite Mine in Jharkhand and Jhillingburu-I Lease of Gua Mine.

Thereafter, EC proposal of Jhillingburu-I Lease of Gua Mine was considered and Terms of Reference (ToR) for preparing EIA/EMP has been recommended by EAC. However, formal issuance of ToR from MoEFCC is awaited. Further, Tulsidamar EC case is still under examination of MoEFCC.

With regard to the EC proposal of Pandridalli & Rajhara Pahar Iron Ore Mining Lease of BSP, MoEFCC, has informed that the said proposal falls under violation as EC was required to be taken at the time of renewal of lease in the year 2003, and therefore, the proposal would be considered in the Sectoral EAC meeting as a violation proposal and SAIL has to apply for ToR.

This has come as a new development as violation related to non-availability of EC at the time of renewal of lease in 2003 was not mentioned earlier,

In response to the same, SAIL has requested MoEFCC to reconsider the pending EC proposal of Pandridalli and Rajhara Pahar Lease of BSP without insisting of violation and grant EC. MoEFCC has informed that EC of Tulsidamar mine is a valid EC. However, as SAIL has exceeded the production over and above the EC capacity on 5 occasions, it is a violation of EIA Notification, 2006 and therefore present proposal will be dealt with as a violation case and has advised SAIL to apply afresh. In response, SAIL made a request to the MoEFCC that the Notification dated 6<sup>th</sup> April, 2018, clearly states that it was brought for condoning the previous violations and

to regularize the infirmities occurred in the various mining projects. Accordingly, the proposal of SAIL may please be re-considered to avail the benefits without any discrimination.

### D. OUTLOOK

With the wide spread of Covid -19 pandemic during the Financial Year 2020-21, Authorities and Governments adopted several forms of physical distancing as a measure to contain the dissemination of the coronavirus, with Lockdown being one of these measures. The lockdown has resulted in the supply chain being broken, demand for industrial goods falling, and the decline of industrial production, with steel sector no exception to it, leading to decline in steel consumption in India.

The continuous and accelerating rollout of Covid-19 vaccines in the advanced economies set the stage for rapid recovery in the current financial year and rolling out into the 2022. The Global Economy is expected to recoup the pre-pandemic level of production in 2022. However, the emerging and developing economies are expected to achieve the pre-pandemic level by the financial year 2022-23. With regard to the steel industry, demand is expected to be strong around the Globe due to rapid developments through digitisation & automation, infrastructure initiatives, fiscal stimulus, etc.

The outlook for 2021 is expected to be positive because Indian steel companies have started boosting steel production capacity. In addition to the huge scope for growth due to India's comparatively low per capita steel consumption, the pandemic has accelerated some key trends, which will bring about shifts in steel demand on account of Government of India's focus on strengthening domestic manufacturing under 'Atmanirbhar Bharat Abhiyan', introduction of 'Production Linked Incentive Scheme' to encourage the manufacturing in various industries, investment in infrastructure projects, thriving automobile and railways sector, etc. Such measures are expected to take the steel demand cross the pre-pandemic level.

### E. STRENGTHS AND WEAKNESSES

#### Strengths

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

#### Weaknesses

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

### F. REVIEW OF FINANCIAL PERFORMANCE

#### 1. FINANCIAL OVERVIEW OF SAIL

SAIL achieved sales turnover of ₹ 68,452.34 crore during the Financial Year (FY) 2020-21, which was higher by 12.17% as compared to corresponding period of last year (CPLY) turnover of ₹61,024.88. During the FY 2020-21, the Profit before Tax and after Tax was ₹6,879.03 crore and ₹3,850.02 crore respectively as compared to CPLY Profit before Tax of ₹3,170.66 crore and Profit after Tax of ₹2,021.54 crore, respectively. There is an accounting impact of ₹ 1,289 crore on PAT due to switch over to new tax regime under section 115BAA. The comparative performance of major financial parameters during the FYs 2020-21 and 2019-20 is given below:

(₹ crore)

Particulars	2020-21	2019-20
Sales Turnover	68452.34	61024.88
Profit Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	13739.74	11184.23
Less: Interest and Finance Charges	2817.14	3486.76
Less: Depreciation	4102.00	3755.05
Profit Before Exceptional/Abnormal Items and Tax	6820.60	3942.42
Less: Exceptional items Gain(-)/Loss (+)	-58.43	-771.76
Profit(+)/ Loss(-) before tax	6879.03	3170.66
Less: Provision for taxation	3029.01	1149.12
Profit(+)/Loss(-) after Tax	3850.02	2021.54
Other Comprehensive Income	280.53	-115.71
Total Comprehensive Income (+)/Loss(-)	4130.55	1905.83
Net Worth	43495	39777
EBITDA to Net sales (%)	20.07	18.33
Return (PAT) on Net worth (%)	8.85	5.08
EBIDTA to average capital employed (%)	17.01	14.17
Earnings per share of Rupee 10/- each	9.32	4.89
Debt Equity Ratio	0.87:1	1.36:1
Current Ratio	1.40:10	1.85:10
Debtors' Turnover Ratio (Days)	38	53
Inventory Turnover Ratio (Days)	6.09	4.02
Interest Coverage Ratio(No. of times)	2.86	1.83

During the FY 2020-21, despite the lockdown in the Country during Q-1 because of Covid-19 pandemic, there has been significant improvement in the performance of the Company, mainly on account of increase in NSR of Saleable Steel (10%) and significant reduction in the imported coking coal prices (21%). The profit has further improved due to increase in saleable steel sales (5%) on account of higher demand of steel, higher sale of pig iron, secondary products and Iron Ore fines, decrease in expenditure of stores and spares, purchased power rates, interest charges, etc. and higher dividend income, foreign exchange gain and reversal of Covid-19 discount on sub grade iron ore fines. However, the same has been partially offset by decrease in saleable steel production (3%), higher usage of coal, higher usage of other raw materials, increase in salary & wages mainly due to wage revision provision, increase in royalty rate of iron ore, security expenses, repair and maintenance expenses, depreciation charges, unfavourable stock valuation rate, VRS expenses, etc. Further, there has been payment of Entry Tax in the State of West Bengal through One Time Settlement Scheme.

As compared to CPLY, the decrease in number of days in Debtors' Turnover Ratio was mostly on account of Factoring of dues from Indian Railways and increase in turnover. Decrease in Current Ratio is mainly on account of decrease in debtors and inventory levels. Reduction in borrowings has led to lower debt equity ratio in FY 2020-21. Improvement in Interest Coverage Ratio is mainly due to lower interest cost on account of reduction in borrowings and swapping high cost borrowings with low cost dues.

### 1.2.1 Cost Control Measures

- Renewed focus on cost reduction and productivity improvement continued during the year through process improvement and R&D efforts. Besides, strong awareness was created at all levels of operations to control cost in all areas of operation.
- Continuous monitoring of procurement of high value items, maximizing use of available indigenous coal, maximising use of in-house engineering shops, sale of idle assets, reduction in ocean freight and optimising procurement through centrally purchased items, including negotiations with suppliers for price reduction, were pursued throughout the financial year 2020-21.
- Coal blend optimisation and improvement in operational parameters such as BF productivity, Coke Rate, CDI, Concast Production have contributed to cost savings during the year.
- The Company introduced the Voluntary Retirement Scheme (VRS) from 1<sup>st</sup> July, 2020 to 31<sup>st</sup> July, 2020 through which 426 number of employees

separated from the services of the Company.

### 1.2.2 Marketing

Your Company has taken a number of initiatives during the Financial Year 2020-21 aimed at sustaining and consolidating its position as the leading steel producer of the Country.

Further, with a view to widening the options that the Company makes available to customers and to meet their needs for customized or specific application steels, a number of new products were developed in 2020-21, including the following:

- At Bhilai Steel Plant, weather resistant plates as per ASTM A709 Gr 50 were developed for application in structures where resistance to atmospheric corrosion is required due to service conditions.
- ASTM A 588 grade plates were developed at Rourkela Steel Plant for uses in air pre-heater of thermal power plants.
- SAILWR 400 & SAIL HARD Plates were developed at Rourkela Steel Plant for applications in Earth Moving Equipment and Power Plants, respectively.
- CR coils with higher resistance to corrosion for solar Industry are at an advance stage of development at Bokaro Steel Plant.
- Bokaro Steel Plant has developed the BQ plates, as per ASTM A 516 Gr 70 (IS 2041 R 260), to cater to the requirement of Industry in lower thickness, in the range of 5 to 8 mm.
- SAIL has enhanced its efforts towards increasing sales of special quality steel to the consumers. At the new Wire Rod Mill of IISCO Steel Plant, other than mild steel grades for Wire Rod drawing, special grade WRC in Electrode Grades IS2879 EWNr, Wire Drawing High tensile Grades viz., HC62, HC72, HC80, HCT1130Cr (PC115), Electric Cable Armour Quality (CAQ), Bright Bar and Auto Industry application grades EN8D, EN8D Cr have been developed and consistently supplied. Besides this, supplies have also been made in Cold Heading Quality Boron Grades. As per Industry norm, supplies have been made in Aluminium killed condition, wherever required.

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

- In order to help build awareness and acceptance of steel usage in rural areas, SAIL has an ongoing rural outreach programme "Gaon Ki Ore". Under the campaign, 117 workshops have been conducted during the financial year 2020-21 across the Country with focus on small consumers, etc.
- Your company has launched its reinforcement bar brand "SAIL-SeQR" in 2019-20. This brand is being promoted as better quality steel for safer homes. This brand is focused to enhance retail presence of SAIL with special emphasis on rural penetration. During the FY 2020-21, the Company has sold about 2.5 lakh tonnes of "SAIL SeQR" reinforcement bars. Further, "SAIL SeQR" TMT has been rolled out from BSP during FY 2020-21, thereby enhancing its pan-India footprint. During the coming years, in addition to contribution to top line value, the brand "SAIL SeQR" is expected to not only meet the quality expectation of the Retail Sector but also to drive brand presence of the Company. Comprehensive distribution and promotion plan has been drawn up for sales of SAIL SeQR to Retail customers.
- Around 4 lakh tonnes of TMT were supplied through the 2 Tier Distributor network during FY 2020-21. 'SAIL Suraksha', the online E-Portal was launched by SAIL during FY 2020-21 to enable the household segment to book materials from any location in the Country.
- Your company has continued the thrust on the "NEX" brand of structurals, assuring improved performance. Efforts have been made to popularise usage of steel in designing in general and increase usage of "NEX" brand of structural through virtual meetings with customers, webinars and participated in virtual workshop sessions in-house and also by Structural Designers, Architects, etc.
- SAIL has been contributing in nation building since inception by servicing the requirement of various Infrastructure Projects and also projects of Strategic Importance. Continuing the trend in FY 2020-21, your Company supplied significant quantity of Steel to Power Projects, Road, Rail, Airport & Port Infrastructure Projects, Metro Rail Project, Irrigation & Drinking Water projects, Fertiliser Industry and Oil & Gas Sector.
- During the FY 2020-21, your Company has supplied steel to number of Projects of National Importance. The major projects include- Katra to Banihal Tunnel Project; BRTF Leh-Ladakh Project; Up-gradation of Leh Airport; Metro Rail Projects; Regional Rapid Transport System-Delhi Meerut Expressway; Eastern Dedicated Freight Corridor Corporation; Purvanchal

Express way Project; Lower Subansiri Hydel Project Assam; Construction of one of the World's Tallest Bridge Pier at a pier height of 141 meters as a part of 111 km Jiribam-Imphal Railway Project for Northeast Frontier Railway; Mahatma Gandhi Setu Project; Bihar, Ganga Water Lift Project; Bihar, Agartala - Akhaura Rail Link Project; Tripura, Guwahati International Airport, Assam; AIIMS Guwahati, Assam; Polavaram Multipurpose National Irrigation Project near Rajahmundry, Andhra Pradesh; Kales waram Lift Irrigation Project in Telangana; Jayanthipuram & Kurnool Cement Plant and Rambilli Navy Project of DRDO.

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

Your company has the largest marketing network among all steel producers in the Country. As on 1<sup>st</sup> April, 2021, SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 10 active Customer Contact Offices, 23 Departmental Warehouses and 21 functional Consignment Agency yards. Marketing efforts are further supplemented through SAIL's Retail Channel that reaches the products of mass consumption to remote corners of India.

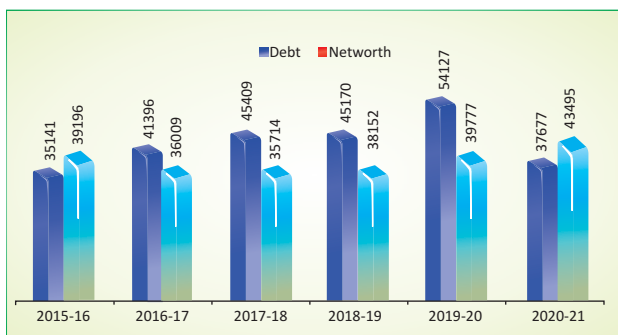
SAIL has an extensive dealership network comprising of more than 3100 dealers spread across the Country. With 39 Distributors already in place in the 2-tier distribution network as on 1<sup>st</sup> April 2021, this channel of retail sales is being further strengthened. This huge network spread across the Country helps in meeting the requirements of a wide range of customers spread through length and breadth of the Country.

Some other initiatives undertaken by your Company include launching of Incentivisation Scheme for MSMEs to promote Local Industries based in and around our Integrated Steel Plants, wherein 132 MSMEs have joined the SAIL scheme.

During the FY 2020-21, due to spread of Covid-19 pandemic, the trades and allied activities like transportation and logistics remained disrupted due to on-and-off lockdowns until September, 2020. In addition to this, there were very limited resummptions in activities in the construction and infrastructure projects until Q3 FY 2020-21, weighing on the finished steel demand. The spread of Covid-19 pandemic in India in Q1 FY 2020-21 and the stringent lockdown placed to counter its effect from Apr-Jul, 2020, resulted in shortfall in sales during Q-1 and Q-2 but pent up demand, on both domestic and export fronts, helped in posting best ever sales performance during FY 2020-21.

### 1.3 Funds Management

There is decrease in the borrowings of the Company from ₹ 54,127 crore as on 31<sup>st</sup> March, 2020 to ₹ 37,677 crore as on 31<sup>st</sup> March, 2021 in line with INDAS. The debt equity ratio of the Company as on 31<sup>st</sup> March, 2021 is 0.87:1 as compared to 1.36:1 in the previous year. The interest and finance charges on operation account during the current year at ₹ 2,817 crore are lower by ₹ 670 crore over CPLY. The Net-worth of the Company has increased from ₹ 39,777 crore as on 31<sup>st</sup> March 2020 to ₹ 43,495 crore as on 31<sup>st</sup> March 2021. M/s. CARE Ratings, M/s. India Ratings and M/s. Brickwork Ratings, RBI approved credit rating agencies, assigned 'CARE AA Outlook: Stable', 'India Ratings AA-Outlook: Negative' and 'BWR AA Outlook: Negative' ratings respectively for SAIL's long-term borrowing programme. The trend of borrowings and Net-worth is given as under:



### 1.4 Contribution to SAIL Gratuity Trust

As per the settlement made towards payment of Gratuity by the Company, an amount of ₹ 653 crore has been funded by SAIL Gratuity Trust to the Company. The fund size has been at ₹ 6,235.16 crore as on 31<sup>st</sup> March, 2021, as per the contributions made by the Company to SAIL Gratuity Trust.

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

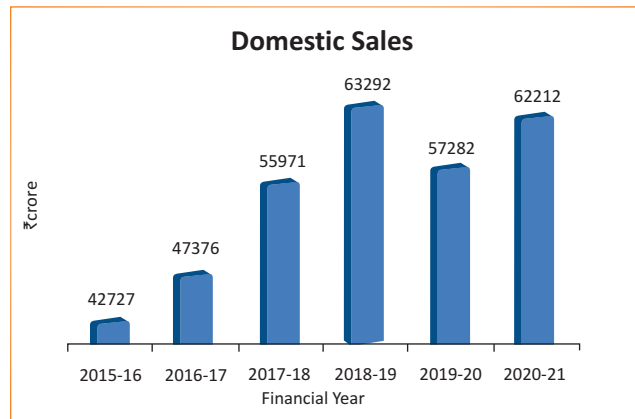
### 2.1 Revenue from Operations

#### a) Sale of Products

(₹ crore)

Particulars	FY 2020-21	FY 2019-20	Change%
Sales of Saleable Steel Products	65211.87	59298.35	9.97
Sales of Other Products	3240.47	1726.53	87.69
Total Sales Turnover	68452.34	61024.88	12.17

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



The Company catered to almost the entire gamut of the mild steel business namely, Flat Products in the form of Plates, HR Coils/Sheets, CR Coils/Sheets, Galvanised Plain/Corrugated Sheets and Long Products comprising Rails, Structurals, Wire-Rods and Merchant Products. In addition, Electric Resistance Welded Pipes, Spiral Welded Pipes and Silicon Steel Sheets formed part of the Company's rich product-mix. The product category-wise sales turnover during the FY 2020-21 is given as under:

Products Category	% of Sales value
<b>Saleable Steel</b>	
Flat Products (including Pipes & Electrical Sheets) (a)	46
Long Products (b)	44
Integrated Steel Plants – Mild Steel (c = a + b)	90
Alloy & Special Steel Plants - Alloy & Special Steel (d)	3
Total Saleable Steel (e = c + d)	93
Secondary Products (Pig Iron, Scrap, Coal Chemicals, etc.) (f)	7
Total (g = e + f)	100

**c) Sale of Services - Service Charges** (₹ crore)

FY 2020-21	FY 2019-20	Change%
20.57	22.89	-10.13

Revenue from sale of services decreased by about ₹ 2.32 crore during the current year.

**d) Other Operating Revenues** (₹ crore)

FY 2020-21	FY 2019-20	Change%
637.11	612.78	3.97

Other operating revenues increased by ₹ 24.33 crore over previous year mainly due to better realisation from sale of empties and sundries.

**2.2 Other Income** (₹ crore)

FY 2020-21	FY 2019-20	Change%
1011.69	985.22	2.69

Other income increased by about ₹26.47 crore over previous year primarily on account of higher interest income, dividend from investments and Foreign Exchange gain.

**2.3 Expenditure** (₹ crore)

Particulars	FY 2020-21	FY 2019-20	Change%
Raw Materials Consumed	23136	29213	-20.80
Employee Remuneration & Benefits	10446	8781	18.96
Finance Cost	2817	3487	-19.20
Depreciation	4102	3755	9.24
Other Expenses	18531	19023	-2.59

During the FY 2020-21, the decrease in raw materials cost was on account of reduction in input prices, particularly of imported coal. During the year, the Employees' Remuneration & Benefits have increased mainly due to wage revision provision, leave encashment, gratuity and welfare expenses. There has been a reduction in borrowings, which has led to lower finance cost and an increase in depreciation has been mainly due to capitalization of new facilities. Other Expenses were lower as compared to previous year primarily under the heads stores and spares, power and fuel, conversion charges, freight outwards, etc. mainly due to lower level of activities on account of Covid-19 situation during Q1 2020-21. This was partially offset by increase in repair and maintenance expenses, royalty and cess charges.

**2.3.1 Value of Imports** (₹ crore)

Particulars	FY 2020-21	FY 2019-20	Change%
Raw Materials	15244	21710	-29.78
Capital goods	212	227	-6.61
Components & Spare parts	903	797	13.30
Value of Imports	16359	22734	-28.04

Though there has been an increase in Import value of Components and Spare parts due to increase in prices of refractory items, the value of imports has decreased mainly due to lower imported coal rates.

**2.4 Contribution to Exchequer**

During the Financial Year 2020-21, SAIL contributed ₹ 12,947 crore to the national exchequer by way of payment of taxes and duties to various government agencies.

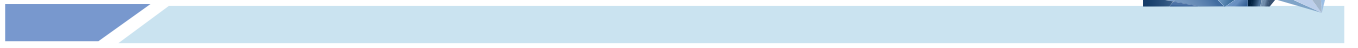
**2.5 Non-Current / Current Assets** (₹ crore)

Particulars	FY 2020-21	FY 2019-20	Change%
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	64115	65369	-1.92
(b) Capital Work-in-Progress	8878	8752	1.45
(c) Right of use Asset	2054	2205	-6.85
(d) Investment Property	1.09	1.12	-2.68
(e) Intangible assets	1429	1443	-0.98
(f) inventories	4236		
(g) Financial Assets			
(i) Investments	1595	1585	0.63
(ii) Trade Receivables			
(iii) Loans	756	665	13.79
(iv) Other Financial Assets	334	447	-25.16
(h) Deferred Tax Assets (Net)	0	2079	-100.00
(i) Non current tax assets (Net)	217	152	42.29
(j) Other non-current assets	1567	1481	5.77
<b>TOTAL NON CURRENT ASSETS</b>	<b>85184</b>	<b>84179</b>	<b>1.19</b>

**2.5.1 Current Assets** (₹ crore)

Particulars	FY 2020-21	FY 2019-20	Change%
<b>CURRENT ASSETS</b>			
(a) Inventories	15272	23747	-35.69
(b) Financial Assets			
(i) Trade Receivables	7124	8812	-19.16
(ii) Cash and cash equivalents	468	153	205.29
(iii) Bank balances other than (ii) above	212	210	1.10
(iv) Loans	50	50	1.61
(v) Other Financial Assets	2478	2189	13.21
(c) Other Current Assets	6354	5730	10.89
(d) Assets classified as held for sale	17	27	-37.46
<b>TOTAL CURRENT ASSETS</b>	<b>31976</b>	<b>40918</b>	<b>-21.85</b>
<b>TOTAL ASSETS</b>	<b>117160</b>	<b>125098</b>	<b>-6.35</b>

- Property, Plant & Equipment decreased by ₹ 1,254 crore mainly due to disposal of Plant & Machinery in Steel Plants and increase in depreciation for the year. The Capital Work-in-Progress increased by ₹ 126 crore on account of on-going Capital Work in Steel Plants and Construction Stores & Spares.
- Other Non-Current Assets increased by ₹ 86 crore.
- The inventories decreased by ₹ 8,475 crore mainly on account of decrease in raw materials inventory, finished/semi-finished products inventory, stores & spares inventory and in sub grade iron ore fines.
- Decrease in trade receivables was by ₹ 1,688 crore mainly on account of factoring of dues outstanding from Indian Railways.
- Other Current Assets increased by ₹ 624 crore.



Further, out of the above, following projects worth about ₹ 1,200 crore have been completed during the year 2020-21:

- Modernisation of SMS-I at BSL (Slab Caster, Ladle Furnace with associated facilities).
- Procurement of One no. Steam Turbine Rotor Assembly for Turbo-Blower Nos. 1- 4 in Old Power Plant at DSP.

## J. IN-HOUSE DESIGN & ENGINEERING

Centre for Engineering & Technology (CET), the ISO 9001:2015 certified in-house design, engineering and consultancy unit of SAIL caters to prepare investment proposal for the projects required for up-gradation, modernization. CET has its competitive edge of working in brown field projects and has developed competency in green field projects also. The CAPEX projects are being designed and implemented in the complete value chain of steel business processes from Mines to finishing. The major area of competency is in Mine Planning, Development and Capacity Expansion, Mineral Beneficiation, Loading and Transportation, Iron Ore Pelletisation, Material Handling, Coke-Ovens and By Product Plant, Blast Furnaces with associated facilities like stoves, sintering plant, slag granulation plant, etc. Steel Melting Shops with associated facilities like RH, LF and Caster, Rolling Mills, Utilities projects like Zero Liquid Discharge Projects, Oxygen Plant, Power Plant, Pollution Control Projects, Refractory Plants, Automation Projects, Electrical Power Supply & Distribution Projects and Infrastructure Projects, etc. The current major projects being handled by CET covers many brownfield as well as greenfield projects and include MDO at Tasra, Taldih, Gua; Mineral beneficiation at Bhilai mines; Rebuilding of Coke Oven batteries in BSP, RSP, DSP & BSL; Installation of new stove in DSP, ISP and BSL, modernization of SMS-I in BSL, RH at BSL, New SMS-III at RSP, installation of 4<sup>th</sup> caster in RSP, converter shell changing in DSP & BSP, new bar mill in DSP, refinishing mill complex for rails in URM of BSP, normalizing facility for plates in NPM of RSP, new test house for plates in RSP, NDT facilities for wheels in DSP, oxygen plant at RSP, ISP and BSL, ZLD projects of ISP, DSP and RSP, power evacuation projects at DSP, RSP, Automation of HSM at BSL, etc.

## K. 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 2020-21, 71 R&D projects were completed with substantial benefits to the Organization.

One project in respect of Indigenous development of model based breakout prediction system for Continuous Casters is being pursued with assistance from the Ministry of Steel.

Apart from Annual Performance Plan projects, 32 Short Term Assignments (STAs) were also carried out by RDCIS to investigate technical issues and suggest remedial measures for key concern areas in the Coal, Sinter Plant, Blast furnace, Steel, Refractory and Rolling Mills, etc.

RDCIS also pursues pioneering work in the area of development of niche products as per market requirements aiming at superior performance based on application. During the year 2020-21, seventeen products have been developed and some of the noteworthy products include special quality weather resistant

plates of different grades, wear resistant Q&T plates, high strength ship building quality grade, cold rolled SAILCOR coils for structural applications in solar power industry etc. In its pursuit for excellence in various research fields, RDCIS enters into collaboration mode of research in specific areas with renowned research institutions and academia. During the year 2020-21, Collaboration assignments have been pursued with institutions and PSUs such as Indian Oil R&D; C-DAC, Thiruvananthapuram.

The efforts of RDCIS engineers and scientists have culminated in filing of 11 patents and 6 copyrights (in association with SAIL Plants) during 2020-21. As many as 50 technical papers were presented in seminars/symposia/conferences and 76 papers were published in prestigious journals.

## L. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

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

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

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

## CAUTIONARY STATEMENT

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

## Standalone Balance Sheet

As at 31<sup>st</sup> March, 2021

(₹ crore)

	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	64115.26	65369.42
(b) Capital work-in-progress	5	8878.48	8751.56
(c) Right of use assets	4a	2054.13	2205.08
(d) Investment Property	6	1.09	1.12
(e) Intangible assets	7	1429.28	1443.42
(f) Inventories	7a	4236.26	-
(g) Financial assets			
(i) Investments	8	1595.01	1584.98
(ii) Trade receivables	9	-	-
(iii) Loans	10	756.23	664.59
(iv) Other financial assets	11	334.21	446.56
(h) Deferred tax assets (net)	12	-	2078.99
(i) Current tax assets (net)	13	216.78	152.35
(j) Other non-current assets	14	1566.81	1481.29
		<u>85183.54</u>	<u>84179.36</u>
<b>Current Assets</b>			
(a) Inventories	15	15272.04	23747.20
(b) Financial assets			
(i) Trade receivables	16	7124.00	8812.39
(ii) Cash and cash equivalents	17 (i)	468.40	153.43
(iii) Other bank balances	17 (ii)	212.12	209.82
(iv) Loans	18	50.47	49.67
(v) Other financial assets	19	2478.11	2188.99
(c) Other current assets	20	6353.97	5729.75
		<u>31959.11</u>	<u>40891.25</u>
Assets classified as held for sale	21	17.01	27.20
<b>TOTAL ASSETS</b>		<u>117159.66</u>	<u>125097.81</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	22	4130.53	4130.53
(b) Other equity	23	39364.35	35646.85
		<u>43494.88</u>	<u>39777.38</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	19725.96	34560.03
(ii) Trade payables	25		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	6.66
(iii) Other financial liabilities	26	1231.07	1295.59
(b) Provisions	27	4525.89	4108.80
(c) Deferred tax liabilities (net)	12	1253.16	-
(d) Other non-current liabilities	28	439.97	397.51
		<u>27176.05</u>	<u>40368.59</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	29	15850.24	16640.78
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		103.57	47.99
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6910.84	6272.39
(iii) Other financial liabilities	31	14017.14	13732.40
(b) Other current liabilities	32	7555.04	5723.85
(c) Provisions	33	2039.84	2354.93
(d) Current tax liabilities (net)	34	12.06	179.50
		<u>46488.73</u>	<u>44951.84</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>117159.66</u>	<u>125097.81</u>
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

Sd/-  
M.B. Balakrishnan  
Company SecretarySd/-  
Amit Sen  
Director Finance  
DIN: 08602987Sd/-  
Soma Mondal  
Chairman  
DIN: 06845389For Tej Raj & Pal  
Chartered Accountants  
Firm Registration No. 304124EFor S. Jaykishan  
Chartered Accountants  
Firm Registration No. 309005EIn terms of our report of even date  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/N500013For KASG & Co.  
Chartered Accountants  
Firm Registration No. 002228CSd/-  
P. Venugopala Rao  
Partner  
M. No. 010905Sd/-  
Ritesh Agarwal  
Partner  
M. No. 062410Sd/-  
Neeraj Sharma  
Partner  
M. No. 502103Sd/-  
Bharat Goel  
Partner  
M. No. 060069Place : New Delhi  
Dated : June 10, 2021

**Standalone Statement of Profit and Loss**
**For the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	Note No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Income</b>			
Revenue from operations	35	<b>69110.02</b>	61660.55
Other income	36	<b>1011.69</b>	985.22
<b>Total Income</b>		<b>70121.71</b>	<b>62645.77</b>
<b>Expenses</b>			
Cost of materials consumed	37	<b>23136.17</b>	29212.87
Changes in inventories of finished goods, work in progress and by-products	38	<b>4268.58</b>	(5555.82)
Employee benefits expense	39	<b>10445.94</b>	8781.32
Finance costs	40	<b>2817.14</b>	3486.76
Depreciation and amortisation expense		<b>4102.00</b>	3755.05
Other expenses	41	<b>18531.28</b>	19023.17
<b>Total expenses</b>		<b>63301.11</b>	<b>58703.35</b>
<b>Profit before Exceptional items and tax</b>		<b>6820.60</b>	3942.42
Less: Exceptional items	41a	<b>(58.43)</b>	771.76
<b>Profit before tax</b>		<b>6879.03</b>	3170.66
<b>Tax expense</b>			
Current tax		<b>12.05</b>	224.14
Deferred tax		<b>3016.96</b>	924.98
<b>Total tax expense</b>		<b>3029.01</b>	1149.12
<b>Profit for the year</b>		<b>3850.02</b>	2021.54
<b>Other Comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		<b>357.49</b>	(194.21)
Gain and losses from investments in equity instruments designated at fair value through OCI		<b>16.67</b>	16.60
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>(93.63)</b>	61.90
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>280.53</b>	(115.71)
<b>Total Comprehensive Income for the year</b>		<b>4130.55</b>	1905.83
<b>Earnings per equity share</b>			
Number of equity shares (face value ₹10/- each)		<b>4130525289</b>	4130525289
Basic and diluted earnings per share (₹)	41b	<b>9.32</b>	4.89

Significant Accounting Policies

3

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

Sd/-  
**M.B. Balakrishnan**  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
**Amit Sen**  
Director Finance  
DIN: 08602987

Sd/-  
**Soma Mondal**  
Chairman  
DIN: 06845389

*In terms of our report of even date*

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

Sd/-  
**P. Venugopala Rao**  
Partner  
M. No. 010905

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

Sd/-  
**Ritesh Agarwal**  
Partner  
M. No. 062410

**For Walker Chandio & Co LLP**  
Chartered Accountants  
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Sd/-  
**Neeraj Sharma**  
Partner  
M. No. 502103

**For KASG & Co.**  
Chartered Accountants  
Firm Registration No. 002228C

Sd/-  
**Bharat Goel**  
Partner  
M. No. 060069

Place : New Delhi  
Dated : June 10, 2021

## Standalone Statement of changes in equity

For the year ended 31<sup>st</sup> March, 2021

A Equity Share Capital (₹crore)

Particulars	Balance as at 1 <sup>st</sup> April, 2019	Changes in equity share capital	Balance as at 31 <sup>st</sup> March, 2020
Equity shares with voting rights	4130.41	0.01	4130.42
Equity shares without voting rights	0.12	(0.01)	0.11
<b>Total</b>	<b>4130.53</b>	<b>-</b>	<b>4130.53</b>

Particulars	Balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital	Balance as at 31 <sup>st</sup> March, 2021
Equity shares with voting rights	4130.42	-	4130.42
Equity shares without voting rights	0.11	-	0.11
<b>Total</b>	<b>4130.53</b>	<b>-</b>	<b>4130.53</b>

B Other Equity (₹crore)

	Reserves and Surplus					Other comprehensive income - Reserve	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2019</b>	1.75	235.10	5095.13	1994.14	26638.87	56.05	34021.04
Profit for the year	-	-	-	-	2021.54	-	2021.54
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	-	(128.44)	12.73	(115.71)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>1893.10</b>	<b>12.73</b>	<b>1905.83</b>
Transfer from bond redemption reserve	-	-	-	(895.75)	895.75	-	-
Transfer to bond redemption reserve	-	-	-	276.63	(276.63)	-	-
Equity dividend	-	-	-	-	(206.53)	-	(206.53)
Tax on equity dividend	-	-	-	-	(41.54)	-	(41.54)
Ind AS 116 adjustment	-	-	-	-	(31.95)	-	(31.95)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>1.75</b>	<b>235.10</b>	<b>5095.13</b>	<b>1375.02</b>	<b>28871.07</b>	<b>68.78</b>	<b>35646.85</b>
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.75</b>	<b>235.10</b>	<b>5095.13</b>	<b>1375.02</b>	<b>28871.07</b>	<b>68.78</b>	<b>35646.85</b>
Profit for the year	-	-	-	-	3850.02	-	3850.02
Other comprehensive income (loss) for the year (net of tax)	-	-	-	-	267.65	12.88	280.53
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>4117.67</b>	<b>12.88</b>	<b>4130.55</b>
Transfer from bond redemption reserve	-	-	-	(290.87)	290.87	-	-
Equity dividend	-	-	-	-	(413.05)	-	(413.05)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.75</b>	<b>235.10</b>	<b>5095.13</b>	<b>1084.15</b>	<b>32866.56</b>	<b>81.66</b>	<b>39364.35</b>

Significant Accounting Policies

3

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

For and on behalf of the Board of Directors

Sd/-  
M.B. Balakrishnan  
Company SecretarySd/-  
Amit Sen  
Director Finance  
DIN: 08602987Sd/-  
Soma Mondal  
Chairman  
DIN: 06845389

In terms of our report of even date

For Tej Raj & Pal  
Chartered Accountants  
Firm Registration No. 304124EFor S. Jaykishan  
Chartered Accountants  
Firm Registration No. 309005EFor Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/N500013For KASG & Co.  
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Partner  
M. No. 062410Sd/-  
Neeraj Sharma  
Partner  
M. No. 502103Sd/-  
Bharat Goel  
Partner  
M. No. 060069Place : New Delhi  
Dated : June 10, 2021

**Standalone Cash Flow Statement**
**For the year ended 31<sup>st</sup> March, 2021**

(₹ crore)

	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6879.03	3170.66
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	4102.00	3755.05
Loss on disposal of fixed assets (net)	37.74	49.43
Interest income	(267.97)	(236.95)
Dividend income	(160.81)	(86.65)
Finance costs	2822.61	3387.02
Unrealised Loss/(Gain) on foreign exchange fluctuations	(5.47)	99.74
Loss/(Gain) on sale of non-current investments	(4.47)	(0.59)
Bad debts and provision for doubtful advances/receivables	92.69	76.12
Other provisions	169.26	212.86
Unclaimed balances and excess provisions written back	(283.10)	(406.97)
<b>Operating Profit before working capital changes</b>	<b>13381.51</b>	<b>10019.72</b>
<b>Changes in assets and liabilities:</b>		
Trade receivables	1619.90	(4385.41)
Loans, other financial assets and other assets	(682.87)	(102.42)
Trade payable	687.37	(937.77)
Other financial liabilities and other liabilities	4215.71	(526.38)
Provisions	102.00	(140.45)
Inventories	4094.62	(4490.81)
<b>Cash flow from operating activities post working capital changes</b>	<b>23418.24</b>	<b>(563.52)</b>
Income tax paid (net)	(22.36)	(87.05)
<b>Net cash flow from operating activities (A)</b>	<b>23395.88</b>	<b>(650.57)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(3827.26)	(4672.30)
Proceeds from sale/disposal of property, plant & equipment	142.98	223.23
Purchase of current and non-current investments	9.53	11.74
Movement in fixed deposits (net)	(2.30)	(24.99)
Interest received	125.45	139.55
Dividend received	160.81	86.65
<b>Net cash flows/(used) in investing activities (B)</b>	<b>(3390.79)</b>	<b>(4236.12)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	(15544.45)	2897.82
Proceeds from short-term borrowings (net)	(790.54)	6009.56
Finance cost paid	(2942.08)	(3653.78)
Dividend paid	(413.05)	(248.07)
<b>Net cash flows/(used) in financing activities (C)</b>	<b>(19690.12)</b>	<b>5005.53</b>
<b>D. Net change in cash and cash equivalents (A+B+C)</b>	<b>314.97</b>	<b>118.84</b>
Cash and cash equivalents at the beginning of the year	153.43	34.59
Cash and cash equivalents at the end of the year	468.40	153.43

Significant non-cash movements in the borrowings during the year are as under:

(₹ crore)

	Non cash changes				As at 31 <sup>st</sup> March, 2021
	As at 31 <sup>st</sup> March, 2020	Cash Flows	Fair Value Changes	Current/Non Current Classification	
Borrowings - Non Current	34560.03	(15476.40)	2493.55	(1851.22)	19725.96
Current Maturities of Long Term Debt	2602.40	(2602.40)	-	1851.22	1851.22
Borrowings - Current	16640.78	(480.26)	(310.28)	-	15850.24
Finance Cost		(3047.86)	105.78		

The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows. The accompanying notes are an integral part of these Standalone Financial Statements.

For and on behalf of the Board of Directors

 Sd/-  
**M.B. Balakrishnan**  
 Company Secretary

 Sd/-  
**Amit Sen**  
 Director Finance  
 DIN: 08602987

 Sd/-  
**Soma Mondal**  
 Chairman  
 DIN: 06845389

*In terms of our report of even date*
**For Tej Raj & Pal**  
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**For S. Jaykishan**  
 Chartered Accountants  
 Firm Registration No. 309005E

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 Partner  
 M. No. 062410

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**Neeraj Sharma**  
 Partner  
 M. No. 502103

 Sd/-  
**Bharat Goel**  
 Partner  
 M. No. 060069

 Place : New Delhi  
 Dated : June 10, 2021

## Notes to Standalone Financial Statements for the Year ended 31<sup>st</sup> March, 2021

### 1. Corporate and General Information

Steel Authority of India Limited (hereinafter referred to as “the Company”), a Public Sector Undertaking, is domiciled and incorporated in India. The Company, conferred with Maharatna status by Government of India, is one of the largest steel producers in the country. The registered office of the Company is situated at Ispat Bhawan, Lodhi Road, New Delhi-110 003. The securities of the Company are listed on the National Stock Exchange of India Limited, BSE Limited and London Stock Exchange plc. These financial statements have been approved by the Board of Directors of the Company and authorised for issue in their meeting held on 10<sup>th</sup> June, 2021.

### 2. Basis of Preparation

#### 2.1 Statement of Compliance

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

#### 2.2 Basis of Measurement

The financial statements are prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value in accordance with the requirements of the relevant Ind AS:

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

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Use of estimates, assumptions and judgements

In preparing the financial statements in conformity with Ind AS and company's accounting policies, management is required to make estimates, assumptions and judgements that affect reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures as at the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised prospectively. Actual results could differ from those estimates.

#### 2.5 Current versus Non-current classification

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

- Expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the Company's normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### 3. 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

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

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

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

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

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

##### 3.1.2 Subsequent Cost

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

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

### 3.2 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.

### 3.3 Depreciation

Depreciation on property, plant and equipment and investment property is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the asset, as specified in Schedule II of the Companies Act, 2013 except in case of following category of assets, where useful life is determined by technical experts. The useful life estimated by the technical experts is as under:

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

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

Freehold land is not depreciated.

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

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

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

### 3.4 Intangible assets

#### Mining Rights

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

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

#### Other Intangible Assets

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

### Research and development

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

#### 3.4.1 Subsequent Cost

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

#### 3.4.2 De-recognition of intangible assets

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

#### 3.5 Stripping Cost

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

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

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

#### 3.6 Impairment of Non-Financial Assets

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

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

#### 3.7 Borrowing costs

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

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

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

### 3.8 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost

Stores & Spares - Moving weighted average cost

Materials in-transit - at cost

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

### 3.9 Government Grants

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

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

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

### 3.10 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of reporting period.

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

The Company opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standard-11 (Revised) notified by Government of India on 31<sup>st</sup> March, 2009 (as amended on 29<sup>th</sup> December, 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31<sup>st</sup> March, 2016. Accordingly, for foreign currency loans taken before 31<sup>st</sup> March, 2016, for adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31<sup>st</sup> March 2016, exchange differences arising on settlement or translation of long term monetary items are recognised in statement of profit or loss.

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

### 3.11 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

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

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

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

#### Short Term Employee Benefits

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

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

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

### 3.12 Revenue Recognition

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

#### Sale of Goods

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

Marine export sales are recognised on:

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

Export incentives under various schemes are recognised as income when the right to receive arises and the realisation of the same is not considered uncertain.

#### Interest and dividend income

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

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

### 3.13 Adjustment pertaining to Earlier Years

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening of assets, liabilities and equity for the earliest period presented, are restated.

### 3.14 Claims for Liquidated Damages and Price Escalation

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

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

### 3.15 Leases

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

#### Company as a Lessee

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

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

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

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

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

#### Company as a Lessor

##### Finance leases

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

### Operating leases

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

### 3.16 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.

### 3.17 Mine Closure

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

### 3.18 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions and Contingent Liabilities

A Provision is recognised when the Company has present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

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

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

#### Contingent Assets

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

### 3.19 Income Taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent that the tax relates to the items that are recognised directly in Other Comprehensive

Income (OCI) or in equity in which case the related tax is recognised either directly in OCI or equity accordingly.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

### 3.20 Cash and Cash Equivalents

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

### 3.21 Financial Instruments

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

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires, or has been transferred, and the Company has transferred all substantial risks and rewards of ownership. A financial liability (or a part of financial liability) is derecognised when the obligation specified in the contract is extinguished or discharged or cancelled or expires.

#### Classification and subsequent measurement of financial assets

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

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

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

#### Amortised cost

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

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

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

#### Financial assets at FVTPL

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

#### Financial assets at FVOCI

FVTOCI 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.

FVTOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in Statement of Profit and Loss.

#### Classification and subsequent measurement of financial liabilities

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

#### Embedded Derivatives

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

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets measured at amortised cost or at fair value through other comprehensive income.

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

#### Trade Receivables

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

#### Offsetting of financial instruments

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

### 3.22 Investments in subsidiaries, joint ventures, associates and equity Instruments

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

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

### 3.23 Segment reporting

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

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

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

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

### 3.24 Significant Judgements, Assumptions and Estimations in applying Accounting Policies

#### 3.24.1 Leases

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

#### 3.24.2 Close-down and Restoration Obligations

Close-down and restoration costs are normal consequence of mining or production, and majority of close-down and restoration expenditure are incurred in the years following the closure of mine. Although the ultimate cost to be incurred is uncertain, the Company estimate their costs based on current interpretation of scientific and legal data and existing technology, in addition to assumptions about probability and future costs.

#### 3.24.3 Recognition of Deferred Tax Assets

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

#### 3.24.4 Inventories

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

#### 3.24.5 Defined Benefit Obligation (DBO)

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates,

medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### 3.24.6 Fair Value Measurements

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

#### 3.24.7 Provisions and Contingencies

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

#### 3.24.8 Mine Closure and Restoration Obligations

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

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

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

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 4: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. PLANTS, MINES &amp; OTHERS</b>										
Land										
-Freehold land	304.54	49.83	0.11	354.26	0.85	-	0.04	0.81	353.45	303.69
-Leasehold land	2.16	-	-	2.16	0.25	0.02	-	0.27	1.89	1.91
Buildings and related equipments	5223.54	47.94	0.79	5270.69	2078.80	115.95	0.69	2194.06	3076.63	3144.74
Plant and machinery										
-Steel plant	91821.11	2188.55	393.03	93616.63	33556.64	3310.21	256.01	36610.84	57005.79	58264.47
-Others - owned	3235.65	166.93	35.59	3366.99	2159.56	119.12	31.90	2246.78	1120.21	1076.09
Furniture and fixtures	139.63	3.21	(1.21)	144.05	111.40	5.68	(0.79)	117.87	26.18	28.23
Vehicles	1382.68	18.54	5.89	1395.33	937.20	72.06	8.76	1000.50	394.83	445.48
Office equipments	61.24	1.54	1.01	61.77	52.05	1.79	0.79	53.05	8.72	9.19
Miscellaneous articles	385.62	11.88	1.52	395.98	248.08	14.63	1.01	261.70	134.28	137.54
Roads, Bridges & Culverts	451.18	31.47	0.88	481.77	325.28	30.73	0.82	355.19	126.58	125.90
Water Supply & Sewerage	702.11	19.88	0.03	721.96	404.45	24.29	0.02	428.72	293.24	297.66
EDP Equipments	442.92	12.02	6.23	448.71	384.24	13.18	1.42	396.00	52.71	58.68
Railway Lines and Sidings	912.05	121.27	-	1033.32	289.53	25.72	-	315.25	718.07	622.52
<b>Sub-total 'A'</b>	<b>105064.43</b>	<b>2673.06</b>	<b>443.87</b>	<b>107293.62</b>	<b>40548.33</b>	<b>3733.38</b>	<b>300.67</b>	<b>43981.04</b>	<b>63312.58</b>	<b>64516.10</b>
Figures for the previous year	95160.77	10704.12	800.46	105064.43	37505.75	3442.81	400.23	40548.33	64516.10	
<b>B. SOCIAL FACILITIES</b>										
Land										
- Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
Buildings and related equipments	819.39	13.99	(0.01)	833.39	397.00	40.38	0.01	437.37	396.02	422.39
Plant and machinery - others	194.75	5.37	0.71	199.41	118.61	7.01	0.36	125.26	74.15	76.14
Furniture and fixtures	26.95	0.57	0.26	27.26	21.78	1.06	0.20	22.64	4.62	5.17
Vehicles	10.80	0.32	0.28	10.84	9.39	0.24	0.18	9.45	1.39	1.41
Office equipments	4.25	0.10	0.03	4.32	3.79	0.10	0.03	3.86	0.46	0.46
Miscellaneous articles	239.78	6.72	2.19	244.31	159.38	10.88	1.66	168.60	75.71	80.40
Roads, Bridges & Culverts	147.48	2.23	-	149.71	118.39	7.06	-	125.45	24.26	29.09
Water Supply & Sewerage	306.59	1.84	0.17	308.26	146.54	7.08	0.15	153.47	154.79	160.05
EDP equipments	10.99	0.87	0.18	11.68	9.21	0.63	0.15	9.69	1.99	1.78
<b>Sub-total 'B'</b>	<b>1771.87</b>	<b>32.01</b>	<b>3.81</b>	<b>1800.07</b>	<b>984.09</b>	<b>74.44</b>	<b>2.74</b>	<b>1055.79</b>	<b>744.28</b>	<b>787.78</b>
Figures for the previous year	1689.25	96.91	14.29	1771.87	923.57	72.03	11.51	984.09	787.78	
<b>C. Property, plant and equipment retired from active use</b>										
<b>Assets retired from active use</b>	<b>65.54</b>	<b>29.31</b>	<b>36.45</b>	<b>58.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58.40</b>	<b>65.54</b>
Figures for the previous year	56.94	28.09	19.49	65.54	-	-	-	-	65.54	
<b>Total ('A' + 'B' + 'C')</b>	<b>106901.84</b>	<b>2734.38</b>	<b>484.13</b>	<b>109152.09</b>	<b>41532.42</b>	<b>3807.82</b>	<b>303.41</b>	<b>45036.83</b>	<b>64115.26</b>	<b>65369.42</b>
Figures for the previous year	96906.96	10829.12	834.24	106901.84	38429.32	3514.84	411.74	41532.42	65369.42	

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)**
**Note : Allocation of Depreciation of PPE, Intangible assets and Investment property**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(a) Charged to Profit & Loss Account	4102.00	3755.05
(b) Charged to expenditure during construction	2.77	4.02
	<b>4104.77</b>	<b>3759.07</b>

**(i) Contractual obligations**

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

**(ii) Land:**

- (a) Includes 66,204.50 acres (66,865.29 acres as on 31<sup>st</sup> March, 2020) owned/possessed/taken on lease by the Company, in respect of which title/lease deeds are pending for registration.
- (b) Includes 34,484.73 acres (34,484.73 acres as on 31<sup>st</sup> March, 2020) in respect of which title is under dispute.
- (c) 12,908.72 acres (10,664.83 acres as on 31<sup>st</sup> March, 2020) 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) 6,013.78 acres (5,775.25 acres as on 31<sup>st</sup> March, 2020) given on lease to various agencies/employees/ex-employees.
- (e) Includes 4,542.94 acres (4,542.94 acres as on 31<sup>st</sup> March, 2020) under unauthorised occupation.
- (f) 1,770.89 acres (1,770.89 acres as on 31<sup>st</sup> March, 2020) of Land which is not in the actual possession, shown as deemed possession.
- (g) ₹ 53.45 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 34.471 acres.
- (i) Includes 34.471 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009, matter is subjudice regarding valuation of the said land.
- (j) Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26<sup>th</sup> August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to ₹13.07 crore has been considered in the accounts for the Financial Year ended 31<sup>st</sup> March, 2020.
- (k) ₹0.06 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Salem during the year 2013 towards compensation payable to land losers.
- (iii) Other Assets:**
- (a) Includes 7,906 (6,658 as on 31<sup>st</sup> March, 2020), residential quarters/houses under unauthorised occupation.

**4a : RIGHT OF USE ASSETS**

(₹crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Right of use assets	3853.33	117.76	0.01	3971.08	1648.25	268.70	-	1916.95	2054.13	2205.08
<b>Total</b>	<b>3853.33</b>	<b>117.76</b>	<b>0.01</b>	<b>3971.08</b>	<b>1648.25</b>	<b>268.70</b>	<b>-</b>	<b>1916.95</b>	<b>2054.13</b>	<b>2205.08</b>
Figures for the previous year	2662.37	475.66	(715.30)	3853.33	1205.25	210.23	(232.77)	1648.25	2205.08	



**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**6: INVESTMENT PROPERTY**

(₹ crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. BUILDINGS</b>										
Buildings	2.06	-	-	2.06	0.94	0.03	-	0.97	1.09	1.12
<b>Sub-total 'A'</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>0.94</b>	<b>0.03</b>	<b>-</b>	<b>0.97</b>	<b>1.09</b>	<b>1.12</b>
Figures for the previous year	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12	

**(i) Contractual obligations**

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

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

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Rental income	2.27	2.02
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment properties before depreciation</b>	<b>2.27</b>	<b>2.02</b>
Depreciation	0.03	0.09
<b>Profit from leasing of investment properties</b>	<b>2.24</b>	<b>1.93</b>

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

**(iii) Leasing arrangements**

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

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Within one year	0.32	0.35
Later than one year but not later than 5 years	2.52	1.85
Later than 5 years	1.35	4.20
	<b>4.19</b>	<b>6.40</b>

**(iv) Fair value**

Fair value of Investment properties as on 31<sup>st</sup> March, 2021 is ₹26.71 crore (₹32.15 crore as on 31<sup>st</sup> March, 2020).

**(v) Estimation of fair value**

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

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

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 7: INTANGIBLE ASSETS

(₹ crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION**				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. PLANTS, MINES &amp; OTHERS</b>										
Computer Software*	116.52	3.61	0.01	120.12	103.32	3.90	(0.11)	107.33	12.79	13.20
Mining Rights	1837.06	10.71	-	1847.77	406.92	24.43	-	431.35	1416.42	1430.14
<b>Sub-total 'A'</b>	<b>1953.58</b>	<b>14.32</b>	<b>0.01</b>	<b>1967.89</b>	<b>510.24</b>	<b>28.33</b>	<b>(0.11)</b>	<b>538.68</b>	<b>1429.21</b>	<b>1443.34</b>
Figures for the previous year	1927.18	26.40	-	1953.58	476.34	33.90	-	510.24	1443.34	
<b>B. SOCIAL FACILITIES</b>										
Computer Software*	0.69	-	-	0.69	0.61	0.01	-	0.62	0.07	0.08
<b>Sub-total 'B'</b>	<b>0.69</b>	<b>-</b>	<b>-</b>	<b>0.69</b>	<b>0.61</b>	<b>0.01</b>	<b>-</b>	<b>0.62</b>	<b>0.07</b>	<b>0.08</b>
Figures for the previous year	0.62	0.07	-	0.69	0.60	0.01	-	0.61	0.08	
<b>Total ('A' + 'B')</b>	<b>1954.27</b>	<b>14.32</b>	<b>0.01</b>	<b>1968.58</b>	<b>510.85</b>	<b>28.34</b>	<b>(0.11)</b>	<b>539.30</b>	<b>1429.28</b>	<b>1443.42</b>
Figures for the previous year	1927.80	26.47	-	1954.27	476.94	33.91	-	510.85	1443.42	

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

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

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>7a: INVENTORIES - NON CURRENT</b>		
Stores & Spares	-	-
<b>Raw Material</b>		
Slime	140.45	-
Others	-	-
<b>Finished / Semi-finished products</b>		
Iron ore fines (sub-grade)	3785.39	-
Slag dump (embedded scrap)	310.42	-
	<b>4095.81</b>	<b>-</b>
	<b>4236.26</b>	<b>-</b>

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**8: INVESTMENTS - NON CURRENT**

(₹crore)

	No of Shares		Amount (₹ in crore)	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Investments carried at cost</b>				
<b>In Subsidiaries</b>				
SAIL Refractory Company Limited	50000	50000	0.05	0.05
SAIL-Jagdishpur Power Plant Limited	50000	50000	0.05	0.05
SAIL Sindri Projects Limited	50000	50000	0.05	0.05
Chattisgarh Mega Steel Limited	37000	37000	0.04	0.04
			<b>0.19</b>	<b>0.19</b>
<b>In Associates (unquoted)</b>				
Almora Meganasite Limited (Face value- ₹100/share)	40000	40000	0.40	0.40
			<b>0.40</b>	<b>0.40</b>
<b>In Joint ventures (unquoted)</b>				
NTPC- SAIL Power Company Limited	490250050	490250050	490.25	490.25
Bokaro Power Supply Company Private Limited	124025000	124025000	124.03	124.03
Bhilai Jaypee Cement Limited	98718048	98718048	52.51	52.51
SAIL-Bansal Service Centre Limited	3200000	3200000	3.20	3.20
mjunction services Limited	4000000	4000000	4.00	4.00
S&T Mining Company Private Limited	18141400	18141400	18.14	18.14
SAIL MOIL Ferro Alloy Private Limited	100000	100000	0.10	0.10
International Coal Ventures Private Limited	693759279	693759279	693.76	693.76
SAIL-SCL Kerala Limited	13017801	13017801	18.75	18.75
SAIL-SCI Shipping Private Limited	100000	100000	0.10	0.10
SAIL RITES Bengal Wagon Industry Private Limited	24000000	24000000	24.00	24.00
SAIL-KOBE Iron India Private Limited	250000	250000	0.25	0.25
Prime Gold -SAIL JVC Limited	4680000	4680000	4.68	4.68
North Bengal Dolomite Ltd (Face value-₹100/share)	97900	97900	0.98	0.98
Romelt SAIL (India) Limited	63000	63000	0.06	0.06
Bastar Railway Private Limited	35232600	35232600	35.23	35.23
NMDC SAIL Limited	24500	24500	0.02	0.02
SAIL-Bengal Alloy Castings Private Limited	10000	10,000	0.01	0.01
VSL-SAIL JVC Limited	1297780	1297780	1.30	1.30
GEDCOL SAIL Power Corporation Limited	2600000	2600000	2.60	2.60
			<b>1473.97</b>	<b>1473.97</b>
<b>Total (A)</b>			<b>1474.56</b>	<b>1474.56</b>
<b>Investments carried at fair value through other comprehensive income</b>				
<b>Quoted equity</b>				
MSTC Limited	-	640000	-	5.06
			<b>-</b>	<b>5.06</b>
<b>Unquoted equity</b>				
TRL Krozaki Refractories Limited	2203150	2203150	51.35	44.10
Indian Potash Limited	720000	720000	88.26	78.84
Haridaspur Paradeep Railway Co. Limited	5000000	5000000	5.00	5.00
Cement & Allied Products (Bihar) Limited	2	2	-	-
Chemical & Fertilizer Corporation (Bihar) Limited	1	1	-	-
Bhilai Power Supply Company Limited	5	5	-	-
IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)#	3000000	3000000	3.00	3.00
UEC SAIL Information Technology Limited*	180000	180000	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	500	500	0.01	0.01
			<b>147.80</b>	<b>131.13</b>

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 8: INVESTMENTS - NON CURRENT (CONTD.)

	No of Shares		Amount (₹ in crore)	
	As at	As at	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>In Co-operative society</b>				
Bokaro Steel Employees' Co-operative Credit Society	116500	116500	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative Society	250	250	0.00	0.00
NMDC Meghahatuburu Employees' Co-operative society (Face value ₹100/share)	25	25	0.00	0.00
DSP Employees' Co-operative society limited (Face value ₹100/share)	1377	1377	0.01	0.01
Bolani Ores Employees'	200	200	0.00	0.00
Consumer co-operative society limited (Face value ₹25/share)				
IISCO Employees Primary Co-operative society (Face value ₹20/share)	23000	23000	0.05	0.05
			<b>0.18</b>	<b>0.18</b>
<b>Total (B)</b>			<b>147.98</b>	<b>136.37</b>
<b>Grand total (A+B)</b>			<b>1622.54</b>	<b>1610.93</b>
Provision for impairment in the value of investments			<b>27.53</b>	<b>25.95</b>
<b>Net investment</b>			<b>1595.01</b>	<b>1584.98</b>
Aggregate amount of quoted investments (market value thereof)			-	5.06
Aggregate amount of unquoted investments			<b>1622.54</b>	1605.87
Aggregate amount of impairment in value of investments			<b>27.53</b>	25.95
			<b>1595.01</b>	<b>1584.98</b>

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.

	As at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>9: TRADE RECEIVABLES - NON CURRENT*</b>		
Receivables - credit impaired	<b>7.83</b>	7.83
	<b>7.83</b>	7.83
Provision for doubtful receivables	<b>7.83</b>	7.83
	-	-

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

## 10: LOANS - NON CURRENT\*

## Considered good - Unsecured

Security deposits	119.78		116.14	
Loan to employees	58.98		80.06	
Loan to others	580.67	759.43	471.59	667.79
Loans - credit impaired		-		-
		<b>759.43</b>		<b>667.79</b>
Less : Provision for doubtful loans		<b>3.20</b>		<b>3.20</b>
		<b>756.23</b>		<b>664.59</b>

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

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

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at		As at	
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
<b>11: OTHER FINANCIAL ASSETS - NON CURRENT</b>				
Derivative assets		<b>190.80</b>		338.21
Advance for purchase of shares		<b>3.52</b>		3.54
Claims recoverable		<b>35.65</b>		8.36
Receivable - others		<b>52.70</b>		45.48
Lease equalisation reserve		<b>0.95</b>		0.37
Receivables from employees		<b>0.07</b>		0.07
Bills receivable		<b>58.30</b>		58.30
Loans and advances to related parties (refer note 51.2)	<b>10.53</b>		10.53	
Less: Provision for doubtful related party advances	<b>10.53</b>	-	10.53	-
Fixed deposits with original maturity period more than 12 months		<b>0.19</b>		0.19
		<b>342.18</b>		454.52
Less: Provision for doubtful assets		<b>7.97</b>		7.96
		<b>334.21</b>		446.56

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

**12 : DEFERRED TAX ASSETS / (LIABILITIES) (NET)**

<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book and tax depreciation	<b>6877.80</b>		11487.79	
Fair value adjustment through OCI	<b>31.62</b>	<b>6909.42</b>	27.83	11515.62
<b>Tax effect of items constituting deferred tax assets</b>				
Unpaid taxes and duties to be allowed on payment	<b>874.75</b>		1321.40	
Losses available for offsetting against future taxable income	<b>4378.06</b>		10160.54	
Others	<b>403.45</b>	<b>5656.26</b>	846.10	12328.04
Tax credit (minimum alternative tax)		-		1266.57
<b>Deferred tax assets /(liabilities) (net)</b>		<b>(1253.16)</b>		2078.99

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 12: DEFERRED TAX ASSETS / (LIABILITIES) (NET) (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2021 are summarized as follows:

(₹crore)

	As at 1 <sup>st</sup> April, 2020	Recognized in Profit or Loss	Recognized in Other comprehensive income	As at 31 <sup>st</sup> March, 2021
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book and tax depreciation	11487.79	(4609.99)	-	6877.80
Fair value adjustment through OCI	27.83	-	3.79	31.62
	<u>11515.62</u>	<u>(4609.99)</u>	<u>3.79</u>	<u>6909.42</u>
<b>Tax effect of items constituting deferred tax assets</b>				
Unpaid taxes and duties to be allowed on payment	1321.40	(446.65)		874.75
Losses available for offsetting against future taxable income	10160.54	(5782.48)		4378.06
Tax credit (minimum alternative tax)	1266.57	(1266.57)		-
Others	846.10	(352.81)	(89.84)	403.45
	<u>13594.61</u>	<u>(7848.51)</u>	<u>(89.84)</u>	<u>5656.26</u>
<b>Deferred tax assets / (liabilities) (net)</b>	<u>2078.99</u>	<u>(3238.52)</u>	<u>(93.63)</u>	<u>(1253.16)</u>

The Company is having accumulated business losses of ₹17395.33 crore (previous year - ₹29076.64 crore) [including accumulated unabsorbed depreciation of ₹13834.78 crore (previous year - ₹21537.70 crore)] as on 31<sup>st</sup> March, 2021 as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to ₹3560.55 crore (previous year - ₹7538.93 crore) are available for offset for maximum period of eight years from the incurrence of loss.

Accordingly, deferred tax asset of ₹896.12 crores on accumulated business losses (including nil during the year ended 31<sup>st</sup> March, 2021) has been recognised as on 31<sup>st</sup> March, 2021 in line with IND AS 12.

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>13: CURRENT TAX ASSETS (NET)</b>		
<b>Current tax assets</b>		
Advance income tax (net of provision)	216.78	152.35
	<u>216.78</u>	<u>152.35</u>
<b>14: OTHER ASSETS - NON CURRENT</b>		
Advances to contractors & suppliers	527.92	512.38
Advances others	1.18	1.18
Deposit with Government authorities	726.23	688.41
Prepaid expenses	13.04	19.14
Capital advances	391.49	350.75
Less: Provision for doubtful capital advances	5.34	345.41
	<u>1654.52</u>	<u>1566.52</u>
Less: Provision for doubtful other assets	87.71	85.23
	<u>1566.81</u>	<u>1481.29</u>

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹ crore)

	As at		As at	
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
<b>15: INVENTORIES*</b>				
<b>Stores &amp; spares</b>				
Production	2884.68		3047.69	
Fuel Stores	212.28		161.59	
Others	27.75		22.61	
	<u>3124.71</u>		<u>3231.89</u>	
Add: In-transit	241.49		177.67	
	<u>3366.20</u>		<u>3409.56</u>	
Less: Provision for non moving/obsolete items	244.88	3121.32	240.72	3168.84
<b>Raw Material</b>				
Raw material**	3142.79		3573.90	
Add: In-transit	1885.15		1849.98	
	<u>5027.94</u>		<u>5423.88</u>	
Less: Provision for unusable materials	24.68	5003.26	27.70	5396.18
<b>Finished / Semi-finished products</b>				
Finished goods***	4196.11		8912.92	
Work in progress	2399.45	6595.56	2478.08	11391.00
<b>Others - By-products (sub-grade fines)</b>				
		551.90		3791.18
		<u>15272.04</u>		<u>23747.20</u>

\*Valued as per accounting policy No. 3.8

\*\*Includes inventories of slime of ₹103.71 crore (previous year - ₹234.92 crore)

\*\*\*Includes inventories of iron and steel scrap embedded in slag dumps of ₹128.21 crore (previous year - ₹683.33 crore)

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

Considered good-Unsecured	7124.00	8812.39
Receivables - credit impaired	236.88	207.57
	<u>7360.88</u>	<u>9019.96</u>
Provision for doubtful receivables	236.88	207.57
	<u>7124.00</u>	<u>8812.39</u>

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

Refer note 43 - Financial instruments for assessment of expected credit losses.

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

Cash and stamps on hand	0.08	0.10
Cheques in hand	5.48	-
<b>Balance with Banks</b>		
Current accounts	12.51	152.91
Term deposits with original maturity upto 3 months	450.31	0.40
Term deposits as per court orders with original maturity upto 3 months	0.02	0.02
	<u>468.40</u>	<u>153.33</u>

**17 (ii): OTHER BANK BALANCES**

Earmarked bank balances	207.84	205.16
Term Deposits as per court orders	172.53	168.02
Term Deposits under Bank Lien/pledge against loan	0.27	0.27
Earmarked Term Deposits	35.04	36.87
Unpaid dividend accounts	4.11	4.66
Fixed deposits with maturity for more than 3 months but less than 12 months	0.17	-
	<u>212.12</u>	<u>209.82</u>

(₹ crore)

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>18: LOANS - CURRENT *</b>		
<b>Considered good - Unsecured</b>		
Security deposits	14.05	11.17
Loan to employees	33.11	31.48
Loan to related parties	2.80	5.60
Loan to others	<u>2.31</u>	<u>2.86</u>
	<b>52.27</b>	<b>51.11</b>
Less: Provision for doubtful loans	<u>1.80</u>	<u>1.44</u>
	<b>50.47</b>	<b>49.67</b>

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

**19: OTHER FINANCIAL ASSETS - CURRENT**

Derivative assets	63.60	83.59
Claims recoverable	746.61	654.76
Receivable - others	472.15	412.55
Receivables from employees	4.82	17.19
Amount recoverable from Gratuity Trust	454.73	313.21
Bills receivable	1014.84	1012.80
Advances to related parties	44.20	21.68
Less: Provision for doubtful related parties advances	<u>1.39</u>	<u>13.42</u>
	<b>2799.56</b>	<b>2502.36</b>
Less: Provision for doubtful assets	<u>321.45</u>	<u>313.37</u>
	<b>2478.11</b>	<b>2188.99</b>

**20: OTHER ASSETS - CURRENT**

Gold coins in hand	0.19	0.23
Advances to contractors & suppliers	423.70	409.42
Advance others	<u>892.84</u>	<u>1033.05</u>
Deposit with Government authorities	3022.35	2965.87
Deposits - GST	1.34	1.25
GST receivable-input service	2.48	2.98
GST receivable	1732.19	1085.85
TDS deducted by customers on GST	0.01	0.01
Prepaid expenses	68.34	32.07
Claims receivable	142.98	143.97
Export incentive receivables	<u>124.12</u>	<u>118.81</u>
	<b>6410.54</b>	<b>5793.51</b>
Less: Provision for doubtful other assets	<u>56.57</u>	<u>63.76</u>
	<b>6353.97</b>	<b>5729.75</b>

**21: ASSETS CLASSIFIED AS HELD FOR SALE**

Assets classified as held for sale	17.01	27.20
	<u>17.01</u>	<u>27.20</u>

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

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**22: EQUITY SHARE CAPITAL**

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Authorised capital</b>		
Equity shares of ₹10 each (5000000000 equity shares of ₹10 each)	<u>5000.00</u>	<u>5000.00</u>
<b>Issued and subscribed capital &amp; fully paid-up</b>		
(4130525289 equity shares of ₹10 each fully paid up)	<u>4130.53</u>	<u>4130.53</u>

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

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Numbers	Amount (₹ in crore)	Numbers	Amount (₹ in crore)
<b>Equity shares with voting rights</b>				
Balance at the beginning of the year	4130414299	4130.42	4130408854	4130.41
Shares converted to shares with voting rights during the year	-	-	5445	0.01
Shares bought back during the year	-	-	-	-
Balance at the end of the year#	<u>4130414299</u>	<u>4130.42</u>	<u>4130414299</u>	<u>4130.42</u>
<b>Equity shares without voting rights *</b>				
Balance at the beginning of the year	110990	0.11	116435	0.12
Shares Issued during the year	-	-	-	-
Shares converted to shares with voting rights during the year	-	-	(5445)	(0.01)
Balance at the end of the year	<u>110990</u>	<u>0.11</u>	<u>110990</u>	<u>0.11</u>
<b>Total equity shares outstanding at the end of the year</b>	<u>4130525289</u>	<u>4130.53</u>	<u>4130525289</u>	<u>4130.53</u>

- i) \*Represented by current holding of 110990 shares in Global Depository Receipt (GDR) issued in 1996 @ US \$ 29.55 each for an aggregate amount of US \$ 125 million.
- ii) #Includes 2824877 shares (previous year 2180454 shares) transferred to IEPF authority on which the voting rights are frozen.
- iii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the Company.
- iv) The Company does not have a holding Company.
- (v) **Details of the shareholders holding more than 5% of the shares in the Company**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	2684714550	65.00	3097767449	75.00
LIC of India	382302962	9.26	396663164	9.60

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

(₹crore)

	As at		As at	
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
<b>Reserves &amp; Surplus</b>				
<b>Capital Reserve</b>				
Opening balance	1.75		1.75	
Additions during the year	-		-	
Less: Utilisation during the year	-	1.75	-	1.75
<b>Securities Premium</b>				
Opening balance	235.10		235.10	
Changes during the year	-	235.10	-	235.10
<b>Bond Redemption Reserve</b>				
Opening balance	1375.02		1994.14	
Transfer from retained earnings	-		276.63	
Transfer to retained earnings	290.87	1084.15	895.75	1375.02
<b>General Reserve</b>				
Opening balance	5095.13		5095.13	
Additions during the year	-		-	
Less: Utilisation during the year	-	5095.13	-	5095.13
<b>Retained Earnings</b>				
Opening balance	28871.07		26638.87	
Add: Net Profit for the year	3850.02		2021.54	
Add: Other comprehensive Income/(Loss)- Remeasurement gains/(losses) of defined benefit plans	267.65		(128.44)	
Add: Transfer from Bond Redemption Reserve	290.87		895.75	
Less: Transfer to Bond Redemption Reserve	-		276.63	
Less: Final dividend paid	-		206.53	
Less: Interim dividend paid	413.05		-	
Less: T				

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**24: BORROWINGS - NON CURRENT**

(₹crore)

					As at	As at
					31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>SECURED</b>						
<b>Redeemable Non-Convertible Bonds</b>						
Rate of Interest	Maturity Date	Call/Put option (yr)	Security reference			
9.35%	9/Sep/2026	12/nil	( a )	455.00		455.00
9.00%	14/Oct/2024		( a )	1000.00		1000.00
8.75%	15/Sep/2024		( a,c )	50.00		50.00
8.70%	25/Aug/2024		( a )	300.00		300.00
8.30%	3/Aug/2023		( a )	800.00		800.00
8.30%	1/Aug/2023		( a )	1200.00		1200.00
8.35%	19/Nov/2022		( a )	1185.00		1185.00
8.80%	26/Oct/2022		( a,b )	56.00		70.00
9.30%	25/May/2022		( a,h )	72.00		144.00
9.30%	23/Aug/2021		( a )	-		400.00
8.55%	11/Aug/2021		( a )	-		700.00
<b>Total Bonds</b>				<b>5118.00</b>		<b>6304.00</b>
<b>Term Loans from banks</b>						
Rupee loans				( g )	10362.50	23235.31
Foreign currency loans				( g )	1904.92	2625.19
				<b>17385.42</b>		<b>32164.50</b>
<b>UNSECURED</b>						
Foreign currency loan						
1 KFW, Germany				( d )	308.04	320.30
2 Natexis Banque				( e )	8.95	10.88
Steel development fund				( f )	204.16	204.16
				<b>521.15</b>		<b>535.34</b>
Long term maturities of lease liability					<b>1819.39</b>	1860.19
<b>Total Non Current Loans</b>					<b>19725.96</b>	<b>34560.03</b>

No loans have been guaranteed by the directors and others.

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

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

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

- Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to ISCO Steel Plant (ISP).
- Redeemable in 12 equal yearly instalments of ₹14 crore each starting w.e.f 26<sup>th</sup> October, 2014. Instalment payable on 26<sup>th</sup> Oct, 2021 has been shown in Other Current Liabilities.
- Redeemable in 3 equal instalments of ₹50 crore each on 15<sup>th</sup> September of 2014, 2019 and 2024.
- The soft basis of the loan was drawn in 3 tranches stated as 1(a), 1(b) and 1(c) at an interest rate of 8.75% p.a. The Interest on 1(a) is 0.75% p.a and balance 8% is towards meeting Exchange fluctuation (4%) and Pollution control schemes (4%). In case of 1(b) the Interest is 0.75% p.a and balance 8.0% p.a is towards periphery development. The Interest on 1(c) is 3.66% p.a and the balance 5.09% p.a is towards meeting periphery development. The principal and interest is repayable half yearly. The loan is guaranteed by Government of India.
- The loan is repayable by 2030. The principal and interest is paid half yearly, guaranteed by Government of India.
- Terms of Repayment is to be decided by SDF management Committee.
- Secured by charges ranking pari-passu on the present and future movable plant and machinery of BSL, BSP and RSP to the extent of loan. SBIECB loan is repayable in 4 equal installments at the end of 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> from the first draw-down i.e. 25<sup>th</sup> Sept 2017.
- Redeemable in 5 equal yearly instalments starting w.e.f 25<sup>th</sup> May, 2018. Installment payable on 25<sup>th</sup> May, 2021 has been shown in current liabilities.

**Changes in liabilities arising from financing activities**

Particulars	Balance as at 31 <sup>st</sup> March, 2020	Cash Flow (net) disclosed under cash flows from financing activities	Balance as at 31 <sup>st</sup> March, 2021
Long term borrowings (excluding lease liabilities)	32699.84	(14793.27)	17906.57
Current maturities of long term debts	2602.40	(751.18)	1851.22
Short term borrowings	16640.78	(790.54)	15850.24
<b>Total</b>	<b>51943.02</b>	<b>(16334.99)</b>	<b>35608.03</b>

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>25: TRADE PAYABLES - NON CURRENT</b>		
Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	-	6.66
	<u>-</u>	<u>6.66</u>
<b>26: OTHER FINANCIAL LIABILITIES - NON CURRENT</b>		
Employees related dues	527.19	509.20
Interest Accrued but not due on borrowings	573.20	567.79
Other payables	130.68	218.60
	<u>1231.07</u>	<u>1295.59</u>
<b>27: PROVISIONS - NON CURRENT</b>		
Provision for accrued leave liability	2945.06	2677.19
Provision for post retirement medical & settlement benefits	1041.46	963.52
Provision for long term service award	15.07	14.38
Provision for mines closure	99.25	87.11
Other provisions	425.05	366.60
	<u>4525.89</u>	<u>4108.80</u>
<b>28: OTHER LIABILITIES - NON CURRENT</b>		
Deferred Income*	439.97	397.51
	<u>439.97</u>	<u>397.51</u>
<b>*Deferred income includes:</b>		
(a) award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.		
(b) Central Government grant of ₹294.82 crore (₹139.99 crore received during 2020-21 and ₹144.83 crores in 2019-20), against sanctioned budgetary provision of ₹294.82 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital. The Company has complied with all the conditions for such grants with in line with Ind AS 20.		
<b>29. BORROWINGS - CURRENT</b>		
<b>Secured</b>		
<b>Repayable on demand</b>		
From banks	3504.00	4112.33
<b>Unsecured</b>		
Other loans	7250.00	6100.00
Commercial paper	5096.24	3756.52
Foreign currency loans	-	2671.93
	<u>15850.24</u>	<u>16640.78</u>

1. Security disclosure for the outstanding short term borrowings as at 31<sup>st</sup> March, 2021:

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

- (i) Hypothecation of all current assets

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>30: TRADE PAYABLES - CURRENT</b>		
Due to micro, small and medium enterprises (refer note 48.2)	103.57	47.99
Amount payable to related parties	202.71	150.71
Amount payable to contractors/suppliers/others	6708.13	6121.68
	<u>7014.41</u>	<u>6320.38</u>

**31: OTHER FINANCIAL LIABILITIES - CURRENT**

Employee related dues	228.14	138.54
Interest accrued but not due on borrowings	479.93	612.56
Interest accrued and due on Steel Development Fund loans	152.00	152.00
Other liabilities-debtors banking arrangement	462.77	166.90
Current maturities of long term debts	1851.22	2602.40
Current maturities of lease obligations	249.16	323.84
Unclaimed matured deposits and interest accrued thereon	1.01	1.01
Security deposits	1636.02	1536.86
Less: Investments received as security deposit	<u>-</u>	<u>-</u>
Unpaid dividends	4.11	4.66
Payable for capital work	2630.09	3318.68
Other payables*	6322.69	4874.95
	<u>14017.14</u>	<u>13732.40</u>

\*Other payables include payables in respect of ex-employees, royalties and performance related pay etc.

**32: OTHER LIABILITIES - CURRENT**

Income received in advance from customers	1836.80	1220.62
Income received in advance - others	135.33	110.27
Deferred Income*	12.93	13.27
GST payable	2595.34	1432.10
Liab for interest on GST	0.76	0.76
TDS deducted from suppliers on GST	22.48	19.50
Other payables	2951.40	2927.33
	<u>7555.04</u>	<u>5723.85</u>

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

**33: PROVISIONS - CURRENT**

Provision for accrued leave liability	262.59	327.84
Provision for post retirement medical & settlement benefits	116.15	194.91
Provision for long term service award	2.50	4.41
Provision for pollution control	37.12	33.51
Provision for foreign exchange fluctuation	24.57	24.96
Provision for wage revision	1183.90	1351.56
Provision for mine afforestation/restoration etc.	101.60	121.07
Other provisions	311.41	296.67
	<u>2039.84</u>	<u>2354.93</u>

**34: CURRENT TAX LIABILITIES**

Opening Balance	179.50	-
Add: Provision during the year	11.55	250.67
Less: Amount paid/transferred during the year	-	71.17
Less: Provision written back during the year	<u>178.99</u>	<u>-</u>
	<u>12.06</u>	<u>179.50</u>
	<u>12.06</u>	<u>179.50</u>

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>35: REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Domestic	62211.75	57281.62
Exports	6109.57	3620.26
Export incentives	131.02	123.00
Sub Total (a)	<u>68452.34</u>	<u>61024.88</u>
<b>Sale of Services</b>		
Service charges	20.57	22.89
Sub Total (b)	<u>20.57</u>	<u>22.89</u>
<b>Other Operating Revenues</b>		
Social amenities-recoveries	308.26	351.48
Sale of empties etc.	79.74	52.40
Sundries	249.11	208.90
Sub Total (c)	<u>637.11</u>	<u>612.78</u>
Total (a+b+c)	<u>69110.02</u>	<u>61660.55</u>
<b>Desegregation of Revenue</b>		
<b>Nature of Goods and Services</b>		
The Company is engaged in the manufacturing of Iron and Steel products and generate revenues from sale of Iron and Steel products and the same is only the reportable segment of the Company.		
<b>(1) Primary Geographical Markets</b>		
Within India	62211.75	57281.62
Outside India	6240.59	3743.26
Total	<u>68452.34</u>	<u>61024.88</u>
<b>(2) Major Products</b>		
Iron and steel	65211.87	59298.35
Other Secondary and By-products	3240.47	1726.53
Total	<u>68452.34</u>	<u>61024.88</u>
<b>Contract Balances</b>		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers receivables which are included in 'Trade Receivables'.		
Trade receivables	7124.00	8812.39
Contract liabilities	1836.80	1220.62
<b>36. OTHER INCOME</b>		
<b>Interest income</b>		
Loans & advances to other companies	0.55	0.98
Customers	141.45	145.06
Employees	8.84	11.98
Bank deposits	1.78	16.83
Others	115.35	62.10
Sub Total (a)	<u>267.97</u>	<u>236.95</u>
<b>Dividend income</b>		
Dividend from subsidiaries	-	11.55
Dividend from investments (includes dividend from investments carried at fair value through OCI)	160.81	75.10
Sub Total (b)	<u>160.81</u>	<u>86.65</u>
<b>Net gain on sale of investments</b>	4.47	0.59
<b>Other non-operating Income</b>		
Grant-in-aid	1.15	0.97
Provisions no longer required written back	160.42	130.79
Write back of other liabilities	122.68	276.18
Liquidated damages	119.11	131.19
Foreign exchange fluctuations (net)	104.17	-
Others	70.91	123.36
	<u>578.44</u>	<u>662.49</u>
Less: Expenses attributable to non-operating income	-	1.46
Sub Total (d)	<u>578.44</u>	<u>661.03</u>
Total (a+b+c+d)	<u>1011.69</u>	<u>985.22</u>

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>37 : COST OF MATERIALS CONSUMED</b>		
Iron ore	5217.77	5191.70
Coal	17422.64	23058.44
Coke	13.88	21.61
Limestone	1423.86	1489.58
Dolomite	464.39	584.91
Ferro manganese	174.80	323.68
Ferro silicon	224.07	213.22
Silico manganese	1270.09	1378.04
Hot Rolled Stainless Steel Coils	1.39	-
Zinc	87.78	117.60
Aluminium	292.41	297.34
Others	1456.70	1556.26
	<u>28049.78</u>	<u>34232.38</u>
Less: Inter account adjustments	4913.61	5019.51
	<u>23136.17</u>	<u>29212.87</u>

**38 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCTS**
**38A : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

<b>Opening stock</b>		
Finished goods	8912.92	6964.53
Work in progress	2478.08	3395.76
	<u>11391.00</u>	<u>10360.29</u>
<b>Less: Closing stock</b>		
Finished goods	4506.53	8912.92
Work in progress	2399.45	2478.08
	<u>6905.98</u>	<u>11391.00</u>
Accretion (-)/depletion to stock	4485.02	(1030.71)
Write down due to Covid-19 considered as exceptional items	-	404.26
	<u>4485.02</u>	<u>(1434.97)</u>

**38B : CHANGES IN INVENTORIES OF BY PRODUCTS**

Sub grade iron ore fines		
<b>Opening stock</b>		
Iron ore fines (sub-grade)	3791.18	-
<b>Less: Closing stock</b>		
Iron ore fines (sub-grade)	4337.29	3791.18
Accretion (-)/depletion to stock	(546.11)	(3791.18)
Write down due to Covid-19 considered as exceptional items*	-	329.67
Reversal of Covid-19 impact considered as exceptional items*	(329.67)	-
	<u>(216.44)</u>	<u>(4120.85)</u>
Accretion (-)/depletion to stock	4268.58	(5555.82)
*Refer note 41a		

**39: EMPLOYEE BENEFITS EXPENSE\***

Salaries & wages	8074.59	6765.87
Leave encashment	586.53	278.04
Company's contribution to provident & other funds	1053.85	919.87
Travel concession	19.58	198.19
Welfare expenses	434.16	383.71
Gratuity	277.23	235.64
	<u>10445.94</u>	<u>8781.32</u>
<b>*Expenditure on employees's remuneration and benefits not included above and charged to:</b>		
Expenditure during construction	83.79	80.06

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

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>40: FINANCE COSTS</b>		
<b>Interest Cost</b>		
Foreign currency loans*	209.32	299.21
Non convertible bonds	474.16	695.25
Bank borrowings - working capital	6.24	10.53
Steel development fund loans	4.08	5.60
Other bank borrowings and commercial paper	2095.93	2449.58
Other borrowing costs	27.41	26.59
	<u>2817.14</u>	<u>3486.76</u>

\*Including foreign exchange fluctuations gain of ₹5.47 crore (As on 31<sup>st</sup> March, 2020: loss ₹99.74 crore).

<b>Expenditure on Interest &amp; Finance charges not included above and charged to Expenditure during Construction:</b>		
Foreign currency loans	74.71	85.43
Non convertible bonds	88.40	118.34
Steel development fund loans - Interest	1.33	2.57
Other bank borrowings	384.72	375.34
	<u>549.16</u>	<u>581.68</u>

**41: OTHER EXPENSES**

<b>Consumption of stores &amp; spares</b>			
Consumption	4221.90	4854.00	
Less: Departmentally manufactured stores	590.99	924.20	
Less: Finished products internally consumed as stores and spares	404.76	494.22	3435.58
	<u>3226.15</u>		
<b>Repairs &amp; maintenance</b>			
Buildings	217.32	191.50	
Plant & machinery	1058.09	1069.36	
Others	354.13	301.71	1562.57
	<u>1629.54</u>		
<b>Handling expenses</b>			
Raw material	481.39	498.62	
Scrap recovery	312.51	382.61	881.23
	<u>793.90</u>		
<b>Remuneration to auditors</b>			
Audit fees	2.10	1.94	
Tax audit fees	0.59	0.54	
In other services	1.59	1.25	
Out of pocket expenses	0.18	0.64	4.37
	<u>4.46</u>		
<b>Provisions</b>			
Doubtful debts, loans and advances	92.69	76.12	
Investments	1.58	5.22	
Stores, spares and sundries	167.68	207.64	288.98
	<u>261.95</u>		

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>41: OTHER EXPENSES (CONTD.)</b>		
Power and fuel	5709.46	6191.55
Freight outward	2075.91	2211.07
Royalty and cess	2398.85	1900.98
Conversion charges	143.67	210.59
Excise duty on inter-plant transfer/internal consumption	-	0.04
Demurrage & wharfage	36.44	38.63
Water charges & cess on water pollution	145.78	141.77
Insurance	69.87	52.66
Postage, telegram & telephone	15.71	15.30
Printing & stationery	8.30	10.45
Rates & taxes	39.08	34.33
Rent	16.22	16.69
Security expenses	727.17	657.67
Travelling expenses	109.54	113.24
Expenditure on temporary suspended mines	-	14.78
Training expenses	45.14	49.46
Expenditure on corporate social responsibility (refer note - 49.7)	47.18	27.56
Foreign exchange fluctuations (net)	-	245.04
Loss on sale/scrapping of fixed assets (net)	37.74	49.43
Cost audit fee and reimbursement of expenses	0.08	0.12
Write-offs - Miscellaneous	15.81	0.06
Handling expenses - finished goods	172.47	169.80
Commission to selling agents	14.98	10.30
Export sales expenses	188.50	91.44
Miscellaneous	597.38	597.48
	<u>18531.28</u>	<u>19023.17</u>

**41a: EXCEPTIONAL ITEMS**

Voluntary retirement compensation	103.70	-
Entry tax and other dues {refer note 47.2 a(ii)}	167.54	-
Covid-19 impact :		
Raw Material	-	37.83
Finished/Semi-finished goods	-	404.26
Iron ore fines (sub-grade)	-	329.67
Covid-19 impact reversal of iron ore fines (sub-grade)	<u>(329.67)</u>	-
	<u>(58.43)</u>	<u>771.76</u>

**41b: EARNING PER SHARE**

Profit for the year (₹ crore)	3850.02	2021.54
Number of equity shares	4130525289	4130525289
Earning per share - basic and diluted (₹)	9.32	4.89
Face value per equity share (₹)	10.00	10.00



**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**(iv) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

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

**(v) Unquoted investments:**

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

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

(₹crore)

Unlisted equity securities	
<b>As at 31<sup>st</sup> March, 2019</b>	<b>116.12</b>
Gains/losses recognised in other comprehensive income	15.19
<b>As at 31<sup>st</sup> March, 2020</b>	<b>131.31</b>
Gains/losses recognised in other comprehensive income	16.67
<b>As at 31<sup>st</sup> March, 2021</b>	<b>147.98</b>

**43: FINANCIAL RISK MANAGEMENT**
**i) Financial instruments by category**

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Equity instruments*	-	147.98	-	-	136.37	-
Trade receivables	-	-	7124.00	-	-	8812.39
Cash and cash equivalents	-	-	468.40	-	-	153.43
Other Bank Balances	-	-	212.12	-	-	209.82
Loans	-	-	806.70	-	-	714.26
Derivative financial assets	254.40	-	-	421.80	-	-
Other receivables	-	-	2557.92	-	-	2213.75
<b>Total</b>	<b>254.40</b>	<b>147.98</b>	<b>11169.14</b>	<b>421.80</b>	<b>136.37</b>	<b>12103.65</b>
<b>Financial liabilities</b>						
Borrowings	-	-	39344.48	-	-	55626.30
Trade payable	-	-	7014.41	-	-	6327.04
Derivative Liability	-	-	-	-	-	-
Other payables	-	-	11479.93	-	-	10602.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57838.82</b>	<b>-</b>	<b>-</b>	<b>72555.84</b>

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

**ii) Risk Management**

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

**A) Credit risk**

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

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

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

## Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

### a) Credit risk management

#### Cash and cash equivalent

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

#### Derivative financial instruments

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

#### Trade receivables

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

#### Other financial assets measured at amortized cost

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

### b) Expected credit losses

Company provides expected credit losses based on the following;

#### Trade receivables

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

(₹ crore)

Ageing (As at 31 <sup>st</sup> March, 2021)	0-3 Months	3-12 Months	12-24 Months	24-36 Months	More than 36 Months	Total
Gross carrying amount	3173.22	2120.74	1773.52	35.65	265.58	7368.71
Expected loss rate	0.11%	0.18%	0.46%	10.18%	85.02%	3.32%
Expected credit loss provision	3.47	3.72	8.10	3.63	225.79	244.71
<b>Carrying amount of trade receivables (Net of impairment)</b>	<b>3169.75</b>	<b>2117.02</b>	<b>1765.42</b>	<b>32.02</b>	<b>39.79</b>	<b>7124.00</b>

Ageing (As at 31 <sup>st</sup> March, 2020)	0-3 Months	3-12 Months	12-24 Months	24-36 Months	More than 36 Months	Total
Gross carrying amount	5538.64	3040.40	143.94	79.54	225.27	9027.79
Expected loss rate	0.07%	0.15%	2.88%	3.60%	88.91%	2.39%
Expected credit loss provision	3.65	4.46	4.15	2.86	200.29	215.40
<b>Carrying amount of trade receivables (Net of impairment)</b>	<b>5534.99</b>	<b>3035.94</b>	<b>139.79</b>	<b>76.68</b>	<b>24.98</b>	<b>8812.39</b>

### Reconciliation of Expected credit loss provision

(₹ crore)

Particulars	
<b>As at 31<sup>st</sup> March, 2019</b>	<b>198.26</b>
Changes in provision	17.14
<b>As at 31<sup>st</sup> March, 2020</b>	<b>215.40</b>
Changes in provision	29.31
<b>As at 31<sup>st</sup> March, 2021</b>	<b>244.71</b>

#### Other financial assets measured at amortized cost

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

### B) Liquidity risk

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

#### Maturities of financial liabilities

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

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2021	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
<b>Non-derivatives</b>					
Borrowings	20442.47	3668.88	4566.41	12977.14	41654.90
Trade payable	6633.44	264.48	59.63	56.87	7014.42
Other payables	7615.56	82.86	71.73	200.54	7970.69
<b>Total</b>	<b>34691.47</b>	<b>4016.22</b>	<b>4697.77</b>	<b>13234.55</b>	<b>56640.01</b>
<b>Derivatives</b>					
Derivative liability (net settled)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2020	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
<b>Non-derivatives</b>					
Borrowings	20363.64	6270.55	6936.69	27650.84	61221.71
Trade payable	6320.38	0.17	0.65	14.50	6335.70
Other payables	8871.19	83.59	65.55	1044.15	10064.48
<b>Total</b>	<b>35555.21</b>	<b>6354.31</b>	<b>7002.89</b>	<b>28709.49</b>	<b>77621.89</b>
<b>Derivatives</b>					
Derivative liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**C) Market Risk**
**a) Foreign currency risk**

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

**Foreign currency risk exposure:**

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

Financial assets	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	USD	Euro	USD	Euro
<b>Financial assets</b>				
Trade receivables	183.03	-	84.81	-
Derivative financial assets (Gross amounts, to hedge borrowings)	-	-	6.79	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>183.03</b>	<b>-</b>	<b>91.60</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	2856.60	369.79	2625.19	363.54
Trade payable	2825.55	351.48	2517.26	470.35
Other payables	27.18	75.92	33.13	175.59
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>5709.33</b>	<b>797.19</b>	<b>5175.58</b>	<b>1009.48</b>

**Sensitivity**

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 4.69% change of the INR/USD exchange rate for the year ended at 31 March, 2021 (2020: 5.45%). A +/- 6.78% change is considered for the INR/EUR exchange rate (2020: 7.57%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>USD sensitivity</b>		
INR/USD- increase by 4.69% (31 March 2021)	259.18	-
INR/USD- decrease by 4.69% (31 March 2021)	(259.18)	-
INR/USD- increase by 5.45% (31 March 2020)	-	282.07
INR/USD- decrease by 5.45% (31 March 2020)	-	(282.07)
<b>Euro sensitivity</b>		
INR/EUR- increase by 6.78% (31 March 2021)	54.05	-
INR/EUR- decrease by 6.78% (31 March 2021)	(54.05)	-
INR/EUR- increase by 7.57% (31 March 2020)	-	76.42
INR/EUR- decrease by 7.57% (31 March 2020)	-	(76.42)

**b) Interest rate risk**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long term borrowings are therefore usually at fixed rates. At 31<sup>st</sup> March, 2021, 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% (2020: +/- 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 31<sup>st</sup> March, 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

**Interest rate risk exposure**

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Variable rate borrowing (excluding exposures offset by derivatives)	11022.50	28829.00
Fixed rate borrowing	28321.98	26797.30
<b>Total borrowings</b>	<b>39344.48</b>	<b>55626.30</b>

**Sensitivity**

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Interest rate sensitivity</b>		
Interest rates-increase by 100 basis points	110.23	288.29
Interest rates-decrease by 100 basis points	(110.23)	(288.29)

**ii) Assets**

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

**Interest rate risk exposure**

Below is the overall exposure of the financial assets:

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Variable rate deposits/loans	-	-
Fixed rate deposits/loans	1018.82	924.08
<b>Total deposits</b>	<b>1018.82</b>	<b>924.08</b>

**c) Price risk****Exposure**

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

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**44: CAPITAL MANAGEMENT**

The Company's capital management objectives are

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

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Net debts	38663.96	55263.05
Total equity	43494.88	39777.38
<b>Net debt to equity ratio</b>	<b>0.89</b>	<b>1.39</b>

**Dividends**

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Equity shares</b>		
(i) Interim dividend for the year ended 31 <sup>st</sup> March, 2021 @ ₹1.00 per equity share on the paid up share capital	413.05	-
(ii) Final dividend not recognised at the end of the reporting period	743.50	-

**45: DETAILS OF ASSETS PLEDGED**

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
Inventories and trade receivables (to the extent pledged)	3504.00	4112.33
<b>Non Current</b>		
Plant & Machinery (movable assets) - BSL, BSP & RSP (to the extent pledged)	12267.42	25860.50
Land at Mouje-Wadej of city taluka, District Ahmedabad, Gujarat and Plant & Machinery - ISP including land on which it stands.	5118.00	6304.00

**46: EFFECTIVE TAX RECONCILIATION**

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Profit before tax	6879.03	3170.66
Domestic tax rate for PFS	25.168%	34.944%
<b>Expected tax expense [A]</b>	<b>1731.31</b>	<b>1107.96</b>
Adjustment for tax-exempt income/non-deductible expenses	11.87	(15.11)
Adjustment for difference tax rate items	(14.57)	(0.01)
Tax incentive on specific expenditure	-	(12.20)
Tax related to earlier years	1288.22	66.00
Others	12.18	2.48
<b>Total adjustments [B]</b>	<b>1297.70</b>	<b>41.16</b>
<b>Actual tax expense [C=A+B]</b>	<b>3029.01</b>	<b>1149.12</b>
Tax expense comprises:		
Current tax expense	12.05	224.14
Deferred tax credit	3016.96	924.98
<b>Tax expense recognized in Statement of profit and loss [D]</b>	<b>3029.01</b>	<b>1149.12</b>

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 47.1 CONTINGENT LIABILITIES

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Claims against the Company pending appellate/judicial decisions :		
a) Excise Duty	5498.47	5134.58
b) Sales Tax on inter-state stock transfers from plants to stockyards*.	755.58	744.71
c) Other sales tax matters	561.33	742.27
d) Income Tax	937.96	903.76
e) Other duties, cess and levies	9238.04	8063.93
f) Civil matters **	4799.57	4614.82
g) Entry Tax	1747.79	2068.44
h) Miscellaneous **	10058.81	7571.38
* No liability is expected to arise, as sales tax has been paid on eventual sales.		
** includes claims of ₹13.74 crore (as at 31 <sup>st</sup> March, 2020 ₹13.65 crore), against which there are counter-claims of ₹13.74 crore (as at 31 <sup>st</sup> March, 2020 ₹9.52 crore).		
(ii) Other claims against the Company not acknowledged as debt:		
a) Sales Tax	119.23	106.02
b) Duties, cess and levies	323.12	310.22
c) Civil Matters	6.94	134.28
d) Miscellaneous *	3437.47	4412.69
* includes claims of ₹100.94 crore (as at 31 <sup>st</sup> March, 2020 ₹89.15 crore, against which there are counter-claims of ₹103.95 crore (as at 31 <sup>st</sup> March, 2020 ₹94.98 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.	61.63	42.91
(iv) Bills drawn on customers and discounted with banks.	255.35	84.86
(v) Price escalation claims by contractors/suppliers and claims by employees.	336.32	361.98

- 47.2 a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by various States and has laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 31<sup>st</sup> March, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively upto 31<sup>st</sup> March, 2021 aggregating to ₹1373.42 crore (previous year ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively aggregating to ₹1373.42 crore upto 31<sup>st</sup> March, 2020) have been treated as contingent liabilities.
- (ii) The West Bengal Finance Act, 2017 has included WB Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Further, Hon'ble Calcutta High Court, vide its Order dated 15<sup>th</sup> June, 2018, transmitted the Writ Petition of DSP, ISP, CMO, ASP and SAIL Growth Works, Kulti on Entry Tax to the West Bengal Taxation Tribunal. During the Financial Year 2020-21, the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes.
- b) Hon'ble Supreme Court dismissed the SLP by the Company (pertaining to Bokaro Steel Plant) in respect of dispute with Damodar Valley Corporation (DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018 which can also have effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28.12.2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed claims of DVC of ₹587.72 crore upto 31<sup>st</sup> March, 2021 (upto 31<sup>st</sup> March, 2020, ₹587.72 crore) has been treated as Contingent Liability and included in Note No. 47.1(i)(f) above. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

- 47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹4356.65 crore upto 31<sup>st</sup> March, 2021 (upto 31<sup>st</sup> March, 2020 ₹4028.18 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as Contingent Liability in Note No. 47.1(i)(e) above.

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

- 47.4** In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to the Company on 7.12.2016. A stay petition in the matter has been filed on 22.12.2016 and is pending before the Hon'ble Calcutta High Court. As the matter is sub-judice, the amount has been disclosed as Contingent Liability in Note No. 47.1(v) above.
- 47.5** Indigenous washed coking coal supplies, have been claimed by Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 14<sup>th</sup> January, 2017, 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. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, between SAIL and CCL. The differential claim of CCL, amounting to ₹148.07 crore at unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 47.1(ii)(d) above.
- 47.6** (i) The Ministry of Environment & Forest and Climate Change (MoEF& CC) vide their letter No.- 11-599/ 2014-FC dated 1<sup>st</sup> April 2015 issued revised Guidelines for diversion of Forest Land for non-forest purpose under the Forest (Conservation) Act, 1980 (FC Act). These revised Guidelines stipulated that in case of existing mining leases having Forest Land (partially or fully), where approval for only a part of forest land has been obtained under the FC Act, the Central Government accorded general approval under Section-2(iii) of the FC Act for the remaining area also to be Forest Land, subject to certain conditions, which includes realising Net Present Value (NPV) for the entire forest land falling in the mining lease, in case NPV of such forest land has not already been realised.
- In this matter, as per legal opinion obtained by the Company, Section 2 (iii) of FC Act, 1980 will not apply to Government Corporation and NPV is required to be paid only for that limited area, which has been approved by MoEF& CC and in which mining activities are proposed to be done and not for the entire forest area. The matter of applicability of NPV for total forest land has been challenged by the Company in Hon'ble High Court of Jharkhand. The Hon'ble Court, in its order, has directed to place the matter before Division Bench of this Court.
- A writ petition has also been filed in the Hon'ble High Court of Chhattisgarh against the demand of ₹96.28 crore received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh.
- The Company has deposited ₹96.28 crore with Principal Chief Conservator of Forest, Chhattisgarh and a Special Leave Petition has been filed in Hon'ble Supreme Court of India against the order of Hon'ble High Court of Chhattisgarh. The disputed amount of ₹96.28 crore has been disclosed under contingent liability in Note no.47.1.(i)(e).
- (ii) Chhattisgarh State enacted Chhattisgarh (Adhosaanrachna Vikas swam Paryawaran) Upkar Adhiniyam, 2005 and levied Cess on the mineral extracted in the State of Chhattisgarh. BSP has filed a writ petition in the High Court of Chhattisgarh challenging the enactment as ultra vires. However, BSP has deposited of ₹168.23 crore under protest till 2020-21 and shown as deposit with Government Department. Total disputed amount of ₹168.23 crore (previous year ₹148.39 crore) is disclosed under contingent liability in Note no.47. 1.(i)(e).
- 47.7** Pursuant to the Hon'ble Supreme Court Judgment dated 2<sup>nd</sup> August, 2017 in the Common Cause matter regarding illegal mining, demand/Show cause notices have been issued for recovery of the price of minerals produced without and beyond the environmental clearances under Section 21 (5) of Mines and Mineral Development Regulation Act, 1957, forest clearance under the Forest Conservation Act 1980, and towards excess production beyond consent to operate. The Company has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand.
- (a) As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:
- (i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹311.99 crore and ₹2347.52 crore (₹278.94 crore and ₹2057.97 crore as on 31<sup>st</sup> March, 2020) respectively (including interest). Based on internal assessment, the Company has provided an amount of ₹378.65 crore (₹363.58 crore as on 31<sup>st</sup> March, 2020) on estimated basis. Balance amount of ₹2280.86 crore (₹1973.33 crore as on 31<sup>st</sup> March, 2020) (including interest) has been treated as contingent liability in Note No. 47.1(i)(h).
- (ii) In respect of Flux, by the Government of Jharkhand amounting to ₹51.01 crore (₹29.47 crore as on 31<sup>st</sup> March 2020) (including interest). Based on internal assessment, the Company has provided an amount of ₹12.20 crore (₹10.56 crore as on 31<sup>st</sup> March 2020) on estimated basis. Balance amount of ₹38.81 crore (₹18.91 crore as on 31<sup>st</sup> March 2020) (including interest) has been treated as contingent liability in Note No. 47.1(i)(h) above.
- (b) In respect of Coal, by the Government of Jharkhand amounting to ₹595.35 crore (₹515.08 crore as on 31<sup>st</sup> March 2020) (including interest), Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to the Company. Accordingly pending disposal, the amount of ₹595.35 crore (₹515.08 crore as on 31<sup>st</sup> March 2020) (including interest) has been treated as Contingent Liability in Note No. 47.1(i)(h) above.
- 47.8** a) M/s Tata Projects Limited (TPL) & M/s Danieli Corus BV (DC)(in consortium) have filed a case before Arbitral Tribunal in International Chamber of Commerce vide case No-22326/PTA against SAIL/Rourkela Steel Plant for resolution of dispute arising out of contract No. P/PRQJ/643(10)/79001/08049126 dtd 01.10.2008. Arbitral Tribunal has awarded a sum of ₹626.02 crores on 16-May-2018 against SAIL/Rourkela Steel Plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹300 Crores with Hon'ble High Court at Delhi (Refer Note No. 20). The sum of ₹962.51 cores (₹834.53 crore as on 31<sup>st</sup> March, 2020) (including interest) has been disclosed under contingent liability in Note No. 47.1(ii)(c) above.
- b) M/s JSC Cryogenmash have filed a case before Arbitral Tribunal in International Chamber of Commerce against SAIL/Bhilai Steel Plant for resolution of dispute arising out of contract. Arbitral Tribunal has awarded a sum of ₹106.92 crores on 20.07.2018 against SAIL / Bhilai Steel plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, the sum of ₹129.98 crore (including interest) has been disclosed under contingent liability in Note no 47.1(ii)(d) above.

## Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

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

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

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

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

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

In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹7.06 crore as on 31<sup>st</sup> March 2021, including interest, has been booked under Contingent Liability in Note No. 47.1 (i) (b) above.

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Capital commitments	5066.03	5368.33
Other commitments	4259.28	4421.19

**48.2** The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2021 are as under: (₹crore)

No.	Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	103.57	47.99
ii	The amount of interest accrued during the Year and remaining unpaid at the end of the Year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding Year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-
v.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
vi.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under this Act.	-	-

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

**48.4** Pursuant to the introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, the Company has, during the year, opted for lower tax regime under the said Section for the financial year ended 31<sup>st</sup> March, 2020 and onwards. Consequently, the Company has charged off the Deferred Tax Assets arising due to MAT credit and restated the Deferred Tax Assets, based on the revised effective tax rate, resulting in one time charge of ₹1288.22 crore in the Statement of Profit and Loss, for the year ended 31<sup>st</sup> March, 2021.

**49.1** In accordance with Ind AS 115- Revenue from Contracts with Customers', GST amount of ₹10579.84 crore (Previous Year: ₹9929.08 crore) is not included in Revenue from Operations.

**49.2** As per the terms of sales with certain Government agencies, the invoicing to these agencies are done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under: (₹crore)

Quarter ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2021	Cumulative till 31 <sup>st</sup> March, 2021	Quarter ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2020	Cumulative till 31 <sup>st</sup> March, 2020
1566.75	6902.50	14952.22	2714.98	7634.55	8074.36

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**

**49.3** The long-term agreement for wage revision expired on 31<sup>st</sup> December, 2016. Keeping in view the affordability and financial sustainability clause in the Office Memorandums dated 3<sup>rd</sup> August, 2017 and 24<sup>th</sup> November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises in respect of Pay Revision of employees, the Company fulfils the criteria for implementation of wage revision w.e.f. 1<sup>st</sup> April, 2020. Accordingly, pending finalisation/fresh agreement, an all-inclusive provision towards salaries and wages revision of ₹1145.71 crore and ₹10.11 crore have been charged to Statement of Profit and Loss and Expenditure during Construction respectively, on estimated basis.

**49.4** As per the Department of Public Enterprises (DPE) guideline, the Company is required to contribute up to 30% of Salary (Basic Pay + Dearness Allowance) in respect of executive employees as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post-Superannuation Benefits. Accordingly the Company has made provision for pension benefit for executive employees @ 9% of Salary w.e.f. 1<sup>st</sup> January, 2007 and 3% of Salary w.e.f. 1<sup>st</sup> April, 2015. Further, pension benefit for non-executive employees has been provided @ 6% of Salary w.e.f. 1<sup>st</sup> January, 2012 and 2% of Salary w.e.f. 1<sup>st</sup> April, 2015.

Pension Scheme was approved in the Meeting of the Board of Directors held on 9<sup>th</sup> February, 2017 with modification that from the Financial Year 2015-16 and onwards, the contribution towards Pension shall be measured, as a percentage of Profit Before Tax (PBT) to average Net-worth. If the percentage of PBT to average Net-worth is 8% or above, amount of Pension contribution shall be limited to 9% of Basic Pay plus DA for Executives and 6% of Basic Pay plus DA for Non-executive, else the amount of contribution towards Pension will be reduced proportionately. However, a minimum Pension contribution shall be kept at the rate of 3% and 2% of Basic Pay plus DA for Executive and Non-Executive employees respectively even in case of loss during a Financial Year. Since the profit earned by the Company during the Financial Year ended 31<sup>st</sup> March, 2021 is more than 8% of average Net-worth, provision for Other Benefits (pension) has been made @ 9% and 6% (of Basic Pay plus DA) w.e.f. 1<sup>st</sup> April, 2020 respectively for Executive and Non-executive employees.

The cumulative provision/liability towards Other Benefits (including pension) for Executive and Non-executive employees, amounting to ₹2251.72 crore (₹389.76 crore during the year) and ₹52.32 crore (₹2.40 crore during the year) has been charged to 'Employee Benefits Expense' and 'Expenditure during Construction' respectively. An amount of ₹694.19 crore has been transferred to Pension Fund during the Financial Year 2020-21. Further, an amount of ₹201.69 crore has been paid to retired employees during the year and an amount of ₹1.32 crore deposited by the employees for being eligible for pension.

**49.5** The research and development expenditure charged to Statement of Profit and Loss and allocated to Fixed Assets/Capital work-in-progress (Net), during the year, amount to ₹340.28 crore (₹274.36 crore during the previous year) and ₹23.03 crore (₹18.44 crore during the previous year) respectively. The aggregate amount of revenue expenditure incurred on research and development is shown in the respective head of accounts. The break-up of the amount is as under:

(₹crore)

Head of Account	For the Year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Raw Materials	198.05	121.12
Employees Benefits Expense	83.76	66.26
Stores & Spares Consumed	6.27	12.11
Power & Fuel	17.77	26.10
Repairs & Maintenance	3.79	4.10
Depreciation and Amortisation Expense	6.89	6.84
Other Expenses	21.45	35.53
Finance Cost	2.30	2.30
<b>Total</b>	<b>340.28</b>	<b>274.36</b>

**49.6** The Company considers the assets of one entire plant as Cash Generating Unit (CGU). The Company has internally reviewed whether there are any indicators that the carrying amount of its assets of CGUs may be impaired on each balance sheet date. If any such indicators exist, the asset recoverable amount is estimated as higher of the net selling price and the value in use. Value in use is based on present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amounts of assets of a CGU exceed the asset recoverable amount. Further to the internal assessment, the Company also determines net selling price of the assets of CGU, in which any such indication exists, once every three years by an independent expert.

Based on the internal assessment done by the Company at its different CGUs as per the accounting policy of the Company, no impairment loss is required to be provided.

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

- 49.7 As per section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Based on above, the CSR amount has been budgeted at ₹39.44 crore for the year 2020-21 (₹33.00 crore during the previous year). The Company has spent an amount of ₹47.18 crore on CSR activities during the year 2020-21 (₹27.56 crore during the previous year) under the following heads.

(₹crore)

Particulars	For the Year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Education	8.30	8.83
Healthcare	28.48	8.10
Livelihood Generation	2.14	1.33
Women Empowerment	0.57	0.51
Drinking Water	0.80	0.47
Sanitation	0.23	0.28
Sports	0.72	1.24
Art & Culture	1.65	3.52
Rural Development	1.19	1.56
Social Security	0.46	0.33
Environment Sustainability	0.48	1.05
Disaster Relief	2.06	-
Project Identification and Monitoring	0.10	0.05
Capacity Building of Personnel	-	0.29
<b>Total</b>	<b>47.18</b>	<b>27.56</b>

No amount is required to be transferred to 'Unspent CSR Account'.

- 49.8 In compliance to General Financial Rule 238(5) & (6), the details of Grants received from Ministry of Steel and its utilization for Research and Development Projects during last three years are as under:

(₹crore)

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2020-21	-	1.50
2019-20	-	0.43
2018-19	1.47	1.02

- 49.9 Central Government grant of ₹294.82 Crore has been received up to 31<sup>st</sup> March, 2021 against sanctioned budgetary provision of ₹294.82 crore for the purpose of up gradation of Ispat General Hospital, Rourkela to a Super Speciality Hospital and has been presented as a line item in the Balance Sheet under the head "Other Liabilities- Deferred Income".

- 49.10 Information on leases as per Indian Accounting Standards (Ind AS) 116 on 'Leases':

- (i) The Company has leases for Land, office building, Plant & Equipment, warehouses & related facilities and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**Right of Use assets**

Set out below are the carrying amounts of right-of-use assets (Refer note 4a) recognised and the movements during the period:

(₹crore)

Particulars	Leasehold Land	Plant and equipment	Vehicles	Buildings	Right of Use assets Total
As at April 1, 2020	808.79	1,371.13	11.66	13.50	2,205.08
Additions	59.57	56.17	1.86	0.16	117.76
Adjustments/Disposals	-	-	-	-	-
Depreciation expense	66.14	195.93	4.31	2.33	268.70
<b>As at March 31, 2021</b>	<b>802.22</b>	<b>1231.37</b>	<b>9.21</b>	<b>11.33</b>	<b>2054.13</b>

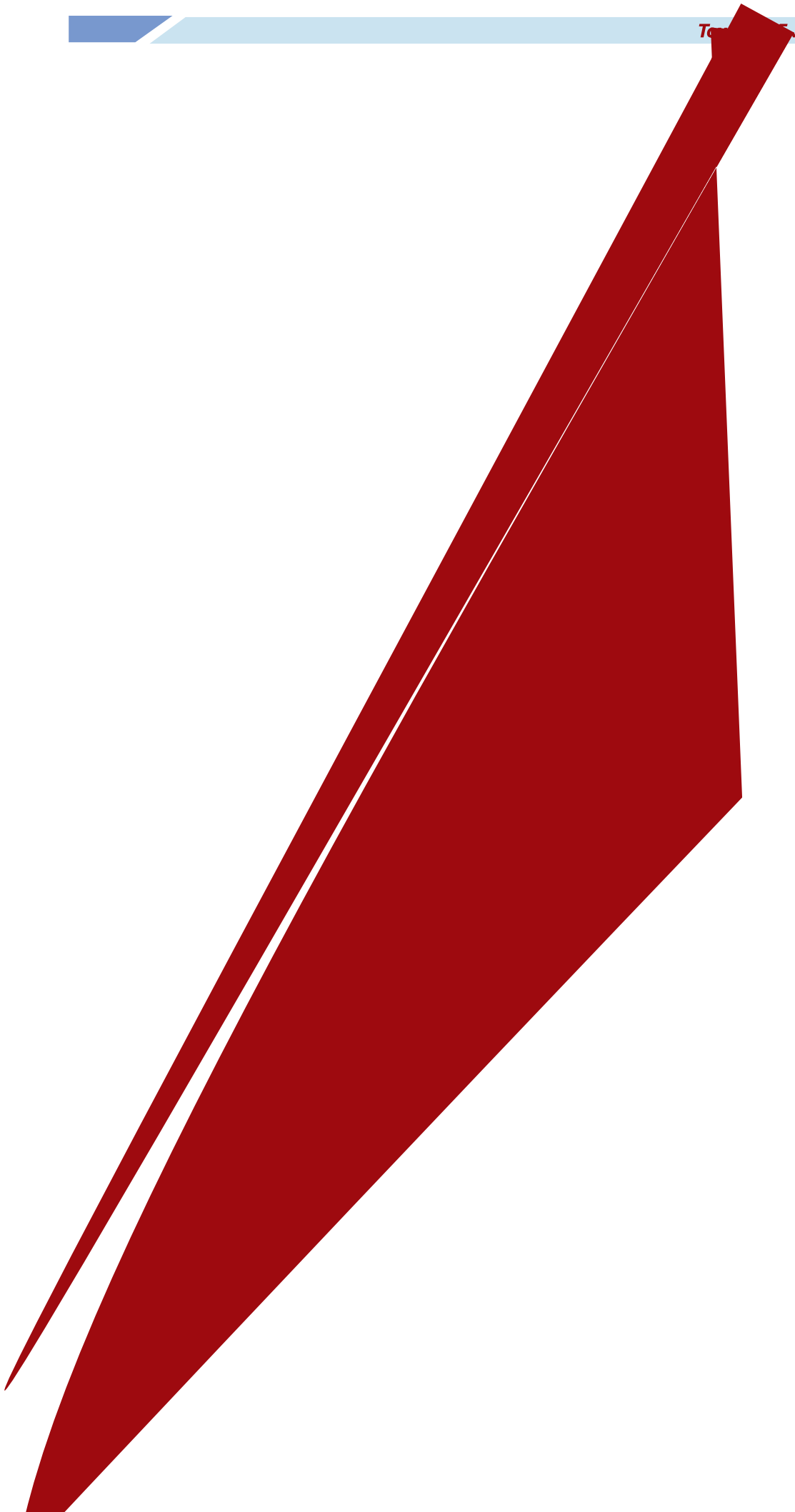
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## Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

of such inventories, there is significant market demand for SGFs and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up a beneficiation plant in future that will consume significant volume of SGFs annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the significant volume of such inventories, the management has during the year made a detailed assessment of volumes that are expected to be sold within 12 months from the end of the current year and has accordingly, classified a part of these inventories as non-current i.e. volumes that are expected to be sold beyond 12 months from the end of the current year (Refer note 7A & 15). The carrying value of such inventories has also been pro-rated basis above assessment. Also, considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories cannot be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values are the best estimates basis the information available at this stage.

In line with the above accounting treatment for SGFs, the management has during the year done a quantitative verification of inventories of tailings at Barsua mines and carried out qualitative analysis (including gradation) for Fe content and valued the inventory of tailings of 3.97 million tonnes at NRV of ₹248.24 crore as at 31<sup>st</sup> March 2021 (including ₹204.47 crore classified as non-current inventories). The NRV has been arrived at basis the estimates made by the management as per the ASP of similar tailings declared by IBM adjusted for royalty and other selling costs. Further, the recent sales price trends for tailings also are indicative of considerable margins over and above the carrying value of such inventories. Accordingly, in view of the management, no further adjustment is required in the carrying value of these inventories as at 31<sup>st</sup> March 2021. (Also refer Note 3.8 and 3.24.4)

**49.13** The Company has valued approximately 0.57 MnT of extractable iron and steel scrap embedded in BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants as on 31<sup>st</sup> March, 2021 at ₹438.63 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated quantity of 0.66 MnT valued at ₹683.33 crore).

An estimated quantity of 4.71 MnT of Iron Ore Tailings at Dalli mines of Bhilai Steel Plant as on 31<sup>st</sup> March 2021 has been valued at ₹244.17 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated at 5.60 MnT valued at ₹234.92 crore).

Valuation of such inventory was considered by the Company in accordance with IND AS 2.

However, Comptroller and Auditor General of India, in its Supplementary Audit, had commented on the recognition of such material as inventory in terms of Ind AS 2. In view of the difference in opinion on the interpretation of IND AS 2 in respect of recognition of such material as inventory, the Company has referred both the matters to Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for obtaining an opinion on such issue. Favorable opinion received from the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) dated 8<sup>th</sup> March, 2021, that both iron and steel scrap embedded in slag and de-silted iron ore fines meets the definition of 'inventories' as per Ind AS 2.

**49.14** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27<sup>th</sup> October, 2016 had accorded 'in-principle' approval for Strategic Disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visvesvaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), West Bengal.

Subsequently, in line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9<sup>th</sup> February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary, Department of Public Assets Management (DIPAM) and co-chaired by Secretary (Steel).

Preliminary Information Memorandum (PIM) / Expression of Interest (Eoi), Requests of ASP, SSP and VISP were issued on 4<sup>th</sup> July, 2019. The Transaction Advisor, M/s SBICAPs has informed that, in case of ASP, no EOIs were received from prospective bidders upto the scheduled date. The EOIs of SSP and VISP were opened on 10<sup>th</sup> September, 2019. The Request for Proposal (RFP), Confidential Information Memorandum (CIM) and Business Transfer Agreement (BTA) have been issued to the short-listed bidders and due diligence is ongoing by the short-listed bidders.

**49.15** The Company has proposed a final dividend @ 18% of the paid-up equity share capital (i.e. ₹1.80 per equity share of ₹10/- each) for the Financial Year 2020-21 subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company. Earlier, the Company declared interim dividend @ 10% of the paid-up equity share capital (i.e. ₹1.00 per equity share of ₹10/- each).

**49.16** Pursuant to notice dated January 13, 2021 ("Notice") filed with the Stock Exchanges, President of India (Promoter), acting through the Ministry of Steel, Government of India proposed to sell up to 20,65,26,264 equity shares of Steel Authority of India Limited (the Company) having face value of ₹10 each of the Company, representing 5% of the total paid-up equity share capital of the Company with an option to additionally sell up to 20,65,26,264 Equity Shares (representing 5% of the total paid-up equity share capital of the Company) (the "Oversubscription Option") through the separate designated window of BSE Limited ("BSE") and National Stock Exchange of India Limited. The promoter has exercised the Oversubscription Option, to the extent of additional 20,65,26,264 equity shares and in total sold 41,30,52,528 equity shares of the Company. Consequently, the Promoters holding in the Company has come down from 309,77,67,449 equity shares (75% of the Paid-up Equity Share Capital) to 268,47,14,921 equity shares (65% of Paid-up Equity Share Capital). The sale of equity shares took place on a separate designated window of BSE Limited and National Stock Exchange of India Limited and was undertaken in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of shares by promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India ("SEBI").

**49.17** The COVID-19 pandemic outbreak and measures to curtail it had caused significant disturbances and slow down of economic activities, as a result of which the Company's operations had to be scaled down during the first quarter of financial year ended 31<sup>st</sup> March, 2021. Following the gradual normalization of economic activities, the Company is operating at normal capacity. In view of the positive economic environment seen across sectors, the management is of the belief that the trend is likely to continue in subsequent periods as well and the impact of COVID-19, if any, is not likely to be material.

**49.18** Pending identification and reconciliation of input tax credit available for offset against output tax under the provisions of Goods and Service Tax Act and rules made there under, the balances of the same are carried at gross basis until filing of relevant monthly return.

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 50.1 DEFINED BENEFIT SCHEMES

## 50.1.1 General Description of Defined Benefit Schemes:

<b>Gratuity</b>	:	Payable on separation @15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more (for service beyond 30 years, one month's salary for every completed year of service beyond 30 years). Maximum amount of ₹20 lakhs for executives & non-executives joined on or after 1 <sup>st</sup> July, 2014 and without any monetary limit for other non-executives, has been considered for actuarial valuation.
<b>Leave Encashment</b>	:	Payable on superannuation to eligible employees who have accumulated Earned and Half Pay Leave, subject to maximum limit of 300 days combined for earned leave and half pay leave. Encashment of accumulated earned leave also allowed upto 30 days once in the Financial Year w.e.f. 24.11.2020, to the employees having more than 270 days and 170 days for executives/ CDA governed employees and Standing Order governed employees respectively.
<b>Provident Fund</b>	:	12% of Basic Pay Plus Dearness Allowance, contributed to the Provident Fund Trusts by the company.
<b>Post Retirement Medical Benefits</b>	:	Available to retired employees at company's hospitals and/or under the health insurance policy.
<b>Post Retirement Settlement Benefits</b>	:	Payable to retiring employees for settlement at their home town.
<b>Long term service Award</b>	:	Payable in kind on rendering minimum 25 years of service and also on superannuation.

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

## (a) Reconciliation of Present Value of Defined Benefit Obligations\*

(₹crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Present Value of projected benefit obligations, as at the beginning of the year.	6044.55 (6018.40)	3005.03 (2698.59)	1055.03 (937.04)	103.40 (133.52)	18.79 (21.29)
ii)	Service Cost	323.03 (276.77)	434.58 (566.71)	- (-)	- (-)	0.5 (0.55)
iii)	Interest Cost	387.09 (376.21)	191.22 (187.86)	68.76 (57.45)	6.88 (8.58)	1.20 (1.32)
iv)	Actuarial Gains(-) / Losses(+)	-270.18 (9.38)	-37.11 (-473.93)	10.90 (193.64)	4.86 (-31.22)	-0.66 (-1.92)
v)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
vi)	Benefits Paid	703.95 (636.20)	386.07 (244.21)	87.90 (133.08)	4.32 (7.49)	2.30 (2.44)
vii)	<b>Present Value of projected benefit obligations as at the end of the year. (i+ii+iii+iv+v-vi)</b>	<b>5780.54</b> (6044.55)	<b>3207.65</b> (3005.03)	<b>1046.79</b> (1055.03)	<b>110.82</b> (103.40)	<b>17.57</b> (18.79)

## 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	2020-21	2019-20
i)	Fair Value of plan assets as at the beginning of the year	6357.63	6277.42
ii)	Expected return on plan assets	98.22	8.86
iii)	Actual Company's contribution	50.84	293.08
iv)	Interest Income/Actuarial Gain/Loss(-)	432.55	414.47
v)	Benefits payments	703.95	636.20
vi)	Fair value of plan assets as at the end of the year	6235.29	6357.63
vii)	Present value of defined benefit obligation [50.1.2)(a)(vii)]	5780.54	6044.55
viii)	<b>Net liability recognised in the Balance sheet (vii)-(vi) *</b>	<b>-454.73</b>	<b>-313.21</b>

\*The Company does not expect to contribute any amount towards the expenses of Gratuity Fund during the year 2021-22, after considering the return on the investments.

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

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**(c) Expenses recognised in the Statement of Profit and Loss for the Year :**

(₹crore)

Sl. No.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefit	Long Term Service Award
i)	Service Cost	323.03 (276.77)	434.58 (566.71)	- (-)	- (-)	0.54 (0.55)
ii)	Interest Cost	-45.23 (-38.14)	191.22 (187.87)	68.76 (57.45)	6.88 (8.58)	1.18 (1.32)
iii)	Actuarial Gains (-)/Losses	-270.18 (9.38)	-37.11 (-473.93)	10.90 (193.65)	4.86 (-31.22)	-0.02 (-1.92)
iv)	Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
v)	Expected Return on Plan Assets	98.22 (8.82)	- (-)	- (-)	- (-)	- (-)
vi)	<b>Total (i+ii+iii+iv-v)</b>	<b>-90.60</b> (239.21)	<b>588.71</b> (280.65)	<b>79.66</b> (251.10)	<b>11.74</b> (-22.63)	<b>1.70</b> (-0.06)
vii)	Employees' Benefits Expenses :					
	a) Charged to Profit & Loss Account (Note 39)	277.23 (235.64)	586.53 (278.04)	68.76 (57.45)	5.50 (-13.73)	1.70 (-0.06)
	b) Charged to Expenditure During Construction (Note 5.1)	0.56 (3.01)	2.18 (2.61)	- (-)	- (-)	- (-)
	c) Charged to OCI*	-368.39 (0.56)	- (-)	10.90 (193.65)	- (-)	- (-)
	d) Charged to Profit & Loss Account- Other Expenses	- (-)	- (-)	- (-)	6.24 (-8.90)	- (-)
viii)	Actual Return on Plan Assets	530.54 (423.17)				

\*Remeasurement gains/(losses) on Defined Benefit Plans have been reclassified and shown under Retained Earnings (Note No. 23)

**(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	-206.48	193.73
ii)	Leave	-127.29	119.00
iii)	Post Retirement benefit	-47.57	41.59
iv)	Long Term Service Award	-1.02	0.49
v)	Retirement Travelling Allowance	-4.93	4.47

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

(₹crore)

Sl. No.	Particulars	One percentage point decrease in salary escalation rate	One percentage point increase in salary escalation rate
i)	Gratuity	78.56	-71.68
ii)	Leave	119.26	-126.40

**(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	-20.68	9.47

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

## (g) Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2021	As at 31.03.2020
Insurance Investments	95.25	94.95
Central Government Securities	1.39	1.36
State Government Securities	1.24	1.61
PSU Bonds	2.12	2.07
Cash at Bank	0.00	0.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

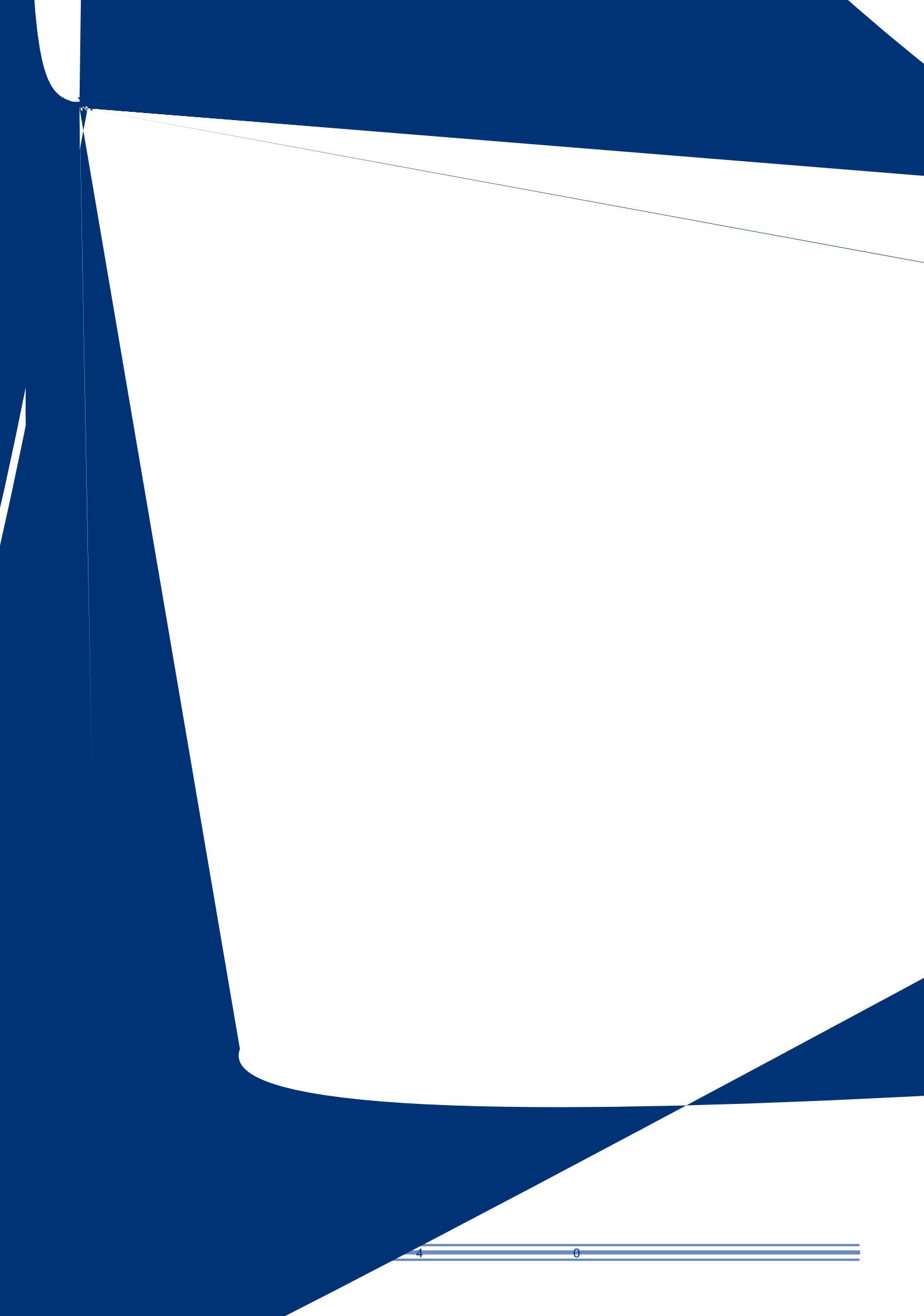
## (h) Actuarial assumptions

Sl. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i)	Discount Rate (per annum)	6.80 %	6.60 %
ii)	Mortality rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
iii)	Withdrawal Rates (per annum)	Executives & Non-executives- 0.01% to 0.10% depending upon the age	Executives & Non-executives- 0.01% to 0.10% depending upon the age
iv)	Medical Cost Trend Rates (per annum)	5% for hospital cost and Nil for Medclaim premium.	5% for hospital cost and Nil for Medclaim premium.
v)	Estimated Rate of Return on Plan Assets	6.80%	6.60%
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 31 <sup>st</sup> March, 2021
Upto 1 year	674.40
Between 1 to 2 years	670.99
Between 2 to 3 years	665.46
Between 3 to 4 years	617.76
Between 4 to 5 years	591.43
Between 5 to 10 years	3093.35
More than 10 years	4125.22
Total Undiscounted Payments related to Past Service	10438.61
Less: Discount for Interest	4658.06
<b>Projected Benefit Obligation</b>	<b>5780.55</b>





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**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**E. Disclosure of Material Transactions with Related Parties**

(₹crore)

	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020	Note No. and account head
<b>Purchase of Investment</b>			8 : Investments
S&T Mining	-	5.20	
GEDCOL SAIL Power Corporation Ltd.	-	2.34	
<b>Sale of Goods</b>			35: Revenue from Operations
BhilaiJaypee Cement Limited	4.76	1.65	
SAIL Refractory Co. Ltd	10.84	0.01	
NTPC-SAIL Power Supply Co. Ltd.	1.58	1.18	
<b>Other Operating Revenues</b>			35: Revenue from Operations
NTPC-SAIL Power Supply Co. Ltd.	15.18	15.27	
<b>Purchase of Goods</b>			25/30 : Trade Payables
SAIL Refractory Co. Ltd.	149.13	233.48	
Almora Magnesite Ltd	5.66	14.51	
<b>Purchase of Power</b>			41 : Other Expenses
Bokaro Power Supply Co. Pvt. Ltd.	827.63	927.37	
NTPC-SAIL Power Supply Co. Ltd.	1437.60	1578.05	
<b>Dividend Income</b>			36 : Other income
Mjunction Services Limited	6.60	6.60	
SAIL Refractory Co. Ltd.	-	11.55	
Bokaro Power Supply Co. Pvt. Ltd.	55.81	15.50	
SAIL-Bansal Services Centre Limited	-	0.08	
NTPC-SAIL Power Supply Co. Ltd	95.00	50.00	
<b>Services Rendered</b>			
BhilaiJaypee Cement Limited	0.70	0.55	
Mjunction Services Limited	0.04	0.19	
SAIL-Bansal Services Centre Ltd.	0.05	0.05	
Bokaro Power Supply Co. Pvt. Ltd	0.35	0.94	
NTPC SAIL Power Supply Co. Ltd.	8.76	4.80	
SAIL Refractory Co. Ltd.	1.49	-	
SAIL RITES Bengal Wagon Limited	2.64	-	
<b>Auction services</b>			41 : Other Expenses 5 : Capital WIP
Mjunction Services Limited	70.52	56.12	
	0.71	0.82	

F. During the year, Sales and Trade Receivables include ₹12158.75 crore (₹11102.43 crore) and ₹3806.12 crore (₹6207.61 crore) for transactions with the Central Government (including Indian Railways) which constitute 17.76% (18.19 %) and 53.43% (70.44 %) of the Sales and Trade Receivables respectively.

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

**Mines afforestation Cost** - 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 affore-station costs	Mines closure costs	Over burden removal Costs	Total
Balance as at 1 <sup>st</sup> April, 2020	28.28	87.11	92.79	208.18
Additions during the Year	10.47	13.17	-	23.64
Amounts utilised during the Year	-4.40	-1.03	-	-5.43
Unused amount reversed during the Year	-	-	-25.54	-25.54
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>34.35</b>	<b>99.25</b>	<b>67.25</b>	<b>200.85</b>

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

(₹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.

- No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
- 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 31<sup>st</sup> March, 2021

## 52: OPERATING SEGMENT INFORMATION

(₹crore)

Particulars	BSP	DSP	RSP	BSL	ISP	ASP	SSP	VISL	Others	Inter Segment Sales	Total
<b>REVENUE</b>											
- External sales											
Current Year ended 31 <sup>st</sup> March 2021	18987.44	8344.30	13910.18	16019.87	7900.98	381.33	1692.97	105.63	1109.64	-	68452.34
Previous Year ended 31 <sup>st</sup> March 2020	18885.03	7327.45	11870.03	13170.18	7547.79	543.15	1555.70	38.90	86.65	-	61024.88
- Inter segment sales											
Current Year ended 31 <sup>st</sup> March 2021	705.83	369.33	1136.70	220.51	389.87	164.42	9.52	57.19	4843.28	(7896.65)	-
Previous Year ended 31 <sup>st</sup> March 2020	431.72	348.57	552.24	41.82	181.61	166.84	9.67	56.87	4587.96	(6377.30)	-
- Total Revenue from sale of products											
Current Year ended 31 <sup>st</sup> March 2021	19693.27	8713.63	15046.88	16240.38	8290.85	545.75	1702.49	162.82	5952.92	(7896.65)	68452.34
Previous Year ended 31 <sup>st</sup> March 2020	19316.75	7676.02	12422.27	13212.00	7729.40	709.99	1565.37	95.77	4674.61	(6377.30)	61024.88
<b>RESULT</b>											
- Operating Profit / (-) Loss before Interest and Exceptional items											
Current Year ended 31 <sup>st</sup> March 2021	2301.63	973.19	2598.92	2487.29	513.30	(70.83)	(54.20)	(50.06)	938.50	-	9637.74
Previous Year ended 31 <sup>st</sup> March 2020	3398.94	(107.87)	321.20	468.53	(432.97)	(63.71)	(227.93)	(73.85)	4146.84	-	7429.18
- Finance cost											
Current Year ended 31 <sup>st</sup> March 2021											2817.14
Previous Year ended 31 <sup>st</sup> March 2020											3486.76
- Exceptional items											
Current Year ended 31 <sup>st</sup> March 2021											(58.43)
Previous Year ended 31 <sup>st</sup> March 2020											771.76
- Tax expenses											
Current Year ended 31 <sup>st</sup> March 2021											3029.01
Previous Year ended 31 <sup>st</sup> March 2020											1149.12
- Profit / Loss (-) for the year											
Current Year ended 31 <sup>st</sup> March 2021											3850.02
Previous Year ended 31 <sup>st</sup> March 2020											2021.54
<b>OTHER INFORMATION</b>											
- Segment assets											
Current Year ended 31 <sup>st</sup> March 2021	31082.15	6232.20	20559.57	15590.03	16551.10	545.00	2300.83	326.76	23972.02		117159.66
Previous Year ended 31 <sup>st</sup> March 2020	32783.83	6892.20	21078.70	16174.56	18106.14	564.29	2485.32	347.12	26665.65		125097.81
- Segment Liabilities (including Long Term Borrowing)											
Current Year ended 31 <sup>st</sup> March 2021	8691.03	2823.31	4433.30	3316.36	1548.56	213.34	439.49	46.15	52153.24		73664.78
Previous Year ended 31 <sup>st</sup> March 2020	8530.29	2549.61	4230.47	3185.82	1512.93	202.62	312.33	56.15	64740.21		85320.43
- Capital expenditure											
Current Year ended 31 <sup>st</sup> March 2021	711.37	246.30	750.80	952.87	182.89	1.06	10.31	0.42	137.36		2993.38
Previous Year ended 31 <sup>st</sup> March 2020	1297.22	422.59	1191.41	932.19	167.73	3.42	6.45	2.65	45.77		4069.43
- Depreciation											
Current Year ended 31 <sup>st</sup> March 2021	1148.10	265.30	837.74	771.48	755.70	8.74	98.29	7.56	209.09		4102.00
Previous Year ended 31 <sup>st</sup> March 2020	968.35	228.46	815.79	642.73	759.66	8.82	98.73	7.38	225.13		3755.05
- Non Cash expenses other than Depreciation											
Current Year ended 31 <sup>st</sup> March 2021	53.91	12.52	29.95	9.75	36.74	2.38	2.44	0.53	113.73		261.95
Previous Year ended 31 <sup>st</sup> March 2020	51.66	9.93	25.80	31.61	24.31	0.64	10.20	0.74	134.09		288.98

Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

53. The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current periods classification.

Sd/-  
**M.B. Balakrishnan**  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
**Amit Sen**  
Director Finance  
DIN: 08602987

Sd/-  
**Soma Mondal**  
Chairman  
DIN: 06845389

*In terms of our report of even date*

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

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

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

**For KASG & Co.**  
Chartered Accountants  
Firm Registration No. 002228C

Sd/-  
**P. Venugopala Rao**  
Partner  
M. No. 010905

Sd/-  
**Ritesh Agarwal**  
Partner  
M. No. 062410

Sd/-  
**Neeraj Sharma**  
Partner  
M. No. 502103

Sd/-  
**Bharat Goel**  
Partner  
M. No. 060069

Place : New Delhi  
Dated : June 10, 2021

1. <b>Tej Raj &amp; Pal</b> Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	2. <b>S. Jaykishan</b> Chartered Accountants, 12, Ho Chi Minh Sarani, 2 <sup>nd</sup> Floor, Suite No. 2D, 2E & 2F, Kolkata-700071	3. <b>Walker Chandiook and Co. LLP</b> Chartered Accountants, L -41, Connaught Circus, New Delhi - 110001	4. <b>K A S G &amp; CO.</b> Chartered Accountants, 2 <sup>nd</sup> Floor, Shri Laxmi Complex, Shastri Nagar, Dhanbad- 826001
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## INDEPENDENT AUDITORS' REPORT

To  
The Members of Steel Authority of India Limited

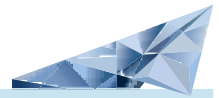
Comments	Management's Replies
<p><b>Report on the Audit of the Standalone Financial Statements</b></p> <p><b>Qualified Opinion</b></p> <p>1. We have audited the accompanying standalone financial statements of <b>Steel Authority of India Limited</b> ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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, notes other explanatory information (hereinafter referred to as 'standalone financial statements'), in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches listed in Appendix 1.</p> <p>2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the branch auditors as referred to in paragraph 20 below, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with relevant rules issued there under, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.</p>	
<p><b>Basis for Qualified Opinion</b></p> <p>3. As referred in note 47.2 (a) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax demand in various states amounting to ₹1,373.42 crores as on 31 March 2021. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.</p>	<p>The Nine Judge Bench of the Supreme Court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry Tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioners, such as discriminatory rates of tax, tax on goods entering the landmass of India from another country, etc., may be determined by regular benches hearing the matters. Accordingly, various matters raised by SAIL are pending with High Courts and the Supreme Court. Pending decision by the Courts, the disputed Entry Tax liabilities of ₹1,373.42 crore have been treated by the Company as Contingent Liability.</p>
<p>4. As referred in note 47.2 (b) to the accompanying standalone financial statements, current assets include advance of ₹587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for period upto 31 March 2017. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying standalone financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the standalone financial statements.</p>	<p>The Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. Further, the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), have been dismissed by the Hon'ble Supreme Court of India vide its Order dated 3<sup>rd</sup> December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections</p>

Comments	Management's Replies																	
	<p>on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC.</p> <p>The above disputed demands stated at (3) and (4), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2021. Therefore, there is no adverse impact on Profit for the year.</p>																	
<p>5. Impact of all the above qualifications on the standalone financial statements for the year ended 31 March 2021 is as under:</p> <p style="text-align: right;">(₹crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #003366; color: white;">Particulars</th> <th colspan="2" style="background-color: #003366; color: white;">As at 31<sup>st</sup> March, 2021</th> </tr> <tr> <th style="background-color: #003366; color: white;">Reported balances</th> <th style="background-color: #003366; color: white;">Balances after impact of all the qualifications which are quantified</th> </tr> </thead> <tbody> <tr> <td>Other equity</td> <td style="text-align: right;">39,364.35</td> <td style="text-align: right;">37,896.79</td> </tr> <tr> <td>Deferred tax liability</td> <td style="text-align: right;">1,253.16</td> <td style="text-align: right;">759.58</td> </tr> <tr> <td>Other current assets</td> <td style="text-align: right;">6,353.97</td> <td style="text-align: right;">5,766.25</td> </tr> <tr> <td>Other current liabilities</td> <td style="text-align: right;">7,555.04</td> <td style="text-align: right;">8,928.46</td> </tr> </tbody> </table> <p>The audit report on the standalone financial statements for the year ended 31 March 2020 was also modified in respect of above matters.</p>	Particulars	As at 31 <sup>st</sup> March, 2021		Reported balances	Balances after impact of all the qualifications which are quantified	Other equity	39,364.35	37,896.79	Deferred tax liability	1,253.16	759.58	Other current assets	6,353.97	5,766.25	Other current liabilities	7,555.04	8,928.46	
Particulars		As at 31 <sup>st</sup> March, 2021																
	Reported balances	Balances after impact of all the qualifications which are quantified																
Other equity	39,364.35	37,896.79																
Deferred tax liability	1,253.16	759.58																
Other current assets	6,353.97	5,766.25																
Other current liabilities	7,555.04	8,928.46																
<p>6. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the branch auditors, in terms of their reports referred to in paragraph 20 of the Other Matters section below is sufficient and appropriate to provide a basis for our qualified opinion.</p>																		
<p><b>Emphasis of Matter</b></p> <p>7. We draw your attention to the following matters :</p> <p>(i) note 49.2 to the accompanying standalone financial statements, which describes that the revenue from operations include sales to Government agencies aggregating to ₹ 6,902.50 crores for the year ended 31 March 2021 (cumulative upto 31 March 2021 of ₹ 14,952.22 crores) which is recognized on the basis of provisional prices as per the terms of sales with such Government agencies.</p> <p>(ii) note 49.12 of the accompanying standalone financial statements, which explains the management's assessment on the valuation and classification of inventories of sub-grade fines and tailings, which were accumulated over several years but gained economic value in the previous year pursuant to an order of the Ministry of Mines, Government of India and accounted for basis the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. The note further explains the management's assessment made during the year with respect to the volume of such inventories that are expected to be sold / processed after 12 months from the end of the current year and which have accordingly in the current year been classified as non-current inventories in the standalone financial statements.</p> <p>Our opinion is not modified in respect of these matters.</p>																		
<p><b>Key Audit Matters</b></p> <p>8. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the branch auditors as referred to paragraph 20 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.</p> <p>9. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Key Audit Matter</th> <th style="background-color: #003366; color: white;">How our audit addressed the key audit matter</th> </tr> </thead> <tbody> <tr> <td> <p><b>Provisions and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> </td> <td> <p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>– Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management,</li> </ul> </td> </tr> </tbody> </table>	Key Audit Matter	How our audit addressed the key audit matter	<p><b>Provisions and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>– Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management,</li> </ul>														
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<p><b>Provisions and contingent liabilities relating to ongoing litigations</b></p> <p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>– Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management,</li> </ul>																	



Comments	Management's Replies
<p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in notes 47.1 and 47.2 read with note 3.18 to the Company's standalone financial statements.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the standalone financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p>	<p>through various discussions held with Company's legal and finance personnel.</p> <ul style="list-style-type: none"> <li>- Tested the design and operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</li> <li>- Inspected the summary of litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel.</li> <li>- Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Company. Obtained direct confirmation from the dealing lawyers for certain material ongoing litigations.</li> <li>- Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognized and contingent liabilities disclosed in the standalone financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</li> <li>- Evaluated the adequacy of disclosures made in the Company's standalone financial statements in accordance with the applicable accounting standards.</li> </ul>
<p><b>Property, plant &amp; equipment and intangible assets (including capital work in progress)</b></p> <p>As at 31 March 2021 the Company has Property, Plant and Equipment ('PPE'), Intangible Assets ('IA') and Capital Work-in-Progress ('CWIP') with carrying values of ₹64,115.26 crores, ₹1,429.28 crores and ₹8,878.48 crores, respectively, as disclosed in note 4, note 7 and note 5 of the accompany standalone financial statements. Refer note 3 for the accounting policies adopted by the Company for recognition and measurement of such non-current assets.</p> <p>Determination of the carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16, Property, Plant and Equipment ('Ind AS 16'), and Ind AS 38, Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of the amounts involved in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p>	<p><b>Our audit procedures included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the Company and evaluated the accounting policies adopted by the Company in accordance with the requirements of Ind AS 16 and Ind AS 38.</li> <li>- Tested the design and operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>- Tested the amounts capitalised during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalised satisfied the recognition criteria and were recognised accurately in the correct periods and with correct amounts.</li> <li>- Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realisable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects.</li> <li>- Evaluated the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards</li> </ul>

Comments	Management's Replies
<p><b>By-products inventory</b></p> <p>Refer to note 3.8 of summary of significant accounting policies and other explanatory information for accounting policy for valuation of by-products amounting to ₹5,020.08 crores as at 31 March 2021 and significant accounting judgements, estimates and assumptions related thereto and the note 3.24.4 of the standalone financial statements.</p> <p>Inventories of by-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles. Further, as explained in notes 49.12 and 49.13, pursuant to the order of Ministry of Mines, Government of India dated 16 September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous year.</p> <p>The management of the Company also sought the opinion of Expert Advisory Committee of the ICAI ('EAC Opinions') in the previous year and current year on recognition and measurement of by-product inventories.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>In the current year, basis the actual volumes of sale of such by-product inventory and expected future sales, the management has classified inventory expected to be sold after 12 months from the date of balance sheet, being the operating cycle of the Company, as non-current inventory.</p> <p>Owing to the significance of the carrying value of such by-products and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the processes and procedures, including controls relating to sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</li> <li>- Evaluated the accounting policy adopted by the Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</li> <li>- In assessing management's assessment of the value of by-products, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by-products considered for valuation.</li> <li>- Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by-products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</li> <li>- Obtained management's working of estimated future sales used for classification of the by-product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</li> <li>- Evaluated the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable accounting standards.</li> </ul>
<p><b>Information other than the financial statements and auditors' report thereon</b></p> <p>10. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p> <p><b>Responsibilities of management and those charged with governance for the standalone financial statements</b></p> <p>11. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also</p>	



Comments	Management's Replies
<p>includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>12. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>13. The Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>	
<p><b>Auditors' responsibilities for the audit of the standalone financial statements</b></p> <p>14. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.</p> <p>15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> <li>• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;</li> <li>• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;</li> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;</li> <li>• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;</li> <li>• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;</li> <li>• Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Company and such branches included in the standalone financial statements, of which we are the independent auditors. For the other branches included in the standalone financial statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.</li> </ul> <p>16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p> <p>17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.</p>	

Comments	Management's Replies
<p>18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p> <p><b>Other matters</b></p> <p>19. The audit of standalone financial statements for the corresponding year ended 31 March 2020 included in the standalone financial statements was carried out and reported jointly by statutory auditors, being M/s V.K. Dhingra &amp; Co., M/s A.K. Sabat &amp; Co., M/s Tej Raj &amp; Pal and M/s. S. Jaykishan who have expressed modified opinion vide their audit report dated 10 July 2020 whose report has been furnished to us and relied upon by us for the purpose of our audit of the standalone financial statements. Our opinion is not modified in respect of this matter.</p> <p>20. We did not audit the annual financial statements of twelve branches / units / marketing regions included in the standalone financial statements, whose annual financial statements reflects total assets of ₹57,626.92 crores as at 31 March 2021 and total revenues of ₹24,880.53 crores, total net profit after tax of ₹3,100.55 crores, total comprehensive income of ₹3,248.23 crores and cash inflows (net) of ₹16.38 crores for the year then ended, as considered in the standalone financial statements. These financial statements have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the audit report of such branch auditors. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the branch auditors.</p> <p><b>Report on other legal and regulatory requirements</b></p> <p>21. 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 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.</p> <p>22. Further to our comments in 'Annexure 1', as required by section 143(3) of the Act, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 20 above, we report, to the extent applicable, that:</p> <ol style="list-style-type: none"> <li>a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;</li> <li>b) except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;</li> <li>c) the reports on the accounts of the branches of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;</li> <li>d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;</li> <li>e) except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;</li> <li>f) the provisions of section 164(2) of the Act are not applicable to the Company since the Company is a Government company as defined under section 2(45) of the Act;</li> <li>g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;</li> <li>h) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2'; and</li> <li>i) with respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors as referred to in paragraph 20 above: <ol style="list-style-type: none"> <li>i. except for the effects of the matters described in paragraphs 3 and 4 of the Basis for Qualified Opinion section, the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2021, as detailed in notes 47.1 and 47.2 to the standalone financial statements;</li> </ol> </li> </ol>	

Comments	Management's Replies
<p>ii. the Company, as detailed in note 43 (C) to the standalone financial statements, has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and</p> <p>iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021 except ₹1.00 crore pertaining to unclaimed matured deposits which was required to be deposited in the Investor Education and Protection Fund during the year ended 31 March, 2018 and which has not been deposited till 31 March 2021.</p> <p>23. As required by section 143(5) of the Act, we given in 'Annexure 3', a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the Company.</p> <p>24. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is a Government company as defined under section 2(45) of the Act. Accordingly, reporting under section 197(16) is not applicable</p> <p style="text-align: center;"><b>For Tej Raj &amp; Pal</b> Chartered Accountants Firm Registration No. 304124E Sd/- (CA. P Venugopala Rao) Partner M.No.010905 UDIN:21010905AAAAAP9822 Place: Bhubaneswar</p> <p style="text-align: center;"><b>For Walker Chandiok &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013 Sd/- (CA. Neeraj Sharma) Partner M.No. 502103 UDIN:21502103AAAABC3762 Place: New Delhi</p> <p>Place: New Delhi Dated: 10<sup>th</sup> June 2021</p>	<p>The matured deposits have already been claimed by the successors/relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the matured deposits to the legal heirs.</p> <p style="text-align: center;"><b>For S. Jaykishan</b> Chartered Accountants Firm Registration No. 309005E Sd/- (CA. Ritesh Agarwal) Partner M.No. 062410 UDIN:21062410AAAAIV5213 Place: Kolkata</p> <p style="text-align: center;"><b>For K A S G &amp; CO.</b> Chartered Accountants Firm Registration No. 002228C Sd/- (CA. Bharat Goel) Partner M.No.060069 UDIN:21060069AAAABE5636 Place: Kolkata</p> <p style="text-align: center;">For and on behalf of Board of Directors</p> <p style="text-align: right;">Sd/- <b>(Soma Mondal)</b> Chairman</p> <p>Place: New Delhi Date: 1<sup>st</sup> September, 2021</p>

## Appendix 2

### List of branches / units / marketing regions audited by branch auditors

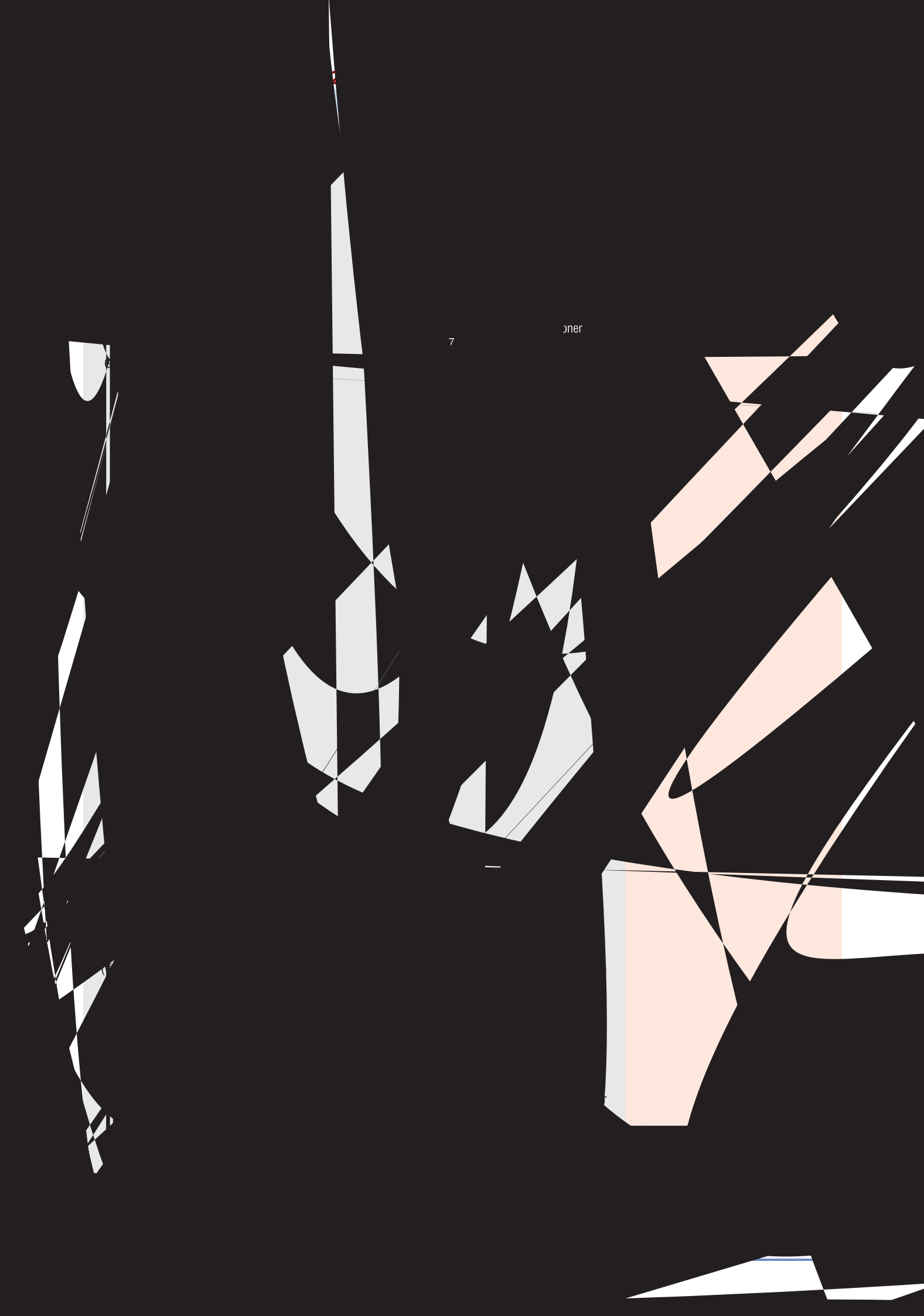
- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Central Marketing Organisation – Southern Region</li> <li>2. Central Marketing Organisation – Western Region</li> <li>3. Central Marketing Organisation – Eastern Region</li> <li>4. Central Marketing Organisation – Transportation &amp; Shipping</li> <li>5. R&amp;D Centre, Ranchi</li> <li>6. Rourkela Steel Plant</li> </ol> | <ol style="list-style-type: none"> <li>7. IISCO Steel Plant, Burnpur</li> <li>8. Salem Steel Plant</li> <li>9. Raw Material Division</li> <li>10. Vishweswaraya Iron and Steel Plant</li> <li>11. SAIL Refractories Unit</li> <li>12. Chandrapur Ferro Alloy Plant</li> </ol> |
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**Annexure 1 to the Independent Auditors' Report on Standalone Financial Statements of Steel Authority of India Limited for the year ended 31 March 2021**

Comments	Management's Replies																
<p>Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:</p> <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except in respect of certain lands where area and location needs to be updated in the fixed assets register. Further, the area in respect of these lands need to be reconciled with the records of the authorities in the respective States and wherein, as informed to us by the management, the delay is due to procedural matters involved.</p> <p>(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. However, there are certain land and buildings which are under encroachment/ unauthorised occupation and hence, were not subjected to physical verification.</p> <p>(c) The title deeds / lease agreements of all the immovable properties (which are included under the head 'Property, Plant and Equipment' and 'Right-of-use assets') are held in the name of the Company except for the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Nature of property</th> <th style="background-color: #003366; color: white;">Total area</th> <th style="background-color: #003366; color: white;">Gross block as on 31<sup>st</sup> March 2021 (₹ crores)</th> <th style="background-color: #003366; color: white;">Net block as on 31<sup>st</sup> March 2021 (₹ crores)</th> </tr> </thead> <tbody> <tr> <td>Freehold land</td> <td>48,115.72 acres</td> <td>176.58</td> <td>176.58</td> </tr> <tr> <td>Leasehold land</td> <td>14,614.79 acres</td> <td>195.92</td> <td>154.75</td> </tr> <tr> <td>Building</td> <td>488 sq. mtr.</td> <td>0.28</td> <td>0.18</td> </tr> </tbody> </table>	Nature of property	Total area	Gross block as on 31 <sup>st</sup> March 2021 (₹ crores)	Net block as on 31 <sup>st</sup> March 2021 (₹ crores)	Freehold land	48,115.72 acres	176.58	176.58	Leasehold land	14,614.79 acres	195.92	154.75	Building	488 sq. mtr.	0.28	0.18	<p>Necessary action is being taken to update location and extent of area in respective plants in fixed assets registers. This is a continuous process</p> <p>Necessary action is being taken to evict the occupants from land and building under encroachment/ unauthorised occupation.</p>
Nature of property	Total area	Gross block as on 31 <sup>st</sup> March 2021 (₹ crores)	Net block as on 31 <sup>st</sup> March 2021 (₹ crores)														
Freehold land	48,115.72 acres	176.58	176.58														
Leasehold land	14,614.79 acres	195.92	154.75														
Building	488 sq. mtr.	0.28	0.18														
<p>(ii) In our opinion, the management has conducted physical verification of inventories at reasonable intervals during the year except for goods-in-transit and inventories lying with third parties. In certain cases, the bulk inventories have been verified on the basis of visual surveys / estimates. No material discrepancies between physical inventory and book records were noticed on physical verification. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.</p> <p>(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.</p> <p>(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.</p> <p>(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable except as mentioned in the table.</p>																	



Comments						Management's Replies
(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:						
<b>Statement of disputed dues</b>						
Name of the statute	Nature of dues	Amount (₹ crores)	Amount paid under protest (₹ crores)	Period to which the amount relates	Forum where dispute is pending	
Sales tax laws	Sales tax	29.75	6.54	1989-90 1991-97 2005-16	Supreme Court	
		975.12	42.44	1984-85 1987-2006 2008-2018	High Court	
		346.07	97.91	1987-89 1993-95 1996-99 2001-03, 2004 10, 2013-14	Tribunal	
		0.12	-	1997-98 2006-07 2013-14	Additional Commissioner (Appeals)	
		22.91		1984-85, 1995-2011 2012-2018 2019-20	Commissioner	
		7.51	0.53	1993-96 2007-09 2010-15	Joint Commissioner	
		2.40	-	2007-2011	Deputy Commissioner	
		7.23	2.96	1998-99 & 2013-15	Additional Commissioner	
Central Excise Act, 1944	Excise duty	396.93	4.90	2001-05 2009-2018	Supreme Court	
		170.47	-	1993-94, 1997-98 2000-01, 2002-03 2007-08, 2010-11 2013-14	High Court	
		4,462.87	35.89	1987-88 to 2017-18	Tribunal	
		23.30	0.27	1988-89, 2001-08 and 2014-18	Commissioner (Appeals)	
		273.79	1.14	1998-99 2008-18	Commissioner	
Finance Act, 1994	Service Tax	76.42	-	2009-15	Supreme Court	
		85.55	0.49	2007-17	Tribunal	
		3.90	0.07	2011-17	Commissioner (Appeals)	
		298.59	7.24	1995-98 2000-01 and 2004-17	Commissioner	
Customs Act, 1962	Customs duty	2.58	-	2010-11	High Court	
		1.71	-	2009-10	Tribunal	
Income-tax Act, 1961	Income-tax	2.32	-	2014-2017	Supreme Court	
		549.56	29.45	1988-89 to 1998-99	High Court	



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Comments	Management's Replies
<p>(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required under applicable accounting standards.</p> <p>(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.</p> <p>(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <p><b>For Tej Raj &amp; Pal</b> Chartered Accountants Firm Registration No. 304124E</p> <p>Sd/- (CA. P Venugopala Rao) Partner M.No.010905 UDIN:21010905AAAAAP9822 Place: Bhubaneshwar</p> <p><b>For Walker Chandiok &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013</p> <p>Sd/- (CA. Neeraj Sharma) Partner M.No. 502103 UDIN:21502103AAAABC3762 Place: New Delhi</p> <p>Place: New Delhi Dated: 10<sup>th</sup> June 2021</p> </div> <div style="text-align: center;"> <p><b>For S. Jaykishan</b> Chartered Accountants Firm Registration No. 309005E</p> <p>Sd/- (CA. Ritesh Agarwal) Partner M.No. 062410 UDIN:21062410AAAAIV5213 Place: Kolkata</p> <p><b>For K A S G &amp; CO.</b> Chartered Accountants Firm Registration No. 002228C</p> <p>Sd/- (CA. Bharat Goel) Partner M.No.060069 UDIN:21060069AAAABE5636 Place: Kolkata</p> </div> </div>	<div style="text-align: center; margin-top: 400px;"> <p>For and on behalf of Board of Directors</p> <p>Sd/- <b>(Soma Mondal)</b> Chairman</p> <p>Place: New Delhi Date: 1<sup>st</sup> September, 2021</p> </div>

**Annexure 2 to the Independent Auditors' Report on Standalone Financial Statements of Steel Authority of India Limited for the year ended 31 March 2021**

Comments	Management's Replies
<p><b>Independent Auditors' report on the internal financial controls with reference to the standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')</b></p> <p><b>Opinion</b></p> <p>1. In conjunction with our audit of the standalone financial statements of Steel Authority of India Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.</p> <p>2. In our opinion and based on the consideration of the reports of the branch auditors on internal financial controls, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').</p> <p><b>Responsibilities of management and those charged with governance for internal financial controls</b></p> <p>3. The Company's management and Board of Directors are 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 issued by the 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p> <p><b>Auditors' responsibility for the audit of the internal financial controls with reference to standalone financial statements</b></p> <p>4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.</p> <p>5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.</p> <p>6. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.</p> <p><b>Meaning of internal financial controls with reference to standalone financial statements</b></p> <p>7. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p> <p><b>Inherent limitations of internal financial controls with reference to standalone financial statements</b></p> <p>8. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are</p>	

Comments	Management's Replies
<p>subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p> <p><b>Other matter</b></p> <p>9. We did not audit the internal financial controls with reference to standalone financial statements insofar as it relates to twelve branches / units / marketing regions whose annual financial statements reflects total assets of ₹57,626.92 crores as at 31 March 2021 and total revenues of ₹24,880.53 crores, total net profit after tax of ₹3,100.55 crores, total comprehensive income of ₹3,248.23 crores and cash in flows (net) of ₹16.38 crores for the year then ended, as considered in the standalone financial statements. The internal financial controls with reference to standalone financial statements in so far as it relates to such branches / units / marketing regions have been audited by branch auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements for the Company under section 143(3)(i) of the Act in so far as it relates to such branches / units / marketing regions is based solely on the reports of the auditors of such branches. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the branch auditors.</p> <p style="text-align: center;"><b>For Tej Raj &amp; Pal</b> Chartered Accountants Firm Registration No. 304124E</p> <p style="text-align: center;">Sd/- (CA. P Venugopala Rao) Partner M.No.010905 UDIN:21010905AAAAAP9822 Place: Bhubaneshwar</p> <p style="text-align: center;"><b>For Walker Chandio &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013</p> <p style="text-align: center;">Sd/- (CA. Neeraj Sharma) Partner M.No. 502103 UDIN:21502103AAAABC3762 Place: New Delhi</p> <p>Place: New Delhi Dated: 10<sup>th</sup> June 2021</p>	<p style="text-align: center;"><b>For S. Jaykishan</b> Chartered Accountants Firm Registration No. 309005E</p> <p style="text-align: center;">Sd/- (CA. Ritesh Agarwal) Partner M.No. 062410 UDIN:21062410AAAIV5213 Place: Kolkata</p> <p style="text-align: center;"><b>For K A S G &amp; CO.</b> Chartered Accountants Firm Registration No. 002228C</p> <p style="text-align: center;">Sd/- (CA. Bharat Goel) Partner M.No.060069 UDIN:21060069AAAABE5636 Place: Kolkata</p>



## Comments of C&amp;AG

**MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

Independent auditors' report on the internal financial controls with reference to the standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

Comments	Management's Replies
<p>The preparation of financial statements of Steel Authority of India Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 June 2021.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Steel Authority of India Limited for the year ended 31 March 2021. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.</p>	
<p><b>A</b> <b>COMMENTS ON PROFITABILITY</b></p> <p><b>Statement of Profit &amp; Loss</b></p> <p>The Profit for the year has been overstated on accounting of the following:</p> <p><b>(a) Note: 41: Other Expenses : ₹ 18531.28 crore</b></p> <p>(i) A Coke Oven 100000 m<sup>3</sup> Gas holder was commissioned at Rourkela Steel Plant in August 2010 at a cost of ₹99.37 crore. The gas holder was not operational since November 2012. In view of improvement in availability of Coke Oven gas revival of gasholder was not pursued by the management. Thus, the Gas holder has become idle and redundant and therefore provision should have been made in the accounts. Non-provisioning of above has resulted in understatement of Other Expenses-Provisions and overstatement of Profit by ₹38.26 crore.</p>	<p>The Gas Holder suffered from some technical problems that prevented it from being put to use. A committee set up by Rourkela Steel Plant (RSP) to examine the issue had suggested that alternate technologies for modification of gas holder may be explored to make it suitable for coke oven application.</p> <p>However, since the Gas Holder is currently not in use, SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>(ii) Pipe coating Plant at Rourkela Steel Plant was commissioned in January 2009 at a cost of ₹56.95 crore. The plant had a capacity for coating (3-Layer Polyethylene) of 60,000 tonne per annum of pipes. The plant was operated at 5 per cent of the rated capacity during 2010-11 to 2015-16 and there was no production of 3-Layer Polyethylene coated pipes during 2016-17 to 2020-21 due to lack of demand and facility to produce pipe of desired grade as input material. Thus, the Pipe Coating Plant at Rourkela Steel Plant, has become redundant and provision should have been made in the accounts.</p> <p>Non-provision of above has resulted in understatement of Other Expenses-Provisions and overstatement of profit by ₹ 25.20 crore</p>	<p>The Pipe Coating Plant was set up at RSP for coating API grade pipes for the Petroleum sector. However, with the introduction of PSL-2 specification of pipes, which RSP was unable to make, the pipe coating plant was rendered idle.</p> <p>RSP has been experimenting with coating of MS pipes which increases their longevity, and has also received some orders for coated pipes. There is a good market for coated MS pipes. The Pipe coating plant is operational and capable of supplying coated pipes to capacity.</p> <p>However, since the capacity utilization is currently low, SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>(iii) Para 16 of Ind AS 16 states that cost of assets shall include its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Bokaro Steel Plant paid ₹17.13 crore towards prolongation cost to be contractor of Blast Furnace-2 for delay in shutdown by the management. Bokaro Steel Plant also paid ₹5.01 crore as penal interest to a contractor for Cold Rolling Mill project on judgement of Supreme Court. Since, prolongation cost and penal interest are not related to cost of the asset and also does not fulfill the criteria of para 16 of Ind AS 16, the same should have been charged to Statement of profit and loss instead of capitalizing with assets. This has resulted in over statement of Capital Work in Progress and Profit and understatement of Other Expenses by ₹22.14 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>

Comments	Management's Replies
<p>(iv) Direct Tax Vivad se Vishwas Act, 2020, allows taxpayer to get relief from pending dispute by paying disputed tax and get waiver from payment of interest and penalty. Section 7 of the Act stipulates that amount paid under the scheme shall not be refundable. Bokaro Steel Plant paid ₹14.01 crore towards settlement of a case under the scheme and accounted for the same as Deposit with Government Authorities. Since, the above case was settled under the scheme and the amount was not refundable, the same should have been charged in the Statement of profit and loss.</p> <p>Non-charging of above has resulted in understatement of Other Expenses and overstatement of Profit by ₹14.01 crore</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p><b>b) Note No.5: Capital Work in Progress: ₹8878.48 crore</b></p> <p>The above includes ₹11.32 crore allocated towards interest during construction during the year 2020-21 relating to Air Turbo Compressor &amp; Oxygen Turbo compressor at Oxygen Plant and Hot Metal Desulphurisation for Steel Melting Shop-II projects of Bokaro Steel Plant.</p> <p>Ind AS 23 states that an entity shall suspend capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset. Audit noted that there was no active development in the above project during 2020-21 but the interest during construction for 2020-21 was transferred to Capital Work in Progress instead of charging as Finance cost to the statement of profit and loss. This has resulted in over statement of Capital work in Progress and Profit and understatement of finance cost by ₹11.32 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p><b>c) Note No.38A: Changes in Inventories of Finished Goods and Work in Progress : ₹4485.02 crore.</b></p> <p>Above includes ₹2.59 core towards raw material not present physically. These were will included in the closing inventory by SAIL Refractory Unit. Non accountal of the above resulted in overstatement of Inventory and Profit by ₹2.59 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>For and on the behalf of the Comptroller &amp; Auditor General of India</p> <p style="text-align: right;">Sd/- <b>(Faisal Imam)</b> Principal Director of Audit (Steel), Ranchi</p> <p>Place : Ranchi Date : 14<sup>th</sup> August, 2021</p>	<p>For and on behalf of Board of Directors</p> <p style="text-align: right;">Sd/- <b>(Ms. Soma Mondal)</b> Chairman</p> <p>Place: New Delhi Date: 1<sup>st</sup> September, 2021</p>

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

{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, and authorized representatives during the conduct of secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SAIL for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (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, as amended from time to time, issued by the Institute of Company Secretaries of India. Generally complied with.
- (b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.
- (c) DPE Guidelines on Corporate Governance for CPSE.

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

**Observation No.1** Non-compliance of Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company should have requisite no. of Non-executive Directors on the Board of the Company for the period 01.04.2020 to 10.06.2020 and from 22.09.2020 to 31.03.2021, further Company should have an independent woman director on the Board for the period 01.04.2020 to 31.03.2021.

**Observation No. 2** Non-Compliance of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Company should have requisite no. of Independent Directors on the Board of the Company for the period from 01.04.2020 to 31.03.2021. Consequently, in terms of Clause 3.1.2 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Company should have requisite no. of Functional Directors on the Board of the Company w.e.f. 01.04.2020 to 10.06.2020 and from 22.09.2020 to 31.03.2021.

**Observation No. 3** Non-compliance of Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should have carried out the performance evaluation of the Directors.

**Observation No. 4** Non-compliance of Regulation 19 (4) read with Schedule II Part D (A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee should have formulated the policies and criteria's as defined under the regulation.

**We further report that** the Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors for the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board

Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting from Directors.

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

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

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted replies along with the request to waive fines imposed on the Company. Considering the submissions of the Company, BSE had communicated waiver of fines for the quarter ended 30<sup>th</sup> September, 2020 and 31<sup>st</sup> December, 2020.

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

For **Agarwal S. & Associates,**

Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 626/2019

Sd/-

CS Sachin Agarwal  
Partner

FCS No. : 5774  
CP No. : 5910

Place: New Delhi

Date: 31.07.2021

UDIN: F005774C000716539

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

## Annexure “A” to Secretarial Audit Report

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

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our audit of records produced before us.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 626/2019

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

Place: New Delhi  
Date: 31.07.2021

## CORPORATE GOVERNANCE REPORT 2020-21

Corporate Governance is the system of Policies, Rules, Procedures, Processes and Practices by which a company is administered, directed or controlled with the ultimate objective of maximising the value for the all the stakeholders viz. Government, Investors, Shareholders, Customers, Vendors, Employees, Environment and the Society

6. CA K.S. Chauhan (upto 21 <sup>st</sup> September, 2020)	Independent Director	5	5	Not Applicable	-	-	-
7. Prof. N.K. Taneja (upto 21 <sup>st</sup> September, 2020)	Independent Director	5	5	Not Applicable	-	-	-
8. Shri Atul Srivastava (upto 10 <sup>th</sup> June, 2020)	Executive Director	1	1	Not Applicable	-	-	-
9. Shri Harinand Rai ^	Executive Director	9	9	Yes	2	-	-
10. Shri K. K. Gupta	Independent Director	9	9	Yes	-	-	C-1 M-1
11. Shri Vivek Gupta (upto 31 <sup>st</sup> July, 2020)	Executive Director	3	3	Not Applicable	-	-	-
12. Shri Amit Sen	Executive Director	9	9	Yes	3	-	C-1 M-1
13. Shri N. Shankarappa	Independent Director	9	9	Yes	-	-	C-1 M-1
14. Shri Anirban Dasgupta ^	Executive Director	9	9	Yes	2	-	M-1
15. Shri Amarendu Prakash (from 28 <sup>th</sup> September, 2020)	Executive Director	4	4	Yes	-	-	-

\* The status is as on 31<sup>st</sup> March, 2021 and includes directorship in Private companies also.

\*\* The status is as on 31<sup>st</sup> March, 2021 and only Audit Committee and Stakeholders' Relationship Committee have been considered for this purpose. M = Member, C = Chairman

^ Shri Harinand Rai has been re-designated as Director (Technical, Projects & Business Planning) and Shri Anirban Dasgupta as Director In-charge (Bhilai Steel Plant) w.e.f. 28<sup>th</sup> September, 2020.

None of the above Directors, other than Shri Vijoy Kumar Singh and Shri Shashank Priya, were on the Board of listed entity during 2020-21 other than SAIL. Besides SAIL, Shri Vijoy Kumar Singh

the attendance of the Members in the 4 meetings of NRC held is as under:

Name of the Director	Status	Meetings held during tenure	Meetings attended
Shri K.K. Gupta, Independent Director (Member upto 29 <sup>th</sup> September, 2020)			
Ms. Soma Mond			

As per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors. The evaluation is to be carried out either by the Board, NRC or by an independent external agency and NRC shall review the implementation and compliance of the evaluation system. Further, Regulation 17(10) & 25(4) of SEBI (LODR) 2015 and the Code for Independent Directors pursuant to Section 149(8) of the Companies Act, 2013 requires the performance evaluation of Independent Directors to decide their continuance or otherwise. The Ministry of Corporate Affairs(MCA) has vide its Notification dated 5<sup>th</sup> June, 2015 notified exemptions to Government Companies from certain provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. The appointment of Functional Directors as well as Part Time Non-Official Directors (Independent Directors) on the Board of SAIL is made based on nomination/appointment by Government of India (GOI). The terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry. Further, the Ministry of Corporate Affairs vide Notification dated 5<sup>th</sup> July, 2017 has notified amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors, wherein, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

- (ii) The details of remuneration to Whole Time Directors for FY 2020-21 are given below:

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**(i) Details of Meetings of various Board Sub-Committees held during the FY 2020-21 and Directors' attendance therein are as under:**

Board Sub-Committee	Audit Committee Meetings		Project Committee Meetings		Strategic Issues & Joint Ventures Committee Meetings		Nomination & Remuneration Committee Meetings		Corporate Social Responsibility Committee Meetings		Health, Safety & Environment Committee Meetings		Stakeholders Relationship Committee Meetings		Operational Issues Committee Meetings		Share Transfer Committee Meetings	
	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended	Held during Tenure	Attended
1	2		3		4		5		6		7		8		9		10	
<b>Meetings held in 2020-21</b>	13		3		2		4		1		4		1		0		10	
Directors Attend																		
Shri Anil Kumar Chaudhary* (upto 31 <sup>st</sup> December, 2020)	-	-	-	-	-	-	4	4	-	-	2	1	-	-	-	-	4	-
Ms. Soma Mondal*	-	-	-	-	-	-	-	-	-	-	1	0	1	0	-	-	10	8
Shri Puneet Kansal	-	-	3	3	2	2	4	4	-	-	-	-	-	-	-	-	-	-
CA K.S. Chauhan (upto 21 <sup>st</sup> September, 2020)	6	6	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Prof. N.K. Taneja (upto 21 <sup>st</sup> September, 2020)	-	-	1	1	1	1	2	2	-	-	2	2	-	-	-	-	-	-
Shri Atul Srivastava (upto 10 <sup>th</sup> June, 2020)	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-
Shri Harinand Rai	6	6	3	3	1	1	-	-	-	-	4	4	-	-	-	-	10	9
Shri K.K. Gupta	13	13	3	3	1	1	4	4	1	1	4	4	1	1	-	-	-	-
Shri Vivek Gupta (upto 31 <sup>st</sup> July, 2020)	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-
Shri Amit Sen	-	-	3	3	2	1	-	-	1	1	-	-	1	1	-	-	10	10
Shri N. Shankarappa	7	7	2	2	1	1	2	2	1	1	4	4	1	1	-	-	-	-
Shri Anirban Dasgupta	7	7	3	3	2	2	-	-	-	-	2	2	-	-	-	-	-	-
Shri Amarendu Prakash (from 28 <sup>th</sup> September, 2020)	-	-	2	2	-	-	-	-	-	-	2	2	-	-	-	-	-	-

\*For part of the year, Shri Anil Kumar Chaudhary, Chairman was holding additional charge of the post of Director (Personnel).

\*Ms. Soma Mondal, Director (Commercial) was elevated as Chairman w.e.f. 1<sup>st</sup> January, 2021 and was holding additional charge of the posts of Director (Personnel) and Director (Commercial).

(j) In addition to above, 1 meeting of Independent Directors was held during the FY 2020-21.

**(k) General Body Meetings:**

Location and time where last three AGMs held:

Financial Year	Date	Time	Location
2019-20	22.10.2020	10.30 A.M.	Through Video Conferencing/ Other Audio Visual Means
2018-19	30.08.2019	10.30 A.M.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.
2017-18	20.09.2018	10.30 A.M.	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001.

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

Financial Year	No. of Special Resolutions Passed
2019-20	NIL
2018-19	4
2017-18	1

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

**(l) Disclosures:**

(i) Pecuniary Relationship: There were no transactions by the Company of material nature with Promoters, Directors or the Management, their Subsidiaries, relatives, etc. that may have potential conflict with the interests of the Company at large. The Board has taken note of the declaration and confirmation regarding meeting the criteria of independence submitted by the Independent Directors. The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the Company during the year except receipt of sitting fee paid to Independent Directors for attending the meetings of the Board/Board Sub-Committee. None of the Non-Executive Directors held any share/convertible instrument of the Company.



- (ii) Maximum tenure of an Independent Director: SAIL being a Government Company, the nomination and fixation of terms and conditions for appointment of Independent Directors is made by Government of India.
- (iii) Letter of appointment to Independent Directors: SAIL being a Government Company, Directors on its Board are nominated/appointed by the Government of India. During the FY 2020-21, no Independent Director was nominated by the Government of India on the Board of the Company.
- (iv) Familiarization programme for Independent Directors: An induction cum familiarization programme for Independent Directors is organized on their appointment, where an overall view of the Company is presented to them which includes, inter-alia, details of Organization Structure, Company's Plants & Units, Product Portfolio, Financial and Operational Performance, Modernization and Expansion Programme, etc. The Company also organizes visits of the Directors to various Plants/Units of the Company for first-hand knowledge of the operations. Further, the Directors are nominated to the training programmes organised by various institutions such as DPE, SCOPE, IOD and other institutions on issues related to Corporate Governance, etc. The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (v) The Company has adopted Whistle Blower Policy of Central Vigilance Commission (CVC) and it has not denied access to any personnel to approach the Audit Committee/ Management on any issue. The Whistle Blower Policy is available on the website of the Company - [www.sail.co.in](http://www.sail.co.in). The Company has also formulated a Vigil Mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company and Directors on the Board of the Company are covered under this Mechanism. This Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail the Mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Vigil Mechanism has been posted on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (vi) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India, during the FY 2020-21. However, there was shortfall between three to six Independent Directors, including Woman Independent Director during the Financial Year 2020-21. SAIL being a Government Company, the Directors on its Board are appointed, based on nomination by the Government of India. The matter of nominating the requisite number of Independent Directors including Woman Independent Director on the Board of SAIL was taken up with the Ministry of Steel, Government of India. Further, the Company has not fully adopted non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.
- (vii) There was one Whole Time Woman Director on the Board of the Company during the FY ended 31<sup>st</sup> March, 2021.
- (viii) Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL were issued by the Ministry of Steel vide file No.7(12)/2008-SAIL(PC) dated 5<sup>th</sup> October, 2009 w.e.f. 1<sup>st</sup> January, 2007 for ten years i.e. upto 31<sup>st</sup> December, 2016. The Company has complied with the same and also the Presidential Directives on reservation for SC/ST/OBC. The Presidential Directives for revision of pay scales of Board level and below Board level executives in SAIL w.e.f. 1<sup>st</sup> January, 2017 are yet to be implemented.
- (ix) The Independent Directors have submitted the declaration of independence, as required under Regulation 25(8) of the SEBI Listing Regulations read with Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Regulation 16(1)(b) of the SEBI Listing regulations read with sub-section (6) of Section 149 of the Companies Act, 2013 and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The same has been taken on record by the Board.
- (x) Code of Conduct: The Board has laid down a Code of Conduct covering the requirements to be complied with by all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the Code is received from them on annual basis. The Code of Conduct has been placed on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (xi) Policy on Related Party Transactions: In terms of the Listing Agreement, the Board of Directors of the Company has adopted a Policy on Related Party Transactions. The Policy is placed on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (xii) Policy on Material Subsidiaries: The Board of Directors of the Company has adopted a Policy for determination of Material Subsidiaries. The Policy is placed on the website of the Company - [www.sail.co.in](http://www.sail.co.in). The Company did not have any Material Subsidiary during 2020-21.
- (xiii) In terms of the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy and the same is uploaded on the website of the Company - [www.sail.co.in](http://www.sail.co.in).
- (xiv) The financial statements are signed by the Chairman and Director (Finance) of the Company, who are CEO and CFO respectively of the Company.
- (xv) Directors on the Board of the Company are nominated/appointed by the Government of India. Therefore, preparation of a chart or a matrix setting out the skills/ expertise/competence of the Board of Directors is outside the purview of the Board of SAIL.
- (xvi) During the FY 2020-21, no funds have been raised through preferential allotment or qualified institutions placement.
- (xvii) Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Agarwal S. & Associates, Practising Company Secretaries, has certified that none of the Directors on the Board of SAIL have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such other Statutory Authority.
- (xviii) An amount of ₹4.46 crore is paid/payable as total fees for all services by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which statutory auditors are part.
- (xix) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:  
The Company has set up Internal Complaints Committees in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. These Committees have been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under these Rules. The details of sexual harassment complaints received and disposed off during the year 2020-21 are as under:

Particulars	No. of Complaints
Number of complaints pending as on 1 <sup>st</sup> April, 2020	0
Number of complaints filed during the FY	7
Number of complaints disposed off during the FY	5
Number of complaints pending as on 31 <sup>st</sup> March, 2021	2

(xx) During the FY 2020-21, no independent director has resigned before completion of their respective tenure.

(xxii) Credit Ratings obtained along with any revision thereto during the Financial Year 2020-21 are as under:

(xxi) No non-executive director has held shares/convertible instruments of any company.

A. India Ratings	₹ in crore	Current Rating		Previous Rating
Particulars	Rated amount	9 <sup>th</sup> November, 2020	Status	14 <sup>th</sup> November, 2019
Long Term Bonds	17000 ^	IND AA - Negative Outlook	Reaffirmed	IND AA - Negative Outlook
Short Term (CPs)	8000	IND A1 +	Reaffirmed	IND A1 +
Fund-Based Working Capital based limits@	8500	IND AA-Negative Outlook / IND A1 +	Reaffirmed	IND AA-Negative Outlook / IND A1 +
Non-Fund-Based Working Capital limits	5000	IND A1 +	Reaffirmed	IND A1 +
Non-Fund-Based limits\$	5000	IND AA- Negative Outlook	Reaffirmed	IND AA- Negative Outlook
Bank Loan	2000	IND AA- Negative Outlook	Reaffirmed	IND AA- Negative Outlook
Public Deposits	1000	IND tAA Negative Outlook	Reaffirmed	IND tAA Negative Outlook
^ Outstanding at the time of Rating ₹6,304 crore.				
\$Consortium Lead bank sanctioned limits INR 10,000 crore as on date.				

B. CARE Ratings	₹ in crore	Current Rating		Previous Rating
Particulars	Rated amount	9 <sup>th</sup> October, 2020	Status	4 <sup>th</sup> October, 2019
Long Term Bonds Programme	19000*	CARE AA - Outlook Negative	Reaffirmed	CARE AA - Outlook Stable
Long Term Public Deposits	1000	CARE AA - Outlook Negative	Reaffirmed	CARE AA - Outlook Stable
Short Term CP / ICD Programme	8000	CARE A1 +	Reaffirmed	CARE A1 +
		09.10.2020		08.03.2019
Long Term Fund Based bank facilities (Term Loans)	30000	CARE AA – Outlook Negative	Reaffirmed	CARE AA - Outlook Stable
*Outstanding at the time of rating ₹6,318 crore				
C. Brickworks Ratings	₹ in crore			
Particulars	Rated amount	27 <sup>th</sup> October, 2020	Status	20 <sup>th</sup> September, 2019
Long Term Bonds Programme	5000	BWR AA Negative Outlook	Reaffirmed	BWR AA Negative Outlook

(xxiii) Risk w.r.t. Commodities:Pursuance to Circular No. SEBI/HO/CFD/ CMD1/ CIR/ P/2018/0000000141 dated 15<sup>th</sup> November, 2018, SAIL does not perceive any risk with respect to commodities, as it has taken adequate steps to ensure uninterrupted supply of major materials. SAIL has diversified sourcing of coal and is procuring coal through Long Term Agreements from different geographical locations from five countries, i.e., Australia, USA, Canada, Indonesia and Mozambique. For iron ore, SAIL has its own captive iron ore mines which meet its requirement. Similarly, for refractories and ferro-alloys, SAIL has its own captive Plants and SAIL is procuring limestone under Long Term Agreement.

(xxiv) During the FY 2020-21, both National Stock Exchange Limited and BSE Limited have imposed fine of (i) ₹2,53,700/- for the quarter ended 31<sup>st</sup> March, 2020; (ii) ₹5,36,900/- for the quarter ended 30<sup>th</sup> June, 2020; (iii) ₹5,42,800/- for the quarter ended 30<sup>th</sup> September, 2020; and BSE Limited has also imposed fine of ₹5,42,800/- for the quarter ended 31<sup>st</sup> December, 2020 for non-compliance in respect of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. On representation, BSE Limited has waived off the fines for the quarter ended 30<sup>th</sup> September, 2020 and 31<sup>st</sup> December, 2020.

**m) Means of Communication:**

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

Quarter Ending	30 <sup>th</sup> June, 2020	30 <sup>th</sup> September, 2020	31 <sup>st</sup> December, 2020	31 <sup>st</sup> March, 2021
Date of Publication	15 <sup>th</sup> September, 2020	7 <sup>th</sup> November, 2020	30 <sup>th</sup> January, 2021	12 <sup>th</sup> June, 2021
Name of the Newspapers				
E-English	Financial Express (E)	Business Standard (E)	Mint (E)	Business Standard (E)
H-Hindi	Jansatta (H)	Dainik Bhaskar (H) & Business Standard (H)	Amar Ujala (H)	Business Standard (H)

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

The Company participates in Conference Calls in respect of Quarterly/Annual Financial Performance. Further, presentations are made to institutional investors or to the analysts and the same are available at the website of the Company-[www.sail.co.in](http://www.sail.co.in)

**(n) General Shareholders Information:**

(i) In terms of the General Circular No.02/2021 dated 13<sup>th</sup> January, 2021

issued by Ministry of Corporate Affairs (MCA), Annual General Meeting (AGM) is scheduled to be held on 28<sup>th</sup> September, 2021 at 1030 Hours at Registered Office through Video Conferencing or Other Audio Visual Means. Necessary public notices, publications and other arrangements have been made pursuant to the MCA Circulars- General Circular No.14 dated 8<sup>th</sup> April, 2020, General Circular No.17 dated 13<sup>th</sup> April, 2020 and General Circular No.20 dated 5<sup>th</sup> May, 2020.

(ii) Financial Year: 1<sup>st</sup> April, 2020 - 31<sup>st</sup> March, 2021.

(iii) Date of Book Closure: 22<sup>nd</sup> September, 2021 to 28<sup>th</sup> September, 2021. (Both days inclusive) for the purpose of Payment of Final Dividend and



**(x) Status of dematerialization as on 31<sup>st</sup> March, 2021:**

Particulars	No. of Shares	% of Capital	No. of Accounts
NSDL	3898016150	94.37	258508
CDSL	228982240	5.54	270234
Total Dematerialised	4126998390	99.91	528742
Physical	3526899	0.09	22313
<b>Total</b>	<b>4130525289</b>	<b>100.00</b>	<b>551055</b>

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

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

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

**UNITS**

- Central Coal Supply Organisation, Dhanbad-828127, Jharkhand
- Central Marketing Organisation, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700 071, West Bengal
- Centre for Engineering & Technology, Ranchi-834002, Jharkhand
- Environment Management Division, SAIL House, 3rd Floor, 50, Jawaharlal Nehru Road, Kolkata-700071, West Bengal.
- SAIL Growth Works, Kulti, Distt. Burdwan, West Bengal.
- Management Training Institute, Ranchi-834002, Jharkhand
- Raw Materials Division, 10, Camac Street, Industry House, Kolkata 700017, West Bengal

- Logistics and Infrastructure Department, Ispat Bhawan, 40, Jawaharlal Nehru Road, Kolkata-700071
- Collieries Division, SAIL Officers' Colony, Chasnalla Dhanbad, Jharkhand-828135
- Research & Development Centre for Iron & Steel, Ranchi-834002, Jharkhand
- SAIL Consultancy Division, 16-20 Floor, SCOPE Minar, North Tower, Laxmi Nagar District Centre, Delhi-110092
- SAIL Safety Organisation, Ranchi-834002, Jharkhand
- SAIL Refractory Unit, Bokaro-827004, Jharkhand

**SUBSIDIARIES**

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

**(xii) Address for correspondence from shareholders for queries/ complaints, if any:**

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

For and behalf of Board of Directors

Sd/-  
**(Soma Mondal)**  
Chairman

Place: New Delhi  
Date: 1<sup>st</sup> September, 2021

1. <b>Tej Raj &amp; Pal</b> Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	2. <b>S. Jaykishan</b> Chartered Accountants, 12, Ho Chi Minh Sarani, 2 <sup>nd</sup> Floor, Suite No. 2D, 2E & 2F, Kolkata-700071	3. <b>Walker Chandiook and Co. LLP</b> Chartered Accountants, L -41, Connaught Circus, New Delhi - 110001	4. <b>K A S G &amp; CO.</b> Chartered Accountants, 2 <sup>nd</sup> Floor, Shri Laxmi Complex, Shastri Nagar, Dhanbad- 826001
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## Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members,

### Steel Authority of India Limited

- This Certificate is issued in accordance with the terms of our engagement letter dated 05.01.2021.
- We have examined the compliance of conditions of Corporate Governance by Steel Authority of India Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Managements' Responsibility

- The compliance conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditors' Responsibility

- Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31<sup>st</sup> March, 2021.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

### Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of regulation 46 and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2021. However, in our opinion and to the best of our information and according to the explanations given to us, subject to the below observation:

The Company has not complied with the requirements of minimum number of Independent Directors, Independent Women Director and Non-Executive Directors in the composition of Board of Directors during the entire period of FY 2020-21.

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

### Restriction on use

- The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Tej Raj & Pal**  
Chartered Accountants  
Firm Registration No. 304124E  
  
Sd/-  
(CA. P Venugopala Rao)  
Partner  
M.No.010905  
UDIN:21010905AAAAAM5241  
Place: Bhubaneshwar

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013  
  
Sd/-  
(CA. Neeraj Sharma)  
Partner  
M.No. 502103  
UDIN:21502103AAAABD7815  
Place: New Delhi

**For S. Jaykishan**  
Chartered Accountants  
Firm Registration No. 309005E  
  
Sd/-  
(CA. Ritesh Agarwal)  
Partner  
M.No. 062410  
UDIN:21062410AAAAX9058  
Place: Kolkata

**For K A S G & CO.**  
Chartered Accountants  
Firm Registration No. 002228C  
  
Sd/-  
(CA. Bharat Goel)  
Partner  
M.No.060069  
UDIN:21060069AAAABB1808  
Place: Kolkata

Place: New Delhi  
Dated: 10<sup>th</sup> June 2021

## Business Responsibility Report

### Section A: General Information about the Company

- Corporate Identity Number (CIN) : L27109 DL 1973 GOI 006454
- Name of the Company : Steel Authority of India Limited
- Registered Address : Ispat Bhawan, Lodhi Road, New Delhi - 110003
- Website : www.sail.co.in
- Email id : investor.relation@sail.in
- Financial Year reported : 2020-21
- Sector(s) that the Company is engaged in (industrial activity code-wise):  
Manufacture of Steel and Steel products  
National Industrial Classification (NIC) Code : 330
- List three key products / services that the Company manufactures / provides (as in balance sheet):
  - Manufacture of Hot Rolled and Cold Rolled steel products
  - Manufacture of Rails
  - Manufacture of Reinforcement Bar, Wire Rods, Structural, etc.
- Total number of locations where business activity is undertaken by the Company:
  - International locations : Nil
  - SAIL operates and owns five Integrated Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela & Burnpur and three Special Steel Plants- Salem Steel Plant(SSP) at Salem, Alloy Steels Plant(ASP) at Durgapur and Visvesvaraya Iron & Steel Plant(VISP) at Bhadravati. Another Unit, Chandrapur Ferro-Alloy Plant (CFP) produces Ferro-alloys. It also has SAIL Refractory Unit (SRU) at Bokaro, with four refractory manufacturing Units in Jharkhand and Chhattisgarh.

Apart from these, the other Units of SAIL are as follows:

- SAIL Growth Works at Kulti, West Bengal;
- Raw Materials Division (RMD)- Iron Ore Mines at Kiriburu, Meghahatuburu, Gua, Manoharpur (Chiria) in Jharkhand, Bolani, Kalta, Barsua (including Taldih), in Odisha;
- BSP Mines(Iron Ore) at Rajhara Group, Dalli Group, Rowghat in Chhattisgarh;
- RMD flux mines at Kuteshwar in MP; Bhawanathpur, Tulsidamar in Jharkhand;
- BSP Flux Mines at Nandini, Hirri, Baraduar in Chhattisgarh;
- VISP Flux Mines at Bhadigund, Kenchapuda in Karnataka;
- Collieries Division(Coal Mines) at Chasnalla, Jitpur, Tasra, Sitanala in Jharkhand and Ramnagore in West Bengal;
- Central Marketing Organisation, HQ at Kolkata;
- Central Coal Supply Organisation, Dhanbad;
- SAIL Consultancy Division at Delhi;
- R & D Center for Iron & Steel, SAIL Safety Organisation, Centre for Engineering & Technology and Management Training Institute at Ranchi;
- Environment Management Division, Growth Division and Logistics & Infrastructure Department at Kolkata; and
- Central Power Training Institute at Rourkela.

SAIL has a pan India marketing network which is the largest among all steel producers in the Country. SAIL's functional network of marketing offices consists of 37 Branch Sales Offices, 5 active Customer Contact Offices, 21 Departmental Warehouses and 16 functional Consignment Agency Yards. Marketing efforts are further supplemented through SAIL's Retail Channel that reaches the products of mass consumption to remote corners of India. SAIL has an extensive dealership network comprising of 3178 dealers, including 2702 dealers appointed by distributors as on 1<sup>st</sup> April, 2021.

- Markets served by the Company – Local / State / National / International: National & International

### Section B: Financial Details of the Company

- Paid up capital : ₹ 4,130.53 crore
- Total turnover : ₹ 69,110.02 crore
- Total Profit after taxes : ₹ 3,850.02 crore
- Total spending on CSR as a percentage of Profit after Tax(%): 1.22

- List of activities in which expenditure in 4 above has been incurred :
  - Promotion of Healthcare including Drinking Water facilities and Sanitation
  - Promotion of Education, Income Generation & Skill/Vocational Training
  - Empowerment of Women, Care for Sr. Citizens and Differently-abled persons
  - Environmental Sustainability
  - Promotion of Art & Culture
  - Promotion of Sports
  - Rural Infrastructure Development

### Section C: Other Details

- Does the Company have any Subsidiary Company / Companies?**
  - SAIL Refractory Company Limited.
  - SAIL Jagdishpur Power Plant Limited. (Strike Off)
  - SAIL Sindri Projects Limited. (Strike Off)
  - Chhattisgarh Mega Steel Limited.
  - IISCO Ujjain Pipe & Foundry Co. Limited (Under Liquidation)
- 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.
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**  
No

### Section D: BR Information

- Details of Director / Directors responsible for BR:**
  - Details of the Director / Directors responsible for BR policy/policies:
    - DIN Number 06845389
    - Name: Ms. Soma Mondal
    - Designation: Chairman, holding Additional Charge of Director (Personnel)
    - Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	M.B. Balakrishnan
3	Designation	Company Secretary
4	Telephone number	011-24368105
5	e-mail id	Secy.sail@sail.in

### 2. Principal-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Businesses should promote the well-being of all employees.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Businesses should respect, protect, and make efforts to restore the environment.
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Businesses should support inclusive growth and equitable development.
- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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	--	Y	--
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	--	Y	--	Y	--
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	--	Y	N	--	N	--	N	--
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	--	N	N	--	Y	--	Y	--

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

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

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

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

- The Company is not engaged in a business influencing public and regulatory policy.



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Help Groups (SHGs), etc. in the vicinity of Plant locations. Vendor Development Programs are organized periodically by the SAIL Plants which help in capacity and capability building of local and small vendors. Further, Plants/Units are buying materials through GeM Portal, where MSEs are enlisted and given purchase preference as per Government of India's policy.

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

SAIL Plants and Units have been striving to enhance the utilization of different solid wastes like mill scale, slag, flue dust, waste refractory bricks, etc. through application of the principle of 4Rs (Reduce, Recover, Recycle and Reuse). The iron slag and steel slag are the two major contributors towards solid waste generation. Iron slag is processed through slag granulation plants for using as a feed material to the cement industry. On the other hand, BOF slag can be utilised to a limited extent by recycling through sinter making and as a substitute of limestone for iron-making in blast furnace. Further, BOF slag is utilized in road making and also as rail track ballasts inside Plant premises. During 2020-21, about 99% of BF slag and 61.8% of BOF slag were utilised.

Apart from these, solid wastes like mill scale and lime/dolo fines are recycled entirely through sinter making and waste refractory bricks are fully utilized either through selling to external agencies or through reusing internally.

During 2020-21, out of 90% of solid wastes utilisation, around 24% of solid wastes were re-cycled/reused internally in iron and steel making. Moreover, by-product gases like Coke Oven gas, BF gas and BOF gas are used as fuel in different processes.

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

- Please indicate the Total number of employees in SAIL.**  
As on 1<sup>st</sup> April, 2021 total number of employees in SAIL: 65564 (Executives:10782; Non-Executives: 54782)
- Please indicate the total no. of employees hired on temporary/contractual/casual basis.**  
As on 1<sup>st</sup> April, 2021, number of contract labour engaged at SAIL Plants/Units: 60876
- Please indicate the Number of permanent women employees.**  
As on 1<sup>st</sup> April, 2021, permanent women employees in SAIL: 3828 (Executives: 898; Non-Executives: 2930)
- Please indicate the Number of permanent employees with disabilities.**  
As on 1<sup>st</sup> April, 2021, total no. of permanent employees with disabilities in SAIL Plants/Units: 731 (Executives :133; Non-Executives: 598)
- Do you have an employee association that is recognized by Management?**  
Recognition to trade unions having majority representation of non-executive employees is graded as per process at the Plant/Unit level. At apex level, National Joint Committee for Steel Industry (NJCS), a bipartite forum consisting of representatives from five Central Trade Union viz. INTUC, AITUC, CITU, HMS & BMS and representatives from recognized union of main Plants, provides representation to all non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants/Units which are affiliated to Steel Executives Federation of India (SEFI), the apex body representing executives in SAIL.
- 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.
- Please indicate the Number of complaints relating to child labour, forced labour, Involuntary labour, Sexual harassment in the last**

Category	No. of complaints filed during the Financial 2020-21	No. of complaints pending at the end of the Financial Year
Child/Forced/Involuntary Labour	Nil	Nil
Sexual Harassment	7	2
Discriminatory Employment	Nil	Nil

8. **Percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

Training need of Executives in the organisation is assessed under the Performance Management System. Each executive is asked to inform the Management regarding the training him/her to help the duties in a better way.

Occupational training, safety and skill up-gradation training (technical/ managerial / functional) are imparted to all permanent employees, including female employees and differently-abled employees. During the year 2020-21, 36,563 regular employees were trained on various programmes including safety. SAIL is in the process of completion of the current Modernization & Expansion Programme, wherein, contractual workers are engaged in various activities. 100 % of contractual workers are given safety awareness training which is mandatory for issuing gate pass for entry to Plant premise. Skill up-gradation of contractual workers is also taken care of while on job at their work-place.

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

- Has the Company mapped its internal and external stakeholders?**  
Yes
- Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**  
There has never been any discrimination in facilitation or extending benefits to stakeholders.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Some of the special initiatives undertaken by the Company are :

- In an attempt to bring the future generations of tribals to the mainstream, about 600 tribal children are being provided free Education along with boarding, lodging, nourishing and wholesome food, clothing, free medical treatment, sports and cultural opportunities in a conducive atmosphere at Gyanodya Chatrawas, Bhilai & BSP School Rajhara, Birhors (a tribe near extinction) under Gyanijyoti Yojna at Bokaro, Saranda Suvan Chhatravas, Kiriburu, RTC Residential Public School, Manoharpur Ore Mines.
- Eklavya Archery Academy set up at Kiriburu mines is providing sports platform to 21 youths (9 girls & 12 boys) from neighbouring tribal belt, who are undergoing rigorous 'Modern Recurve Archery' coaching free of cost. RMD is providing them free schooling, hostel, food, and other facilities along with the sports coaching. The Cadets have brought laurels to the academy as well as proving their might in National and International championships.
- With the objective to provide a homely environment themselves and facilitate a life of honour and respect, 34 senior citizens have been accommodated at Siyan Sadan in 20 fully-furnished rooms with recreational facilities. Bhilai Steel Plant is arranging daily meals, regular health check-ups, cultural programs like Kavi Sammelan, Musical Evening, Bhajan Sandhya and festival celebrations for welfare and recreation of these elderly people.

**Principle 5: Business should respect and promote human rights**

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**  
The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource policies and practices.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

16 number of complaints were received from the stakeholders during 2020-21 and all the complaints were resolved during 2020-21.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**
**1. Does the policy of the related Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs and others?**

Policy and Strategy formulation at SAIL is a well-structured process guided by Company's Vision and Credo. Elements of Sustainability are ingrained in SAIL's vision, strategies, and policies. The basket of policies includes Quality, Environment, Safety, etc., which encompass concepts of Sustainability too. The policies on Human Resource, Occupational Health and Safety, Communication, Maintenance, Township, Energy Management and Social Accountability, etc. at the Plant level also promote concept of Sustainable Development.

The Corporate Environmental Policy affirms to maintain a clean and sustainable environment in and around Plants and Mines through sound environmental practices in all its activities, through adoption of cleaner and energy-efficient technologies; to restore the mined out landscapes and abandoned sites ecologically. The Policy also commits to ensure regular monitoring and review of environmental performance through a robust audit mechanism and a transparent reporting system and monitor emission, discharge and ambient air quality and make data available in the public domain.

Implementation of an Environment Management System linked to ISO 14001 standards, which is essentially a voluntary initiative, has become an effective tool for safeguarding the environment. Through adoption of this system, SAIL addresses the concerns of the stakeholders.

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

Yes. SAIL, as a responsible corporate entity, has taken up various initiatives for climate change mitigation through technology up-gradation, sourcing of good quality of raw materials, retrofitting of new pollution control facilities, revamping of existing pollution control systems, etc. Through all these efforts, with a special thrust on adoption of cleaner and energy-efficient technologies, SAIL has achieved 2.3% reduction in specific carbon dioxide emission during the last five years. Further, this is a continuous process.

SAIL intends to assess its carbon footprint and potential of sequestration of CO<sub>2</sub> through its existing biotic resources. A project on carbon sequestration through afforestation has been taken up at the site of Rourkela Steel Plant, aiming at reduction of CO<sub>2</sub> emission as well as sequestration of generated carbon back into the system. The project completed in March, 2020, has helped the Company in improved management of greenhouse gas emission.

SAIL has also adopted Sustainable Development Policy and has been publishing its Corporate Sustainability Report, as per Global Reporting Initiative (GRI) Guidelines, since last ten years. The Report is available in the Corporate Citizenship section of the Company's website ([www.sail.co.in](http://www.sail.co.in)).

Company's strategies/initiatives to address global environmental issues such as climate change/global warming is available on website. The hyperlink for the same is: <https://sail.co.in/en/page/climate-action-india-climate-change-sail>.

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

Yes. The Company has adopted the Enterprise Risk Management (ERM) Policy and has also established a well-defined mechanism for identification and assessment of potential environmental risks.

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

Presently, the Company do not have any project related to Clean Development Mechanism.

**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. SAIL has already implemented latest state-of-the-art technologies along with energy-efficient pollution control equipment during the

modernization and expansion program. Some of such major clean technologies are: Taller Coke Oven Batteries with Coke Dry Cooling Plant (CDCP), bigger Blast Furnaces with Top gas pressure Recovery Turbine (TRT) & Pulverized Coal Injection (PCI) System, Sinter Plants with heat recovery facility from sinter cooler, Walking Beam Reheating Furnace in Rolling Mills, Gas-fired boilers for power generation, etc.

Over the time, SAIL has been implementing many schemes for promotion of renewable energy in Plants, Mines and its peripheral villages/areas. Following projects have already been implemented in recent years:

- Ground mounted 1 MW Solar Power Plant at RSP.
- 3 MW roof top solar power units on various buildings at Plants and Units.

In addition, the following renewable energy projects have been taken up for promotion of green energy:

- 10 MW Hydel power plant at Mandira Dam, RSP, under a Joint Venture initiative with Green Energy Development Corporation of Odisha Limited (GEDCOL).
- 6.195 MW roof-top solar units on different buildings under Ministry of New and Renewable Energy (MNRE) scheme, wherein, 25% capex will be contributed by MNRE as incentive. The proposal is under Stage-II approval.
- Installation of ground mounted 242 MW of renewable energy at different Plants/Units.

Initiatives towards application of clean technology, energy-efficiency, renewable energy etc. may be referred to the hyperlink, as mentioned <https://sail.co.in/en/page/climate-action-india-climate-change-sail>.

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

The "Consent to Operate" certificates are issued to SAIL Plants and Mines by the respective State Pollution Control Boards (SPCBs). As per the conditions stipulated in the "Consent to Operate", the applicable norms for air emission and effluent discharge quality are mostly complied with. In addition, various wastes generated are handled and disposed in environment-friendly manner as per the existing set of guidelines/rules. Compliance reports to this effect are also reported to the CPCB/SPCB on regular basis. Further, six monthly compliance reports in respect of Environmental Clearance (EC) conditions have been submitted to the MoEF & CC and also uploaded on SAIL's web portal for appraisal of stakeholders.

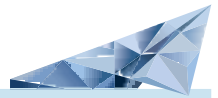
**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

Five Directions, one each received by BSP, DSP and RSP and two by CFP from their respective State Pollution Control Board (SPCB) and one Direction received by BSL from Central Pollution Control Board (CPCB) and one Show Cause Notice received by ISP from MoEF&CC are partially complied as on 31<sup>st</sup> March, 2021. Time bound action plans have been made in consultation with the respective authorities and the conditions stipulated in the Directions have mostly been complied with.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**
**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

The company is member of:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Standing Conference of Public Enterprises (SCOPE)
3. Indian Steel Association (ISA)
4. World Steel Association (WSA) & International Stainless Steel Forum (ISSF)
5. PHD Chamber of Commerce (PHDCCI)
6. The Indian Iron Chamber of Commerce and Industry (IICCI)
7. Forum of Women in Public Sector (WIPS)
8. All India Management Association (AIMA)



9. Indo-USSR Chamber of Commerce and Industries (IUCCI)
10. Institute of Public Enterprises (IPE)
11. The Energy and Research Institute (TERI)
12. World Confederation of Productivity Science (WCPS)
13. Indian Institute of Metals (IIM)
14. Consultancy Development Centre (CDC)
15. Indian Institute of Plant Engineers (IIPE)
16. Institute of Rail Transport (IRT)
17. Project Management Associate (PMA)
18. Indian Iron and Steel Sector Skill Council (IISSC)
19. Indian Society for Training and Development (ISTD)

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

No.

**Principle 8: Businesses should support inclusive growth and equitable development**

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

Yes, SAIL's Social Objective is synonymous with Corporate Social Responsibility (CSR). Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that provide long-lasting social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins with being aware of the impact of its business on society.

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

SAIL's CSR initiatives are undertaken in conformity to the prevalent statutes like 'The Companies Act, 2013' and CSR Rules, 2014 and Companies (CSR Policy) Amendment Rules, 2021, DPE Guidelines on CSR & Sustainability. SAIL carries out CSR projects in and around steel townships, mines and far flung locations across the Country in the area of rural development, including maintenance of Model Steel Villages (MSVs), Providing Medical and Health-Care, Immunization, Ante and post-natal care, Education, Access to water facilities, Roadside tree plantation, Environment Sustainability, Women Empowerment, Sustainable Income Generation through Self Help Groups (SHGs), Assistance to Sr. Citizens, Divyangs, Promotion of Sports, Art & Culture, etc.

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

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

Since CSR projects are long term/continuous in nature like providing education, healthcare, mid-day meals, sustainable livelihood generation through Self-Help Groups (SHGs), etc., some of the projects are implemented through specialised agencies, depending on the expertise available with them like Mid-day meals project through Akshaya Patra Foundation at Bhilai & Rourkela, Comprehensive Water & Sanitation Project in the peripheral villages of Rourkela in association with Gram Vikas, Sustainable livelihood generation projects at Bokaro through Jharcraft and different projects at various Plant/Unit locations through Rama Krishna Mission, etc.

Except in cases where financial assistance is provided for a specific CSR

project undertaken by a specific agency, the external implementation partner having strong credentials & track records, are identified for undertaking CSR projects, as defined in 'The Companies Act, 2013'.

**3. Have you done any impact assessment of your initiative?**

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

The impact assessment/social audit of the Company's CSR & Sustainability initiatives has also been carried out through external professional agencies in the past.

In addition, SAIL has a strong internal mechanism to monitor the activities/initiatives undertaken under CSR & Sustainability.

The Board Sub-Committee on CSR reviews/monitors CSR & Sustainability activities on regular basis.

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

In accordance with the CSR provisions of Company's Act, 2013, at least 2% of the average PBT of the immediately preceding three financial years is allocated for undertaking CSR activities in a fiscal. The CSR budget allocation and expenditure since FY 2018-19 are as follows:

(₹ crore)

Year	CSR Allocation	CSR Expenditure
2018-19	30.00	31.18
2019-20	33.00	27.56
2020-21	50.00	47.18

Apart from the exclusive CSR budget, the Company also spends to the tune of ₹350 crore annually for providing social facilities to Non-SAIL populace residing in the peripheral areas of SAIL Plants/Units, either free or at a very nominal cost, such as Healthcare, Education, Sanitation, Drinking water availability, Sports Coaching, promotion of Art and Culture, etc.

SAIL Plants/Units are located mostly in backward areas that are inhabited by majority of disadvantaged, vulnerable, marginalized, SC, ST and minorities. For the upliftment of such populace, SAIL had developed 79 Model Steel Villages located in peripheral backward areas and these are maintained regularly. Also, SAIL has undertaken CSR activities in 6 Aspirational Districts, viz. Kanker, Narayanpur and Rajnandgaon in Chhattisgarh and West Singhbhum, Bokaro and Ranchi in Jharkhand; aiming to provide comprehensive development of both physical and social infrastructure in these Aspirational Districts.

The details of CSR activities undertaken are as follows:

- SAIL has activated a scaled response towards management of Covid-19 at its Plants, Units, Mines and Townships. SAIL has supplied over 83000 Metric Tonnes of Liquid Medical Oxygen (LMO) to different States of the Country in its endeavor to partner the Government of India in combatting Covid-19, through Railway Oxygen Express.
- SAIL Plants have setup separate Jumbo Covid Care facilities equipped with gaseous oxygen directly from Plants through dedicated pipelines, viz. 200 bedded Covid care facility with 10 ventilators and 8 ICU beds at IISCO Steel Plant, Burnpur; Covid Care Hospital with 200 beds at Durgapur Steel Plant; 114-bedded Covid care facility at Bhilai Steel Plant; Ispat Nidan Kendra with 100 oxygenated beds including 50 ventilator-attached beds at Rourkela Steel Plant; 500 bed Covid care centre (with oxygen support) has been set-up in the premises of Salem Steel Plant.
- In addition, SAIL Hospitals manned by more than 900 qualified doctors and 1500 para-medical staff to extend round the clock Healthcare, have earmarked 1000 dedicated Covid-19 beds with oxygen support and 129 ICU beds with ventilator support in view of surge in cases, created 600 beds Quarantine Facilities and developed Covid-19 testing facilities like RAT, RTPCR, TRU-NAT in coordination with respective State Governments. Touch-free hand-sanitizers, water dispensers have been installed, spraying disinfectants, using digital thermal recorders at prominent locations, ensuring continuous water supply in all the peripheral villages.



## Consolidated Balance Sheet

As at 31<sup>st</sup> March, 2021

Annexure-V to the Board's Report

(₹ crore)

	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	64133.48	65384.47
(b) Capital work-in-progress	5	8880.63	8753.33
(c) Right of use assets	4a	2054.21	2205.08
(d) Investment Property	6	1.09	1.12
(e) Intangible assets	7	1429.38	1443.61
(f) Investments accounted for using the equity method		3297.56	3107.27
(g) Inventories	7a	4236.26	-
(h) Financial assets			
(i) Investments	8	144.70	133.12
(ii) Trade receivables	9	0.90	0.92
(iii) Loans	10	756.99	665.28
(iv) Other financial assets	11	336.25	448.58
(i) Deferred tax assets (net)	12	-	2022.17
(j) Current tax assets (net)	13	217.56	153.31
(k) Other non-current assets	14	1572.65	1483.92
		<b>87061.66</b>	<b>85802.18</b>
<b>Current Assets</b>			
(a) Inventories	15	15334.17	23836.27
(b) Financial assets			
(i) Trade receivables	16	7153.70	8844.73
(ii) Cash and cash equivalents	17 (i)	518.28	190.54
(iii) Other bank balances	17 (ii)	278.07	254.48
(iv) Loans	18	50.47	49.67
(v) Other financial assets	19	2478.32	2189.25
(c) Other current assets	20	6354.19	5733.32
		<b>32167.20</b>	<b>41098.26</b>
Assets classified as held for sale	21	17.01	27.20
		<b>119245.87</b>	<b>126927.64</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	22	4130.53	4130.53
(b) Other equity	23	41275.69	37379.70
(c) Non-controlling interest		0.01	0.01
		<b>45406.23</b>	<b>41510.24</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	19726.03	34560.03
(ii) Trade payables	25		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4.10	10.70
(iii) Other financial liabilities	26	1304.08	1368.51
(b) Provisions	27	4533.75	4115.81
(c) Deferred tax liabilities (net)	12	1334.08	-
(d) Other non-current liabilities	28	439.97	397.51
		<b>27342.01</b>	<b>40452.56</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	29	15850.24	16640.78
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		103.57	47.99
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6911.43	6274.38
(iii) Other financial liabilities	31	14023.78	13740.89
(b) Other current liabilities	32	7555.15	5724.06
(c) Provisions	33	2041.40	2357.24
(d) Current tax liabilities (net)	34	12.06	179.50
		<b>46497.63</b>	<b>44964.84</b>
		<b>119245.87</b>	<b>126927.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Significant Accounting Policies	3		

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

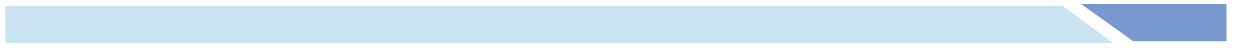
Sd/-  
M.B. Balakrishnan  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
Amit Sen  
Director Finance  
DIN: 08602987

In terms of our report of even date

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



## Consolidated Statement of changes in equity

For the year ended 31<sup>st</sup> March, 2021

### A Equity Share Capital

(₹crore)

Particulars	Balance as at 1 <sup>st</sup> April, 2019	Changes in equity share capital	Balance as at 31 <sup>st</sup> March, 2020
Equity shares with voting rights	4130.41	0.01	4130.42
Equity shares without voting rights	0.12	(0.01)	0.11
<b>Total</b>	<b>4130.53</b>	<b>-</b>	<b>4130.53</b>

Particulars	Balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital	Balance as at 31 <sup>st</sup> March, 2021
Equity shares with voting rights	4130.42	-	4130.42
Equity shares without voting rights	0.11	-	0.11
<b>Total</b>	<b>4130.53</b>	<b>-</b>	<b>4130.53</b>

### B Other Equity

(₹crore)

	Reserves and Surplus				Other comprehensive income - Reserve					Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Bond Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Investment accounted for as equity method	Total other equity	Non-controlling interest	
<b>Balance as at 1st April, 2019</b>	511.94	235.10	5106.32	1994.14	27464.45	56.05	147.62	35515.62	0.01	35515.63
Profit for the year	-	-	-	-	2120.71	-	-	2120.71	-	2120.71
Other comprehensive income/(loss) for the year	-	-	-	-	(130.15)	12.73	143.45	26.03	-	26.03
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>1990.56</b>	<b>12.73</b>	<b>143.45</b>	<b>2146.74</b>	-	<b>2146.74</b>
Transfer from bond redemption reserve	-	-	-	(895.75)	895.75	-	-	-	-	-
Transfer to bond redemption reserve	-	-	-	276.63	(276.63)	-	-	-	-	-
Transfer to general reserve	-	-	1.42	-	(1.42)	-	-	-	-	-
Changes due to additional investment in joint ventures	(0.27)	-	-	-	-	-	-	(0.27)	-	(0.27)
Ind AS 116 adjustment	-	-	-	-	(31.95)	-	-	(31.95)	-	(31.95)
<b>Transaction with owners in their capacity as owners</b>	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(206.53)	-	-	(206.53)	-	(206.53)
Tax on dividends	-	-	-	-	(43.92)	-	-	(43.92)	-	(43.92)
Transaction with non-controlling interest	-	-	-	-	0.01	-	-	0.01	-	0.01
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>511.67</b>	<b>235.10</b>	<b>5107.74</b>	<b>1375.02</b>	<b>29790.32</b>	<b>68.78</b>	<b>291.07</b>	<b>37379.70</b>	<b>0.01</b>	<b>37379.71</b>
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>511.67</b>	<b>235.10</b>	<b>5107.74</b>	<b>1375.02</b>	<b>29790.32</b>	<b>68.78</b>	<b>291.07</b>	<b>37379.70</b>	<b>0.01</b>	<b>37379.71</b>
Profit for the year	-	-	-	-	4148.13	-	-	4148.13	-	4148.13
Other comprehensive income/(loss) for the year	-	-	-	-	266.50	12.88	(118.48)	160.90	-	160.90
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	<b>4414.63</b>	<b>12.88</b>	<b>(118.48)</b>	<b>4309.03</b>	-	<b>4309.03</b>
Transfer from bond redemption reserve	-	-	-	(290.87)	290.87	-	-	-	-	-
Transfer to general reserve	-	-	1.19	-	(1.19)	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(413.05)	-	-	(413.05)	-	(413.05)
Transaction with non-controlling interest	-	-	-	-	0.01	-	-	0.01	-	0.01
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>511.67</b>	<b>235.10</b>	<b>5108.93</b>	<b>1084.15</b>	<b>34081.59</b>	<b>81.66</b>	<b>172.59</b>	<b>41275.69</b>	<b>0.01</b>	<b>41275.70</b>

Significant Accounting Policies

3

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

For and on behalf of the Board of Directors

Sd/-  
M.B. Balakrishnan  
Company Secretary

Sd/-  
Amit Sen  
Director Finance  
DIN: 08602987

Sd/-  
Soma Mondal  
Chairman  
DIN: 06845389

In terms of our report of even date

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

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

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

For KASG & Co.  
Chartered Accountants  
Firm Registration No. 002228C

Sd/-  
P. Venugopala Rao  
Partner  
M. No. 010905

Sd/-  
Ritesh Agarwal  
Partner  
M. No. 062410

Sd/-  
Neeraj Sharma  
Partner  
M. No. 502103

Sd/-  
Bharat Goel  
Partner  
M. No. 060069

Place : New Delhi  
Dated : June 10, 2021

**Consolidated Cash Flow Statement**
**For the year ended 31<sup>st</sup> March, 2021**

(₹ crore)

	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7205.65	3301.58
Adjustments for:		
Depreciation and amortisation expenses	4102.78	3755.73
Loss on disposal of fixed assets (net)	37.74	49.43
Interest income	(272.98)	(240.88)
Dividend income	(3.40)	(2.92)
Finance costs	2822.62	3387.02
Unrealised Loss/(Gain) on foreign exchange fluctuations	(5.47)	99.74
Loss/(Gain) on sale of non-current investments	(4.47)	(0.59)
Bad debts and provision for doubtful advances/receivables	92.69	76.12
Other provisions	169.31	212.93
Share of profit from joint ventures	(467.74)	(194.32)
Unclaimed balances and excess provisions written back	(284.41)	(407.24)
<b>Operating Profit before working capital changes</b>	<b>13392.32</b>	<b>10036.60</b>
Changes in assets and liabilities:		
Trade receivables	1622.56	(4416.24)
Loans, other financial assets and other assets	(680.24)	(110.46)
Trade payable	686.03	(898.99)
Other financial liabilities and other liabilities	4212.30	(485.81)
Provisions	102.10	(137.99)
Inventories	4121.51	(4511.27)
<b>Cash flow from operating activities post working capital changes</b>	<b>23456.58</b>	<b>(524.16)</b>
Income tax paid (net)	(26.21)	(93.51)
<b>Net cash flow from operating activities (A)</b>	<b>23430.37</b>	<b>(617.67)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(3672.70)	(4754.36)
Proceeds from sale/disposal of property, plant & equipment	142.98	373.07
Purchase of current and non-current investments	7.98	6.74
Movement in fixed deposits (net)	(23.59)	(32.37)
Interest received	129.24	143.48
Dividend received	3.40	2.92
<b>Net cash flows/(used) in investing activities (B)</b>	<b>(3412.69)</b>	<b>(4260.52)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	(15544.45)	2897.82
Proceeds from short-term borrowings (net)	(790.54)	6009.56
Finance cost paid	(2941.90)	(3653.78)
Dividend paid	(413.05)	(250.45)
<b>Net cash flows/(used) in financing activities (C)</b>	<b>(19689.94)</b>	<b>5003.15</b>
<b>D. Increase in cash and cash equivalents (A+B+C)</b>	<b>327.74</b>	<b>124.96</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>190.54</b>	<b>65.58</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>518.28</b>	<b>190.54</b>

**Significant non-cash movements in the borrowings during the year are as under:**

(₹ crore)

	Non cash changes				As at 31 <sup>st</sup> March, 2021
	As at 31 <sup>st</sup> March, 2020	Cash Flows	Fair Value Changes	Current/Non Current Classification	
Borrowings - Non Current	34560.03	(15476.40)	2493.55	(1851.22)	19725.96
Current Maturities of Long Term Debt	2602.40	(2602.40)	-	1851.22	1851.22
Borrowings - Current	16640.78	(480.26)	(310.28)	-	15850.24
Finance Cost		(3047.86)	105.78		

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

Sd/-  
**M.B. Balakrishnan**  
Company Secretary

For and on behalf of the Board of Directors  
Sd/-  
**Amit Sen**  
Director Finance  
DIN: 08602987

Sd/-  
**Soma Mondal**  
Chairman  
DIN: 06845389

*In terms of our report of even date*

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

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

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

**For KASG & Co.**  
Chartered Accountants  
Firm Registration No. 002228C

Sd/-  
**P. Venugopala Rao**  
Partner  
M. No. 010905

Sd/-  
**Ritesh Agarwal**  
Partner  
M. No. 062410

Sd/-  
**Neeraj Sharma**  
Partner  
M. No. 502103

Sd/-  
**Bharat Goel**  
Partner  
M. No. 060069

Place : New Delhi  
Dated : June 10, 2021

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March 2021

### 1. Corporate Information

#### Nature of Operation

Steel Authority of India Limited ('SAIL' or the 'Parent Company'), a public sector undertaking conferred with Maharatna status by Government of India and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), its joint ventures and its associate is engaged primarily in steel manufacturing business in the country.

#### General information and statement of compliance with Ind AS

The consolidated financial statements of the Group and joint ventures & associate have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statements have been approved and authorised for issue, by the Board of Directors in their meeting held on 10<sup>th</sup> June, 2021.

### 2. Summary of significant accounting policies

#### a) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below, which were applied uniformly during the period presented:

#### Basis of preparation

The consolidated financial statements have been prepared on going concern basis under the historical cost basis except for the following assets and liabilities which have been measured at fair value in accordance with the requirements of the relevant Ind AS:

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

#### Basis of consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31<sup>st</sup> March, 2021.

The Group consolidate the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-

controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

#### Associate and Joint ventures

#### Associate

Investment in entity in which there exists significant influence but not a controlling interest is accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

#### Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- Joint ventures – Interest in Joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and Joint ventures are eliminated to the extent of the Group's interest in these entities.
- Joint operations – The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

#### b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognise the gain directly in equity as capital reserve, without routing the same through OCI.

Where settlement of any part of cash consideration is deferred, the amount payable in future is discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which the similar borrowing could be obtained from an independent financier under comparable terms and condition.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

#### c) Current versus Non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

#### 2.1 Functional and Presentation Currency

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

#### 2.2 Use of estimates, assumptions and management judgements

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

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. The Group, Joint ventures and Associate have uniformly applied the accounting policies during the periods presented.

#### 3.1 Property, Plant and Equipment

##### 3.1.1 Recognition and Measurement

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

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

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

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

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

##### 3.1.2 Subsequent Cost

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

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

#### 3.2 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.

### 3.3 Depreciation

Depreciation on property, plant and equipment and investment property is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the asset, as specified in Schedule II of the Companies Act, 2013 except in case of following category of assets, where useful life is determined by technical experts. The useful life estimated by the technical experts is as under:

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

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

Freehold land is not depreciated.

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

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

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

### 3.4 Intangible assets

#### Mining Rights

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

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

#### Other Intangible Assets

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

#### Research and development

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

#### 3.4.1 Subsequent Cost

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

#### 3.4.2 De-recognition of intangible assets

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

#### 3.5 Stripping Cost

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

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

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

#### 3.6 Impairment of Non-Financial Assets

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

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

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

#### 3.8 Inventories

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

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

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Minor raw materials - Moving weighted average cost  
Stores & Spares - Moving weighted average cost  
Materials in-transit - at cost  
Finished/Semi-finished products Cost of purchase, cost of conversion and other appropriate share of costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

### 3.9 Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached 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 Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the Statement of Profit and Loss concurrent to the expenses to which such grants relate/ are intended to cover.

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

### 3.10 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of reporting period.

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

The Group opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standard-11 (Revised) notified by Government of India on 31<sup>st</sup> March, 2009 (as amended on 29<sup>th</sup> December, 2011), which will continue in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31<sup>st</sup> March, 2016. Accordingly, for foreign currency loans taken before 31<sup>st</sup> March, 2016, for adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31<sup>st</sup> March 2016, exchange differences arising on settlement or translation of long term monetary items are recognised in statement of profit or loss.

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

### 3.11 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

Defined benefit plans are the amount of the benefit that an employee will receive on completion of services by reference to length of service, last

drawn salary or direct costs related to such benefits. The legal and/ or constructive obligation for such benefits remains with the Group.

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

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

#### Short Term Employee Benefits

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

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

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

### 3.12 Revenue Recognition

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

#### Sale of Goods

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

Marine export sales are recognised on:

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

#### Interest and dividend income

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

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

### 3.13 Adjustment pertaining to Earlier Years

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening of assets, liabilities and equity for the earliest period presented, are restated.

### 3.14 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.

### 3.15 Leases

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

#### Group as a Lessee

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

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

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

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

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

#### Group as a Lessor

##### Finance leases

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

##### Operating leases

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

### 3.16 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.

### 3.17 Mine Closure

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

### 3.18 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions and Contingent Liabilities

A Provision is recognised when the Group has present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

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

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

#### Contingent Assets

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

### 3.19 Income Taxes

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

### 3.20 Cash and Cash Equivalents

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

### 3.21 Financial Instruments

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

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires, or has been transferred, and the Group has transferred all substantial risks and rewards of ownership. A financial liability (or a part of financial liability) is derecognised when the obligation specified in the contract is extinguished or discharged or cancelled or expires.

#### Classification and subsequent measurement of financial assets

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

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

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

#### Amortised cost

A financial asset is measured at amortised cost using effective interest rates if 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 receivables and most of other receivables fall into this category of financial instruments.

#### Financial assets at FVOCI

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

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

#### Financial assets at FVTPL

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

with gains or losses recognised in Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### Classification and subsequent measurement of financial liabilities

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

#### Embedded Derivatives

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

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets measured at amortised cost or at fair value through other comprehensive income.

ECL is the 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. The loss allowance for trade receivables is measured using the simplified impairment approach recognising expected lifetime losses from initial recognition. For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition.

#### Trade Receivables

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

#### Offsetting of financial instruments

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

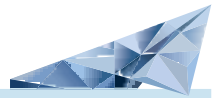
### 3.22 Investments in equity Instruments

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

### 3.23 Segment reporting

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

Each of these operating segments is managed separately as each has different requirements in terms of technology, raw material and other



resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

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

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

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

#### **3.24.1 Leases**

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

#### **3.24.2 Close-down and Restoration Obligations**

Close-down and restoration costs are normal consequence of mining or production, and majority of close-down and restoration expenditure are incurred in the years following the closure of mine. Although the ultimate cost to be incurred is uncertain, the Group estimate their costs based on current interpretation of scientific and legal data and existing technology, in addition to assumptions about probability and future costs.

#### **3.24.3 Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the 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.

#### **3.24.4 Inventories**

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

#### **3.24.5 Defined Benefit Obligation (DBO)**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The 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.

#### **3.24.6 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.

#### **3.24.7 Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and

Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

#### **3.24.8 Mine Closure and Restoration Obligations**

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**4: PROPERTY, PLANT AND EQUIPMENT**

(₹crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. PLANTS, MINES &amp; OTHERS</b>										
Land										
- Freehold land	309.65	49.83	0.11	359.37	0.85	-	0.04	0.81	358.56	308.80
- Leasehold land	2.16	-	-	2.16	0.25	0.02	-	0.27	1.89	1.91
Buildings and related equipments	5225.95	49.51	0.79	5274.67	2079.27	116.00	0.69	2194.58	3080.09	3146.68
Plant and machinery										
- Steel plant	91821.11	2188.55	393.03	93616.63	33556.64	3310.21	256.01	36610.84	57005.79	58264.47
- Others - owned	3249.84	167.52	35.59	3381.77	2168.67	119.46	31.90	2256.23	1125.54	1081.17
Furniture and fixtures	139.82	3.21	(1.21)	144.24	111.47	5.70	(0.79)	117.96	26.28	28.35
Vehicles	1383.66	18.54	5.89	1396.31	937.39	72.16	8.76	1000.79	395.52	446.27
Office equipments	62.19	1.58	1.01	62.76	52.57	1.88	0.79	53.66	9.10	9.62
Miscellaneous articles	385.91	13.50	1.52	397.89	248.17	14.68	1.01	261.84	136.05	137.74
Roads, Bridges & Culverts	451.26	31.47	0.88	481.85	325.35	30.73	0.82	355.26	126.59	125.91
Water Supply & Sewerage	702.20	19.88	0.03	722.05	404.53	24.29	0.02	428.80	293.25	297.67
EDP Equipments	443.09	12.04	6.23	448.90	384.37	13.19	1.42	396.14	52.76	58.72
Railway Lines and Sidings	912.05	121.27	-	1033.32	289.53	25.72	-	315.25	718.07	622.52
<b>Sub-total 'A'</b>	<b>105088.89</b>	<b>2676.90</b>	<b>443.87</b>	<b>107321.92</b>	<b>40559.06</b>	<b>3734.04</b>	<b>300.67</b>	<b>43992.43</b>	<b>63329.49</b>	<b>64529.83</b>
Figures for the previous year	95184.60	10704.75	800.46	105088.89	37515.90	3443.39	400.23	40559.06	64529.83	
<b>B. SOCIAL FACILITIES</b>										
Land										
- Freehold land	10.89	-	-	10.89	-	-	-	-	10.89	10.89
Buildings and related equipments	819.66	13.99	(0.01)	833.66	397.07	40.39	0.01	437.45	396.21	422.59
Plant and machinery - others	194.75	5.37	0.71	199.41	118.61	7.01	0.36	125.26	74.15	76.14
Furniture and fixtures	26.95	0.57	0.26	27.26	21.78	1.06	0.20	22.64	4.62	5.17
Vehicles	10.80	0.32	0.28	10.84	9.39	0.24	0.18	9.45	1.39	1.41
Office equipments	4.25	0.10	0.03	4.32	3.79	0.10	0.03	3.86	0.46	0.46
Miscellaneous articles	239.78	6.72	2.19	244.31	159.38	10.88	1.66	168.60	75.71	80.40
Roads, Bridges & Culverts	147.48	2.23	-	149.71	118.39	7.06	-	125.45	24.26	29.09
Water Supply & Sewerage	306.59	1.84	0.17	308.26	146.54	7.08	0.15	153.47	154.79	160.05
EDP equipments	10.99	0.87	0.18	11.68	9.21	0.63	0.15	9.69	1.99	1.78
<b>Sub-total 'B'</b>	<b>1772.14</b>	<b>32.01</b>	<b>3.81</b>	<b>1800.34</b>	<b>984.16</b>	<b>74.45</b>	<b>2.74</b>	<b>1055.87</b>	<b>744.47</b>	<b>787.98</b>
Figures for the previous year	1689.52	96.91	14.29	1772.14	923.63	72.04	11.51	984.16	787.98	
<b>C. Property, plant and equipment retired from active use</b>										
<b>Assets retired from active use</b>	<b>66.66</b>	<b>29.31</b>	<b>36.45</b>	<b>59.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.52</b>	<b>66.66</b>
Figures for the previous year	58.06	28.09	19.49	66.66	-	-	-	-	66.66	
<b>Total ('A' + 'B' + 'C')</b>	<b>106927.69</b>	<b>2738.22</b>	<b>484.13</b>	<b>109181.78</b>	<b>41543.22</b>	<b>3808.49</b>	<b>303.41</b>	<b>45048.30</b>	<b>64133.48</b>	<b>65384.47</b>
Figures for the previous year	96932.18	10829.75	834.24	106927.69	38439.53	3515.43	411.74	41543.22	65384.47	

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 4: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(a) Charged to Profit & Loss Account	4102.78	3755.73
(b) Charged to expenditure during construction	2.77	4.02
	<b>4105.55</b>	<b>3759.75</b>

## (i) Contractual obligations

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

## (ii) Land:

- Includes 66,204.50 acres (66,865.29 acres as on 31<sup>st</sup> March, 2020) owned/possessed/taken on lease by the parent Company, in respect of which title/lease deeds are pending for registration.
- Includes 34,484.73 acres (34,484.73 acres as on 31<sup>st</sup> March, 2020) in respect of which title is under dispute.
- 12,908.72 acres (10,664.83 acres as on 31<sup>st</sup> March, 2020) 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.
- 6,013.78 acres (5,775.25 acres as on 31<sup>st</sup> March, 2020) given on lease to various agencies/employees/ex-employees.
- Includes 4,542.94 acres (4,542.94 acres as on 31<sup>st</sup> March, 2020) under unauthorised occupation.
- 1,770.89 acres (1,770.89 acres as on 31<sup>st</sup> March, 2020) of Land which is not in the actual possession, shown as deemed possession.
- ₹ 53.45 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Bokaro during the year 2007 towards compensation payable to land losers.
- Vide Notification of Acquisition in the Gazette of India (Extraordinary) bearing No S.O. 1309(E) dated 08.06.2012 and No. S.O. 2484E dated 13.10.2012, National Highway Authority of India Ltd. (NHAI) had notified its intention to acquire 34.471 acres.
- Includes 34.471 acres freehold land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, matter is subjudice regarding valuation of the said land.
- Includes 5.51 acres freehold land out of 21.13 acres land notified for acquisition by Government of Jharkhand vide Gazette notification no. 42 & 43 dated 26th August, 2009, are under dispute for which no compensation was fixed in favour of RDCIS-SAIL. The compensation for the balance freehold land of 15.62 acres amounting to ₹13.07 crore has been considered in the accounts for the Financial Year ended 31<sup>st</sup> March, 2020.
- ₹0.06 crore is lying under deposits (in respect of land already acquired) with the District & Sessions Judge, Salem during the year 2013 towards compensation payable to land losers.

## (iii) Other Assets:

- Includes 7,906 (6658 as on 31<sup>st</sup> March, 2020), residential quarters/houses under unauthorised occupation.

## 4a : RIGHT OF USE ASSETS

(₹crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Right of use assets	3853.33	117.86	0.01	3971.18	1648.25	268.72	-	1916.97	2054.21	2205.08
<b>Sub-total</b>	<b>3853.33</b>	<b>117.86</b>	<b>0.01</b>	<b>3971.18</b>	<b>1648.25</b>	<b>268.72</b>	<b>-</b>	<b>1916.97</b>	<b>2054.21</b>	<b>2205.08</b>
Figures for the previous year	2662.37	475.66	(715.30)	3853.33	1205.25	210.23	(232.77)	1648.25	2205.08	

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
<b>5: CAPITAL WORK-IN-PROGRESS</b>				
Steel Plants & Units	8801.10		8582.81	
Township	97.07		86.98	
Ore Mines and Quarries	247.68		330.81	
	<u>9145.85</u>		<u>9000.60</u>	
Less: Provisions	400.11	8745.74	279.20	8721.40
Construction stores and spares	139.47		32.44	
Less: Provision for non-moving items	5.19	134.28	3.29	29.15
Expenditure during construction pending allocation (Note 5.1)		0.61		2.78
		<u>8880.63</u>		<u>8753.33</u>

**5.1: EXPENDITURE DURING CONSTRUCTION PENDING ALLOCATION**

(₹crore)

	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
<b>Opening balance</b>		2.78		5.29
<b>Expenditure incurred during the year</b>				
Employees' Remuneration & Benefits				
Salaries & Wages	78.01		72.59	
Company's contribution to provident fund	3.14		2.47	
Travel concession	1.39		1.94	
Welfare expenses	0.11		0.05	
Gratuity	1.14	83.79	3.01	80.06
Other expenses				
Technical consultants' fees & know-how	1.19		3.03	
Power & Fuel	31.29		68.20	
Other expenses	6.06		2.98	
Interest & Finance charges	549.16		581.68	
Depreciation	2.77	590.47	4.02	659.91
		<u>674.26</u>		<u>739.97</u>
<b>Less: Recoveries</b>				
Interest Earned	0.01		0.01	
Hire charges	0.08		0.16	
Sundries	0.25	0.34	0.24	0.41
<b>Net expenditure during the year</b>		<u>673.92</u>		<u>739.56</u>
<b>Total (a)+(b)</b>		<u>676.70</u>		<u>744.85</u>
Less : Amount allocated to Property, plant and equipment/Capital Work-in-progress		676.09		742.07
Balance carried forward		<u>0.61</u>		<u>2.78</u>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 6: INVESTMENT PROPERTY

(₹ crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. BUILDINGS</b>										
Buildings	2.06	-	-	2.06	0.94	0.03	-	0.97	1.09	1.12
<b>Sub-total 'A'</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>0.94</b>	<b>0.03</b>	<b>-</b>	<b>0.97</b>	<b>1.09</b>	<b>1.12</b>
Figures for the previous year	1.94	0.12	-	2.06	0.85	0.09	-	0.94	1.12	

## (i) Contractual obligations

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

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

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Rental income	2.27	2.02
Direct operating expenses that generated rental income*		
Direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment properties before depreciation</b>	<b>2.27</b>	<b>2.02</b>
Depreciation	0.03	0.09
<b>Profit from leasing of investment properties</b>	<b>2.24</b>	<b>1.93</b>

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

## (iii) Leasing arrangements

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

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Within one year	0.32	0.35
Later than one year but not later than 5 years	2.52	1.85
Later than 5 years	1.35	4.20
	<b>4.19</b>	<b>6.40</b>

## (iv) Fair value

Fair value of Investment properties as on 31<sup>st</sup> March, 2021 is ₹26.71 crore (₹32.15 crore as on 31<sup>st</sup> March, 2020).

## (v) Estimation of fair value

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

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

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**7: INTANGIBLE ASSETS**

(₹crore)

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION**				NET BLOCK		
	As at 31 <sup>st</sup> March, 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 <sup>st</sup> March, 2021	Up to 31 <sup>st</sup> March, 2020	For the Year	Disposals/ Adjustments	Up to 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A. PLANTS, MINES &amp; OTHERS</b>										
Computer Software*	116.97	3.61	0.01	120.57	103.60	3.99	(0.11)	107.70	12.87	13.37
Mining Rights	1837.08	10.71	-	1847.79	406.92	24.43	-	431.35	1416.44	1430.16
<b>Sub-total 'A'</b>	<b>1954.05</b>	<b>14.32</b>	<b>0.01</b>	<b>1968.36</b>	<b>510.52</b>	<b>28.42</b>	<b>(0.11)</b>	<b>539.05</b>	<b>1429.31</b>	<b>1443.53</b>
Figures for the previous year	1927.65	26.40	-	1954.05	476.53	33.99	-	510.52	1443.53	
<b>B. SOCIAL FACILITIES</b>										
Computer Software*	0.69	-	-	0.69	0.61	0.01	-	0.62	0.07	0.08
<b>Sub-total 'B'</b>	<b>0.69</b>	<b>-</b>	<b>-</b>	<b>0.69</b>	<b>0.61</b>	<b>0.01</b>	<b>-</b>	<b>0.62</b>	<b>0.07</b>	<b>0.08</b>
Figures for the previous year	0.62	0.07	-	0.69	0.60	0.01	-	0.61	0.08	
<b>Total ('A' + 'B')</b>	<b>1954.74</b>	<b>14.32</b>	<b>0.01</b>	<b>1969.05</b>	<b>511.13</b>	<b>28.43</b>	<b>(0.11)</b>	<b>539.67</b>	<b>1429.38</b>	<b>1443.61</b>
Figures for the previous year	1928.27	26.47	-	1954.74	477.13	34.00	-	511.13	1443.61	

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

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

(₹crore)

	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
<b>7a: INVENTORIES - NON CURRENT</b>				
Stores & Spares	-	-	-	-
<b>Raw Material</b>				
Slime	140.45	-	-	-
Others	-	140.45	-	-
<b>Finished / Semi-finished products</b>				
Iron ore fines (sub-grade)	3785.39	-	-	-
Slag dump (embedded scrap)	310.42	4095.81	-	-
		<b>4236.26</b>		

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 8: INVESTMENTS - NON CURRENT

	No of Shares		Amount (₹ in crore)	
	As at	As at	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
(₹crore)				
<b>Investments carried at fair value through other comprehensive income</b>				
<b>Quoted equity</b>				
MSTC Limited	-	640000	-	5.06
			-	5.06
<b>Unquoted equity</b>				
TRL Krozaki Refractories Limited	2203150	2203150	51.35	44.10
Indian Potash Limited	720000	720000	88.26	78.84
Haridaspur Paradeep Railway Co Ltd	5000000	5000000	5.00	5.00
Cement & Allied Products (Bihar) Limited	2	2	-	-
Chemical & Fertilizer Corporation (Bihar) Limited	1	1	-	-
Bhilai Power Supply Company Limited	5	5	-	-
IISCO Ujjain Pipe & Foundry Company Limited	3000000	3000000	3.00	3.00
(under liquidation)#				
UEC SAIL Information Technology Limited*	180000	180000	0.18	0.18
Bihar State Finance Corporation (Face value ₹100/share)	500	500	0.01	0.01
			147.80	131.13
<b>In Co-operative society</b>				
Bokaro Steel Employees' Co-operative Credit Society	116500	116500	0.12	0.12
Bokaro Steel City Central Consumers' Co-operative Society	250	250	0.00	0.00
NMDC Meghahatuburu Employees' Co-operative Society (Face value ₹ 100/share)	25	25	0.00	0.00
DSP Employees' Co-operative Society Limited (Face value ₹ 100/share)	1377	1377	0.01	0.01
Bolani Ores Employees' Consumer Co-operative society limited (Face value ₹ 25/share)	200	200	0.00	0.00
IISCO Employees Primary Co-operative society (Face value ₹ 20/share)	23000	23000	0.05	0.05
			0.18	0.18
<b>Total (B)</b>			147.98	136.37
<b>Grand total (A + B)</b>			147.98	136.37
Provision for impairment in the value of investments			3.28	3.25
<b>Net investment</b>			144.70	133.12
Aggregate amount of quoted investments (market value thereof)			-	5.06
Aggregate amount of unquoted investments			147.98	131.31
Aggregate amount of impairment in value of investments			3.28	3.25
			144.70	133.12

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>9: TRADE RECEIVABLES - NON CURRENT*</b>		
Considered good - Unsecured	0.90	0.92
Receivables - credit impaired	<u>14.59</u>	<u>14.59</u>
	15.49	15.51
Provision for doubtful receivables	<u>14.59</u>	<u>14.59</u>
	<u>0.90</u>	<u>0.92</u>

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

**10: LOANS - NON CURRENT\***
**Considered good - Unsecured**

Security deposits	120.47	116.76	
Loan to employees	58.98	80.06	
Loan to others	<u>580.74</u>	<u>471.66</u>	668.48
	760.19		668.48
Less : Provision for doubtful loans	<u>3.20</u>		<u>3.20</u>
	<u>756.99</u>		<u>665.28</u>

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

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

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

Derivative assets	190.80		338.21
Claims recoverable	35.90		8.61
Receivable - others	52.70		45.48
Lease equalisation reserve	0.95		0.37
Receivables from employees	0.07		0.07
Bills Receivable	58.30		58.30
Loans and advances to related parties	10.53	10.53	
Less: Provision for doubtful related party advances	10.53	-	-
Fixed deposits with original maturity period more than 12 months	<u>5.74</u>		<u>5.74</u>
	344.46		456.78
Less: Provision for doubtful assets	<u>8.21</u>		<u>8.20</u>
	<u>336.25</u>		<u>448.58</u>

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

**12: DEFERRED TAX ASSETS (NET)**
**Tax effect of items constituting deferred tax liabilities**

Difference between book and tax depreciation	6879.52	11486.29	
Fair value adjustment through OCI	<u>31.62</u>	<u>27.83</u>	11514.12

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

Unpaid taxes and duties to be allowed on payment	874.75	1321.40	
Losses available for offsetting against future taxable income	4378.06	10160.54	
Others	<u>324.25</u>	<u>787.78</u>	12269.72
Tax credit (minimum alternative tax)	-	-	<u>1266.57</u>
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(1334.08)</b>		<b>2022.17</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### 12. DEFERRED TAX ASSETS (NET) (CONTD.)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31<sup>st</sup> March, 2021 are summarized as follows:

	As at 1 <sup>st</sup> April, 2020	Recognized in Profit or Loss	Recognized in Other comprehensive income	As at 31 <sup>st</sup> March, 2021
(₹crore)				
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book and tax depreciation	11486.29	(4606.77)	-	6879.52
Fair value adjustment through OCI	27.83	-	3.79	31.62
	<u>11514.12</u>	<u>(4606.77)</u>	<u>3.79</u>	<u>6911.14</u>
<b>Tax effect of items constituting deferred tax assets</b>				
Unpaid taxes and duties to be allowed on payment	1321.40	(446.65)		874.75
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(₹crore)		
<b>13: CURRENT TAX ASSETS (NET)</b>		
<b>Current tax assets</b>		
Advance income tax (net of provision)	217.56	153.31
	<u>217.56</u>	<u>153.31</u>

### 14: OTHER ASSETS - NON CURRENT

Advances to contractors & suppliers	533.98	515.23
Advances others	1.18	1.18
Deposit with Government authorities	726.23	688.41
Prepaid expenses	13.04	19.14
	_____	_____
	_____	_____
	_____	_____

Losses available for offsetting  
Tax credit (minimum alternative tax)  
Others

Deferred tax assets / (liabilities)

The Company is having accrued tax liability of ₹13834.78 crore (previous year ₹13834.78 crore) amounting to ₹3560.55 crore as on 31<sup>st</sup> March, 2021 in line with the provisions of the Income Tax Act, 1961.

Accordingly, deferred tax assets of ₹6911.14 crore (previous year ₹6911.14 crore) are recognized on 31<sup>st</sup> March, 2021 in line with the provisions of the Income Tax Act, 1961.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>15: INVENTORIES*</b>		
<b>Stores &amp; spares</b>		
Production	2892.25	3054.46
Fuel Stores	212.72	162.03
Others	27.75	22.61
	<u>3132.72</u>	<u>3239.10</u>
Add: In-transit	241.49	177.67
	<u>3374.21</u>	<u>3416.77</u>
Less: Provision for non moving/obsolete items	246.45	242.24
	<u>3127.76</u>	<u>3174.53</u>
<b>Raw Material</b>		
Raw material**	3168.19	3625.71
Add: In-transit	1891.93	1849.98
	<u>5060.12</u>	<u>5475.69</u>
Less: Provision for unusable materials	24.68	27.70
	<u>5035.44</u>	<u>5447.99</u>
<b>Finished / Semi-finished products</b>		
Finished goods***	4213.11	8941.00
Work in progress	2405.96	2481.57
	<u>6619.07</u>	<u>11422.57</u>
<b>Others - By-products (sub-grade fines)</b>	<u>551.90</u>	<u>3791.18</u>
	<u>15334.17</u>	<u>23836.27</u>

\*Valued as per accounting policy No. 3.8

\*\*Includes inventories of slime of ₹103.71 crore (previous year - ₹234.92 crore)

\*\*\*Includes inventories of iron and steel scrap embedded in slag dumps of ₹128.21 crore (previous year - ₹683.33 crore)

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

Considered good-Unsecured	7153.70	8844.73
Receivables - credit impaired	236.88	207.57
	<u>7390.58</u>	<u>9052.30</u>
Provision for doubtful receivables	236.88	207.57
	<u>7153.70</u>	<u>8844.73</u>

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

Refer note 43 - Financial instruments for assessment of expected credit losses.

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

Cash and stamps on hand	0.08	0.10
Cheques in hand	5.48	-
<b>Balance with Banks</b>		
Current accounts	35.73	170.91
Term deposits with original maturity upto 3 months	476.97	19.51
Term deposits as per court orders with original maturity upto 3 months	0.02	0.02
	<u>512.72</u>	<u>190.44</u>
	<u>518.28</u>	<u>190.54</u>

**17 (ii): OTHER BANK BALANCES**

Earmarked bank balances	207.84	205.16
Unpaid dividend accounts	4.11	4.66
Fixed deposits with maturity for more than 3 months but less than 12 months	66.12	44.66
	<u>278.07</u>	<u>254.48</u>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
<b>18: LOANS - CURRENT*</b>				
<b>Considered good - Unsecured</b>				
Security deposits	14.05		11.17	
Loan to employees	33.11		31.48	
Loan to related parties	2.80		5.60	
Loan to others	2.31	52.27	2.86	51.11
Loans-credit impaired		-		-
		52.27		51.11
Less: Provision for doubtful loans		1.80		1.44
		50.47		49.67

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

**19: OTHER FINANCIAL ASSETS - CURRENT**

Derivative assets		63.60		83.59
Claims recoverable		746.61		654.76
Receivable - others		472.15		412.55
Receivables from employees		5.03		17.45
Amount recoverable from Gratuity Trust		454.73		313.21
Bills receivable		1014.84		1012.80
Advances to related parties	44.20		21.68	
Less: Provision for doubtful related parties advances	1.39	42.81	13.42	8.26
		2799.77		2502.62
Less: Provision for doubtful assets		321.45		313.37
		2478.32		2189.25

**20: OTHER ASSETS - CURRENT**

Gold coins in hand		0.19		0.23
Advances to contractors & suppliers	423.92		412.99	
Advance others	892.84	1316.76	1033.05	1446.04
Deposit with Government authorities		3022.35		2965.87
Deposits - GST		1.34		1.25
GST receivable-input service		2.48		2.98
GST receivable		1732.19		1085.85
TDS deducted by customers on GST		0.01		0.01
Prepaid expenses		68.34		32.07
Claims receivable		142.98		143.97
Export incentive receivables		124.12		118.81
		6410.76		5797.08
Less: Provision for doubtful other assets		56.57		63.76
		6354.19		5733.32

**21: ASSETS CLASSIFIED AS HELD FOR SALE**

Assets classified as held for sale		17.01		27.20
		17.01		27.20

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

(ii) Plant & machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the plant & machinery was determined using the comparable value approach.

This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs under this approach is the metal price in the market.



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 23: OTHER EQUITY

(₹crore)

	As at		As at	
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
<b>Reserves &amp; Surplus</b>				
<b>Capital Reserve</b>				
Opening balance	511.67		511.94	
Additions during the year	-		(0.27)	
Less: Utilisation during the year	-	511.67	-	511.67
<b>Securities Premium</b>				
Opening balance	235.10		235.10	
Changes during the year	-	235.10	-	235.10
<b>Bond Redemption Reserve</b>				
Opening balance	1375.02		1994.14	
Transfer from retained earnings	-		276.63	
Transfer to retained earnings	290.87	1084.15	895.75	1375.02
<b>General Reserve</b>				
Opening balance	5107.74		5106.32	
Additions during the year	1.19		1.42	
Less: Utilisation during the year	-	5108.93	-	5107.74
<b>Retained Earnings</b>				
Opening balance	29790.32		27464.45	
Add: Net Profit for the year	4148.13		2120.71	
Add: Other comprehensive Income/(Loss)-Remeasurement gains/(losses) of defined benefit plans	266.50		(130.15)	
Add: Transfer from Bond Redemption Reserve	290.87		895.75	
Less: Transfer to Bond Redemption Reserve	-		276.63	
Less: Final dividend	-		206.53	
Less: Interim dividend paid	413.05		-	
Less: Tax on Equity dividend	-		42.89	
Less: Tax on interim dividend paid	-		1.03	
Less, Transaction with non-controlling interest	(0.01)		(0.01)	
Less, Ind AS 116 adjustments	-		31.95	
Less: Transfer to General Reserve	1.19	34081.59	1.42	29790.32
<b>Other Comprehensive Income</b>				
<b>Equity Instruments through Other Comprehensive Income</b>				
Opening balance	68.78		56.05	
Change in fair value of FVOCI equity instruments	12.88	81.66	12.73	68.78
<b>Share in Other Comprehensive Income of equity accounted investees</b>				
Opening balance	291.07		147.62	
Change in fair value of FVOCI equity instruments	(118.48)	172.59	143.45	291.07
<b>Total other equity</b>		<b>41275.69</b>		<b>37379.70</b>

**Nature and purpose of other reserves****Capital reserve**

Capital reserve is created out of the capital profit, it is created out of the profit earned from some specific transactions of capital nature.

Capital reserve is not available for the distribution to the shareholders.

**Securities premium reserve**

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

**Bond redemption reserve**

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

**Other Comprehensive Income (OCI) reserve**

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



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>25: TRADE PAYABLES - NON CURRENT</b>		
Due to micro, small and medium enterprise (refer note 48.2)	-	-
Amount payable to contractors/suppliers/others	4.10	10.70
	<u>4.10</u>	<u>10.70</u>

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

Employees related dues	531.53	513.54
Interest Accrued but not due on borrowings	573.20	567.79
Other payables	199.35	287.18
	<u>1304.08</u>	<u>1368.51</u>

**27: PROVISIONS - NON CURRENT**

Provision for gratuity	3.51	2.60
Provision for accrued leave liability	2945.11	2677.30
Provision for post retirement medical & settlement benefits	1041.46	963.52
Provision for long term service award	15.07	14.38
Provision for mines closure	99.28	87.14
Other provisions	429.32	370.87
	<u>4533.75</u>	<u>4115.81</u>

**28: OTHER LIABILITIES - NON CURRENT**

Deferred Income*	439.97	397.51
	<u>439.97</u>	<u>397.51</u>

**\*Deferred income includes:**

- award conferred by the Prime Minister of India to the Bhilai Steel Plant as best integrated steel plant in India and the earnings from the fund are utilised for the welfare of the employees in Bhilai.
- Central Government grant of ₹294.82 crore (₹139.99 crore received during 2020-21 and ₹144.83 crores in 2019-20), against sanctioned budgetary provision of ₹294.82 crore for the purpose of upgradation of Ispat General Hospital, Rourkela to Super Speciality Hospital. The Company has complied with all the conditions for such grants with in line with Ind AS 20.

**29. BORROWINGS - CURRENT****Secured****Repayable on demand**

From banks	3504.00	4112.33
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**Unsecured**

Other loans	7250.00	6100.00
Commercial paper	5096.24	3756.52
Foreign currency loans	-	2671.93
	<u>15850.24</u>	<u>16640.78</u>

**1. Security disclosure for the outstanding short term borrowings as at 31<sup>st</sup> March, 2021:****Borrowings from banks are secured, in respect of respective facilities by way of :**

- Hypothecation of all current assets



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>35: REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Domestic	62215.27	57285.17
Exports	6109.57	3620.26
Export incentives	131.02	123.00
Sub Total (a)	<u>68455.86</u>	<u>61028.43</u>
<b>Sale of Services</b>		
Service charges	20.57	22.89
Sub Total (b)	<u>20.57</u>	<u>22.89</u>
<b>Other Operating Revenues</b>		
Social amenities-recoveries	308.33	351.54
Sale of empties etc.	79.74	52.40
Sundries	249.11	208.90
Sub Total (c)	<u>637.18</u>	<u>612.84</u>
Total (a+b+c)	<u>69113.61</u>	<u>61664.16</u>
<b>Desegregation of Revenue</b>		
<b>Nature of Goods and Services</b>		
The parent Company is engaged in the manufacturing of Iron and Steel products and generate revenues from sale of Iron and Steel products and the same is the only reportable segment of the parent Company.		
<b>(1) Primary Geographical Markets</b>		
Within India	62215.27	57285.17
Outside India	6240.59	3743.26
Total	<u>68455.86</u>	<u>61028.43</u>
<b>(2) Major Products</b>		
Iron and steel	65211.87	59298.35
Other Secondary and By-products	3243.99	1730.08
Total	<u>68455.86</u>	<u>61028.43</u>
<b>Contract Balances</b>		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers receivables which are included in 'Trade Receivables'.		
Trade receivables	7154.60	8845.65
Contract liabilities	1836.80	1220.62
<b>36: OTHER INCOME</b>		
<b>Interest income</b>		
Loans & advances to other companies	0.55	0.98
Customers	141.45	145.06
Employees	8.84	11.98
Bank deposits	6.79	20.76
Others	115.35	62.10
Sub Total (a)	<u>272.98</u>	<u>240.88</u>
<b>Dividend income</b>		
Dividend from investments (includes dividend from investments carried at fair value through OCI)	3.40	2.92
Sub Total (b)	<u>3.40</u>	<u>2.92</u>
<b>Net gain on sale of investments</b> Sub Total (c)	<u>4.47</u>	<u>0.59</u>
<b>Other non-operating Income</b>		
Grant-in-aid	1.15	0.97
Provisions no longer required written back	161.73	131.06
Write back of other liabilities	122.68	276.18
Liquidated damages	119.11	131.19
Foreign exchange fluctuations (net)	104.09	-
Others	71.06	123.46
	<u>579.82</u>	<u>662.86</u>
Less: Expenses attributable to non-operating income	-	1.46
Sub Total (d)	<u>579.82</u>	<u>661.40</u>
<b>Total (a+b+c+d)</b>	<u>860.67</u>	<u>905.79</u>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>37 : COST OF MATERIALS CONSUMED</b>		
Iron ore	5217.77	5191.70
Coal	17422.64	23058.44
Coke	13.88	21.61
Limestone	1423.86	1489.58
Dolomite	464.39	584.91
Ferro manganese	174.80	323.68
Ferro silicon	224.07	213.22
Silico manganese	1270.09	1378.04
Hot Rolled Stainless Steel Coils	1.39	-
Zinc	87.78	117.60
Aluminium	292.41	297.34
Others	1534.12	1715.12
	<u>28127.20</u>	<u>34391.24</u>
Less: Inter account adjustments	4913.61	5019.51
	<u>23213.59</u>	<u>29371.73</u>
<b>38 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCTS</b>		
<b>38A CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Opening stock</b>		
Finished goods	8941.00	6973.49
Work in progress	2481.57	3396.56
	<u>11422.57</u>	<u>10370.05</u>
<b>Less: Closing stock</b>		
Finished goods	4523.53	8941.00
Work in progress	2405.96	2481.57
	<u>6929.49</u>	<u>11422.57</u>
Accretion (-)/depletion to stock	4493.08	(1052.52)
Write down due to Covid-19 considered as exceptional items	-	404.26
(a)	<u>4493.08</u>	<u>(1456.78)</u>
<b>38B : CHANGES IN INVENTORIES OF BY PRODUCTS</b>		
Sub grade iron ore fines		
<b>Opening stock</b>		
Iron ore fines (sub-grade)	3791.18	-
<b>Less: Closing stock</b>		
Iron ore fines (sub-grade)	4337.29	3791.18
Accretion (-)/depletion to stock	(546.11)	(3791.18)
Write down due to Covid-19 considered as exceptional items*	-	329.67
Reversal of Covid-19 impact considered as exceptional items*	(329.67)	-
(b)	<u>(216.44)</u>	<u>(4120.85)</u>
Accretion (-)/depletion to stock	4276.64	(5577.63)
*Refer note 41a		
<b>39: EMPLOYEE BENEFITS EXPENSE*</b>		
Salaries & wages	8086.59	6777.80
Leave encashment	586.92	278.41
Company's contribution to provident & other funds	1054.67	920.78
Travel concession	19.97	198.19
Welfare expenses	435.03	384.97
Gratuity	277.87	237.17
	<u>10461.05</u>	<u>8797.32</u>
<b>*Expenditure on employees's remuneration and benefits not included above and charged to:</b>		
Expenditure during construction	83.79	80.06

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

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>40: FINANCE COSTS</b>		
<b>Interest Cost</b>		
Foreign currency loans*	209.32	299.21
Non convertible bonds	474.16	695.25
Bank borrowings - working capital	6.24	10.53
Steel development fund loans	4.08	5.60
Other bank borrowings and commercial paper	2095.94	2449.58
Other borrowing costs	27.41	26.59
	<u>2817.15</u>	<u>3486.76</u>

\*Including foreign exchange fluctuations gain of ₹5.47 crore  
(As on 31<sup>st</sup> March, 2020: loss ₹99.74 crore).

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

Foreign currency loans	74.71	85.43
Non convertible bonds	88.40	118.34
Steel development fund loans - Interest	1.33	2.57
Other bank borrowings	384.72	375.34
	<u>549.16</u>	<u>581.68</u>

**41: OTHER EXPENSES****Consumption of stores & spares**

Consumption	4081.90	4658.81
Less: Departmentally manufactured stores	590.99	924.20
Less: Finished products internally consumed as stores and spares	405.96	494.22
	<u>3084.95</u>	<u>3240.39</u>

**Repairs & maintenance**

Buildings	217.51	191.82
Plant & machinery	1058.19	1069.68
Others	354.22	301.80
	<u>1629.92</u>	<u>1563.30</u>

**Handling expenses**

Raw material	482.63	500.62
Scrap recovery	312.51	382.61
	<u>795.14</u>	<u>883.23</u>

**Remuneration to auditors**

Audit fees	2.11	1.95
Tax audit fees	0.59	0.54
In other services	1.59	1.25
Out of pocket expenses	0.19	0.65
	<u>4.48</u>	<u>4.39</u>

**Provisions**

Doubtful debts, loans and advances	92.69	76.12
Investments	1.58	5.22
Stores, spares and sundries	167.73	207.71
Power and fuel	5715.89	6198.96
Freight outward	2080.01	2216.57
Royalty and cess	2399.03	1901.13
Conversion charges	143.67	210.59
Excise duty on inter-plant transfer/internal consumption	-	0.04
Demurrage & wharfage	36.44	38.63
Water charges & cess on water pollution	145.78	141.77
Insurance	70.05	52.72
Postage, telegram & telephone	15.78	15.38

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>41. OTHER EXPENSES (CONTD.)</b>		
Printing & stationery	8.42	10.60
Rates & taxes	39.11	34.44
Rent	16.22	16.69
Security expenses	729.42	659.73
Travelling expenses	109.57	113.40
Expenditure on temporary suspended mines	-	14.78
Training expenses	45.33	49.54
Expenditure on corporate social responsibility (refer note-49.7)	47.67	28.13
Foreign exchange fluctuations (net)	-	245.19
Loss on sale/scrapping of fixed assets (net)	37.74	49.43
Cost audit fee and reimbursement of expenses	0.09	0.12
Write-offs - Miscellaneous	15.81	0.06
Handling expenses - finished goods	173.53	170.93
Commission to selling agents	14.98	10.30
Export sales expenses	188.50	91.44
Miscellaneous	614.06	606.09
	<u>18423.59</u>	<u>18857.02</u>

**41a: EXCEPTIONAL ITEMS**

Voluntary retirement compensation	103.70	-
Entry tax and other dues {refer note 47.2 a(ii)}	167.54	-
COVID-19 impact :		
Raw Material	-	37.83
Finished/Semi-finished goods	-	404.26
Iron ore fines (sub-grade)	-	329.67
Covid-19 impact reversal of iron ore fines (sub-grade)	<u>(329.67)</u>	-
	<u>(58.43)</u>	<u>771.76</u>

**41b: EARNING PER SHARE**

Profit for the year (₹ crore)	4148.13	2120.71
Number of equity shares	4130525289	4130525289
Earning per share - basic and diluted (₹)	10.04	5.13
Face value per equity share (₹)	10.00	10.00

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 42: FINANCIAL INSTRUMENTS

## i) Fair values hierarchy

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

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

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

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

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

(₹crore)

As at 31 <sup>st</sup> March, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial instruments at FVTPL</b>				
Derivative financial assets	-	254.40	-	254.40
<b>Investments at FVOCI</b>				
Equity instruments				
Quoted	-	-	-	-
Unquoted	-	-	147.98	147.98
<b>Total financial assets</b>	-	<b>254.40</b>	<b>147.98</b>	<b>402.38</b>
<b>Financial liabilities</b>				
<b>Financial instruments at FVTPL</b>				
Derivative liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-

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

(₹crore)

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

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

(₹crore)

Financial assets	Level	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Loans	Level-3	807.46	1028.86	714.95	843.81
Derivative financial assets	Level-2	254.40	254.40	421.80	421.80
<b>Equity instruments</b>					
Quoted	Level-1	-	-	5.06	5.06
Unquoted	Level-3	147.98	147.98	131.31	131.31
<b>Total financial assets</b>		<b>1209.84</b>	<b>1431.24</b>	<b>1273.12</b>	<b>1401.98</b>
<b>Financial liabilities</b>					
Borrowings	Level-3	39344.57	39495.91	55626.30	55673.85
Other payables	Level-3	11559.56	11688.11	10683.91	10739.03
Derivative liability	Level-2	-	-	-	-
<b>Total financial liabilities</b>		<b>50904.13</b>	<b>51184.02</b>	<b>66310.21</b>	<b>66412.88</b>

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**(iv) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

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

**(v) Unquoted investments:**

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

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

(₹ crore)

Unlisted equity securities		
<b>As at 31<sup>st</sup> March, 2019</b>		<b>116.12</b>
Gains/losses recognised in other comprehensive income		15.19
<b>As at 31<sup>st</sup> March, 2020</b>		<b>131.31</b>
Gains/losses recognised in other comprehensive income		16.67
<b>As at 31<sup>st</sup> March, 2021</b>		<b>147.98</b>

**43: FINANCIAL RISK MANAGEMENT**
**i) Financial instruments by category**

(₹ crore)

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Equity instruments	-	144.70	-	-	136.37	-
Trade receivables	-	-	7154.60	-	-	8845.65
Cash and cash equivalents	-	-	518.28	-	-	190.54
Other Bank Balances	-	-	278.07	-	-	254.48
Loans	-	-	807.46	-	-	714.95
Derivative financial assets	254.40	-	-	421.80	-	-
Other receivables	-	-	2560.17	-	-	2216.03
<b>Total</b>	<b>254.40</b>	<b>144.70</b>	<b>11318.58</b>	<b>421.80</b>	<b>136.37</b>	<b>12221.65</b>
<b>Financial liabilities</b>						
Borrowings	-	-	39344.57	-	-	55626.30
Trade payable	-	-	7019.10	-	-	6333.07
Derivative Liability	-	-	-	-	-	-
Other payables	-	-	11559.56	-	-	10683.91
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57923.23</b>	<b>-</b>	<b>-</b>	<b>72643.28</b>

**ii) Risk Management**

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

**A) Credit risk**

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

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

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

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## a) Credit risk management

**Cash and cash equivalent**

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

**Derivative financial instruments**

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

**Trade receivables**

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

**Other financial assets measured at amortized cost**

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

## b) Expected credit losses

Group, its Joint Ventures and Associate provides expected credit losses based on the following:

**Trade receivables**

The Group, its Joint Ventures and Associate recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹crore)

Ageing (As at 31 <sup>st</sup> March, 2021)	0-3 Months	3-12 Months	12-24 Months	24-36 Months	More than 36 Months	Total
Gross carrying amount	3187.74	2135.93	1774.27	35.79	272.34	7406.07
Expected loss rate	0.11%	0.17%	0.46%	10.14%	85.39%	3.40%
Expected credit loss provision	3.47	3.72	8.10	3.63	232.55	251.47
<b>Carrying amount of trade receivables (Net of impairment)</b>	<b>3184.27</b>	<b>2132.21</b>	<b>1766.17</b>	<b>32.16</b>	<b>39.79</b>	<b>7154.60</b>

Ageing (As at 31 <sup>st</sup> March, 2020)	0-3 Months	3-12 Months	12-24 Months	24-36 Months	More than 36 Months	Total
Gross carrying amount	5570.98	3040.40	143.94	79.54	232.95	9067.81
Expected loss rate	0.07%	0.15%	2.88%	3.60%	88.88%	2.45%
Expected credit loss provision	3.65	4.46	4.15	2.86	207.04	222.16
<b>Carrying amount of trade receivables (Net of impairment)</b>	<b>5567.33</b>	<b>3035.94</b>	<b>139.79</b>	<b>76.68</b>	<b>25.91</b>	<b>8845.65</b>

**Reconciliation of Expected credit loss provision**

(₹crore)

Particulars	
<b>As at 31<sup>st</sup> March, 2019</b>	<b>204.94</b>
Changes in provision	17.22
<b>As at 31<sup>st</sup> March, 2020</b>	<b>222.16</b>
Changes in provision	29.31
<b>As at 31<sup>st</sup> March, 2021</b>	<b>251.47</b>

**Other financial assets measured at amortized cost**

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

## B) Liquidity risk

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

**Maturities of financial liabilities**

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

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹crore)

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2021	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
<b>Non-derivatives</b>					
Borrowings	20442.47	3668.88	4566.41	12977.14	41654.90
Trade payable	6634.03	264.69	59.90	60.49	7019.11
Other payables	7622.19	105.49	73.99	248.73	8050.40
<b>Total</b>	<b>34698.69</b>	<b>4039.06</b>	<b>4700.30</b>	<b>13286.36</b>	<b>56724.41</b>
<b>Derivatives</b>					
Derivative liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2020	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
<b>Non-derivatives</b>					
Borrowings	20363.64	6270.55	6936.69	27650.84	61221.71
Trade payable	6320.38	0.17	0.65	18.54	6339.74
Other payables	8871.19	83.59	65.55	1044.15	10064.48
<b>Total</b>	<b>35555.21</b>	<b>6354.31</b>	<b>7002.89</b>	<b>28713.53</b>	<b>77625.93</b>
<b>Derivatives</b>					
Derivative liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**C) Market Risk**
**a) Foreign currency risk**

Most of the Group's, its Joint Venture's & Associate's transactions are carried out in INR. Exposures to currency exchange rates arise from the Group's, its Joint Venture's & Associate's overseas borrowing arrangements, which are primarily denominated in US dollars (USD). To mitigate the Group's, its Joint Venture's & Associate's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's, its Joint Venture's & Associate's risk management policies. Generally, the Group's, its Joint Venture's & Associate's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

**Foreign currency risk exposure:**

The Group's, its Joint Venture's & Associate's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ crore are as follows:

Financial assets	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	USD	Euro	USD	Euro
<b>Financial assets</b>				
Trade receivables	183.03	-	84.81	-
Derivative financial assets (Gross amounts, to hedge borrowings)	-	-	6.79	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>183.03</b>	<b>-</b>	<b>91.60</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	2856.60	369.79	2625.19	363.54
Trade payable	2825.55	351.48	2517.26	470.35
Other payables	27.18	75.92	33.13	175.59
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>5709.33</b>	<b>797.19</b>	<b>5175.58</b>	<b>1009.48</b>

**Sensitivity**

The following table illustrates the sensitivity of profit and equity in regard to the Group's, its Joint Venture's & Associate's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 4.69% change of the INR/USD exchange rate for the year ended at 31<sup>st</sup> March, 2021 (2020: 5.45%). A +/- 6.78% change is considered for the INR/EUR exchange rate (2020: 7.57%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's, its Joint Venture's & Associate's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>USD sensitivity</b>		
INR/USD- increase by 4.69% (31 March 2021)	259.18	-
INR/USD- decrease by 4.69% (31 March 2021)	(259.18)	-
INR/USD- increase by 5.45% (31 March 2020)	-	282.07
INR/USD- decrease by 5.45% (31 March 2020)	-	(282.07)
<b>Euro sensitivity</b>		
INR/EUR- increase by 6.78% (31 March 2021)	54.05	-
INR/EUR- decrease by 6.78% (31 March 2021)	(54.05)	-
INR/EUR- increase by 7.57% (31 March 2020)	-	76.42
INR/EUR- decrease by 7.57% (31 March 2020)	-	(76.42)

**b) Interest rate risk**

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually at fixed rates. At 31<sup>st</sup> March, 2021, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's, its Joint Venture's & Associate's investments in bonds all pay fixed interest rates. The exposure to interest rates for the Group's, its Joint Venture's & Associate's money market funds is considered immaterial. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2020: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

**i) Liabilities**

The Group's, its Joint Venture's & Associate's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31<sup>st</sup> March, 2021, the Group, its Joint Ventures & Associate is exposed to changes in market interest rates through bank borrowings at variable interest rates.

**Interest rate risk exposure**

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Variable rate borrowing (excluding exposures offset by derivatives)	11022.50	28829.00
Fixed rate borrowing	28322.07	26797.30
<b>Total borrowings</b>	<b>39344.57</b>	<b>55626.30</b>

**Sensitivity**

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Interest rate sensitivity</b>		
Interest rates-increase by 100 basis points	110.23	288.29
Interest rates-decrease by 100 basis points	(110.23)	(288.29)

**ii) Assets**

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

**Interest rate risk exposure**

Below is the overall exposure of the financial assets:

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	1085.53	969.43
<b>Total deposits</b>	<b>1085.53</b>	<b>969.43</b>

**c) Price risk****Exposure**

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

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**44. CAPITAL MANAGEMENT**

The Group's, its Joint Venture's & Associate's capital management objectives are

- to ensure the Group's, its Joint Venture's & Associate's ability to continue as a going concern.
- to provide an adequate return to shareholders

The Group, its Joint Ventures & Associate monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

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

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Net debts	38548.22	55181.28
Total equity	45406.22	41510.23
<b>Net debt to equity ratio</b>	<b>0.85</b>	<b>1.33</b>

**Dividends**

(₹crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Equity shares</b>		
(i) Interim dividend for the year ended 31 <sup>st</sup> March, 2021 @ ₹1.00 per equity share on the paid up share capital	413.05	-
(ii) Final dividend not recognised at the end of the reporting period	743.50	-

**44A. Details of Subsidiaries, Joint Ventures and Associates**

S. No.	Name	Relationship	Nature of activity	Principal Place of Incorporation	Principal Place of Business	Ownership	
						As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	SAIL Refractory Company Limited	Subsidiary	Refractory Material production	India	India	100%	100%
2	SAIL Sindri Projects Limited	Subsidiary	Cement production	India	India	100%	100%
3	Chhattisgarh mega steel limited	Subsidiary	Steel production	India	India	74%	74%
4	NTPC SAIL Power Company Ltd	Joint-ventures	Power Production	India	India	50%	50%
5	Bokaro Power Supply Co. Pvt. Ltd.	Joint-ventures	Power Production	India	India	50%	50%
6	mjunction Services Limited	Joint-ventures	Consultancy services	India	India	50%	50%
7	SAIL Bansal Service Centre Ltd	Joint-ventures	Consultancy services	India	India	40%	40%
8	Bhilai Jaypee Cement Limited	Joint-ventures	Cement production	India	India	26%	26%
9	S&T Mining Co. Pvt. Limited	Joint-ventures	Coal Mining	India	India	50%	50%
10	International Coal Ventures Private Ltd.	Joint-ventures	Coal Mining	India	Mozambique	47.82%	47.82%
11	SAIL-MOIL Ferro Alloys Private Ltd.	Joint-ventures	Ferro Manganese production	India	India	50%	50%
12	SAIL SCI Shipping Pvt. Limited	Joint-ventures	Logistics	India	India	50%	50%
13	SAIL SCL Kerala Limited	Joint-ventures	Steel production	India	India	49.26%	49.26%
14	SAIL RITES Bengal Industry Pvt. Ltd.	Joint-ventures	Railway Wagon Production	India	India	50%	50%
15	SAIL Kobe Iron India Pvt. Limited	Joint-ventures	Steel production	India	India	50%	50%
16	SAIL-BENGAL Alloy Castings Private Ltd.	Joint-ventures	Alloy Casting	India	India	50%	50%
17	Prime Gold-SAIL JVC Limited	Joint-ventures	Steel production	India	India	26%	26%
18	VSL SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	20.58%	20.58%
19	Abhinav SAIL JVC Limited	Joint-ventures	Alloy Casting	India	India	26%	26%
20	NMDC SAIL Limited	Joint-ventures	Railway Project	India	India	49%	49%
21	Bastar Railway Private Limited	Joint-ventures	Railway Project	India	India	12%	12%
22	GEDCOL SAIL Power Corporation Ltd.	Joint-ventures	Power Production	India	India	26%	26%
23	Almora Magnesite Limited	Associate	Magnesite Mining	India	India	20%	20%

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 44B. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEEES

Joint ventures individually significant			(₹crore)		
NTPC SAIL Power Company Limited			(₹crore)		
Summarized balance sheet	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current assets.</b>			Revenue	282.46	282.46
Cash and cash equivalents	83.37	130.35	Depreciation and amortisation	10.83	10.83
Other assets	653.62	598.60	Interest income	-	-
	736.99	728.95	Interest Expense	-	-
Non-current assets	4,322.95	4,028.12	Income tax expense or income	18.82	18.82
<b>Current Liabilities</b>			Profit or loss from continuing operations.	40.29	40.29
Financial liabilities (excluding provisions)	608.80	630.43	Post-tax profit or loss from discontinued operations.	-	-
Other Liabilities	127.68	100.40	Other comprehensive income.	(0.97)	(0.97)
	736.48	730.83	<b>Total comprehensive income.</b>	<b>39.32</b>	<b>39.32</b>
<b>Non-Current liabilities</b>			<b>Ownership interest</b>	<b>50.00%</b>	<b>50.00%</b>
Financial liabilities (excluding provisions)	1,418.54	1,278.59			
Other liabilities	5.67	5.12			
	1,424.21	1,283.71			
<b>Net Assets</b>	<b>2,899.25</b>	<b>2,742.53</b>			
<b>Ownership Interest</b>	<b>50.00%</b>	<b>50.00%</b>			
<b>Carrying Amount of Interest</b>	<b>1,449.63</b>	<b>1,371.27</b>			

			(₹crore)		
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020			
Revenue	2,758.15	2,891.46			
Depreciation and amortisation	139.93	156.80			
Interest income	5.98	18.40			
Interest Expense	9.31	14.02			
Income tax expense or income	16.57	1.23			
Profit or loss from continuing operations.	348.68	368.96			
Post-tax profit or loss from discontinued operations.	-	-			
Other comprehensive income.	0.30	(4.54)			
<b>Total comprehensive income.</b>	<b>348.98</b>	<b>364.42</b>			
<b>Ownership interest</b>	<b>50.00%</b>	<b>50.00%</b>			

mJunction Services Limited			(₹crore)		
Summarized balance sheet	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020			
<b>Current assets.</b>					
Cash and cash equivalents	15.69	7.50			
Other assets	414.18	248.23			
	429.87	255.73			
Non-current assets	125.23	212.75			
<b>Current Liabilities</b>					
Financial liabilities (excluding provisions)	192.17	144.91			
Other Liabilities	23.53	8.11			
	215.70	153.02			
<b>Non-Current liabilities</b>					
Financial liabilities (excluding provisions)	0.74	0.72			
Other liabilities	12.74	12.19			
	13.48	12.91			
<b>Net Assets</b>	<b>325.92</b>	<b>302.55</b>			
<b>Ownership Interest</b>	<b>50.00%</b>	<b>50.00%</b>			
<b>Carrying Amount of Interest</b>	<b>162.96</b>	<b>151.28</b>			

International Coal Ventures Limited			(₹crore)		
Summarized balance sheet	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020			
<b>Current assets.</b>					
Cash and cash equivalents	11.37	18.76			
Other assets	184.30	50.51			
	195.67	69.27			
Non-current assets	2,401.22	2,614.78			
<b>Current Liabilities</b>					
Financial liabilities (excluding provisions)	303.93	297.16			
Other Liabilities	0.32	0.11			
	304.25	297.27			
<b>Non-Current liabilities</b>					
Financial liabilities (excluding provisions)	-	-			
Other liabilities	16.54	16.96			
	16.54	16.96			
<b>Net Assets</b>	<b>2,276.10</b>	<b>2,369.82</b>			
<b>Ownership Interest</b>	<b>47.82%</b>	<b>47.82%</b>			
<b>Carrying Amount of Interest</b>	<b>1,088.43</b>	<b>1,133.25</b>			

			(₹crore)		
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020			
Revenue	176.22	10.52			
Depreciation and amortisation	0.04	0.11			
Interest income	0.39	0.49			
Interest Expense	5.02	89.57			
Income tax expense or income	-	-			
Profit or loss from continuing operations.	154.38	(93.83)			
Post-tax profit or loss from discontinued operations.	-	-			
Other comprehensive income.	(248.10)	307.55			
<b>Total comprehensive income.</b>	<b>(93.72)</b>	<b>213.72</b>			
<b>Ownership interest</b>	<b>47.82%</b>	<b>47.82%</b>			

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**
**44B. SUMMARISED FINANCIAL INFORMATION OF EQUITY METHOD INVESTEEES**
**Bokaro Power Supply Co. Ltd**

	(₹crore)	
Summarized balance sheet	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current assets.</b>		
Cash and cash equivalents	39.49	14.59
Other assets	470.95	800.51
	<u>510.44</u>	<u>815.10</u>
Non-current assets	581.43	541.48
<b>Current Liabilities</b>		
Financial liabilities (excluding provisions)	128.47	121.48
Other Liabilities	31.03	38.77
	<u>159.50</u>	<u>160.25</u>
<b>Non-Current liabilities</b>		
Financial liabilities (excluding provisions)	7.88	8.78
Other liabilities	65.68	303.05
	<u>73.56</u>	<u>311.83</u>
Net Assets	858.81	884.50
<b>Ownership Interest</b>	50.00%	50.00%
<b>Carrying Amount of Interest</b>	429.41	442.25

	(₹crore)	
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Revenue	842.02	920.25
Depreciation and ammortisation	0.37	-
Interest income	-	30.34
Interest Expense	3.09	14.16
Income tax expense or income	18.50	23.60
Profit or loss from continuing operations.	85.94	71.95
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	-	(1.75)
Total comprehensive income.	<u>85.94</u>	<u>70.20</u>
<b>Ownership interest</b>	<u>50.00%</u>	<u>50.00%</u>

**Bhilai Jaypee Cement Limited**

	(₹crore)	
Summarized balance sheet	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current assets.</b>		
Cash and cash equivalents	3.82	3.33
Other assets	44.88	41.68
	<u>48.70</u>	<u>45.01</u>
Non-current assets	627.05	652.43
<b>Current Liabilities</b>		
Financial liabilities (excluding provisions)	114.79	184.51
Other Liabilities	184.19	583.46
	<u>298.98</u>	<u>767.97</u>
<b>Non-Current liabilities</b>		
Financial liabilities (excluding provisions)	1.51	0.02
Other liabilities	462.03	7.64
	<u>463.54</u>	<u>7.66</u>
Net Assets	(86.77)	(78.19)
<b>Ownership Interest</b>	26.00%	26.00%
<b>Calculated Share of Net Assets</b>	<u>(22.56)</u>	<u>(20.33)</u>
<b>Goodwill</b>		
<b>Carrying amount of Interest</b>	(22.56)	(20.33)

	(₹crore)	
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Revenue	310.35	229.76
Depreciation and ammortisation	34.43	37.69
Interest income	-	-
Interest Expense	7.24	14.43
Income tax expense or income	2.82	21.97
Profit or loss from continuing operations.	(7.54)	(92.04)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	0.04	0.06
Total comprehensive income.	<u>(7.50)</u>	<u>(91.98)</u>
<b>Ownership interest</b>	<u>26.00%</u>	<u>26.00%</u>

**Summarised financial information for Joint Ventures not individually significant**

	(₹crore)	
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit or loss from continuing operations.	(3.90)	(0.79)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	-	(0.01)
Total comprehensive income.	<u>(3.90)</u>	<u>(0.80)</u>

**Associates, not individually significant**

	(₹crore)	
Summarized statement of profit and loss	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit or loss from continuing operations.	(1.37)	(0.69)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	-	-
Total comprehensive income.	<u>(1.37)</u>	<u>(0.69)</u>

**The unrecognised share of losses of joint ventures, both for the reporting period and cumulatively, where SAIL has stopped recognising its share of losses of the joint venture when applying the equity method**

	(₹crore)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
SAIL MOIL Ferro Alloys Private Limited - Reporting	(0.04)	(0.06)
SAIL MOIL Ferro Alloys Private Limited - Cumulative	6.89	6.93
SAIL SCL Kerala Limited - Reporting	9.11	8.25
SAIL SCL Kerala Limited - Cumulative	45.78	36.67
S&T Mining Pvt Limited - Reporting	0.43	0.80
S&T Mining Pvt Limited - Cumulative	5.84	5.41
Bhilai Jaype Private limited - Reporting	2.25	14.63
Bhilai Jaype Private limited - Cumulative	16.88	14.63
SAIL Bengal Alloy Casting Private Limited - Reporting	-	0.01
SAIL Bengal Alloy Casting Private Limited - Cumulative	0.02	0.02

**Dividend Recieved from the Joint Ventures**

	(₹crore)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
NTPC SAIL Power Company Limited	95.00	50.00
Mjunction Services Limited	6.60	6.60
SAIL Bansal Service Center Limited	-	0.08
Bokaro Power Supply Co. Limited	55.81	15.50

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### 44C. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

**44.C.1** Two of the subsidiary companies, SAIL Jagadishpur Power Plant Limited and SAIL Sindri Projects Limited, have filed application for closure of the company under Fast Track Exit Mode as per provisions of Section 248(2) of the Companies Act, 2013 and Rule 4(1) of the Companies (Removal of Names of the Companies from the Register of Companies) Rules, 2016. Out of the two, SAIL Jagadishpur Power Plant Limited name has been struck off from MCA vide Notice dated 12<sup>th</sup> December, 2019. The financial statements/ information in respect of these two subsidiary companies as of year ended 31<sup>st</sup> March, 2021 are not available. Considering the above, the assets and liabilities as at 31<sup>st</sup> March, 2021 and revenues and expenditures for the year ended 31<sup>st</sup> March, 2021 have not been considered in the Consolidated Ind AS Financial Statements.

**44.C.2** Jointly controlled entities of the Group as detailed below are under liquidation/closure/resolution (except Sl. No. 7 & 8). The investment in these companies has been fully provided for as at 31<sup>st</sup> March, 2021. The share of profit/loss in respect of these joint ventures has been considered at Nil:

<b>Name of the Jointly Controlled Entities</b>	7	VSL SAIL JVC Limited
1 NMDC-SAIL Limited	8	SAIL Kobe Iron India Pvt. Limited
2 SAIL SCI Shipping Private Limited		<b>Subsidiary/ Jointly controlled entities of ICVL (Joint Venture Entity):</b>
3 Abhinav SAIL JVC Limited	9	Benga Power Plant (Mauritius) Limited
4 SAIL-BENGAL Alloy Castings Private Ltd.	10	Promark Services Limited
5 S&T Mining Co. Limited	11	ICVL Venture (Mauritius) Limited
6 SAIL-MOIL Ferro Alloys Private Ltd.	12	Benga Energia SA

**44.C.3** In respect of one subsidiary of the Group and ten jointly controlled entities, as detailed below, certain accounting policies are not consistent with that of the Group's accounting policies. The effect on the profit/ loss of these jointly controlled entities due to inconsistency in accounting policy with that of the group is not material.

Sl No.	Name of the Jointly Controlled Entities	Details of Differing Accounting Policy in comparison to Accounting Policy of the Holding Company
1	SAIL Refractory Company Limited - Subsidiary	<b>Note No. 3.1.3:</b> Depreciation on certain assets are provided on the basis of estimated useful life, which is different from SAIL. No monetary limit on capitalization of Capital Repairs.
2	mjunction services limited - Jointly controlled entity	<b>Note No. 2.4:</b> Intangible assets (software) are amortised over a period of three years.
3	International Coal Ventures Private Limited - Jointly controlled entity	<b>Note No. 3.2.2:</b> Major repairs of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Group. <b>Note No. 3.2.3:</b> Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.
4	SAIL & MOIL Ferro Alloys Private Limited- Jointly controlled entity	<b>Note No. 12(B)(d)(iv):</b> Depreciation on addition/deletion during the year is provided on pro-rata basis with reference to the month of addition/deletion j) Adjustment Pertaining to earlier years.
5	NTPC-SAIL Power Company Limited- Jointly controlled entity	<b>Note No. 1.1:</b> No monetary limit on capitalization of Capital Spares. <b>Note No. 1.2:</b> No monetary limit on capitalization of Capital Repairs. <b>Note No. 1.5:</b> Depreciation on certain assets are provided on the basis of estimated useful life, which is different from SAIL. <b>Note No. 3.4:</b> Amortization of software is done for 3 years or legal right to use, whichever is less <b>Note No. 7:</b> Valuation of Inventory. <b>Note No. 19:</b> Prior Period Adjustment.
6	SAIL-RITES Bengal Wagon Industry private Limited- Jointly controlled entity	<b>Note No. 3.5:</b> Basis of valuation of inventory is different from SAIL. <b>Note No. 3.11:</b> Policy different from SAIL.
7	S & T Mining Company Private Limited- Jointly controlled entity	<b>Note No. 1.</b> Going Concern is not applicable on S&T Mining. <b>Note No 2.3:</b> PPE. <b>Note No 2.4:</b> Intangible Assets life. <b>Note No. 2.5:</b> Depreciation on certain assets are provided on the basis of estimated useful life, which is different from SAIL. <b>Note No. 2.12 :</b> Revenue.
8	Bokaro Power Supply Co. Pvt. Ltd.	<b>Note No. 4.1:</b> PPE- Initial Recognition and Measurement. <b>Note No.4.2:</b> Derecognition. <b>Note No.4.3:</b> Depreciation. <b>Note No.6.1:</b> Life of Software. <b>Note No.9: Inventories.</b> <b>Note No.13 Revenue Recognition.</b> <b>Note No.14:</b> Liquidated Damage. <b>Note No.24:</b> Dividend. <b>Note No.25:</b> Prior Period items.
9	Bhilai Jaypee Cement Limited	<b>Note No. 2.9:</b> Property, Plant & Equipment. <b>Note No. 2.11:</b> Intangible Assets. <b>Note No. 2.16 :</b> Inventories.
10	GEDCOL SAIL Power Corporation Ltd.	g. The estimated useful life of Computer is 3 years.
11	SAIL SCL Kerela Limited	b) Basis of preparation. e) Depreciation. g) Cash and Cash equivalent. i) Inventories.

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

**44.C.4** Under equity method, investment in a Joint venture/Associate is not calculated on a line by line method unlike in the case of subsidiaries. Therefore, only profit/loss element on closing stock of purchase/sale from jointly controlled entities is to be considered for elimination. SAIL mainly purchases power from its Joint ventures which has no closing stock. Further, transactions with other Jointly controlled entities is very immaterial and it is also not practically possible to compute profit/loss on the same.

**44D INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ crore)

For the year ended 31 March, 2021	Net worth		Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income		
	Ownership in % As at 31 March, 2021	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	39,364.35	86.69%	3,850.02	92.81%	280.53	174.36%	4,130.55	95.86%
<b>Subsidiaries</b>									
SAIL Refractory Company Limited	100	138.68	0.31%	14.22	0.34%	(1.71)	-1.06%	12.51	0.29%
SAIL Sindri Projects Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh mega steel limited	74	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
<b>Joint-ventures</b>									
NTPC SAIL Power Company Ltd	50	1,639.63	3.61%	174.34	4.20%	0.15	0.09%	174.49	4.05%
Bokaro Power Supply Co. Pvt. Ltd.	50	542.88	1.20%	42.97	1.04%	-	0.00%	42.97	1.00%
Mjunction Services Limited	50	176.16	0.39%	18.28	0.44%	0.01	0.01%	18.29	0.42%
SAIL Bansal Service Centre Ltd	40	0.98	0.00%	0.22	0.01%	-	0.00%	0.22	0.01%
Bhilai Jaypee Cement Limited	26	-	0.00%	(9.34)	-0.23%	0.01	0.00%	(9.33)	-0.22%
S & T Mining Co. Pvt. Limited	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
International Coal Ventures Private Ltd.	47.82	1,088.43	2.40%	73.82	1.78%	(118.64)	-73.74%	(44.82)	-1.04%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL SCL Kerala Limited	49.26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL RITES Bengal Industry Pvt. Ltd.	50	30.01	0.07%	1.24	0.03%	-	0.00%	1.24	0.03%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Prime Gold-SAIL JVC Limited	26	5.27	0.01%	(0.34)	-0.01%	-	0.00%	(0.34)	-0.01%
VSL SAIL JVC Limited	20.58	1.02	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NMDC SAIL Limited	49	-	0.00%	-	0.00%	-	0.00%	-	0.00%
GEDCOL SAIL Power corp. Ltd.	26	2.61	0.01%	0.01	0.00%	-	0.00%	0.01	0.00%
Bastar Railway Private Limited	12	35.44	0.08%	0.06	0.00%	-	0.00%	0.06	0.00%
<b>Associates</b>						0.00%			
Almora Magnesite Limited	20	1.31	0.00%	(0.27)	-0.01%	-	0.00%	(0.27)	-0.01%
<b>Non-controlling interest</b>				-				-	
<b>Consolidation adjustments</b>		2,379.18	5.24%	(17.09)	-0.41%	0.55	0.34%	(16.54)	-0.38%
<b>Grand total</b>		<b>45,406.23</b>	<b>100.00%</b>	<b>4,148.13</b>	<b>100.00%</b>	<b>160.90</b>	<b>100.00%</b>	<b>4,309.03</b>	<b>100.00%</b>

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

## 44E INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹crore)

For the year ended 31 March, 2020	Net worth		Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income		
	Ownership in % As at 31 March, 2020	Proportionate Share	As % of Consolidated Net Worth	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive Income
Steel Authority of India	100	39,777.38	95.83%	2,021.54	95.32%	(115.71)	-444.52%	1,905.83	88.78%
<b>Subsidiaries</b>									
SAIL Jagdishpur Power Plant Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL Refractory Company Limited	100	138.68	0.33%	14.22	0.67%	(1.71)	-6.57%	12.51	0.58%
SAIL Sindri Projects Limited	100	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Chhattisgarh mega steel limited	74	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
<b>Joint-ventures</b>									
NTPC SAIL Power Company Ltd	50	1,371.26	3.30%	184.48	8.70%	(2.27)	-8.72%	182.21	8.49%
Bokaro Power Supply Co. Pvt. Ltd.	50	444.10	1.07%	35.98	1.70%	(0.88)	-3.36%	35.10	1.64%
Mjunction Services Limited	50	151.27	0.36%	20.15	0.95%	(0.49)	-1.86%	19.66	0.92%
SAIL Bansal Service Centre Ltd	40	0.76	0.00%	0.14	0.01%	(0.00)	-0.02%	0.14	0.01%
Bhilai Jaypee Cement Limited	26	-	0.00%	(9.34)	-0.44%	0.02	0.06%	(9.32)	-0.43%
S & T Mining Co. Pvt. Limited	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
International Coal Ventures Private Ltd.	47.82	1,133.25	2.73%	(44.87)	-2.12%	147.07	565.00%	102.20	4.76%
SAIL-MOIL Ferro Alloys Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL SCI Shipping Pvt. Limited	50	-	0.00%	(0.07)	0.00%	-	0.00%	(0.07)	0.00%
SAIL SCL Kerala Limited	49.26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL RITES Bengal Industry Pvt. Ltd.	50	28.77	0.07%	7.77	0.37%	-	0.00%	7.77	0.36%
SAIL Kobe Iron India Pvt. Limited	50	0.26	0.00%	-	0.00%	-	0.00%	-	0.00%
SAIL-BENGAL Alloy Castings Private Ltd.	50	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Prime Gold-SAIL JVC Limited	26	5.61	0.01%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
VSL SAIL JVC Limited	20.58	1.02	0.00%	-	0.00%	-	0.00%	-	0.00%
Abhinav SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NMDC SAIL Limited	49	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TMT SAL SAIL JV Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SAL SAIL JVC Limited	26	-	0.00%	-	0.00%	-	0.00%	-	0.00%
GEDCOL SAIL Power corp. Ltd.	26	2.61	0.01%	0.07	0.00%	-	0.00%	0.07	0.00%
Bastar Railway Private Limited	12	35.38	0.09%	0.17	0.01%	-	0.00%	0.17	0.01%
<b>Associates</b>							0.00%		
Almora Magnesite Limited	20	1.58	0.00%	(0.14)	-0.01%	-	0.00%	(0.14)	-0.01%
Non-controlling interest				-				-	
<b>Consolidation adjustments</b>		(1,581.70)	-3.81%	(109.36)	-5.16%	(0.00)	-0.01%	(109.36)	-5.09%
<b>Grand total</b>		<b>41,510.24</b>	<b>100.00%</b>	<b>2,120.71</b>	<b>100.00%</b>	<b>26.03</b>	<b>100.00%</b>	<b>2,146.74</b>	<b>100.00%</b>

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

(₹ crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>45: DETAILS OF ASSETS PLEDGED</b>		
<b>Current</b>		
Inventories and trade receivables (to the extent pledged)	3504.00	4112.33
<b>Non Current</b>		
Plant & Machinery (movable assets) - BSL, BSP & RSP (to the extent pledged).	12267.42	25860.50
Land at Mouje-Wadej of city taluka, District Ahemadabad, Gujarat and Plant & Machinery - ISP including land on which it stands.	5118.00	6304.00

**46: EFFECTIVE TAX RECONCILIATION**

Profit/(loss) before tax	7205.65	3301.58
Domestic tax rate for PFS	25.168%	34.944%
<b>Expected tax expense [A]</b>	<b>1813.52</b>	<b>1153.70</b>
Adjustment for tax-exempt income/non-deductible expenses	11.87	(15.11)
Adjustment for difference tax rate items	(14.57)	(0.01)
Tax incentive on specific expenditure	-	(12.20)
Tax related to earlier years	1287.94	66.31
Others	(41.23)	(11.82)
<b>Total adjustments [B]</b>	<b>1244.01</b>	<b>27.17</b>
<b>Actual tax expense [C=A+B]</b>	<b>3057.52</b>	<b>1180.87</b>
Tax expense comprises:		
Current tax expense	16.35	229.79
Deferred tax credit	3041.17	951.08
<b>Tax expense recognized in Statement of profit and loss [D]</b>	<b>3057.52</b>	<b>1180.87</b>

**47.1 CONTINGENT LIABILITIES**
**In Respect of SAIL**

(₹ in crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Claims against SAIL pending appellate/judicial decisions	33597.55	29843.89
(ii) Other claims against SAIL not acknowledged as debt	3886.76	4963.21
(iii) Disputed income tax/service tax/other demand on joint venture company for which SAIL may be contingently liable under the joint venture agreement	61.63	42.91
(iv) Bills drawn on customers and discounted with banks.	255.35	84.86
(v) Price escalation claims by contractors/suppliers and claims by employees.	336.32	361.98

**In Respect of Subsidiaries/Jointly Controlled entities:**

(₹ in crore)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Claims against the Subsidiaries/Jointly Controlled entities pending appellate/judicial decisions	8.96	1.28
(ii) Other claims against the Subsidiaries/Jointly Controlled entities not acknowledged as debt	2119.82	2092.53

**47.2 In respect of SAIL:**

- a) (i) The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of levy of Entry Tax Acts enacted by various States and has laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 31<sup>st</sup> March, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decisions by the regular Benches of other Courts on levy of Entry Tax in the States of Chhattisgarh, Odisha and Jharkhand, the Entry Tax demands under dispute of ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively upto 31<sup>st</sup> March, 2021 aggregating to ₹1373.42 crore (previous year ₹1092.28 crore, ₹241.00 crore and ₹40.14 crore respectively aggregating to ₹1373.42 crore upto 31<sup>st</sup> March, 2020) have been treated as contingent liabilities.

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

- (ii) The West Bengal Finance Act, 2017 has included WB Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Further, Hon'ble Calcutta High Court, vide its Order dated 15.06.2018, transmitted the Writ Petition of DSP, ISP, CMO, ASP and SAIL Growth Works, Kulti on Entry Tax to the West Bengal Taxation Tribunal. During the Financial Year 2020-21, the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes.
- b) Hon'ble Supreme Court dismissed the SLP by the Company (pertaining to Bokaro Steel Plant) in respect of dispute with Damodar Valley Corporation (DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018 which can also have effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28.12.2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed claims of DVC of ₹587.72 crore upto 31<sup>st</sup> March, 2021 (upto 31<sup>st</sup> March, 2020, ₹587.72 crore) has been treated as Contingent Liability and included in Note No. 47.1(i) above. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.
- 47.3 Under the Jharkhand Mineral Area Development Authority (Amendment) Act, 2015, the State Government of Jharkhand has made a demand of ₹4356.65 crore upto 31<sup>st</sup> March, 2021 (upto 31<sup>st</sup> March, 2020 ₹ 4028.18 crore) towards "Market Fee" on transaction value of coal, iron and steel items. As the matter is sub-judice, the amount has been disclosed as a Contingent Liability in Note No. 47.1(i) above.
- 47.4 In its judgement, the Central Administrative Tribunal (CAT), Kolkata has directed that Ministry of Steel shall consider the aspect of payment of arrears of revised perks and allowances and take appropriate decision of payment of revised perks and allowances amounting to ₹325.13 crore to the executives for the period 26.11.2008 to 4.10.2009. Ministry of Steel intimated the matter to 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 Contingent Liability in Note No. 47.1(v) above.
- 47.5 Indigenous washed coking coal supplies, have been claimed by Central Coalfields Limited (CCL) at unilaterally notified price w.e.f. 14<sup>th</sup> January, 2017, 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. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, between SAIL and CCL. The differential claim of CCL, amounting to ₹148.07 crore at unilaterally notified higher rates over and above MOU rates, have been disclosed as contingent liability in the Note No. 47.1(ii) above.
- 47.6 (i) The Ministry of Environment & Forest and Climate Change (MoEF& CC) vide their letter No.- 11-599/2014-FC dated 1<sup>st</sup> April 2015 issued revised Guidelines for diversion of Forest Land for non-forest purpose under the Forest (Conservation) Act, 1980 (FC Act). These revised Guidelines stipulated that in case of existing mining leases having Forest Land (partially or fully), where approval for only a part of forest land has been obtained under the FC Act, the Central Government accorded general approval under Section-2(iii) of the FC Act for the remaining area also to be Forest Land, subject to certain conditions, which includes realising Net Present Value (NPV) for the entire forest land falling in the mining lease, in case NPV of such forest land has not already been realised.
- In this matter, as per legal opinion obtained by the Company, Section 2 (iii) of FC Act, 1980 will not apply to Government Corporation and NPV is required to be paid only for that limited area, which has been approved by MoEF& CC and in which mining activities are proposed to be done and not for the entire forest area. The matter of applicability of NPV for total forest land has been challenged by the Company in Hon'ble High Court of Jharkhand. The Hon'ble Court, in its order, has directed to place the matter before Division Bench of this Court.
- A writ petition has also been filed in the Hon'ble high Court of Chhattisgarh against the demand of ₹96.28 crore received during 2017-18 from the Office of Principal Chief Conservator of Forest, Chhattisgarh.
- The Company has deposited ₹96.28 crore with Principal Chief Conservator of Forest, Chhattisgarh and a Special Leave Petition has been filed in Hon'ble Supreme Court of India against the order of Hon'ble High Court of Chhattisgarh.
- (ii) Chhattisgarh State enacted Chhattisgarh (Adhosaanrachna Vikas ewam Paryaawaran) Upkar Adhiniyam, 2005 and levied Cess on the mineral extracted in the State of Chhattisgarh. BSP has filed a writ petition in the High Court of Chhattisgarh challenging the enactment as ultra- vires. However, BSP has deposited of ₹168.23 crore under protest till 2020-21 and shown as deposit with Government Department. Total disputed amount of ₹168.23 crore (previous year ₹148.39 crore) is disclosed under contingent liability in Note no.47. 1.(i)
- 47.7 Pursuant to the Hon'ble Supreme Court Judgment dated 2<sup>nd</sup> August, 2017 in the Common Cause matter regarding illegal mining, demand/Show cause notices have been issued for recovery of the price of minerals produced without and beyond the environmental clearances under Section 21(5) of Mines and Mineral Development Regulation Act, 1957, forest clearance under the Forest Conservation Act 1980, and towards excess production beyond consent to operate. The Company has challenged the purported demand before the High Court of Jharkhand and Odisha and obtained stay on demand.
- (a) As the matter is pending for final determination and considering the implication of existing litigation, the Company has provided as detailed below:
- (i) In respect of Iron Ore, by the Government of Odisha and Government of Jharkhand amounting to ₹311.99 crore and ₹2347.52 crore (₹278.94 crore and ₹2057.97 crore as on 31<sup>st</sup> March, 2020) respectively (including interest). Based on internal assessment, the Company has provided an amount of ₹378.65 crore (₹363.58 crore as on 31<sup>st</sup> March, 2020) on estimated basis. Balance amount of ₹2280.86 crore (₹1973.33 crore as on 31<sup>st</sup> March, 2020) (including interest) has been treated as contingent liability in Note No. 47.1(i).
- (ii) In respect of Flux, by the Government of Jharkhand amounting to ₹51.01 crore (₹29.47 crore as on 31<sup>st</sup> March 2020) (including interest). Based on internal assessment, the Company has provided an amount of ₹12.20 crore (₹10.56 crore as on 31<sup>st</sup> March 2020) on estimated basis. Balance amount of ₹38.81 crore (₹18.91 crore as on 31<sup>st</sup> March 2020) (including interest) has been treated as contingent liability in Note No. 47.1(i) above.

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

- (b) In respect of Coal, by the Government of Jharkhand amounting to ₹595.35 crore (₹515.08 crore as on 31<sup>st</sup> March 2020) (including interest), Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay to the Company. Accordingly pending disposal, the amount of ₹595.35 crore (₹515.08 crore as on 31<sup>st</sup> March 2020) (including interest) has been treated as Contingent Liability in Note No. 47.1 (l) above.
- 47.8** a) M/s Tata Projects Limited (TPL) & M/s Danieli Corus BV (DC) (in consortium) have filed a case before Arbitral Tribunal in International Chamber of Commerce vide case No-22326/PTA against SAIL/Rourkela Steel Plant for resolution of dispute arising out of contract No. P/PROJ/643(10)/79001/08049126 dtd 01.10.2008. Arbitral Tribunal has awarded a sum of ₹ 626.02 crores on 16-May-2018 against SAIL/Rourkela Steel Plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, management has deposited ₹300 Crore with Hon'ble High Court at Delhi (Refer Note No. 20). The sum of ₹962.51 cores (₹834.53 crore as on 31<sup>st</sup> March, 2020) (including interest) has been disclosed under contingent liability in Note No. 47.1 (ii) above.
- b) M/s JSC Cryogenmash has filed a case before Arbitral Tribunal in International Chamber of Commerce against SAIL/Bhilai Steel Plant for resolution of dispute arising out of contract. Arbitral Tribunal has awarded a sum of ₹106.92 crores on 20.07.2018 against SAIL / Bhilai Steel plant.
- Against the award, the management has filed an appeal before Hon'ble High Court at Delhi which has been admitted. Pending disposal of appeal, the sum of ₹129.98 crore (including interest) has been disclosed under contingent liability in Note no 47.1 (ii) above.
- 47.9** Land measuring 5.545 acres was allotted to DVC for 30 years w.e.f. 12.07.1966 on long term lease basis. The Land was given to DVC for setting up of Electrical sub-station for ensuring supply of power for the benefit of ASP. There was no lease agreement for the subsequent period, i.e., w.e.f. 13/07/1996. In absence of any agreement, the dues receivables for the said period, could not be ascertained with reasonable certainty. The same will be accounted for in the year of settlement.
- 47.10** Consequent to the order of Hon'ble Odisha High Court, Company's claim towards renewal of lease [total area of 2599.54 acre disclosed under Note No. 4. (ii) (b) ], of land at Horomoto stands rejected, except surface area of 222.54 acre for which State Govt has been directed to consider as per provisions of Law.
- 47.11** An award arising out of the Arbitration between M/S. Goyal Mg Gases Pvt. Ltd. (Claimant) And SAIL/Alloy Steels Plant, Durgapur (Respondent) seeking claim of ₹116.86 Crore, has been received on 22.05.2020, vide SCOPE, New Delhi letter dated 18.05.2020.
- By the aforesaid award the Tribunal allowed claim no. 1 and 2 of the Claimant w.r.t. differential amount pertaining to transportation charges of Argon from DSP BOO Plant to ASP based upon market rate claimed by the Claimant and refund of withheld/ deducted amount by ASP from the bills of the Claimant on account of merchant market sale of Oxygen, Nitrogen and Argon respectively along with applicable interest thereon out of the total claimed amount.
- SAIL ASP is in process of taking further steps for filing a petition for setting aside the award under Section 34 of the Arbitration and Conciliation Act 1996 (the Act) before the District Court/ Commercial Court, as the issues pertain to patent illegality committed by the Tribunal while giving the award.
- In view of above and based on the amount quantified by the tribunal, the net disputed liability of ₹7.06 crore as on 31<sup>st</sup> March 2021, including interest, has been booked under Contingent Liability in Note No. 47.1 (i) above.

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

**In respect of SAIL**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Capital commitments	<b>5066.03</b>	5368.33
Other commitments	<b>4259.28</b>	4421.19

**In respect of Subsidiaries/Jointly Controlled entities:**

(₹ in crore)

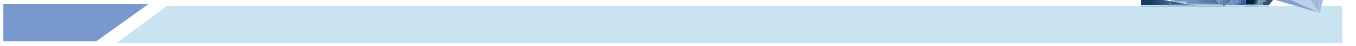
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Capital commitments	<b>479.84</b>	558.33
Other commitments	<b>23.06</b>	20.47

**In respect of SAIL:**

- 48.2** The amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Note No. 30 Trade Payables) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2021 are as under:

(₹ in crore)

No.	Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i.	The principal amount remaining unpaid to suppliers as at the end of the Year.	103.57	47.99
ii.	The amount of interest accrued during the Year and remaining unpaid at the end of the Year.	-	-
iii.	The amount of further interest remaining due and payable even in the succeeding Year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
iv.	The interest due thereon remaining unpaid to supplier as at the end of the Year.	-	-
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.	-	-



## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

**49.6** The Company considers the assets of one entire plant as Cash Generating Unit (CGU). The Company has internally reviewed whether there are any indicators that the carrying amount of its assets of CGUs may be impaired on each balance sheet date. If any such indicators exist, the asset recoverable amount is estimated as higher of the net selling price and the value in use. Value in use is based on present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amounts of assets of a CGU exceed the asset recoverable amount. Further to the internal assessment, the Company also determines net selling price of the assets of CGU, in which any such indication exists, once every three years by an independent expert.

Based on the internal assessment done by the Company at its different CGUs as per the accounting policy of the Company, no impairment loss is required to be provided.

**49.7** As per section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Based on above, the CSR amount has been budgeted at ₹39.44 crore for the year 2020-21 (₹33.00 crore during the previous year). The Company has spent an amount of ₹47.18 crore on CSR activities during the year 2020-21 (₹27.56 crore during the previous year) under the following heads.

(₹ in crore)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Education	8.30	8.83
Healthcare	28.48	8.10
Livelihood Generation	2.14	1.33
Women Empowerment	0.57	0.51
Drinking Water	0.80	0.47
Sanitation	0.23	0.28
Sports	0.72	1.24
Art & Culture	1.65	3.52
Rural Development	1.19	1.56
Social Security	0.46	0.33
Environment Sustainability	0.48	1.05
Disaster Relief	2.06	0.00
Project Identification and Monitoring	0.10	0.05
Capacity Building of Personnel	0.00	0.29
<b>Total</b>	<b>47.18</b>	<b>27.56</b>

Balance amount of ₹NIL crore has been transferred to 'Unspent CSR Account'.

### In respect of SRCL:

SRCL has spent an amount of ₹0.49 crore (previous year ₹0.57 crore) on CSR activities during the Financial Year 2020-21 under the following heads:

(₹ in crore)

Particulars	2020-2021	2019-2020
Education	0.17	0.19
Healthcare	-	0.09
Women Empowerment	0.07	0.07
Sanitation	0.14	0.19
Art & Culture	-	0.00
Others	0.11	0.03
<b>Total</b>	<b>0.49</b>	<b>0.57</b>

### In respect of SAIL:

**49.8** In compliance to General Financial Rule 238(5) & (6), the details of Grants received from Ministry of Steel and its utilization for Research and Development Projects during last three years are as under :

(₹ in crore)

Year	Grant Received from Central Government	Grant Utilised (from Opening Balance and Current Year)
2020-21	0.00	1.50
2019-20	0.00	0.43
2018-19	1.47	1.02

*Towards E .*

- e. Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31<sup>st</sup> March, 2021 is Nil (Previous Year NIL).
- f. Information about extension and termination options :

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases With termination option
Leasehold Land	53	0.08 - 90	27.70	43	34
Plant and equipment	9	0.12 - 15.01	5.78	5	1
Vehicles	15	0.01 - 9.05	3.72	-	7
Buildings	20	0.08 - 49.79	5.39	14	18

- g. The total future cash outflows as at 31<sup>st</sup> March, 2021 for leases that had not yet commenced is of NIL (Previous Year NIL) (office premises).

**Company as a lessor**

**Operating lease as a lessor**

The Company has entered into lease agreements for spaces such as banks, housing societies, hospitals, mobile towers land plots and employee quarters/flats spaces, etc.

The period for such leases ranges from 11 months to 50 years depending upon terms and conditions of each lease arrangements.

**Future minimum lease payments receivable under the operating lease is as below::**

(a) Not Later than one year	28.83	23.83
(b) Later than one year and not later than five years	70.96	58.37
(c) Later than five		

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

interest elements. Accordingly, the interest element has been computed and recognised as income during the Year amounting to ₹47.17 crore (till date ₹140.26 crore). As per the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India, such treatment of recognition on time proportion basis is in order as in view of Management, no significant uncertainty exists regarding collectability and measurability of revenue.

- 49.12** The Company is carrying inventory of 42.60 million tonnes (previous year 42.98 million tonnes) of sub-grade iron-ore fines (SGFs) at its various mines. The low iron content of these fines has made them unsuitable for consumption in the steel plants of the Company. Moreover, the Government of India, vide notification dated 19<sup>th</sup> September, 2012 prevented all captive miners (including the Company) from selling these sub-grade fines in the market. Since, these inventories could neither be consumed nor sold, they had no economic value and therefore, no values were assigned to these sub-grade fines till 2018-19.

In exercise of the powers conferred under Section 20A of the MMDR Act, 1957, the Ministry of Mines, Government of India, vide its order no. F.No.16/30/2019-M.VI dated 16<sup>th</sup> September 2019 directed the concerned State Governments to allow the sale of sub-grade minerals lying at the captive mines of the Company, subject to ascertainment by the State Governments in consultation with the Indian Bureau of Mines, of the usability of such fines in the steel plant. Subsequently, by a clarification dated 4<sup>th</sup> January 2020, Ministry of Mines has removed the condition of certification of usability. On a clarification sought by the Company on the powers of the State Government in this matter, the Additional Solicitor General of India vide opinion dated 19<sup>th</sup> May 2020, has opined that the above notification has been issued u/s 20A (2)(v) of the MMDR Act. The matter is under the Union List of Schedule VII of the Constitution and the power to issue directives vests entirely with the Central Government. It was specifically mentioned in the opinion that the State Governments have no power to deny the Company the right to sell the fines. Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company has opined vide their communication dated 6<sup>th</sup> June 2020 that the accumulated sub-grade fines may be regarded as a by-product and if it is determined to be an immaterial by-product, it may be valued at net realizable value as per Ind AS 2 – Inventories. The opinion of the EAC also clarified that, the increase in the carrying amount of such inventories due to the notification of the Central Government permitting sale should be recognized in the Statement of Profit and Loss in accordance with the requirements of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors being a change in accounting estimate.

The management took steps for quantitative verification of SGFs at each of the mines and carried out qualitative analysis (including gradation) for Fe content during the previous year and based on the aforesaid Order of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the EAC of ICAI, the Company as at 31<sup>st</sup> March 2020 valued the inventory of SGFs of 42.98 million tonnes at NRV of ₹3791.18 crore. The NRV was arrived at basis the estimates made by the management as per the average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India organisation adjusted for royalty and other selling costs.

During the year, the Company has obtained all clearances including environmental clearance and clearance from Director General of Mines Safety, Government of India. Further, procedural clearances have been obtained from the State Government of Odisha and the same is in the advanced stages in the State of Jharkhand and which in view of the management are expected to be received soon. As a result, the management has been able to sell off such inventories in certain locations. While, on an overall basis during the current year, there has been insignificant movement (0.40 million tonnes) in the volume of such inventories, there is significant market demand for SGFs and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up a beneficiation plant in future that will consume significant volume of SGFs annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the significant volume of such inventories, the management has during the year made a detailed assessment of volumes that are expected to be sold within 12 months from the end of the current year and has accordingly, classified a part of these inventories as non-current i.e. volumes that are expected to be sold beyond 12 months from the end of the current year (Refer note 7A & 15). The carrying value of such inventories has also been pro-rated basis above assessment. Also, considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories cannot be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values are the best estimates basis the information available at this stage.

In line with the above accounting treatment for SGFs, the management has during the year done a quantitative verification of inventories of tailings at Barsua mines and carried out qualitative analysis (including gradation) for Fe content and valued the inventory of tailings of 3.97 million tonnes at NRV of ₹248.24 crore as at 31<sup>st</sup> March 2021 (including ₹204.47 crore classified as non-current inventories). The NRV has been arrived at basis the estimates made by the management as per the ASP of similar tailings declared by IBM adjusted for royalty and other selling costs. Further, the recent sales price trends for tailings also are indicative of considerable margins over and above the carrying value of such inventories. Accordingly, in view of the management, no further adjustment is required in the carrying value of these inventories as at 31<sup>st</sup> March 2021. (Also refer Note 3.8 and 3.24.4)

- 49.13** The Company has valued approximately 0.57 MnT of extractable iron and steel scrap embedded in BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants as on 31<sup>st</sup> March, 2021 at ₹438.63 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated quantity of 0.66 MnT valued at ₹683.33 crore).

An estimated quantity of 4.71 MnT of Iron Ore Tailings at Dalli mines of Bhilai Steel Plant as on 31<sup>st</sup> March 2021 has been valued at ₹244.17 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated at 5.60 MnT valued at ₹234.92 crore).

Valuation of such inventory was considered by the Company in accordance with IND AS 2.

However, Comptroller and Auditor General of India, in its Supplementary Audit, had commented on the recognition of such material as inventory in terms of Ind AS 2. In view of the difference in opinion on the interpretation of IND AS 2 in respect of recognition of such material as inventory, the Company has referred both the matters to Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for obtaining an opinion on such issue. Favourable opinion received from the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) dated 8<sup>th</sup> March, 2021, that both iron and steel scrap embedded in slag and de-silted iron ore fines meets the definition of 'inventories' as per Ind AS 2.

- 49.14** The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27<sup>th</sup> October, 2016 had accorded 'in-principle' approval for Strategic Disinvestment of three units of Steel Authority of India Limited (SAIL) viz. Visvesvaraya Iron & Steel Plant (VISP), Bhadravati, Karnataka, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), West Bengal.

Subsequently, in line with the "in-principle" approval of Government of India, SAIL Board in its meeting held on 9<sup>th</sup> February, 2017, approved the Strategic Disinvestment of ASP, VISP and SSP. The Company appointed various Advisors to carry out the process. The entire process of Strategic Disinvestment is being overseen by an Inter-Ministerial Group (IMG). The IMG is chaired by Secretary, Department of Public Assets Management (DIPAM) and co-chaired by Secretary (Steel).

Preliminary Information Memorandum (PIM) / Expression of Interest (EoI), Requests of ASP, SSP and VISP were issued on 4<sup>th</sup> July, 2019. The Transaction Advisor, M/s SBICAPs has informed that, in case of ASP, no EOIs were received from prospective bidders till the scheduled date. The EOIs of SSP and VISP were opened on 10<sup>th</sup> September, 2019. The Request for Proposal (RFP), Confidential Information Memorandum (CIM) and Business Transfer Agreement (BTA) have been issued to the short-listed bidders and due diligence is ongoing by the short-listed bidders.

- 49.15** The Company has proposed a final dividend @ 18% of the paid-up equity share capital (i.e. 1.80 per equity share of 10/- each) for the Financial Year 2020-21 subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company. Earlier, the Company declared interim dividend @ 10% of the paid-up equity share capital (i.e. 1.00 per equity share of 10/- each).
- 49.16** Pursuant to notice dated January 13, 2021 ("Notice") filed with the Stock Exchanges, President of India (Promoter), acting through the Ministry of Steel, Government of India proposed to sell up to 20,65,26,264 equity shares of Steel Authority of India Limited (the Company) having face value of 10 each of the Company, representing 5% of the total paid-up equity share capital of the Company with an option to additionally sell up to 20,65,26,264 Equity Shares (representing 5% of the total paid-up equity share capital of the Company) (the "Oversubscription Option") through the separate designated window of BSE Limited ("BSE") and National Stock Exchange of India Limited.







**(c) Expenses recognised in the Statement of Profit & Loss for the Year:**
**(d) Effect of 0.5 percentage point change in the Discount rate on Employees' Benefit schemes**

(₹ in crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	9.99	9.56
ii)	Leave	1.35	1.29

**(e) Effect of 0.5 percentage point change in the salary escalation rate on Employees' Benefit schemes**

(₹ in crore)

Sl. No.	Particulars	0.5 percentage point decrease in discount rate	0.5 percentage point increase in discount rate
i)	Gratuity	9.59	9.95
ii)	Leave	1.29	1.35

**(f) Investments of Gratuity Trust / Leave Encashment Fund**

(₹ in crore)

Sl. No.	Particulars	% of Investment	
		As at 31.03.21	As at 31.03.20
i)	Gratuity Trust	64.17	74.24
ii)	Leave Encashment Trust	95.90	91.44

**(j) Actuarial assumptions**

i)	Discount Rate (per annum)	6.80%	6.60%
ii)	Mortality rate	IALM (2006-08) Ultimate	
iii)	Retirement Age		
	- Executives	58 Years	60 Years
	- Non Executives	58 Years	60 Years
iv)	Salary Escalation	Executives:	



(k) **Maturity profile of Defined Benefit ObligationsE**



## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

53. The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current periods classification.

Sd/-  
**M.B. Balakrishnan**  
Company Secretary

For and on behalf of the Board of Directors  
Sd/-  
**Amit Sen**  
Director Finance  
DIN: 08602987

Sd/-  
**Soma Mondal**  
Chairman  
DIN: 06845389

*In terms of our report of even date*

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

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

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

**For KASG & Co.**  
Chartered Accountants  
Firm Registration No. 002228C

Sd/-  
**P. Venugopala Rao**  
Partner  
M. No. 010905

Sd/-  
**Ritesh Agarwal**  
Partner  
M. No. 062410

Sd/-  
**Neeraj Sharma**  
Partner  
M. No. 502103

Sd/-  
**Bharat Goel**  
Partner  
M. No. 060069

Place : New Delhi  
Dated : June 10, 2021

**Annexure-VI to the Board's Report**

<b>1. Tej Raj &amp; Pal</b> Chartered Accountants, A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	<b>2. S. Jaykishan</b> Chartered Accountants, 12, Ho Chi Minh Sarani, 2 <sup>nd</sup> Floor, Suite No. 2D, 2E & 2F, Kolkata-700071	<b>3. Walker Chandiook and Co. LLP</b> Chartered Accountants, L -41, Connaught Circus, New Delhi - 110001	<b>4. K A S G &amp; CO.</b> Chartered Accountants, 2 <sup>nd</sup> Floor, ShriLaxmi Complex, Shastri Nagar, Dhanbad- 826001
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**INDEPENDENT AUDITORS' REPORT**

To  
The Members of Steel Authority of India Limited

Comments	Management's Replies
<p><b>Report on the Audit of the Consolidated Financial Statements</b></p> <p><b>Qualified Opinion</b></p> <p>1. We have audited the accompanying consolidated financial statements of <b>Steel Authority of India Limited</b> ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and jointly controlled entities, as listed in Appendix 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies, notes and other explanatory information (hereinafter referred to as 'consolidated financial statements').</p> <p>2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entities and the reports of the branch auditors of the Holding Company's branches listed in Appendix 2, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with relevant rules issued thereunder, of the consolidated state of affairs of the Group, its associate and jointly controlled entities, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.</p> <p><b>Basis for Qualified Opinion</b></p>	
<p>3. As referred in note 47.2 (a) to the accompanying consolidated financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying consolidated financial statements for the disputed entry tax demand in various states amounting to ₹1,373.42 crores as on 31 March 2021. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the consolidated financial statements.</p>	<p>The Holding Company's view is that Nine Judge Bench of the Supreme Court, vide its order dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of the Entry Tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioners, such as discriminatory rates of tax, tax on goods entering the landmass of India from another country, etc., may be determined by regular benches hearing the matters. Accordingly, various matters raised by Holding Company are pending with High Courts and the Supreme Court. Pending decision by the Courts, the disputed Entry Tax liabilities of ₹1,373.42 crore have been treated by the Company as Contingent Liability.</p>
<p>4. As referred in note 47.2 (b) to the accompanying consolidated financial statements, current assets include advance of ₹587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for period upto 31 March 2017. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying consolidated financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the consolidated financial statements.</p>	<p>The Holding Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time. Further, the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), have been dismissed by the Hon'ble Supreme Court of India vide its Order dated 3<sup>rd</sup> December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. DVC filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period 2006-07 to 2011-12</p>



Comments	Management's Replies																	
	<p>and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC.</p> <p>The above disputed demands stated at (3) and (4), contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2021. Therefore, there is no adverse impact on Profit for the year.</p>																	
<p>5. Impact of all the above qualifications on the consolidated financial statements for the year ended 31 March 2021 is as under:</p> <p style="text-align: right;">(₹crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #003366; color: white;">Particulars</th> <th colspan="2" style="background-color: #003366; color: white;">As at 31<sup>st</sup> March, 2021</th> </tr> <tr> <th style="background-color: #003366; color: white;">Reported balances</th> <th style="background-color: #003366; color: white;">Balances after impact of all the qualifications which are quantified</th> </tr> </thead> <tbody> <tr> <td>Other equity</td> <td style="text-align: right;">41,275.69</td> <td style="text-align: right;">39,808.13</td> </tr> <tr> <td>Deferred tax liability</td> <td style="text-align: right;">1,334.08</td> <td style="text-align: right;">840.50</td> </tr> <tr> <td>Other current assets</td> <td style="text-align: right;">6,354.19</td> <td style="text-align: right;">5,766.47</td> </tr> <tr> <td>Other current liabilities</td> <td style="text-align: right;">7,555.15</td> <td style="text-align: right;">8,928.57</td> </tr> </tbody> </table> <p>The audit report on the consolidated financial statements for the year ended 31 March 2020 was also modified in respect of above matters.</p>	Particulars	As at 31 <sup>st</sup> March, 2021		Reported balances	Balances after impact of all the qualifications which are quantified	Other equity	41,275.69	39,808.13	Deferred tax liability	1,334.08	840.50	Other current assets	6,354.19	5,766.47	Other current liabilities	7,555.15	8,928.57	
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<p>6. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors including the branch auditors in terms of their reports referred to in paragraph 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.</p>																		
<b>Emphasis of Matter</b>																		
<p>7. We draw your attention to the following matters :</p> <p>(i) note 49.2 to the accompanying consolidated financial statements, which describes that the revenue from operations include sales to Government agencies aggregating to ₹6,902.50 crores for the year ended 31 March 2021 (cumulative upto 31 March 2021 of ₹14,952.22 crores) which is recognized on the basis of provisional prices as per the terms of sales with such Government agencies.</p> <p>(ii) note 49.12 of the accompanying consolidated financial statements, which explains the management's assessment on the valuation and classification of inventories of sub-grade fines and tailings, which were accumulated over several years but gained economic value in the previous year pursuant to an order of the Ministry of Mines, Government of India and accounted for basis the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. The note further explains the management's assessment made during the year with respect to the volume of such inventories that are expected to be sold / processed after 12 months from the end of the current year and which have accordingly in the current year been classified as non-current inventories in the consolidated financial statements.</p> <p>Our opinion is not modified in respect of these matters.</p>																		
<b>Key Audit Matters</b>																		
<p>8. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entities and the reports of the branch auditors of the Holding Company's branches, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.</p>																		
<p>9. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.</p>																		

Comments		Management's Replies
Key Audit Matter	How our audit addressed the key audit matter	
<p><b>Provisions and contingent liabilities relating to ongoing litigations</b></p> <p>The Holding Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigations are presented in note 47.1 and 47.2 read with note 3.18 to the consolidated financial statements.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the consolidated financial statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of regulatory authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the management, through various discussions held with Holding Company's legal and finance personnel.</li> <li>- Tested the design and operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations.</li> <li>- Inspected the summary of litigation matters and discussed key developments during the year with the Holding Company's Legal and Finance personnel.</li> <li>- Inspected and evaluated, where applicable, external legal and/or regulatory advice sought by the Holding Company. Obtained direct confirmation from the dealing lawyers for certain material ongoing litigations.</li> <li>- Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases. Accordingly, we reviewed the amount of provisions recognized and contingent liabilities disclosed in the consolidated financial statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required.</li> <li>- Evaluated the adequacy of disclosures made in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>	
<p><b>Property, Plant &amp; Equipment and intangible assets (including capital work in progress)</b></p> <p>As at 31 March 2021 the Group has Property, Plant and Equipment ('PPE'), Intangible Assets ('IA') and Capital Work-in-Progress ('CWIP') with carrying values of ₹64,133.48 crores, ₹1,429.38 crores and ₹8880.63 crores, respectively, as disclosed in note 4, note 7 and note 5 of the accompany consolidated financial statements. Refer note 3 for the accounting policies adopted by the Group for recognition and measurement of such non-current assets.</p> <p>Determination of the carrying values and their respective depreciation and amortisation amounts of PPE, IA and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16, Property, Plant and Equipment ('Ind AS 16'), and Ind AS 38, Intangible Assets ('Ind AS 38').</p> <p>The carrying value of CWIP also includes balances pertaining to long term projects which requires careful examination of continuity and viability of such projects.</p> <p>Considering the significance of the amounts</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the Group and evaluated the accounting policies adopted by the Group in accordance with the requirements of Ind AS 16 and Ind AS 38.</li> <li>- Tested the design and operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>- Tested the amounts capitalised during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalised satisfied the recognition criteria and were recognised accurately in the correct periods and with correct amounts.</li> <li>- Reviewed the judgements made by management in determination of carrying values of the specified non-current assets including the nature of underlying costs capitalized, determination of realisable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required, and evaluation of appropriateness of long standing CWIP balances pertaining to long-term projects.</li> </ul>	



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<p>involved in the context of the balance sheet of the Group and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p>	<ul style="list-style-type: none"> <li>- Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards</li> </ul>
<p><b>By-products inventory</b> Refer to note 3.8 of summary of significant accounting policies and other explanatory information for accounting policy for valuation of by-products amounting to ₹5,020.08 crores as at 31 March 2021 and significant accounting judgements, estimates and assumptions related thereto and the note 3.24.4 of the consolidated financial statements.</p> <p>Inventories of By-products mainly consist of sub-grade fines, iron and steel scrap embedded in BF slag and LD slag and slime, and tailings containing iron ore fines, which are accumulated in stock piles.</p> <p>Further, as explained in notes 49.12 and 49.13, pursuant to the order of Ministry of Mines, Government of India dated 16 September 2019, certain by-products were allowed to be sold and hence, were valued for the first time in the previous year.</p> <p>Valuation of such items requires management to exercise significant judgement in respect of use of estimates for determination of the quantity, quality and valuation rate of these items.</p> <p>In the current year, basis the actual volumes of sale of such by-product inventory and expected future sales, the management has classified inventory expected to be sold after 12 months from the date of balance sheet, being the operating cycle of the Holding Company, as non-current inventory.</p> <p>Owing to the significance of the carrying value of such by-products and the complexities discussed above, we have considered this area as a key audit matter in the current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the processes and procedures, including controls relating to sub grade fines, iron and steel scrap embedded in BF slag and LD slag and slime containing iron ore fines ('by-products').</li> <li>- Evaluated the accounting policy adopted by the Holding Company for valuation of the by-product inventory in accordance with the requirements of Ind AS 2, Inventory in conjunction with the EAC Opinions obtained by the management.</li> <li>- In assessing management's assessment of the value of by-products, we discussed in detail with the management to understand the procedures adopted in ascertaining the quantity and quality (including gradation) of the by-products considered for valuation.</li> <li>- Management's estimate of the NRV was verified with reference to the average selling price (ASP) published by the Indian Bureau of Mines. We also obtained technical analysis report from external experts sought by management for determining the quantity of by-products and the chemical analysis report used by the management for arriving at the quality (including gradation) of fines.</li> <li>- Obtained management's working of estimated future sales used for classification of the by-product inventory between current and non-current, and tested the underlying assumptions basis our understanding of the processing and further approvals required for sale of such inventory in addition to evaluating management's estimates on availability of demand for such by-products.</li> <li>- Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>
<p><b>Information other than the consolidated financial statements and auditors' report thereon</b></p>	
<p>10. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p>	
<p><b>Responsibilities of management and those charged with governance for the consolidated financial statements</b></p>	
<p>11. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in</p>	

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<p>section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.</p> <p>12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for assessing the ability of the Group and of its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.</p> <p>13. These Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and jointly controlled entities.</p> <p><b>Auditors' responsibilities for the audit of the consolidated financial statements</b></p> <p>14. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.</p> <p>15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> <li>• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;</li> <li>• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;</li> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;</li> <li>• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate and jointly controlled entities to cease to continue as a going concern;</li> <li>• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and</li> <li>• Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate and jointly controlled entities, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which</li> </ul>	



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<p>we are the independent auditors. For the other entities and branches included in the consolidated financial statements, which have been audited by the other auditors and the branch auditors, such other auditors and the branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.</p> <p>16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p> <p>17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.</p> <p>18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p> <p><b>Other Matters</b></p> <p>19. We did not audit the annual financial statements of two subsidiaries included in the consolidated financial statements, and twelve branches included in the separate annual financial statements of the Holding Company, whose financial information reflects total assets of ₹57,870.26 crores as at 31 March 2021, total revenues of ₹25,028.51 crores, total net profit after tax of ₹3,112.43 crores, total comprehensive income of ₹3,258.96 crores and cash inflows (net) of ₹ 29.16 crores for the year ended on that date, as considered in the consolidated financial statements / the audited separate annual financial statements of the Holding Company. The consolidated financial statements also includes the Group's share of net profit after tax of ₹344.40 crores and total comprehensive income of ₹225.91 crores for the year ended 31 March 2021, in respect five jointly controlled entities, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors and branch auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries / branches / jointly controlled entities is based solely on the audit reports of such other auditors and branch auditors.</p> <p>Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors and the branch auditors.</p> <p>20. The consolidated financial statements also includes the Group's share of profit after tax of ₹123.27 crores and total comprehensive income of ₹123.28 crores for the year ended 31 March 2021, in respect of one associate and nine jointly controlled entities, based on their annual financial statements, which have not been reviewed/audited by their auditors. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid associate and jointly controlled entities, is based solely on such unreviewed / unaudited financial statements. In our opinion, and according to the information and explanations given to us by the management, these financial statements are not material to the Group.</p> <p>Our opinion is not modified in respect of this matter with respect to our reliance on the financial statements certified by the management.</p> <p>21. The consolidated financial statements do not include the annual financial statements in respect of one subsidiary under closure since the same are not available as per the management. The consolidated financial statements also do not include the Group's share of net profit / (loss) after tax and share of total comprehensive income / (loss) in respect of five jointly controlled entities, including two entities under closure, since the annual financial statements of these entities are not available as per the management. According to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion on the consolidated financial statements is not modified in respect of the above matter.</p> <p>22. The audit of consolidated financial statements for the corresponding year ended 31 March 2020 included in the consolidated financial statements was carried out and reported jointly by statutory auditors, being M/s V.K. Dhingra &amp; Co., M/s A.K. Sabat &amp; Co., M/s Tej Raj &amp; Pal and M/s S. Jaykishan who have expressed modified opinion vide their audit report dated 10 July 2020 whose report has been furnished to us and relied upon by us for the purpose of our audit of the consolidated financial statements. Our opinion is not modified in respect of this matter</p> <p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>23. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and jointly controlled entities and the reports of the branch auditors of the Holding Company's branches, we</p>	

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<p>report, to the extent applicable, that:</p> <ol style="list-style-type: none"> <li>a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;</li> <li>b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and the branch auditors, except for the effects of the matters described in paragraph 3, and paragraph 4 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;</li> <li>c) the reports on the accounts of the branches of the Holding Company, audited under Section 143(8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;</li> <li>d) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;</li> <li>e) except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;</li> <li>f) the provisions of section 164(2) of the Act are not applicable to the Holding Company since the Holding Company is a Government company as defined under section 2(45) of the Act. Further, on the consideration of the reports of the other auditors, referred to in paragraph 19, on separate financial statements of the subsidiaries and jointly controlled entities covered under the Act, we report that the provisions of section 164(2) of the Act are not applicable to the subsidiaries and one jointly controlled entity since, these are Government companies as defined under section 2(45) of the Act and in respect of four jointly controlled entities, none of the directors of the jointly controlled entities covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.</li> </ol> <p>In respect of one associate company and nine joint controlled entities as stated in paragraph 20, whose financial statements are unaudited and have been furnished to us by the management, as certified by the management, wherever applicable, none of the directors of the associate company and the jointly controlled entities covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.</p> <ol style="list-style-type: none"> <li>g) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section with respect to the Holding Company;</li> <li>h) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'; and</li> <li>i) with respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and jointly controlled entities and reports of the branch auditors of the Holding Company's branches:             <ol style="list-style-type: none"> <li>i. except for the effects of the matters described in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities as at 31 March 2021, as detailed in note 47.1 and 47.2 to the consolidated financial statements;</li> <li>ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 43 (C) to the consolidated financial statements; and</li> <li>iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and jointly controlled entities during the year ended 31 March 2021 except Rs. 1.00 crore pertaining to unclaimed matured deposits which was required to be deposited by the Holding Company in the Investor Education and Protection Fund during the year ended 31 March 2018 and which has not been deposited till 31 March 2021.</li> </ol> </li> </ol> <p>24. Based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph</p>	<p>The matured deposits have already been claimed by the successors/relatives of the individuals but are pending for submission of document of proof of legal heir by the claimants. Appropriate procedure is being followed for refunding the matured deposits to the legal heirs.</p>

Comments	Management's Replies
<p>19, on separate financial statements of the subsidiaries and jointly controlled entities, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company, its subsidiaries and jointly controlled entities covered under the Act, since the Holding Company, its subsidiaries and one jointly controlled entity are Government companies as defined under section 2(45) of the Act and four jointly controlled entities are not public companies as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable in respect of the Holding Company and the aforesaid subsidiaries and jointly controlled entities.</p> <p>Further, as stated in paragraph 20, financial statements of one associate company and nine jointcontrolled entities covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, wherever applicable, such companies have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.</p> <p style="text-align: center;"><b>For Tej Raj &amp; Pal</b> Chartered Accountants Firm Registration No. 304124E Sd/- (CA. P Venugopala Rao) Partner M.No.010905 UDIN:21010905AAAAAP9822 Place: Bhubaneshwar</p> <p style="text-align: center;"><b>For Walker Chandio &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013 Sd/- (CA. Neeraj Sharma) Partner M.No. 502103 UDIN:21502103AAAABC3762 Place: New Delhi</p> <p>Place: New Delhi Dated: 10<sup>th</sup> June 2021</p>	<p style="text-align: center;"><b>For S. Jaykishan</b> Chartered Accountants Firm Registration No. 309005E Sd/- (CA. Ritesh Agarwal) Partner M.No. 062410 UDIN:21062410AAAAIV5213 Place: Kolkata</p> <p style="text-align: center;"><b>For K A S G &amp; CO.</b> Chartered Accountants Firm Registration No. 002228C Sd/- (CA. Bharat Goel) Partner M.No.060069 UDIN:21060069AAAABE5636 Place: Kolkata</p> <p style="text-align: right;">For and behalf of Board of Directors  Sd/- <b>(Soma Mondal)</b> Chairman</p> <p>Place: New Delhi Date: 1<sup>st</sup> September, 2021</p>

#### Appendix 1

##### List of entities included in the consolidated financial statements

###### Subsidiaries

SAIL Refractory Company Limited  
Chhattisgarh Mega Steel Limited

###### Associate

Almora Magnesite Limited

###### Jointly controlled entities

NTPC-SAIL Power Company Limited

International Coal Ventures Private Limited  
Bastar Railway Private Limited  
SAIL RITES Bengal Wagon Industry Private Limited  
GEDCOL SAIL Power Corporation Limited  
mjunction Services Limited  
S&T Mining Company Private Limited  
SAIL- MOIL Ferro Alloys Private Limited

Bokaro Power Supply Company Private Limited  
Bhilai Jaypee Cement Limited  
SAIL Kobe Iron India Private Limited  
SAIL SCL Kerala Limited  
SAIL Bansal Service Centre Limited  
Prime Gold – SAIL JVC Limited

#### Appendix 2

##### List of branches / units / marketing regions audited by branch auditors

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Central Marketing Organisation – Southern Region</li> <li>2. Central Marketing Organisation – Western Region</li> <li>3. Central Marketing Organisation – Eastern Region</li> <li>4. Central Marketing Organisation – Transportation &amp; Shipping</li> <li>5. R&amp;D Centre, Ranchi</li> <li>6. Rourkela Steel Plant</li> </ol> | <ol style="list-style-type: none"> <li>7. IISCO Steel Plant, Burnpur</li> <li>8. Salem Steel Plant</li> <li>9. Raw Material Division</li> <li>10. Vishweswaraya Iron and Steel Plant</li> <li>11. SAIL Refractories Unit</li> <li>12. Chandrapur Ferro Alloy Plant</li> </ol> |
|--|---|

**Annexure 1 to the Independent Auditors' Report on Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31 March 2021**

Comments	Management's Replies
<p><b>Independent auditors' report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')</b></p>	
<p><b>Opinion</b></p>	
<p>1. In conjunction with our audit of the consolidated financial statements of Steel Authority of India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and jointly controlled entities as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, which are companies covered under the Act, as at that date.</p>	
<p>2. In our opinion and based on the consideration of the reports of the other auditors and branch auditors on internal financial controls with reference to financial statements of the subsidiary companies, jointly controlled entities and branches of the Holding Company and the financial statements reports certified by the management in respect of the associate company and jointly controlled entities which are unaudited, the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2021, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').</p>	
<p><b>Responsibilities of management and those charged with governance for internal financial controls</b></p>	
<p>3. The respective management and Board of Directors of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, which are companies covered under the Act, 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 issued by the 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p>	
<p><b>Auditors' responsibility for the audit of the internal financial controls with reference to consolidated financial statements</b></p>	
<p>4. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.</p>	
<p>5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.</p>	
<p>6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors and the branch auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities as aforesaid.</p>	
<p><b>Meaning of internal financial controls with reference to consolidated financial statements</b></p>	
<p>7. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of</p>	

Comments	Management's Replies
<p>unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p> <p><b>Inherent limitations of internal financial controls with reference to consolidated financial statements</b></p> <p>8. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p> <p><b>Other matters</b></p> <p>9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act and twelve branches included in the separate annual financial statements of the Holding Company, whose financial statements reflects total assets of ₹ 57,870.26 crores as at 31 March 2021, total revenues of ₹25,028.51 crores, total net profit after tax of ₹3,112.43 crores, total comprehensive income of ₹3,258.96 crores and cash inflows (net) of ₹29.16 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹225.91 crores for the year ended 31 March 2021, in respect of five jointly controlled entities, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to consolidated financial statements in so far as it relates to such subsidiary companies, jointly controlled entities and branches of the Holding Company, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, jointly controlled entities and branches of the Holding Company, is based solely on the reports of the auditors of such companies and branches. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors and branch auditors.</p> <p>10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one associate company and nine jointly controlled entities, which are companies covered under the Act, in respect of which, the Group's share of net profit (including other comprehensive income) ₹123.28 crores for the year ended 31 March 2021 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of these associate company and jointly controlled entities, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate and jointly controlled entities, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.</p> <p style="text-align: center;"><b>For Tej Raj &amp; Pal</b> Chartered Accountants Firm Registration No. 304124E Sd/- (CA. P Venugopala Rao) Partner M.No.010905 UDIN:21010905AAAAAP9822 Place: Bhubaneswar</p> <p style="text-align: center;"><b>For Walker Chandio &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013 Sd/- (CA. Neeraj Sharma) Partner M.No. 502103 UDIN:21502103AAAABC3762 Place: New Delhi</p> <p style="text-align: center;"><b>For S. Jaykishan</b> Chartered Accountants Firm Registration No. 309005E Sd/- (CA. Ritesh Agarwal) Partner M.No. 062410 UDIN:21062410AAAAIV5213 Place: Kolkata</p> <p style="text-align: center;"><b>For K A S G &amp; CO.</b> Chartered Accountants Firm Registration No. 002228C Sd/- (CA. Bharat Goel) Partner M.No.060069 UDIN:21060069AAAABE5636 Place: Kolkata</p> <p>Place: New Delhi Dated: 10<sup>th</sup> June 2021</p>	

**Comments of C&AG**

**MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEEL AUTHORITY OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

Comments	Management's Replies
<p>The preparation of Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 June 2021.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with Section 129(4) of the Act of the Consolidated Financial Statements of Steel Authority of India Limited for the year ended 31 March 2021 which include the standalone financial statements of Steel Authority of India Limited; its two<sup>1</sup> subsidiaries, and two<sup>2</sup> joint venture companies all controlled by the government and/or government companies. Supplementary audit under Section 143(6)(a) of the Act, of nine<sup>3</sup> joint venture companies and one associate company<sup>4</sup> was not completed pending finalization of their accounts and/or audit as on dated. Under Section 143(6)(a) of the Act, I am not required to conduct supplementary audit of the financial statements of the eight<sup>5</sup> companies not controlled by the government but included in the Consolidated Financial Statement. Financial statement of two<sup>6</sup> subsidiary companies controlled by the government were not consolidated. (Details are enclosed as Annexure-1). Supplementary audit of Consolidated Financial Statements has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.</p> <p>1 SAIL Refractory Company Limited and Chhattisgarh Mega Steel Limited                  2 NTPC SAIL Power Company Limited and SAIL RITES Bengal Wagon Industry Private Limited                  3 Bokaro Power Supply Company Private Limited, SAIL SCL Kerala Limited, SAIL-Bengal Alloy Casting Private Limited, Bastar Railway Private Limited, SAIL &amp; MOIL Ferro Alloys Private Limited, SAIL SCI Shipping Private Limited, International Coal Venture Limited, NMDC SAIL Limited and GEDCOL SAIL Power Corporation Limited                  4 Almora Magnesite Limited                  5 mJunction Services Limited, Bhilai Jaypee Cement Limited, S&amp;T Mining Company Private Limited, SAIL Kobe Iron India Private Limited, Prime Gold-SAIL JVC Limited, SAIL Bansal Services Limited, Abhinav SAIL JVC Limited and VSL SAIL JVC Limited                  6 SAIL Jagdishpur Power Plant Limited and SAIL Sindri Projects Limited</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Consolidated Financial Statements and the related audit report:</p>	
<p><b>A COMMENTS ON CONSOLIDATED PROFITABILITY</b></p> <p><b>Consolidated Statement of Profit &amp; Loss</b></p> <p>The Profit for the year has been overstated on accounting of the following:</p> <p><b>(a) Note: 41: Other Expenses : ₹18423.59 crore</b></p> <p>(i) A Coke Over 100000 m<sup>3</sup> Gas holder was commissioned at Rourkela Steel Plant in August 2010 at a cost of ₹99.37 crore. The gas holder was not operational since November 2012. In view of improvement in availability of Coke Oven gas revival of gasholder was not pursued by the management. Thus, the Gas holder has become idle and redundant and therefore provision should have been made in the accounts.</p> <p>Non-provisioning of above has resulted in understatement of Other Expenses-Provisions and overstatement of Profit by ₹38.26 crore.</p>	<p>The Gas Holder suffered from some technical problems that prevented it from being put to use. A committee set up by Rourkela Steel Plant (RSP) to examine the issue had suggested that alternate technologies for modification of gas holder may be explored to make it suitable for coke oven application.</p> <p>However, since the Gas Holder is currently not in use, SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>(ii) Pipe coating Plant at Rourkela Steel Plant was commissioned in January 2009 at a cost of ₹56.95 crore. The plant had a capacity for coating (3-Layer Polyethylene) of 60,000 tonne per annum of pipes. The plant was operated at 5 per cent of the rated capacity during 2010-11 to 2015-16 and there was no production of 3-Layer Polyethylene coated pipes during 2016-17 to 2020-21 due to lack of demand and facility to produce pipe of desired grade as input material. Thus, the Pipe Coating Plant at Rourkela Steel Plant, has become redundant and provision should have been made in the accounts.</p> <p>Non-provision of above has resulted in understatement of Other Expenses-Provisions and overstatement of Profit by ₹25.20 crore.</p>	<p>The Pipe Coating Plant was set up at RSP for coating API grade pipes for the Petroleum sector. However, with the introduction of PSL-2 specification of pipes, which RSP was unable to make, the pipe coating plant was rendered idle.</p> <p>RSP has been experimenting with coating of MS pipes which increases their longevity, and has</p>

Comments	Management's Replies
	<p>also received some orders for coated pipes. There is a good market for coated MS pipes. The Pipe coating plant is operational and capable of supplying coated pipes to capacity.</p> <p>However, since the capacity utilization is currently low, SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>(iii) Para 16 of Ind AS 16 states that cost of assets shall include its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.</p> <p>Bokaro Steel Plant paid ₹17.13 crore towards prolongation cost to be contractor of Blast furnace-2 for delay in shutdown by the management. Bokaro Steel Plant also paid ₹5.01 crore as penal interest to a contractor for Cold Rolling Mill project on judgement of Supreme Court. Since, prolongation cost and penal interest are not related to cost of the asset and also does not fulfill the criteria of para 16 of Ind AS 16, the same should have been charged to Statement of profit and loss instead of capitalizing with assets. This has resulted in over statement of Capital Work in Progress and Profit and understatement of Other Expenses by ₹22.14 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>(iv) Direct Tax Vivad se Vishwas Act, 2020, allows taxpayer to get relief from pending dispute by paying disputed tax and get waiver from payment of interest and penalty. Section 7 of the Act stipulates that amount paid under the scheme shall not be refundable. Bokaro Steel Plant paid ₹14.01 crore towards settlement of a case under the scheme and accounted for the same as Deposit with Government Authorities. Since, the above case was settled under the scheme and the amount was not refundable, the same should have been charged in the Statement of profit and loss.</p> <p>Non-charging of above has resulted in understatement of Other Expenses and overstatement of Profit by ₹14.01 crore</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p><b>b) Note No.5: Capital work in Progress: ₹8880.63crore</b></p> <p>The above includes ₹11.32 crore allocated towards interest during construction during the year 2020-21 relating to Air Turbo Compressor &amp; Oxygen Turbo Compressor at Oxygen Plant and Hot Metal Desulphurisation for Steel Melting Shop-II projects of Bokaro Steel Plant.</p> <p>Ind AS 23 states that an entity shall suspend capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset. Audit noted that there was no active development in the above project during 2020-21 but the interest during construction for 2020-21 was transferred to Capital Work in Progress instead of charging as Finance cost to the Statement of profit and loss. This has resulted in over statement of Capital Work in Progress and Profit and understatement of finance cost by ₹11.32 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p><b>c) Note No.38A: Changes in Inventories of Finished Goods and Work in Progress : ₹4493.08 crore.</b></p> <p>Above includes ₹2.59 crore towards raw material not present physically. These were will included in the closing inventory by SAIL Refractory Unit. Non accountal of the above resulted in overstatement of Inventory and Profit by ₹2.59 crore.</p>	<p>SAIL accepts the contention of Audit. Necessary provision has been made in the current year. i.e. FY 2021-22.</p>
<p>For and on the behalf of the Comptroller &amp; Auditor General of India</p> <p style="text-align: right;">Sd/- <b>(Faisal Imam)</b></p> <p style="text-align: right;">Principal Director of Audit (Steel), Ranchi</p> <p>Place : Ranchi Date : 14<sup>th</sup> August, 2021</p>	<p>For and on behalf of Board of Directors</p> <p style="text-align: right;">Sd/- <b>(Ms. Soma Mondal)</b> Chairman</p> <p>Place: New Delhi Date: 1<sup>st</sup> September, 2021</p>

**Annexure-I**
**Statement showing name of Subsidiary, Joint Venture and Associated Companies of SAIL and status of consolidated of accounts (2020-21)**

SI No.	Name of the related party and nature of relationship	Whether accounts were consolidated	Whether under the jurisdiction of C&AG
	<b>Parent Company</b>		
	Steel Authority of India Limited	Yes	Yes
	<b>Subsidiaries Companies</b>		
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
	<b>Joint Venture Companies</b>		
5	NTPC-SAIL Power Company Private Limited	Yes	Yes
6	Bokaro Power Supply Company Private Limited	Yes	Yes
7	SAIL-Bengal Alloy Casting Private Limited	Yes	Yes
8	SAIL & MOIL Ferro Alloys Private Limited	Yes	Yes
9	SAIL SCI Shipping Private Limited	Yes	Yes
10	International Coal Ventures Private Limited	Yes	Yes
11	SAIL SCL Kerala Limited	Yes	Yes
12	SAIL RITES Bengal Wagon Industry Private Limited	Yes	Yes
13	NDMC SAIL Limited	Yes	Yes
14	Bastar Railway Private Limited	Yes	Yes
15	GEDCOL SAIL Power Corporation Limited	Yes	Yes
16	M Junction Services Limited	Yes	No
17	Bhilai Jaypee Cement Limited	Yes	No
18	S&T Mining Co. Private Limited	Yes	No
19	SAIL Kobe Iron India Private Limited	Yes	No
20	Prime Gold-SAIL JVC Limited	Yes	No
21	SAIL Bansal Service Limited	Yes	No
22	Abhinav SAIL JVC Limited	Yes	No
23	VSL SAIL JVC Limited	Yes	No
	<b>Associate Company</b>		
24	Almora Magnesite Limited	Yes	Yes

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing Salient Features of the Financial Statements  
of Subsidiaries/Associate Companies/Joint Ventures****Part "A": Subsidiaries**

Sl. No.	Particulars	Details		
		SAIL Refractory Company Limited	SAIL Sindri Projects Limited	Chhattisgarh Mega Steel Limited
1.	Name of the subsidiary			
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable

(₹crore)

4.	Share capital	0.10	0.05	0.05
5.	Reserves & surplus	149.31	(-) 0.05	(-) 0.03
6.	Total assets	243.34	0.00	0.03
7.	Total Liabilities	93.93	*	*
8.	Investments	-	-	-
9.	Turnover	154.45	-	-
10.	Profit before taxation	16.30	-	-
11.	Provision for taxation	4.42	-	-
12.	Profit after taxation	11.88	-	-
13.	Proposed Dividend	5.30	-	-
14.	% of shareholding	100	100	74

\* Amount less than ₹ 50,000/-.

Note: The Company holds 30,00,000 equity shares of ₹10/- each in IISCO Ujjain Pipe & Foundry Co. Ltd. The Hon'ble High Court of Calcutta had directed winding-up of the Company with effect from 10<sup>th</sup> July, 1997 and the official liquidator has taken over the possession of the assets of the Company. The liquidator, after disposing the assets of the Company, is in the process of settling the outstanding dues. The cumulative loss of IISCO Ujjain Pipe & Foundry Co. Ltd. upto 10<sup>th</sup> July'97 was ₹ 17.05 crore.

For and on behalf of Board of Directors

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

Sd/-  
**(Soma Mondal)**  
Chairman

Place : New Delhi  
Date: 10<sup>th</sup> June, 2021

**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**  
**For the Year ended 31<sup>st</sup> March, 2021**

(₹ crore)

Sl. No.	Name of the Associate /Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end	Amount of Investment in Associates / Joint Venture ₹ crore	Extent of Holding (%)	Description of how there is significant influence	Revenue from operations	Net worth attributable to shareholding as per latest audited Balance Sheet ₹ crore	Profit/Loss (-) for the year ₹ crore	Considered in Consolidation ₹ crore	Not Considered in Consolidation ₹ crore
<b>Joint Ventures</b>		1	2	3	4	5	6	7	8	9	10
1	NTPC SAIL Power Company Ltd.	31/03/2021	490250050	490.25	50.00%	Note-1		1639.63	348.68	174.34	174.34
2	Bokaro Power Supply Co. Pvt. Ltd.*	31/03/2020	124025000	124.03	50.00%	Note-1		542.88	85.94	42.97	42.97
3	Mjunction Services Limited *	31/03/2020	4000000	4.00	50.00%	Note-1		176.16	36.56	18.28	18.28
4	SAIL Bansal Service Centre Ltd *	31/03/2020	3200000	3.20	40.00%	Note-1		0.98	0.55	0.22	0.33
5	Bhilai Jaypee Cement Limited *	31/03/2020	98718048	52.51	26.00%	Note-1		0.00	-8.62	0.00	-8.62
6	S & T Mining Co. Pvt. Limited	31/03/2021	18141400	18.14	50.00%	Note-1		0.00	-0.85	0.00	-0.85
7	International Coal Ventures Private Limited	31/03/2021	693759279	693.76	47.82%	Note-1		1088.43	154.38	73.82	80.56
8	SAIL-MOIL Ferro Alloys Private Limited#	31/03/2020	100000	0.10	50.00%	Note-1		0.00	0.08	0.00	0.08
9	SAIL SCI Shipping Pvt. Limited#	31/03/2019	100000	0.10	50.00%	Note-1		0.00	0.00	0.00	0.00
10	SAIL SCL Kerala Limited *	31/03/2018	13017801	18.75	49.26%	Note-1		0.00	-18.49	0.00	-18.49
11	SAIL RITES Bengal Wagon Industry Pvt. Limited	31/03/2021	24000000	24.00	50.00%	Note-1		30.01	2.48	1.24	1.24
12	SAIL Kobe Iron India Pvt. Limited*	31/03/2018	250000	0.25	50.00%	Note-1		0.00	0.00	0.00	0.00
15	SAIL-BENGAL Alloy Castings Private Limited#	31/03/2018	10000	0.01	50.00%	Note-1		0.00	0.00	0.00	0.00
16	Prime Gold-SAIL JVC Limited*	31/03/2019	4680000	4.68	26.00%	Note-1		5.27	-1.31	-0.34	-0.97
17	VSL SAIL JVC Limited *	31/03/2018	1297780	1.30	20.58%	Note-1		0.00	0.00	0.00	0.00
19	Romelt SAIL (India) Ltd @		63000	0.06		Note-1	Accounts Not available	-	-	-	-
20	UEC SAIL Information Technology Limited #		-	-		Note-1	-do-	-	-	-	-
21	North Bengal Dolomite Ltd #		97900	0.98		Note-1	-do-	-	-	-	-
22	N.E. Steel & Galvanising Pvt. Limited #		-	-	49.00%	Note-1	-do-	-	-	-	-
23	NMDC SAIL Limited#	31/03/2018	24500	0.02	49.00%	Note-1		0.00	0.00	0.00	0.00
24	Bastar Railway Pvt Limited	31/03/2021	35232600	35.23	12.00%	Note-1		35.44	0.54	0.06	0.48
25	GEDCOL SAIL Power Corporation Limited*	31/03/2020	2600000	2.60	26.00%	Note-1		2.61	0.02	0.01	0.01
<b>Associate</b>											
1	Almora magnesite Limited*	31/03/2020	400000	0.40	20.00%	Note-2		1.31	-1.37	-0.27	-1.10

1. Voting power as per Joint Venture Agreement
  2. Holds 20% share capital
- \* Based on the Unaudited Accounts for the Year  
 @ Operations under suspension  
 # Companies under winding up/liquidation

For and on behalf of Board of Directors

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

Sd/-  
**(Soma Mondal)**  
 Chairman

Place : New Delhi  
 Date:10<sup>th</sup> June, 2021

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2021**  
**FORM No. MGT-9**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L27109DL1973GOI006454  
 ii) Registration Date : 24<sup>th</sup> January 1973  
 iii) Name of the Company : Steel Authority of India Limited  
 iv) Category / Sub-Category of the Company : Public company / Limited by Shares  
 v) Address of the Registered office and contact details : Ispat Bhawan, Lodi Road, New Delhi-110003. Contact No. +91-11-24367481. Fax No. +91-11-24367015. Email: investor.relation@sail.in  
 vi) Whether listed company : Yes  
 vii) Name, Address and Contact details of Registrar and Transfer Agent : MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase- I, New Delhi-110020. Phone No. +91-11-41406149. Fax No. +91-11-41709881. Email: admin@mcsregistrars.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Flat Products (HR Coils, HR Plates, CR Coils, Pipes and Electric Sheets, etc.)	330	45
2	Long Products (TMT Bars, Wire Rods, etc.)		44

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	SAIL-Jagdispur Power Plant Limited, Ispat Bhawan, Lodhi Road, New Delhi. (Strike Off)	U40106DL2011GOI219901	SUBSIDIARY	100	2(87)
2.	SAIL Refractory Company Limited, Salem Steel Plant, Salem, Tamil Nadu-636013 IN	U14200TZ2011GOI017357	SUBSIDIARY	100	2(87)
3.	SAIL Sindri Projects Limited Chasnala – 828135, Jharkhand, IN (Strike Off)	U27320JH2011GOI015168	SUBSIDIARY	100	2(87)
4.	Chhattisgarh Mega Steel Limited Ispat Bhawan, Bhilai, Sector 1, Durg, Chhattisgarh-490001 IN	U27100CT2015GOI001627	SUBSIDIARY	74	2(87)
5.	IISCO Ujjain Pipe & Foundry Co. Limited, 50, Chowringhee Road, Kolkata-700071, West Bengal, IN (Under Liquidation)	U28113WB1964PLC026148	SUBSIDIARY	100	2(87)
6.	Almora Magnesite Limited Magnesite House, Ranidhara Road, Almora-263601, Uttarakhand, IN	U26941UR1971PLC003453	ASSOCIATE	20	2(6)
7.	NTPC-SAIL Power Company Ltd., 4th Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi-110066 IN.	U74899DL1999PLC098274	JOINT VENTURE	50	2(6)
8.	Bokaro Power Supply Company Pvt. Ltd., Ispat Bhawan, Lodi Road, New Delhi-110003, IN	U40300DL2001PTC112074	JOINT VENTURE	50	2(6)
9.	North Bengal Dolomite Limited 28-B, Shakeshppeare Sarani, "Neelamber", Flat No.10A, 10th Floor, Kolkata-700017, West Bengal, IN. (Strike Off)	U14109WB1980PLC033031	JOINT VENTURE	50	2(6)
10.	UEC SAIL Information Technology Ltd. C/o I.M. Puri & Co., C-30, Chiragh Enclave, New Delhi-110048. (Under Liquidation)	U74899DL1995PLC064072	JOINT VENTURE	40	2(6)
11.	Romelt-SAIL (India) Limited No.25/2, Madanpur, Khadar Near Sunder Public School Opp. F Block, New Delhi-110 076	U74899DL1997PLC090025	JOINT VENTURE	15	2(6)
12.	mjunction services limited Godrej Waterside, 3rd Floor, Tower-I, Plot-V, Block DP, Sector-V, Salt Lake, Kolkata-700091, West Bengal, IN	U00000WB2001PLC115841	JOINT VENTURE	50	2(6)
13.	SAIL-Bansal Service Centre .Limited, 12/2, Park Mansion 57-A, Park Street, Kolkata-700 016.	U27310WB2000PLC092486	JOINT VENTURE	40	2(6)
14.	Bhilai Jaypee Cement Ltd. JA House, 63, Basant Lok, Vasant Vihar, New Delhi – 110057.	U26940CT2007PLC020250	JOINT VENTURE	26	2(6)
15.	SAIL & MOIL Ferro Alloys Pvt. Ltd., Sector-1, Bhilai – 490 001. (Under process of Striking Off)	U27101CT2008PTC020786	JOINT VENTURE	50	2(6)

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
16.	S&T Mining Co. Pvt. Ltd Tata Centre, 43, Jawaharlal Nehru Road, Kolkata – 700 071, West Bengal, IN	U13100WB2008PTC129436	JOINT VENTURE	50	2(6)
17.	International Coal Ventures Private Limited, 20th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi – 110092, IN.	U10100DL2009PTC190448	JOINT VENTURE	47.82	2(6)
18.	SAIL SCI Shipping Private Limited, Shipping House, 13 Strand Road, Kolkata – 700001, West Bengal, IN. (Under Process of Striking Off)	U61100WB2010PTC148428	JOINT VENTURE	50	2(6)
19.	SAIL-SCL Kerala Limited Steel Nagar, P.B. No. 42, Feroke – 673 631, Kozhikode, Kerala, IN.	U27104KL1969SGC002253	JOINT VENTURE	49.26	2(6)
20.	SAIL-RITES Bengal Wagon Industry Pvt. Ltd., Scope Minar, Laxmi Nagar, Delhi – 110092, IN.	U35200DL2010PTC211955	JOINT VENTURE	50	2(6)
21.	SAIL-Kobe Iron India Private Limited, Ispat Bhawan, Lodi Road, New Delhi-110003, IN.	U27100DL2012PTC236499	JOINT VENTURE	50	2(6)
22.	SAIL- Bengal Alloy Castings Private Limited, 22B, Raja Santosh Road, New Alipore, Kolkata-700027, West Bengal, IN.	U35122WB2013PTC190532	JOINT VENTURE	50	2(6)
23.	VSL-SAIL JVC Limited Door No.2-51, Near Darga, Kardnur, Postpati Patan Cheruvu Mandal, Hyderabad – 502300, Telangana, IN.	U27106TG2012PLC083896	JOINT VENTURE	20.58	2(6)
24.	Prime Gold-SAIL JVC Limited 5/2, Punjabi Bagh Extn., Club Road, New Delhi – 110026, IN.	U28113DL2012PLC245537	JOINT VENTURE	26	2(6)
25.	Abinav-SAIL JVC Limited 401, Mahaveer Ji Complex, LSC Rishab Vihar, Delhi-110092, IN.	U27100DL2012PLC245749	JOINT VENTURE	26	2(6)
26.	NMDC SAIL Limited 10-3-311/A, Khanij Bhavan Castle Hills, Masab Tank, Hyderabad, TG 500028 IN. (Under process of Striking Off)	U27320TG2016GOI109798	JOINT VENTURE	49	2(6)
27.	Bastar Railway Private Limited Global Exploration Centre, NMDC Building Geens Villey City, Housing Board Colony Boriyakala Raipur CT 492015, IN	U74900CT2016PTC007251	JOINT VENTURE	12	2(6)
28.	GEDCOL SAIL Power Corporation Limited, GEDCOL Corporate Office, 2 <sup>nd</sup> Floor, OSPH & WC Building, Vani Vihar, Janpath, Bhoinagar, Bhubnaeswar-751022, IN.	U40300OR2018SGC029410	JOINT VENTURE	26	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31<sup>st</sup> March, 2021**
**(i) Category-wise Share Holding**

	Demat	Physical	Total	% Total No. of shares	Demat	Physical	Total	% Total of shares
<b>A. Promoters</b>								
<b>1. Indian</b>								
a) Individual/HUF								
b) Central Govt	3097767449		3097767449	75.00	2684714550		2684714550	65.00
c) State Govt(s)								
d) Bo								

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 of shares	
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds					3123000		3123000	0.08	0.08
f) Insurance Companies	413792934	1900	413794834	10.02	437298926	1600	437300526	10.59	0.57
g) FIs	120130636	40426	120171062	2.91	178242667	41026	178283693	4.32	1.41
h) Foreign Venture Capital Funds/ Alternate Investment Funds									
i) Others (specify)IEPF	2348929		2348929	0.06	2824877		2824877	0.07	0.01
<b>Sub-Total(B)(1):</b>	<b>724677178</b>	<b>226526</b>	<b>724903704</b>	<b>17.55</b>	<b>867820199</b>	<b>226826</b>	<b>868047025</b>	<b>21.03</b>	<b>3.48</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	60499617	49811	60549428	1.47	121954392	49711	122004103	2.95	1.48
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakhs	140498254	3082761	143581015	3.48	189469837	2676962	192146799	4.65	1.17
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	75760001	107100	75867101	1.84	237555502	107100	237662602	5.75	3.91
c) Other (specify)NBFC	68124		68124	0.00	259294		259294	0.00	0.00
i) Non Resident Indian	20875139	396500	21271639	0.51	21999365	396500	22395865	0.54	0.03
ii) Trust & Foundation	6199639	1800	6201439	0.15	3125861	1800	3127661	0.08	-0.07
iii) Cooperative Societies	204400		204400	0.00	56400		56400	0.00	0.00
<b>Sub-Total(B)(2)</b>	<b>304105174</b>	<b>3637972</b>	<b>307743146</b>	<b>7.45</b>	<b>574420651</b>	<b>3232073</b>	<b>577652724</b>	<b>13.97</b>	<b>6.52</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>1028782352</b>	<b>3864498</b>	<b>1032646850</b>	<b>25.00</b>	<b>1442240850</b>	<b>3458899</b>	<b>1445699749</b>	<b>35.00</b>	<b>10.00</b>
C. Shares held by Custodian for GDRs & ADRs	42990	68000	110990	0.00	42990	68000	110990	0	0.00
<b>Grand Total(A) + (B) + (C)</b>	<b>4126592791</b>	<b>3932498</b>	<b>4130525289</b>	<b>100</b>	<b>4126998390</b>	<b>3526899</b>	<b>4130525289</b>	<b>100</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Govt. of India	3097767449	75.00	0	2684714550	65.00	0	-10
	<b>Total</b>	<b>3097767449</b>	<b>75.00</b>	<b>0</b>	<b>2684714550</b>	<b>65.00</b>	<b>0</b>	<b>-10</b>

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

S. 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
2	Less: Offer of Sale for equity shares by promoter (GOI) through Stock Exchange Mechanism on 14 <sup>th</sup> and 15 <sup>th</sup> January 2021.	-	-	413052528	10.00
	Offer of Equity Shares to the eligible employees of the Company on 1 <sup>st</sup> February, 2021	-	-	371	0.00
3	At the End of the year	3097767449	75.00	2684714550	65.00

**(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
				No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
1	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	396663164	9.063	20200331				9.063
						20210108	9955000	sale	386708164	9.362
						20210115	4705202	sale	382002962	9.248
				382002962	9.248	20210331				
2	IN30005410094202	POLUNIN DEVELOPING COUNTRIES FUND, LLC	AAICP0164F	14603469	0.354	20200331				
						20200410	112401	sale	14491068	0.351
						20200508	154739	sale	14336329	0.347
						20200703	513427	sale	13822902	0.335
						20200807	109148	sale	13713754	0.332
						20200904	2467290	sale	11246464	0.272
						20201204	7363090	purchase	18609554	0.451
						20210205	132106	sale	18477448	0.447
						20210305	60131	sale	18417317	0.446
				18417317	0.446	20210331				
3	IN30016710142910	HDFC LIFE INSURANCE COMPANY LIMITED	AAACH8755L	14021958	0.339	20200331				
						20200710	122262	purchase	14644220	0.355
						20200807	4547	purchase	14648764	0.355
						20201009	1093	sale	14638471	0.354
						20201016	3531	purchase	14642002	0.354
						20201113	1158	purchase	14643160	0.355
						20201211	5653	purchase	14648813	0.355
						20210115	169520	sale	14479293	0.351
						20210205	201018	purchase	17680311	0.428
						20210312	59107	purchase	17739418	0.429
				17739418	0.429	20210331				
4	IN30016710014415	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA MULTI CAP F	AAATR0090B	7024500	0.170	20200424				



Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
			No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
					20200501	4307929	purchase	11332429	0.274
					20200508	10093900	purchase	21426329	0.519
					20200605	2998700	purchase	24425029	0.591
					20200710	-6000000	purchase	30425029	0.737
					20201002	1400000	sale	29025029	0.703
					20201016	2000000	sale	27025029	0.654
					20201113	2000000	sale	26025029	0.630
					20201127	2000000	sale	24025029	0.582
					20201204	8000000	sale	16025029	0.388
					20201211	1000000	sale	15025029	0.364
					20210108	1000000	sale	14025029	0.340
					20210331	-15000000	purchase	15525029	0.376
					20210331				
5	IN30343810003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	AABTV0442N	19428372	0.470				
					20200605	963796	sale	18459076	0.447
					20201002	1548203	sale	16910873	0.409
					20201016	428346	sale	16482527	0.399
					20201106	414644	sale	16067883	0.389
					20201113	512276	sale	15556607	0.377
					20210115	332981	sale	15222626	0.369
					20210205	733606	sale	14489020	0.351
					20210305	641888	sale	13847132	0.335
					20210331				
6	IN30343810016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANG	AAATY0918K	15153910	0.367				
					20200424	730762	sale	14423148	0.349

Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
			No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
					20200626	945703	sale	13477445	0.326
					20210219	74470	purchase	13551915	0.328
					20210305	-144878	purchase	13696793	0.332
					20210319	27080	purchase	13723873	0.332
			13723873	0.332	20210331				
7	IN30179910088827	BNP PARIBAS ARBITRAGE - ODI	AAGFB5324G	0.277	20201002				
					20201009	11120270	sale	310596	0.008
					20201023	-50000	purchase	360596	0.009
					20201120	-175000	purchase	535596	0.013
					20201127	45000	sale	580596	0.014
					20201204	85268	sale	495328	0.012
					20201211	4240268	purchase	4735596	0.115
					20201218	310000	purchase	5045596	0.122
					20201225	2074254	purchase	7119850	0.172
					20210101	541000	sale	6578850	0.159
					20210108	885490	sale	5693360	0.138
					20210115	280000	purchase	5973360	0.145
					20210122	5675347	purchase	11648707	0.282
					20210205	1006468	sale	10642239	0.258
					20210212	217521	purchase	10859810	0.263
					20210226	-900000	purchase	11759810	0.285
					20210305	4977105	purchase	16736915	0.405
					20210312	4343943	purchase	12392972	0.3
					20210319	2309301	sale	10083671	0.244
					20210326	1087687	purchase	11171358	0.270
					20210331	635058	sale	10536300	0.255
			10536300	0.255	20210331				



Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
			No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
8	IN30016710034409	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA LARGE CAP F	AAATR0090B	35000000	0.847	20200703			
						20200904	sale	30000000	0.726
						20200918	sale	28000000	0.678
						20200930	sale	26000000	0.629
						20201002	sale	25000000	0.605
						20201009	sale	24000000	0.581
						20201023	sale	22000000	0.533
						20201030	sale	20000000	0.484
						20201113	sale	19000000	0.46
						20201120	sale	17500000	0.424
						20201127	sale	15000000	0.363
						20201211	sale	13000000	0.315
						20201218	sale	10000000	0.242
						20210101	sale	9000000	0.218
						20210108	sale	8500000	0.206
						20210115	sale	8000000	0.194
						20210205	purchase	10000000	0.242
				10000000	0.242	20210331			
9	IN30152430014210	KOTAK EQUITY ARBITRAGE FUND	AAATK4475F	114000	0.003	20200619			
						20200626	purchase	2261000	0.055
						20200630	purchase	2394000	0.058
						20200710	sale	1520000	0.037
						20200807	purchase	4066000	0.098
						20200814	purchase	4788000	0.116
						20200821	sale	4503000	0.109
						20200828	purchase	5092000	0.123
						20200911	sale	4541000	0.110

Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
			No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
					20200925	-266000	purchase	4807000	0.116
					20201023	19000	sale	4788000	0.116
					20201113	114000	sale	4674000	0.113
					20201120	-22000	purchase	4693000	0.114
					20201127	-114000	purchase	4807000	0.116
					20201204	-5016000	purchase	9823000	0.238
					20201225	3211000	sale	6612000	0.160
					20210101	-741000	purchase	7353000	0.178
					20210108	2584000	sale	4769000	0.115
					20210115	2090000	sale	2679000	0.065
					20210122	-7372000	purchase	10051000	0.243
					20210205	-133000	purchase	10184000	0.247
					20210226	-95000	purchase	10279000	0.249
					20210312	1064000	sale	9215000	0.223
					20210319	-608000	purchase	9823000	0.238
					20210331				
10	IN30016710084332	RELJANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA ARBITRAGE F	AAATR0090B	957700	0.023				
					20200417	282600	sale	675100	0.016
					20200630	-939900	purchase	1615000	0.039
					20200821	893000	sale	722000	0.017
					20200828	57000	purchase	779000	0.019
					20200911	285000	sale	494000	0.012
					20200918	-2793000	purchase	3287000	0.080
					20200925	1957000	sale	1330000	0.032
					20201023	247000	sale	1083000	0.026
					20201030	-209000	purchase	1292000	0.031
					20201113	133000	sale	1159000	0.028



Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
			No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
					20201204	-3805816	purchase	9239056	0.224
					20210205	545994	sale	8693062	0.210
			8693062	0.210	20210331				
13	IN30378610000836	AABC57484C	1059902	0.026	20200331				
					20200410	204100	sale	855802	0.021
					20200417	78500	sale	777302	0.019
					20200501	94200	sale	683102	0.017
					20200508	321676	sale	361426	0.009
					20200522	47100	sale	314326	0.008
					20200605	-533800	purchase	848126	0.021
					20200612	-1585700	purchase	2433826	0.059
					20200619	-722200	purchase	3156026	0.076
					20200630	-50400	purchase	3206426	0.078
					20201002	-4223187	purchase	7429613	0.180
					20201009	-5866000	purchase	13015613	0.315
					20201016	-5586000	purchase	13475140	0.326
					20201106	5035000	sale	8440140	0.204
					20201113	-8816000	purchase	17256140	0.418
					20201120	-285000	purchase	17541140	0.425
					20201127	10269000	sale	7272140	0.176
					20201204	-4959000	purchase	12231140	0.296
					20201211	-4161000	purchase	16392140	0.397
					20201218	-2128000	purchase	18520140	0.448
					20201225	-2717000	purchase	21237140	0.514
					20210101	7391000	sale	13846140	0.335
					20210108	2489000	sale	11357140	0.275
					20210115	7861000	sale	3496140	0.085



S. No	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-20 to 31-03-21)	
				No of Shares at the Beginning (31-03-20) /end of the Year (31-03-21)	% of total shares of the Company				Shares	% of total shares of the Company
						20210122	11280000	purchase	14776140	0.358
						20210205	8481000	sale	6295140	0.152
						20210226	220000	sale	6075140	0.147
						20210305	-1968000	purchase	8043140	0.195
						20210319	-95000	purchase	8138140	0.197
						20210326	684000	sale	7454140	0.18
						20210331	-722000	purchase	8176140	0.198
				8176140	0.198	20210331				
14	IN30005410029492	OLD WESTBURY SMALL & MID CAP STRATEGIES FUND - BESSEMER INVE	AAATO1891P	3148952	0.076	20200331				
						20200904	-662872	purchase	3811824	0.092
						20201204	-2302456	purchase	6114280	0.148
				6114280	0.148	20210331				
15	IN30005410013410	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DF	AACCD1644G	7181652	0.174	20200331				
						20200508	408942	sale	6772710	0.164
						20200515	1419464	sale	5353246	0.13
				5353246	0.13	20210331				

**v) Shareholding of Directors and Key Managerial Personnel**

S. No	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total Shares of the Company
1.	<b>Shri Anil Kumar Chaudhary</b>				
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

S. No	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
2.	<b>Shri Atul Srivastava</b>				
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.00	200	0.00

S. No	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
3.	<b>Shri Anirban Dasgupta</b>				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.00	100	0.00

**Note:** All other Directors do not hold any shares of the Company at the beginning, during and at the end of the Financial Year 2020-21

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31<sup>st</sup> March, 2021.**

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	40697.64	13429.41	-	54127.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	584.91	27.65	-	612.56
<b>Total (i + ii + iii)</b>	<b>41282.55</b>	<b>13457.06</b>	-	<b>54739.61</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	8420.64	59657.54	41.85	68120.03
• Reduction	24593.96	59934.70	41.85	84570.51
<b>Net Change</b>	<b>-16173.32</b>	<b>-277.15</b>	-	<b>-16450.47</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	24782.78	12893.79	-	37676.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	450.12	29.81	-	479.93
<b>Total (i + ii + iii)</b>	<b>25232.90</b>	<b>12923.60</b>	-	<b>38156.51</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

S. No	Particulars of Remuneration	Name of MD/WTD/Manager								Total Amount (₹)
		Ms. Soma Mondal	Shri Anil Kumar Chaudhary (upto 31.12.2020)	Shri Atul Srivastava	Shri Harinand Rai	Shri Vivek Gupta (upto 31.07.2020)	Shri Amit Sen	Shri Anirban Dasgupta	Shri Amarendu Prakash (from 28.09.2020)	
		Director (Commercial) & Chairman (From 01.01.2021)	Chairman	Director (Personnel)	Director (T, P & RM)	Director (RM&L)	Director (Finance)	Director (Incharge-BSP)	Director (Incharge-BSL)	
1.	<b>Gross salary</b>									
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	50,60,553	45,91,360	16,13,503	44,53,121	17,76,349	40,41,453	50,53,795	20,98,474	2,86,88,608
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6,20,904	5,81,749	30,809	5,49,722	16,500	5,03,838	2,37,860	1,53,633	26,95,015
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
2.	<b>Stock Option</b>	-	-	-	-	-	-	-	-	-
3.	<b>Sweat Equity</b>	-	-	-	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-	-	-	-
5.	<b>Others, specify</b>	-	-	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>56,81,457</b>	<b>51,73,109</b>	<b>16,44,312</b>	<b>50,02,843</b>	<b>17,92,849</b>	<b>45,45,291</b>	<b>52,91,655</b>	<b>22,52,107</b>	<b>3,13,83,623</b>
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## B. Remuneration to Other Directors:

S. No	Particulars of Remuneration	Fee for attending Board/Committee Meetings	Commission	Others, Please Specity	Total Amount (₹)
1.	<b>Independent Directors*</b>				
	CA K.S. Chauhan (upto 21.09.20)	3,20,000	-	-	3,20,000
	Prof. N.K. Taneja (upto 21.09.20)	2,40,000	-	-	2,40,000
	Sh. Krishan Kumar Gupta	7,80,000	-	-	7,80,000
	Sh. N. Shankarappa	5,60,000	-	-	5,60,000
	Total (1)	19,00,000	-	-	19,00,000
2.	<b>Other Non- Executive Directors**</b>				
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>19,00,000</b>	<b>-</b>	<b>-</b>	<b>19,00,000</b>
	<b>Total Managerial Remuneration</b>				
	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**

S. No	Particulars of Remuneration	Shri. M.B. Balakrishnan, Company Secretary	Total Amount (₹)
1.	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	37,10,199	37,10,199
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2,500	2,500
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-
2.	<b>Stock Option</b>	-	-
3.	<b>Sweat Equity</b>	-	-
4.	<b>Commission</b>	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>37,12,699</b>	<b>37,12,699</b>

**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
<b>A. COMPANY</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013****i) Amount Outstanding as at 31<sup>st</sup> March, 2021**

Particulars	Amount (₹ crore)
<b>Loans Given *</b>	
IISCO Ujjain Pipe & Foundry Co. Ltd.	2.53
NTPC SAIL Power Company Pvt. Limited	42.40
NMDC SAIL Limited	0.10
UEC SAIL Information Technology Limited	1.30
S&T Mining Co. Pvt. Limited	0.02
SAIL SCL Kerala limited	8.25
Romelt SAIL (India) limited	0.13
SAIL RITES Bengal Industries Pvt. Ltd.	2.80
<b>TOTAL</b>	<b>57.53</b>
Investments Made #	1474.56

\* ₹11.92 crore provided for

# Refer Note No.8 to Standalone Accounts

**ii) Investments made during the Year ended 31<sup>st</sup> March, 2021**

Name of the Entity	Relation	Amount (₹ crore)	Purpose for which Investments are proposed to be utilised
NIL			

For and on behalf of the Board of Directors

Sd/-  
**(Soma Mondal)**  
Chairman

Place : New Delhi

Date: 1<sup>st</sup> September, 2021

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

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014)

**(A) Conservation of energy**
**(i) Steps taken or impact on conservation of energy**

The trend of increasing energy cost and environmental degradation due to increased Greenhouse gas (GHG) emission have necessitated a renewed thrust towards reduction in energy consumption. In Indian steel industry, energy cost constitutes about 40% of the total cost of production.

In view of high energy cost component, SAIL has continually undertaken various measures like optimisation in plant utilisation, improvement in existing processes, introduction of new technologies and increase in waste heat recovery. At the same time, focus is also on reduction of consumption/purchased fuel and power.

Performance of Integrated Steel Plants in terms of energy and power was as follows:

Parameter	Unit	BSP	DSP	RSP	BSL	ISP
Specific Energy Consumption	Gcal/tcs	6.52	6.40	6.19	6.78	6.48
Specific Power Consumption	kWh/tss	530	420	469	488	583

Some of the steps taken in these areas are listed below.

**Bhilai Steel Plant (BSP)**

- Elimination of obsolete energy intensive steel making route of Twin Hearth Furnace - Blooming Mill - Billet Mill, while simultaneously ramping up production through energy efficient route of Basic Oxygen Furnace – Continuous Casting (CC), resulting in reduction of energy consumption by 326 Tcal.
- Increase in waste heat recovery from hot coke in Coke Dry Quenching (CDQ) facility, resulting in highest ever generation of 17.85 GWh power from Back Pressure Turbine Generator (BPTG) in Coke Oven Battery (COB) # 11. Previous best BPTG power generation of 5.15 GWh was achieved in 2019-20.
- Increase in conversion of high top-gas discharge pressure to electrical energy in Blast Furnace (BF) # 8 resulting in highest ever generation of 78.95 GWh of power through Top-pressure Recovery Turbine (TRT). Previous best TRT power generation of 51.25 GWh was achieved in 2019-20.
- Permanent stoppage of production through BFs # 2 & 3, taking down BF # 4 for repair and operation of BF # 8 at Coke rate of 411 kg/thm and Coal Dust Injection (CDI) rate of 99.5 kg/thm, resulting in
  - lowest ever overall Coke rate in BFs of 447 kg/thm (previous best was 463 kg/thm, achieved in 2019-20); and
  - highest ever overall CDI rate in BFs of 75.9 kg/thm (previous best was 61.1 kg/thm, achieved in 2019-20).
- Replacement of more than 15,000 nos. of conventional lighting fixtures with LED fixtures resulting in an estimated power saving of 3,400 MWh.
- Installation of Variable Voltage Variable Frequency (VVVF) Drives in BOF Gas Booster # 5, Mixed Gas Booster # 4 at Plate Mill Gas Booster Station, Mixed Gas Booster # 1 at Normalising Furnace Gas Booster Station and 6 nos. of pumps at Gas Cleaning Plant (GCP) of Steel Melting Shop (SMS) # 2, resulting in an estimated power saving of 900 MWh.
- Installation of 105 nos. of voltage reducing devices for Welding Machines not only ensured human safety but also resulted in an estimated power saving of 225 MWh.

**Durgapur Steel Plant (DSP)**

- Increase in the feed material for Wheel & Axle Plant from Bloom and Round Caster rather than through ingot route, resulting in highest ever ratio of Crude Steel production through CC route of 97.5 %. Previous best ratio of Crude Steel production through CC route was 96.9 %, achieved in 2019-20.
- Optimisation of the steelmaking operational parameters resulting in lowest ever overall Total Metallic Input (TMI) at SMS of 1,114 kg/tcs. Previous best overall TMI at SMS was 1,118 kg/tcs, achieved in 2019-20.
- Introduction of 60 kWp, grid connected, Rooftop Solar Photo-Voltaic system at DSP, resulting in reduction of not only an equivalent amount of purchased power, but also the carbon footprint of steel thus produced.
- Replacement of 12 nos. 400 W HPSV lights with 350 W LED fittings in Himast towers, 300 nos. 250 W / 150 W streetlights with 120 W LED fittings & conversion of lighting of 4 nos. Electrical Substations to LED lighting, resulting in saving of an equivalent amount of power consumption.

**Rourkela Steel Plant (RSP)**

- Increased waste heat recovery from hot coke resulted in highest ever generation of 33.05 GWh of power from BPTG along with generation of 374.5 thousand tonnes of medium pressure steam from CDQ facility in COB # 6. The previous best of 27.4 GWh was achieved in 2019-20.
- Increase in conversion of high top-gas discharge pressure to electrical energy in BF # 5, resulting in overall increased generation of 107 GWh of power through TRT.
- Modification in BF gas pipeline to increase BF gas collection at BF # 5 and also BF gas flow from the old zone to COB # 6 in the modernised zone, resulting in increased BF gas utilisation to the tune of  $90 \times 10^6 \text{ Nm}^3$ .
- Installation of a 75 kW VVVF drive in slab transfer car and a 36 kW VVVF drive in UST Pump at Plate Mill, leading to an estimated power saving of 9,000 MWh.
- Replacement of waste heat recuperator in re-heating furnace of Plate Mill, resulting in reduction of fuel consumption by 9 Tcal.
- Sinter Plant (SP) # 3 process optimisation by running both – a 430 kW compressor HT motor throughout the year and a 45 kW cooling tower fan motor during winter – at 75 % of rated capacity, leading to an estimated power saving of 2,500 MWh.
- Up-gradation of 6 nos of cooling tower in Coal Chemicals Department (CCD) resulting in power saving of 1,250 MWh.
- Installation of 100 nos. of 200 W LED bulbs in place of 1,000 W conventional lamps leading to a saving of 700 MWh of power.
- Rerouting of spillage sinter in SP # 2 made operation of 6 nos of motors redundant, resulting in saving of 750 MWh of power.

**Bokaro Steel Plant (BSL)**

- Partial commissioning of SMS # 1 caster resulting in an estimated energy saving of 200 Tcal.
- Introduction of BF gas firing in Boiler # 9 leading to utilisation of  $140 \times 10^6 \text{ Nm}^3$  of BF gas which would have otherwise been flared.
- Replacement of a portion of 700 mmNB Coke Oven (CO) gas pipeline, resulting in increased CO gas supply to RMP kilns and energy saving of 55 Tcal.

- d) Commissioning of waste heat recovery system in stoves of BF # 1 leading to 50 Tcal of saving in fuel.
- e) Repair of waste heat recuperators in 2 re-heating furnaces of Hot Strip Mill, leading to an estimated fuel saving of 20 Tcal.
- f) Capital repair of 3 nos. of Soaking Pits & partial repair of 20 nos. of Soaking Pits, resulting in conservation of 40 Tcal of fuel.
- g) Replacement of 700 nos. of Sodium Vapour street lights, 800 nos. of high mast lights and 2,500 nos. of cable tunnel lights with LEDs, resulting in an estimated power saving of 850 MWh.
- h) Liquidation of 40 nos. of steam leakages, insulation of 300 m steam line & replacement of 25 nos. of steam traps resulting in an estimated saving of 12,000 t steam.

#### IISSCO Steel Plant (ISP)

- a) Laying of a dedicated CO gas pipeline for firing of excess CO gas from old plant, into reheating furnaces of mills in the new plant, resulting in reduction of purchased CBM gas consumption by an estimated  $13 \times 10^6$  scm.
- b) Installation of 80 kWp, Rooftop Solar Photo-Voltaic system, resulting in reduction of not only an equivalent amount of purchased power, but also the carbon footprint of steel thus produced.

#### ii) Capital Investment on Energy Conservation Equipment

A Capital Expenditure of about ₹40 crore has been incurred on energy conservation equipment/measures during the Financial Year 2020-21.

### (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 2020-21 are as under:

#### a) Process Developments

##### Coke Making

- Enhancing CDCP performance by thermal and hydraulic regime optimisation at COB #11 at BSP.
- Improvement in  $M_{10}$  Index of coke from 9.3 to 9.5 at BSL.
- Process optimisation to improve coke moisture consistency and CO gas yield of COB #5 at DSP.
- Battery health monitoring at COB #11 at ISP.

##### Agglomeration

- Optimisation of sintering operation and MgO content in BSL.
- Reduction in return sinter generation in SP #3 at RSP.
- Optimization of slime beneficiation unit for processing slime at Dalli Mines.
- Improving screening efficiency to control undersize in lump at Meghataburu Mines.

##### Blast Furnaces

- Improvement in gas utilization in BF#2 at BSL.

- Reduction in heat loss by 10% through hard facing and refractory lining copper tuyeres in BF#3 at DSP.
- Reduction in coke rate of BF#1 at RSP.
- Effect of Slag Composition on Slag Flow in Blast Furnace for BF#5 at RSP.

#### Steel Making, Casting & Refractory

- Improvement of operational efficiency of SMS-III at BSL.
- Introduction of double porous plug in steel ladle at BSP and RSP.
- Improvement in quality of in-house MgO-C Bricks at LDBP in RSP.
- Improvement in lining life of steel ladle through SRU bricks at SMS-II at BSL.

#### Rolling Mills

- Improvement in mill utilisation by reduction in mill delays on account of guide changing delays at stand No. 14 of Merchant Mill at DSP.
- Improvement in the surface quality of CRNO coils in Silicon Steel Mill at RSP.
- Improvement in reliability of plate length measurement system at New Plate Mill, RSP.
- Experimental study of the warpage of plates in Special Plate Plant at RSP.

#### Energy Conservation and Environment

- Investigation into aspects of improvement in water quality management of Walking Beam Furnace (WBF) zone of new Plate Mill at RSP.
- Design of propane fired gas burners for tundish heating system in SMS-2 at RSP.
- Assessment of bio-sequestration potential and carbon-sequestration through afforestation in RSP.
- Feasibility study on utilization of decanter tar sludge from by-product plant of COB#11 complex at ISP.
- Pilot studies for control of cyanide in effluent of Blast Furnace Gas Cleaning Plant at ISP.

#### b) Laboratory based work

- Prediction of rank of coal blend based on proximate properties of coal.
- Investigation on production of high quality iron ore pellets.
- Performance evaluation of the fire resistance steel under simulated fire condition.
- Wealth out of Waste (WOW)-Utilization of solid waste through sintering.

#### c) Product Development & Application

RDCIS, through continuous technological inputs, has been helping the Company in producing value added steel products at a competitive price. Several new products, particularly special steels, having superior product quality attributes have been developed and commercialized by RDCIS for meeting stringent application requirement of various market segments. Principle of cost effective alloy design and optimization of process parameters were the prime consideration for development of the new market oriented products. During the year 2020-21, the following 15 no. of products have been developed. Some of these products have been developed using the newly commissioned production facilities viz., CRM III (BSL), NPM (RSP), MSM (DSP), WRM (ISP), BRM (ISP) and USM (ISP).

S. No.	Product Details	Plant	Application
1	Wire Rod in coil in HC grade / CAQ grade / EWN grade.	BSP	High Tensile Wire/ Cable Armour/ Electrodes
2	Fe550D/ Fe500D HCR/ Fe600 (Rockbolt & Customised) grade TMT Rebars; Rounds in MC grade of EN8D.	BSP	Infrastructure & Construction; Manufacturing of Gears, Shafts, Axles, Bolts, Studs, Machine Parts
3	HSFQ 350/450/ SAILFORMING 350/450, (4-10 mm)/ API X60/65/70 HR coils.	RSP	Auto/ Oil & Gas Pipeline
4	Low Si IS 2062 E350, 4-10 mm/ SAE 1006 grade (Al killed) HR coil with Si < 0.03% in 2.2x915mm/ HRC or Plates in 450BR, 6-22 mm, with Si 0.06% (Max).	RSP	Zinc Coated Structural /Monopole/Galvanised Products
5	SAIL WR400 Wear Resistant Q&T Plates in >20 to 40mm / SAIL HARD Plates up to 20mm.	RSP	EME/ Thermal Plant/ Material Handling
6	Phosphorus based CRNO coils of 300 grade.	RSP	Electrical Motors
7	Customised IS 513 CR2 D, Si: 0.25 to 0.28% with core loss properties.	BSL	Cold Stampings for Electrical Motors
8	HSFQ 550 HR coil 4 to 8mm/ HT650; API X-70 PSL2 HR Coil (RSP-BSL route).	BSL	Auto Sector; Oil & Gas
9	SAE 1006 AIK with low Si 0.03% max, 2.2x1000mm/ 350/ 450BR (Si 0.06% max), 6 to 12 mm HRC.	BSL	Galvanised Industry/ Monopole
10	High Strength GP sheet (YS:550 MPa)/ Spangle-free GPSP sheet (YS: 250-350 MPa) through HDGL, CRM-3.	BSL	Construction/ White Goods
11	Alloy Wire Rod, SCM 415/ 420, SAE 4140/ 8620.	ISP	High Tensile Fastener
12	High Carbon WRC in HC82 and above.	ISP	High Tensile Wire
13	Free Cutting Grade (EN1A) Wire Rods.	ISP	Automotive Machined Components
14	IS 2062 E450 BR Structural in all sections.	ISP	High Strength Structural
15	Special Quality Semis: Customised low carbon and restricted Si bloom, IS 14650 Gr513 CR2 D in 300x150 BRC; BRC rounds in 340-370 mm dia in SA105 grade through VAD/ EMS Route/ IS 1875 grade in Class-2/4/5.	DSP	Tractor/ Tube/ Cycle Industry; Forging Industries.

**(ii) Benefits derived from key projects in 2020-21:**
**Process Area:**

Project Title	Plant	Benefit derived
Improvement in coke quality, at optimum blend cost	BSL	<ul style="list-style-type: none"> <li>M<sub>10</sub> improved to 9.3 from 9.5.</li> <li>&lt; 4.0 % moisture in coke achieved.</li> <li>Spot quenching reduced.</li> </ul>
Stabilisation of combined quenching facilities in quenching wagon of COB #5.	BSL	<ul style="list-style-type: none"> <li>Moisture content reduced significantly to &lt; 4.0 %.</li> </ul>
Development of Industry 4.0 based predictive analytics system for critical electrical assets in Coke Oven.	BSL	<ul style="list-style-type: none"> <li>24/7 health monitoring of critical rotating machines</li> <li>Automatic mobile alerts to users with root cause of abnormality</li> <li>Detection &amp; prediction of machine abnormalities like looseness, misalignment, unbalance, eccentricity etc.</li> </ul>
Reduction in heat loss by 10% through hard facing and refractory lining copper tuyeres at BF#3.	DSP	<ul style="list-style-type: none"> <li>Reduction in heat loss by &gt; 10 %.</li> <li>Increase in service life of tuyere.</li> </ul>
Improvement in mill utilisation by reduction in mill delays on account of guide changing delays at stand No. 14 of Merchant Mill.	DSP	<ul style="list-style-type: none"> <li>Mill utilization increased by around 2.5%</li> </ul>
Investigative study for improvement in clean CO gas quality	ISP	<ul style="list-style-type: none"> <li>Chilled &amp; cooling water temp. reduced by 6 °C.</li> <li>Conc. of H<sub>2</sub>S &amp; NH<sub>3</sub> in clean CO gas reduced by 1/3<sup>rd</sup>.</li> <li>Reduced load on heat exchanger.</li> </ul>
Reduction in coke rate of BF#1, RSP	RSP	<ul style="list-style-type: none"> <li>Coke rate has been decreased from 495 kg/thm to 447 kg/thm</li> </ul>
Reduction in return sinter generation in SP #3	RSP	<ul style="list-style-type: none"> <li>Return sinter % reduced from 23.04% to 20.63%.</li> </ul>
Improvement in quality of in-house MgO-C Bricks at LDBP.	RSP	<ul style="list-style-type: none"> <li>Two sets of trials conducted</li> <li>Average Ladle life of 140 heats was achieved, an improvement from 127 heats.</li> </ul>

Project Title	Plant	Benefit derived
Improvement in the surface quality of CRNO coils in Silicon Steel Mill.	RSP	<ul style="list-style-type: none"> <li>• Occurrence of coil break and buckling reduced by 20%</li> <li>• Prime acceptance of CRNO increased from 78% to 85%</li> </ul>
Improvement in reliability of plate length measurement system at New Plate Mill.	RSP	<ul style="list-style-type: none"> <li>• Reduction in Non Conforming to Order (NCO) generation by 70% with introduction of length measurement system.</li> </ul>
Improving screening efficiency to control undersize in lump-Meghataburu Mines	Mines	<ul style="list-style-type: none"> <li>• Reduction of undersize in Lump at screen end from 12.2% to 9.75%</li> </ul>
Investigation on production of high quality iron ore pellets.	RDCIS	<ul style="list-style-type: none"> <li>• Pellets evaluated and exhibited the properties in line with BF grade pellets (CCS: 240 kg/pellet, Porosity: 27%, TI: 95%, RI: 68% &amp; SI: 18% ).</li> </ul>
Wealth out of Waste (WOW)-Utilization of solid waste through sintering.	RDCIS	<ul style="list-style-type: none"> <li>• Co-Sinter process has been developed, for utilization of solid waste up to 100 kg/tonne of Input Material.</li> </ul>
Development of High Strength Steel Plates With High Toughness.	RSP	<ul style="list-style-type: none"> <li>• IS 2062 E550BR grade plate developed with Impact in excess of 50J at -20C in 12 mm thick plate</li> </ul>
Development of ASTM A588 Gr. A weather resistant steel plates.	RSP	<ul style="list-style-type: none"> <li>• 480 T of 32 &amp; 40mm thick plates supplied to BHEL, Ranipet.</li> </ul>

#### 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.		Year	Status
<b>COKE MAKING</b>			
1.	Rebuilding of Coke Oven Battery No-8 at BSL	2021	Likely to be commissioned
<b>SINTER MAKING/AGGLOMERATION</b>			
1.	Installation of Sinter Plant II, BSL	2021	Likely to be commissioned
<b>IRON MAKING</b>			
1.	<b>Blast Furnace (BF) with modern facilities such as :-</b> <ul style="list-style-type: none"> <li>• Conveyor charging system</li> <li>• Closed Loop Cooling System with soft water as an efficient cooling system</li> <li>• Modern refractory design</li> <li>• Flat Cast House design with ramp for use of mobile equipment for maintenance, etc.</li> </ul>		
i)	BF#4 at BSL	2021	Likely to be commissioned
2.	<b>INBA Cast House Slag Granulation Technology at BSL</b>		
i)	BF #1, Cast House 1 & 2	2021	Likely to be commissioned
3.	<b>High Hot Blast technology in stoves with waste heat recovery system for achieving HBT of &gt;1200°C</b>		
i)	4 <sup>th</sup> Stove in BF#4, DSP	2022	Likely to be commissioned
ii)	Stoves System in BF#4, BSL	2021	Likely to be commissioned
<b>STEEL MAKING</b>			
1.	1x130t BOF at SMS # I, BSL	2021	Production started. Likely to be commissioned.
2.	Twin Ladle Furnace for SMS # 1, BSL	2021	Commissioned
3.	Slab Caster for SMS # 1, BSL	2021	Commissioned
4.	Replacement of Converter shells with Bottom stirring system and installation of secondary emission control system in all the three converters	2021	Likely to be commissioned.
<b>ROLLING &amp; FINISHING</b>			
1.	<b>Bar &amp; Rod Mill</b>		
i)	Hot charging of billets to reduce specific fuel consumption	2020	Commissioned
ii)	Walking-beam (WB) type re-heating furnaces		
iii)	High speed slit rolling with commensurate bar receiving, speed braking & delivery facility in cooling beds to achieve high production rate, close/ negative tolerance and better surface finish of lower diameter TMT rods/ bars		

iv)	Reducing & sizing mills to facilitate size-free rolling (faster changeover of sections to any diameter in increment of 0.5 mm) of wire rods		
v)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
<b>2. Medium Structural Mill, DSP</b>			
i)	Walking-beam (WB) type re-heating furnaces	2021	Production ramp-up in progress. Likely to be commissioned
ii)	Universal stands with quick roll cassette changing facility for easy switch-over of campaigns and production of universal sections which have inherent advantages of simplicity in fabrication, higher section modulus to weight ratio, higher buckling strength, etc.		
iii)	On-line profile gauges for stock to stock monitoring of important geometric values for minimizing rejections and taking timely corrective actions		
<b>3. New Hot Strip Mill, RSP</b>			
i)	Walking-beam (WB) type re-heating furnaces with modern features including energy efficient digital furnace, crop optimization, heat retention panels.	2021	1 <sup>st</sup> Hot Rolled Coil produced in February, 2020. Commercial production will be initiated. Likely to be commissioned
ii)	A new 3.0 MT capacity Hot Strip Mill to meet the market requirements of higher coil weight, wider strip, higher strength grades for auto body grades and API grades and excellent product qualities. Features include pair cross rolling, microstructure controlled cooling, online surface inspection, pallet conveyors etc. it is equipped with high level of automation including process control, MES & yard management.		

**Expenditure on Research & Development**

		(₹ crore)
(a) Capital	:	23.03
(b) Revenue	:	340.28
Total	:	363.31
Total R&D Expenditure as a % of Total Turnover	:	0.53

**Foreign Exchange Earnings and Outgo**

		(₹ crore)
i) Foreign Exchange earned from exports and other activities	:	6,109.57
ii) Foreign Exchange used:		
a) CIF Value of imports	:	16,533.80
b) Other expenditure in foreign currency	:	137.05

For and on behalf of the Board of Directors

Place : New Delhi  
Date: 1<sup>st</sup> September, 2021

Sd/-  
**(Soma Mondal)**  
Chairman

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

{Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014}

### 1. Brief outline on CSR Policy of the Company

The CSR Policy of SAIL is a statement containing the approach and direction given by the Board, taking into account the recommendations of the CSR Committee of the Board. It includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. The Objectives of the CSR Policy are as follows:

- To create value for the stakeholders and society that are fundamentally linked to SAIL's core business strategies and operations through its services.
- Enhance value creation and foster goodwill for the community in which it operates by enhancing the quality of life of people in the direct impact zone.
- Support the community by assisting the underprivileged people and communities
- Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future.
- Support local populace by building the image of SAIL as patron of Arts and Sports and Culture.
- To operate in a socially, environmentally and economically responsible manner to succeed by seeking social license.

### 2. Composition of CSR Committee as on 31<sup>st</sup> March, 2021 is as under:

Sl. No.	Name of Director	Designation /Nature of Directorship	No. of meetings of CSR Committee during FY 2020-21	
			Held	Attended
1	Shri N. Shankarappa	Independent Director & Chairman	1	1
2	Shri K.K. Gupta	Independent Director	1	1
3	Ms. Soma Mondal	Chairman with additional charge of Director (Personnel)	Nil	Nil
4	Shri Amit Sen	Director(Finance)	1	1

3.	<b>Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.</b> The respective web links are as under:	
	Composition of CSR Committee: <a href="http://www.sail.co.in">www.sail.co.in</a> CSR Policy: <a href="http://www.sail.co.in">www.sail.co.in</a> CSR Projects approved by the Board: <a href="http://www.sail.co.in">www.sail.co.in</a>	
4.	<b>Provide the details of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (CSR Policy) Rules, 2014, if applicable (attach the report).</b>	Not Applicable
5.	<b>Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the FY, if any.</b>	

Sl. No.	Financial Year	Amount available for set-off from preceding FY (in ₹)	Amount required to be setoff for the FY 2020-21, if any (in ₹)
		Not Applicable	

6.	Average net profit of the company as per Section 135(5)	₹1,972.17 crore
7.	2% of average net profit of the company as per section 135(5)	₹39.44 crore
(a)		
(b)	Surplus arising out of the CSR Projects of the previous FY	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c).	₹39.44 crore

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for FY 2020-21	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account [Sec135(6)]		Amount transferred to any fund specified under Sch-VII as per 2 <sup>nd</sup> proviso to Sec. 135(5)		
(₹ in crore)	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
47.18	Nil	Nil	Nil	Nil	Nil

**8. (b) Details of CSR amount spent against ongoing projects for the financial year:**

These Projects are continuous in nature. The details are provided in Annexure-A to this Report.

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project duration	(7) Amount allocate for the project (in ₹)	(8) Amount spent in the current FY (in ₹)	(9) Amount transferred to Unspent CSR A/c for the project Sec. 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration No.

**8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:**

These Projects are continuous in nature. Hence, not applicable.

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Sch-VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the Project ₹/Core	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration No.

<b>8(d)</b>	Amount spent in Administrative Overheads	₹0.10 crore
<b>8(e)</b>	Amount spent on Impact Assessment, if applicable	Not Applicable
<b>8(f)</b>	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹47.18 crore
<b>8(g)</b>	Excess amount for set off, if any	₹7.74 crore

8(g) SN	Particular	Amount (₹ in Crore)
(i)	2% of average net profit of the Co. as per Sec.135(5)	₹39.44 crore
(ii)	Total amount spent for the FY	₹47.18 crore
(iii)	Excess amount spent for the FY[(ii)-(i)]	₹7.74 crore (47.18- 39.44 )
(iv)	Surplus arising out of the CSR projects of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹7.74 crore

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account u/s 135(6) (in ₹)	Amount spent in the reporting FY 2020-21 (in ₹)	Amount transferred to any fund specified under Sch-VII Section 135(6), if any			Amount remaining to be spent in succeeding FYs (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil/Not Applicable							

**9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

All the projects are continuous in nature. The details are at Annexure-A to this report.

(1) Sl. No.	(2) Project ID.	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount Allocated for the project (in ₹)	(7) Amount spent on the proj. in reporting FY (in ₹)	(8) Amount spent at the end of reporting FY (in ₹)	(9) Cumulative Status of the proj - Completed /Ongoing

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year <b>(asset-wise details)</b> .	Nil
	(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
	(b) Amount of CSR spent for creation/acquisition of capital asset.	Not Applicable
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).	Not Applicable

Sd/-  
**(Amit Sen)**  
Director (Finance)

Sd/-  
**(K.K. Gupta)**  
Independent Director

Sd/-  
**(Soma Mondal)**  
Chairman, SAIL with  
Additional Charge of Director (Personnel)

Sd/-  
**(N. Shankarappa)**  
Independent Director &  
Chairman, CSR Committee

**DETAILS OF CSR PROJECTS UNDERTAKEN DURING THE FINANCIAL YEAR 2020-21**

Sl. No.	Name of the Project.	Item from Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount allocated for the project in FY 2020-21 (₹ in crore)	Amount spent for the project in FY 2020-21 (₹ in crore)	Cumulative expenditure upto the reporting period (₹ in crore)	Mode of Implementation		
				State	District				Direct Yes/No	Implementing Agency Name	CSR Reg. No.
1	2	3	4	5		6	7	8	9	10	11
1	Eradicating hunger, poverty and malnutrition, promoting healthcare incl. preventive health care, sanitation, construction of toilets under SVA and making available safe drinking water;	Cl.(I) Healthcare, Drinking Water & Sanitation	Yes	Chhattisgarh	Durg Bilaspur Balod Kanker Narayanpur Dhamtari Rajnandgaon Champa;	4.57	29.51	87.43	Yes	**	Not Applicable
2	Promotion of education including special education & employment enhancing vocation skills especially among children, women, elderly and differently abled & livelihood enhancement projects;	Cl.(ii) Education & Livelihood Generation	Yes	West Bengal	Paschim Bhardman Bankura Sudergarh & Keonjhar	11.73	10.44	71.87	Yes		
3	Promotion of gender equality & empowering women, setting up homes/hostel for women & orphans; setting up old age homes etc. for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Cl.(iii) Women Empowerment & Care for Sr. Citizens & PwDs	Yes	Jharkhand	Salem & Chennai Chandrapur	1.23	1.03	11.47	Yes		
4	Protection of heritage, art, culture & Training to promote rural/Nationally recognised/para-lympic / Olympic sports	Cl.(v) & (vii) Promotion of Sports, Art & Culture	Yes	Maharashtra		2.48	2.37	21.98	Yes		
5	Ensuring environmental sustainability, flora & fauna, animal welfare, agro-forestry, etc.	Cl.(iv) Environment sustainability	Yes			0.62	0.48	23.59	Yes		
6	Rural development projects	Cl.(x) Infrastructure & Rural Dev	Yes			1.73	1.19	18.52	Yes		
7	Capacity Building	CSR Rules, 2014 Cl.4(6)	Yes			0.16	0.10	3.78	Yes		
8	Provisions for Disaster Relief & Additional allocation for CSR projects as per Schedule-VII	General Circular No. 21/2014 dt.18/8/14 Annexure Para (i) Pt.7				27.50	2.06	2.06			
<b>Total</b>						<b>50.00</b>	<b>47.18</b>	<b>240.70</b>			

**Project Duration:** The above mentioned Projects are continuous in nature and continuing from about 20 years.

\*\* Some of the projects, viz. Mid-Day Meals is implemented in association with M/s. Akshay Patra Foundation at Bhilai and Rourkela; Free Coaching Centre at Burnpur for school drop-outs with the help of Ramakrishna Mission, etc.

PRINCIPAL EXECUTIVES AS ON 31<sup>ST</sup> AUGUST, 2021**CORPORATE OFFICE****NEW DELHI****Chairman**

Soma Mondal

**Directors***Personnel*

Addl. Charge with Chairman, SAIL

*Commercial*

Addl. Charge with Chairman, SAIL

*Technical, Projects & Raw Materials*

Harinand Rai

*Finance*

Amit Sen

**Executive Directors***Operations*

Ajay Arora

*Vigilance*

Sanjay Sharma

*Personnel & Administration*

K.K. Singh

*Law & PLO*

A.K. Sinha

*Finance & Accounts*

A.K. Tulsiani

*Projects*

D.V. Jagannath

*C&IT*

Puneet Sharma

*Coal Import Group*

V. Suresh

**Company Secretary**

M. B. Balakrishnan

**Chief of Corporate Affairs**

Dr. Chinmoy Samajdar

**Management Training Institute***Executive Director (HRD)*

Kamakshi Raman

**Growth Division****Environment Management Division***Executive Director*

S.K. Das

**STEEL PLANTS / UNITS****Bhilai Steel Plant***Director –/I/c BSP*

Anirban Dasgupta

*Executive Directors**M&HS*

Dr. S.K. Issar

*Materials Management*

Rakesh

*Projects*

A.K. Bhatta

*Personnel & Administration*

S.K. Dubey

*Works*

Anjani Kumar

*Mines & Rowghat*

M. Biswas

**Durgapur Steel Plant***Chief Executive Officer*

Addl. charge with CEO - ISP

*Executive Directors**Works*

B. P. Singh

*Projects*

P. Murugesan

*Personnel & Administration*

R. Muniraju

**Rourkela Steel Plant**

Addl. Charge with Director –/I/c BSL

*Executive Directors**Works*

P. Kumar

*Mines*

A.K. Kundu

*Operations*

S.R. Suryawanshi

*Projects*

A.K. Pradhan

*Personnel & Administration*

P.K. Satapathy

**Bokaro Steel Plant***Director –/I/c BSL*

Amarendu Prakash

*Executive Directors**Projects*

R. Kushwaha

*Materials Management*

V. K. Pandey

*Works*

Atanu Bhowmick

*Collieries*

B.K. Tiwari

*Personnel & Administration*

Samir Swarup

**IISCO Steel Plant***Chief Executive Officer*

A.V. Kamlakar

*Executive Directors**Works*

A.K. Singh

*Materials Management*

Shibasis Basu

*Projects*

K.B. Sunil

*M&HS*

Dr. R. Guha Niyogi

**Alloy Steels Plant***Executive Director*

S. Subbaraj

**Salem Steel Plant***Executive Director*

Sanjeev Taneja

**Visvesvaraya Iron & Steel Plant***Chief General Manager*

Surajit Mishra

**UNITS****Research & Development Centre for Iron & Steel***Executive Director*

Nirvik Banerjee

**Centre for Engineering & Technology***Executive Director*

Jagdish Arora

**Central Marketing Organisation***Executive Directors**Sales & ITD*

M.C. Agarwal

*Marketing Services*

D. Kumar

*Marketing*

V.S. Chakravarthy

*Finance & Accounts*

A.K. Agrawal

*Commercial*

Vinod Gupta

**Logistics & Infrastructure***Executive Director*

M. Razi Anwar

**SAIL Refractory Unit***Executive Director*

Rajeev Sehgal

**Chandrapur Ferro Alloy Plant***Executive Director*

M.V. Zode



## NOTES:

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No.02/2021 dated 13<sup>th</sup> January, 2021 read with General Circular Nos. 20/2020 dated 5<sup>th</sup> May, 2020, No.14/2020 dated 8<sup>th</sup> April, 2020 and No.17/2020 dated 13<sup>th</sup> April, 2020 and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and SEBI/HO/CFD/ CMD2/ CIR/P/ 2021/11 dated 15<sup>th</sup> January, 2021 (collectively referred to as 'Applicable Circulars') have permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Applicable Circulars, the AGM of the Company is being held through VC / OAVM.
2. **AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 (The Act), A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, PURSUANT TO APPLICABLE CIRCULARS, THE AGM IS BEING HELD THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE APPLICABLE CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES WILL NOT BE AVAILABLE FOR THE AGM. HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE. MEMBERS ARE REQUESTED TO PARTICIPATE IN THE AGM IN PERSON THROUGH VC/OAVM.**
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to the Applicable Circulars, the facility of participation in the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.
5. The relevant Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business Item No.6 above is annexed hereto. The relevant details under Item Nos. 2 & 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 to the Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of Resolution/Authorization, by its Board or Governing Body authorizing its representative to attend the Annual General meeting through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to sachinag1981@gmail.com with a copy marked to evoting@nsdl.co.in.
7. The Company has fixed Tuesday, 21<sup>st</sup> September, 2021 as the 'Record Date' for determining entitlement of members to Final Dividend for the Financial Year 2020-21, subject to approval by the Members at the AGM. The Register of Members of the Company will remain closed from Wednesday, 22<sup>nd</sup> September, 2021 to Tuesday, 28<sup>th</sup> September, 2021 (from end of business hours on 21<sup>st</sup> September, 2021), for the purpose of payment of Final Dividend and AGM for the Financial Year 2020-21. The payment of final dividend, if approved by the Members at the AGM, will be paid subject to deduction of Income Tax at source (TDS) within 30 days from the date of declaration as under:
  - **Equity Shares held in Physical Form:** To all the Members after giving effect to valid requests for transmission and transposition lodged with the Company as on close of business hours of 21<sup>st</sup> September, 2021.
  - **Equity Shares held in Electronic Form:** To all the beneficial owners of the shares, as on the close of business hours of 21<sup>st</sup> September, 2021, as per the details furnished by the Depositories for this purpose.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. In this regard, for the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ('DPs') or in case shares are held in physical form, with the Registrars and Transfer Agents ('R&TA')/Company by forwarding the documents through e-mail on or before 21<sup>st</sup> September, 2021.

8. M/s. MCS Share Transfer Agents Limited (MCSTAL) are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities viz. Transfer/Transmission/Transposition/Dematrisation/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 the above activities with the R&TA only, at the following address:

M/s. MCS Share Transfer Agents Limited,  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I,  
New Delhi-110020  
Phone No.011-41406149, E-mail: admin@mcsregistrars.com

#### 9. Dematerialisation

- i) Securities and Exchange Board of India (SEBI) Regulations provide that equity shares of SAIL are to be compulsorily delivered in the dematerialized form, for the purpose of trading. **Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 (subsequently amended), has mandated that w.e.f. 1<sup>st</sup> April, 2019, (SEBI/MIRSD/DTAMB/CIR/P/2020/166 dated September 7, 2020) transfer of shares in a Listed Company shall only be in Dematerialised Form. Though most of the shareholders have converted their holdings into Demat Form, it is seen that some shareholders still hold their shares in paper form (Physical). In this connection, shareholders are advised, to open a Demat Account with any Depository Participant authorized by either National Securities Depository Ltd. or Central Depository Services Ltd. and dematerialize their shares.**
- ii) Members holding shares in the physical form should notify change in their addresses including their email address, if any, to the R&TA specifying full address in block letters with **PIN CODE** of their post offices, which is mandatory. Members holding shares in the Electronic Form (Demat), should intimate the change of address including their email address to their Depository Participant.
- iii) Members who have not registered their email-id with the Company or with the Depository Participants (DP) and wish to receive communications/information/ documents including notice for the AGM, are required to record their email address with the R&TA (email id- [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)) or alternatively send their request to [investor.relation@sail.in](mailto:investor.relation@sail.in) where shares are held in physical form or to their respective DP. Members holding shares in the physical form shall mention the folio-no. along with a self-attested copy of the Pan Card, Aadhaar and copy of the front and back side of the Share certificate; Members holding shares in Demat mode shall tender their request to their DP.
- iv) For making nomination, Members holding shares in physical form are advised to collect the Nomination Form from the Company's R&TA and Members holding shares in Electronic Form, may obtain the Nomination Form from their respective Depository Participant(s).
- v) **EFT MANDATE**

**Shareholders holding shares, whether in Physical or Demat form are advised to opt for Electronic Fund Transfer (EFT)/ National Electronic Clearing System (NECS), for any future payouts from the Company.**

**Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20<sup>th</sup> April, 2018 has directed to make payment of dividend only through approved electronic mode and Bank Details and Permanent Account Number(PAN) of the shareholders be obtained, updated against their folio, if not already available with the Company. Under the EFT/NECS, the payment instruction is issued by the banker (Payer's banker) electronically to the clearing authority. 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/NECS 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 their DP, if their holding is in Demat Form. Accordingly, Shareholders holding shares in Physical form and receiving dividend by Dividend Warrant/Demand Draft, etc. are requested to fill the attached Form and submit it along with a copy of the Self-attested PAN CARD, an Original Cancelled Cheque Leaflet/Attested Bank Passbook Copy showing Name of the Account Holder to M/s.MCS Share Transfer Agents Limited, R&TA of SAIL, to update the records for payment of any dividend in future.**

10. The Securities Exchange Board of India(SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Therefore, Members holding shares in Electronic Form are requested to submit their PAN to their Depository Participant (DP) with whom they maintain their DEMAT Accounts. Members holding shares in Physical Form can submit their PAN to the Company or M/s. MCS Share Transfer Agents Limited (R&TA).
11. Members holding shares in identical order of names in more than one folio are requested to write to the Company/R&TA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
12. The Company has transferred to Investor Education and Protection Fund, unclaimed dividends till Financial Year 2013-14 (Interim). The Company has, thereafter, paid/declared the following dividends:

Year	Interim Dividend (%)	Final Dividend (%)
2014-2015	17.50	2.50
2015-2016	-	-
2016-2017	-	-
2017-2018	-	-
2018-2019	-	5.00
2019-2020	-	-
2020-2021	10.00	18.00(proposed)

Shareholders who have not encashed their dividend warrants as above are requested to make their claims to the Company.

Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") provide that, any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund (IEPF). Pursuant to the above provisions, the Company has transferred all unpaid/unclaimed dividend declared by it upto Financial year 2013-14 (Interim). Upon completion of a period of seven years, the Company would transfer the unclaimed /unpaid dividend (Interim) of Financial year 2014-15 in March, 2022.

Section 124(6) of the Companies Act, 2013 read with Rules provide that all

shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. The Company has complied with the provisions and transferred the Shares, which had become eligible for transfer to IEPF after following the due process. The Company has sent individual communication(s) to the concerned shareholders whose dividend has remained unpaid or unclaimed for seven consecutive years, providing complete details of the shares due for transfer to IEPF. The Company has also published Notice in the newspapers advising such shareholders to encash their unclaimed dividend to avoid transfer of the shares. Details of such Shareholders and Shares due for transfer to IEPF has been uploaded on the Company's website. Claimants of the dividend/shares transferred to IEPF are entitled to claim refund by applying to IEPF.

Further, Dividend accruing against shares already transferred to IEPF has also been credited to the IEPF A/c.

Company Secretary is the Nodal Officer of the Company for IEPF Authority.

13. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting through email at [investor.relation@sail.in](mailto:investor.relation@sail.in). The same shall be replied suitably.

#### 14. Green Initiative in Corporate Governance of Ministry of Corporate Affairs

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paper less compliances by companies through electronic mode. In accordance with the circulars issued by the Ministry of Corporate Affairs, companies can now send various notices /documents (including notice(s) calling General Meeting(s), Audited Financial Statements, Board's Report, Auditors' Report, etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

Members are requested to opt for receipt of the above notices/documents through electronic mode. They are requested to register their e-mail ID for this purpose with their respective depository participant or with the Company's R&TA at the address given above or e-mail at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

Please note that these documents will also be available on the Company's website [www.sail.co.in](http://www.sail.co.in).

15. The documents referred to in this Notice and the Registers referred to in Section 170 and Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM. All such documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the AGM. Members seeking inspection or any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 21<sup>st</sup> September, 2021 through email at [investor.relation@sail.in](mailto:investor.relation@sail.in). The same will be replied by the Company suitably.
16. In compliance with the Applicable Circulars, Notice of the AGM along with the Annual Report of FY 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.sail.co.in](http://www.sail.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
17. In order to prevent fraudulent transactions, Members are hereby advised to exercise due diligence and inform the Company of any change in address or demise of any Member as soon as possible. It is also advised that Members should avoid their Demat Account(s) becoming dormant. The

statement of holdings in the Demat Accounts(s) should be obtained regularly from the concerned Depository Participants (DP) and holdings be verified periodically.

#### 18. General Information and Instructions for Remote E-voting prior to AGM and E-voting in the AGM:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014 as amended, and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The Members may cast their votes using an electric voting system through remote e-voting and in the AGM through e-voting.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting and e-voting facility.
- IV. The Board of Directors of the Company has appointed Shri Sachin Agarwal, a Company Secretary in Practice of the Company Secretary Firm- M/s. Agarwal S. & Associates (and in his absence Mrs. Anuradha Jain of M/s. Agarwal S. & Associates) as Scrutiniser to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and available for the same purpose.
- V. The **CUT-OFF** date for recognising the eligibility of members to attend and vote on resolutions at the AGM shall be 21<sup>st</sup> September, 2021. 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. 21<sup>st</sup> September, 2021 '**End of Business Hours**' only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- VI. A person who becomes a Member of the Company after circulation of the Notice of the AGM and holding shares as on cut-off date i.e. 21<sup>st</sup> September, 2021 can **follow the process for generating the Login ID and Password as provided in the Notice of the AGM.**
- VII. The remote e-voting period commences on 24<sup>th</sup> September, 2021 (9:00 am) and ends on 27<sup>th</sup> September, 2021 (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 21<sup>st</sup> September, 2021, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**
- VIII. The Scrutinizer, after scrutinizing the votes cast at AGM by e-voting and through remote e-voting, will, not later than 48 Hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman or a person authorized by him in writing. The results declared alongwith the consolidated scrutiniser's report shall be placed on the website of the Company- [www.sail.co.in](http://www.sail.co.in) and on the website of NSDL. The results shall be simultaneously communicated to the Stock Exchanges.
- IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 28<sup>th</sup> September, 2021.

#### X. The process and manner for remote e-voting are as under:

- A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:


##### Step 1: Access to NSDL e-Voting system

#### (I) Login Method for E-Voting and Joining Virtual Meeting for Individual Shareholders Holding Securities in Demat Mode.

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies and to increase the efficiency of the voting process, e-voting facility is being provided to all the Individual Members holding securities in demat mode to vote through their demat accounts/websites of Depositories/Depository Participants. Members are advised to update their mobile number and email-Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Members	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>1. NSDL IDeAS facility</b></p> <p><b>If the user is registered for the NSDL IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>(a) Please visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>(b) Once the homepage is launched, click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section.</li> <li>(c) A new screen will open. You will have to enter User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>(d) Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page.</li> <li>(e) Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>If the user is not registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>(a) The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>(b) Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/Id eas DirectReg.jsp">https://eservices.nsdl.com/SecureWeb/Id eas DirectReg.jsp</a>.</li> <li>(c) Upon successful registration, please follow steps as given in points (a) to (e) above.</li> </ol> <p><b>2. Visit the e-Voting website of NSDL.</b></p> <ol style="list-style-type: none"> <li>(a) Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>(b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> </ol>

Type of Members	Login Method
	<p>(c) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>(d) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</p> <p><b>3. Mobile App:</b></p> <p>Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> 
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited (CDSL)	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in their demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>On logging in, you will be able to see e-Voting option. On clicking e-Voting option,</li> </ol>

	<p>you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>3. Click on options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders Holding Securities in Demat Mode for any Technical Issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800-1020-990 and 1800-22-44-30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**(II) Login Method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in Physical Mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login credentials. Once you log-in to NSDL eservices, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for Members other than Individual Members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "**Terms and Conditions**" by selecting on the check box.
8. Now, you will have to click on "**Login**" button.
9. After you click on the "**Login**" button, Home page of e-Voting will open.

## Step 2: Cast Your Vote Electronically and Join Annual General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "**EVEN**" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "**EVEN**" of Steel Authority of India Limited (SAIL) for which you wish to cast your vote during the remote e-Voting period or cast your vote during the General Meeting. For joining virtual meeting, you need to click on "**VC/OAVM**" link placed under "**Join General Meeting**".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "**Submit**" and also "**Confirm**" buttons when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### III. Process for those shareholders whose email IDs are not registered with the Depositories/ Company for procuring user ID and password and registration of email IDs for e-voting.

Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting:

1. In case shares are held in physical mode, please provide Folio No., Name of the Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).
2. In case shares are held in demat mode, please provide DPID-Client ID (16 digit DPID + Client ID or 16 digit beneficiary ID), Name of the member, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com). If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (I) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively Shareholders/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user ID and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. In case of any queries/grievance, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact **Ms. Sarita Mote, Assistant Manager, National Securities Depository Limited, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-1020-990 and 1800-22-44-30 who will also address the grievances connected with the voting by electronic means.**

### XI. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM through the NSDL e-Voting system (<https://www.evoting.nsdl.com>). Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, Member(s) can click on "**VC/OAVM link**" placed under "**Join General meeting**" menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the scheduled time of the AGM and will be available for Members on first come first served basis. The facility to join the meeting will close after 15 minutes, of the commencement of the meeting.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact **Ms. Sarita Mote, Assistant Manager, National Securities Depository Limited at the email id [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-1020-990 and 1800-22-44-30.**
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at [sail49agm.2021@sail.in](mailto:sail49agm.2021@sail.in) from 21<sup>st</sup> September, 2021 (9:00 a.m. IST) to 23<sup>rd</sup> September, 2021 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Further, Members who wish to have their queries/questions responded to during at the AGM are requested to send the queries/questions as mentioned above.

Only those Members who are attending the AGM and have not cast their vote through remote e-voting (prior to AGM) and otherwise are not barred from doing so, shall be eligible to vote through electronic voting system during the AGM.

- XII. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sachinag1981@gmail.com](mailto:sachinag1981@gmail.com) with a copy marked to NSDL's email ID- [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

XIII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

XIV. Those who became Members of the Company after dispatch of the Notice but on or before **cut-off date (21<sup>st</sup> September, 2021)** may mail to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), requesting for user ID and password. On receipt of user ID and password, the details on step 2 in A above should be followed for casting of vote.

## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No.6

The Board of Directors of the Company, on the recommendation of the Audit Committee has considered and approved the appointment of M/s. R.M. Bansal & Co., Kanpur (for Bhilai Steel Plant, Durgapur Steel Plant and IISCO Steel Plant), M/s. Chandra Wadhwa & Co., New Delhi (for Rourkela Steel Plant and Bokaro Steel Plant) and M/s. ABK & Associates, Mumbai (for Alloy Steels Plant, Salem Steel Plant and Visvesvaraya Iron and Steel Plant) as the Cost Auditors of the Company for the Financial Year 2021-22 at a remuneration of ₹11,70,000/- plus taxes as applicable and reimbursement of daily allowance, travelling expenses and out of pocket expenses. In addition, M/s. Chandra Wadhwa & Co., New Delhi have been designated as Lead Cost Auditor for XBRL conversion and filing of Consolidated Cost Audit Report of the Company at an additional fee of ₹42,000/- plus taxes as applicable.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the Resolution for ratification of the fee of the Cost Auditors as set out at Item No.6 of the Notice is submitted for approval of the Shareholders.

The Board recommends the resolution for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested in the resolution.

By order of the Board of Directors



(M.B. Balakrishnan)  
Company Secretary

Place: New Delhi

Dated: 1<sup>st</sup> September, 2021

Registered Office:

Ispat Bhawan, Lodi Road, New Delhi-110003.

CIN: L27109DL1973GOI006454



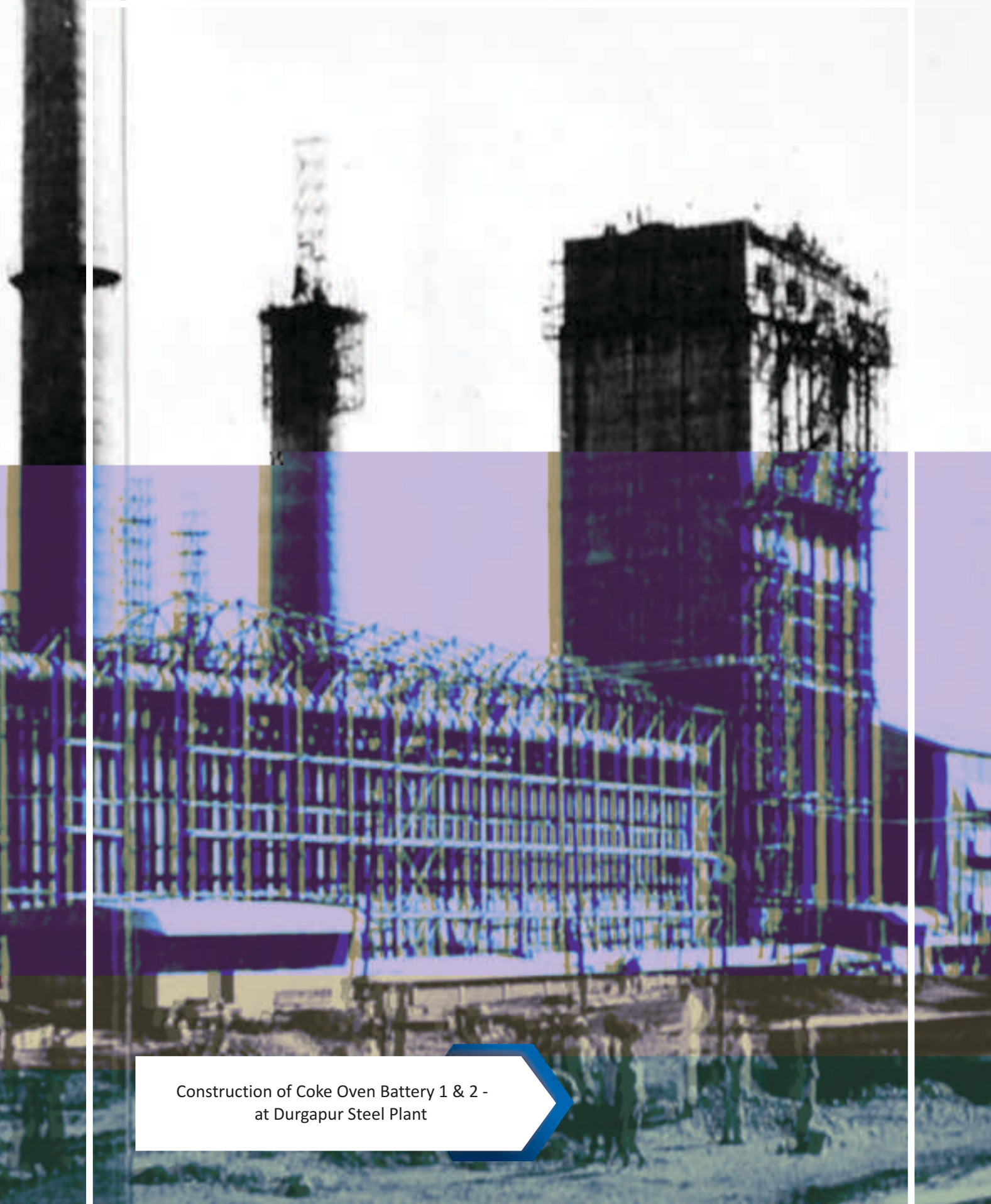


# FROM THE ARCHIVES



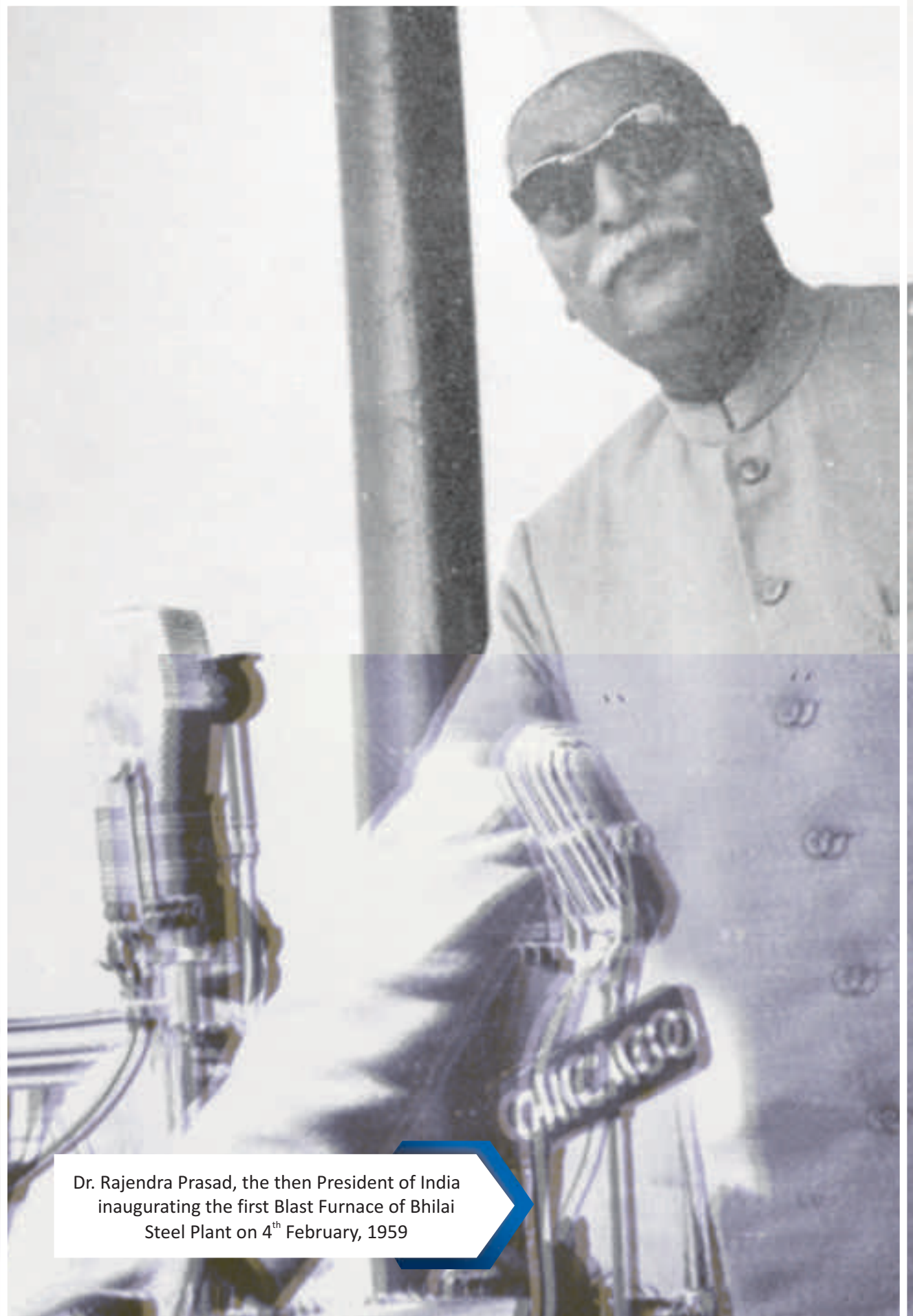
Construction of Bokaro Steel Plant

# FROM THE ARCHIVES



Construction of Coke Oven Battery 1 & 2 -  
at Durgapur Steel Plant

# FROM THE ARCHIVES



Dr. Rajendra Prasad, the then President of India  
inaugurating the first Blast Furnace of Bhilai  
Steel Plant on 4<sup>th</sup> February, 1959

# FROM THE ARCHIVES



First Steel Ingot cast at DSP on  
24<sup>th</sup> April, 1960

# FROM THE ARCHIVES

A black and white photograph of a worker in a steel mill. The worker is wearing a light-colored short-sleeved shirt and a dark cap, looking towards the right. In the background, there are large industrial structures, including a prominent cylindrical tank on the left and a complex network of pipes and beams. The scene is brightly lit, likely from overhead industrial lights.

Rail and Structural Mill at Bhilai Steel Plant  
inaugurated in October, 1960.

# FROM THE ARCHIVES



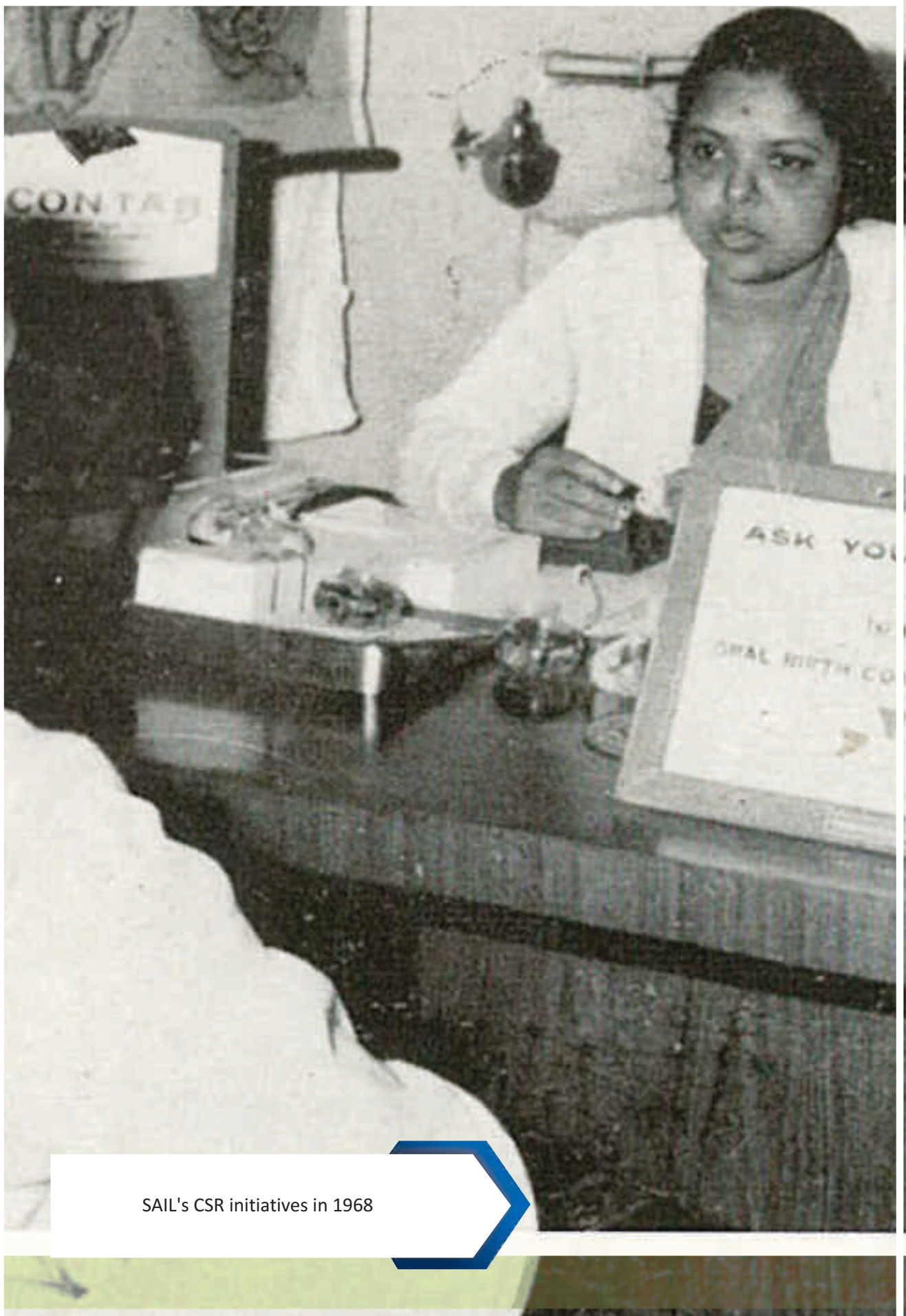
Construction site of Bloom Cast Mill at  
Alloy Steels Plant in 1965

# FROM THE ARCHIVES



Levelling work in progress at the site of Bokaro Steel Plant in 1967

# FROM THE ARCHIVES



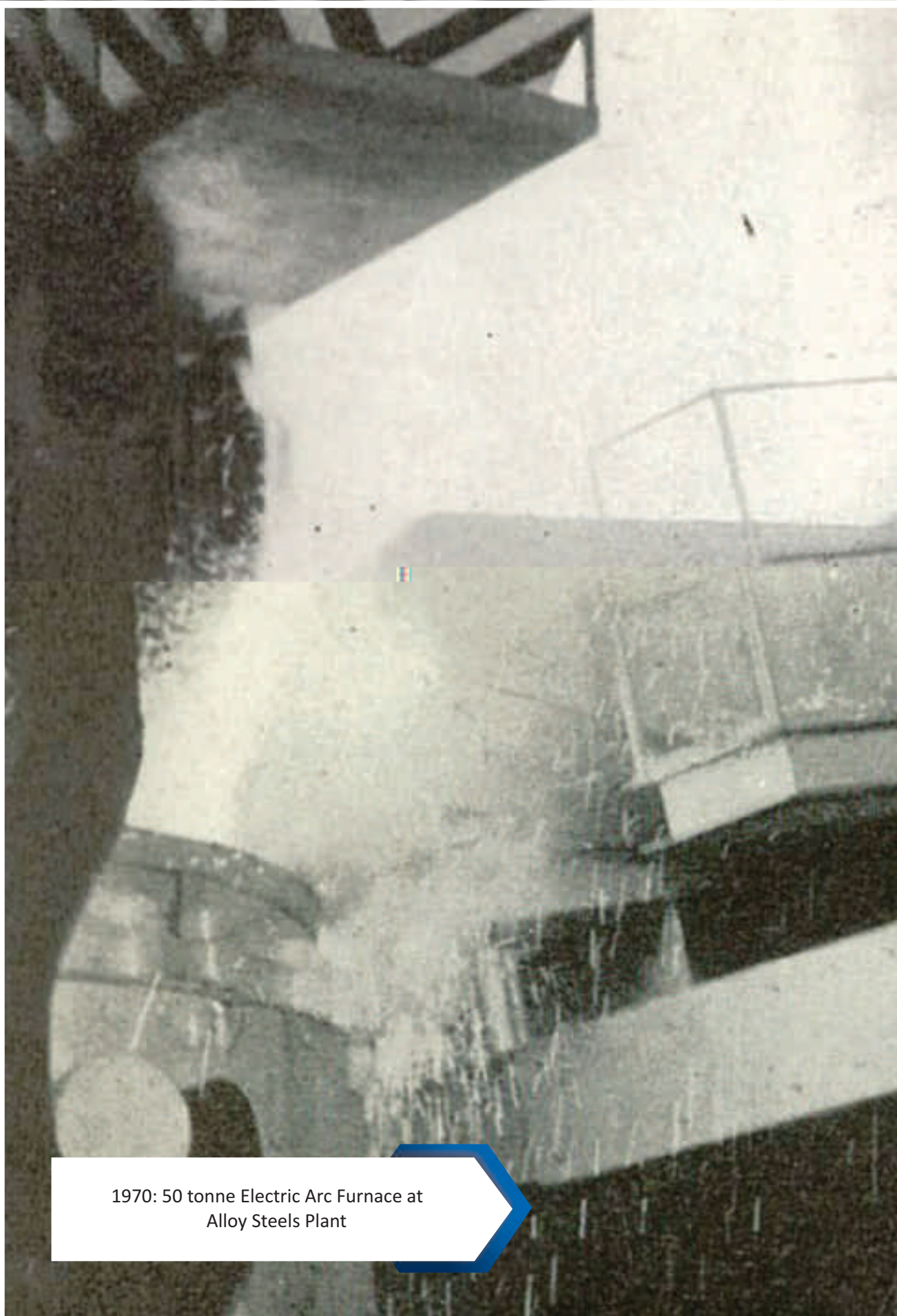
SAIL's CSR initiatives in 1968

# FROM THE ARCHIVES



First plate at Bhilai Steel Plant

# FROM THE ARCHIVES



1970: 50 tonne Electric Arc Furnace at  
Alloy Steels Plant

# FROM THE ARCHIVES



FIRST EXPORT CONSIGNMENT  
OF SALEM STAINLESS  
TO  
AUSTRALIA

First consignment to Australia in 1983



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