

34TH ANNUAL REPORT 2015-16

*BF Gas based Power Plant
...yet another Green Initiative*



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)

CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant
Visakhapatnam, Andhra Pradesh



Shri Chaudhary Birender Singh

Hon'ble Minister of Steel, Govt. of India

Shri Vishnu Deo Sai

Hon'ble Minister of State for Steel, Govt. of India



Dr. Aruna Sharma

Secretary to GoI, Ministry of Steel



Rajbhasha Keerti Puraskar

BOARD OF DIRECTORS



Ms. Bharathi S Sihag, IAS
Special Secretary & Financial Advisor,
MoS & Director



Shri P. Madhusudan
Chairman-cum-Managing Director



Smt. Urvilla Khati
Jt. Secy (Steel), MoS, & Director



Shri P.C. Mohapatra
Director (Projects)



Dr. G.B.S. Prasad
Director (Personnel)



Shri D.N. Rao
Director (Operations)



Shri P. Raychaudhury
Director (Commercial)



Shri S K Srivastava, IAS (Retd.)
Independent Director



Shri K M Padmanabhan, FCA
Independent Director



Shri Sunil Gupta, FCA
Independent Director



Shri S K Mishra, IRS (Retd.)
Independent Director



Shri Deepak Acharya
Company Secretary



BOARD OF DIRECTORS (as on 31.08.2016)

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri P.Madhusudan

FUNCTIONAL DIRECTORS

Director (Projects)

Shri P.C.Mohapatra

Director (Personnel)

Dr. G.B.S. Prasad

Director (Operations)

Shri D.N. Rao

Director (Finance)

Shri T.V.S. Krishna Kumar

(upto 31.05.2016)

Director (Commercial)

Shri P Raychaudhury

(w.e.f. 01.03.2016)

Director (Commercial)

Shri T.K.Chand

(upto 27.07.2015)

GOVERNMENT DIRECTORS

Ms. Bharathi S Sihag

Special Secretary & Financial Advisor, MoS

Smt. Urvilla Khati

Jt. Secy (Steel). MoS

INDEPENDENT DIRECTORS

Shri S K Srivastava

(w.e.f. 13.11.2015)

Shri K M Padmanabhan

(w.e.f. 13.11.2015)

Shri Sunil Gupta

(w.e.f. 13.11.2015)

Shri S K Mishra

(w.e.f. 27.11.2015)

Shri V.S.Jain

(upto 15.05.2015)

Shri Ashhok Kumar Jain

(upto 13.05.2015)

Prof.Sushil

(upto 13.05.2015)

Prof.S.K.Garg

(upto 15.10.2015)

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Deepak Acharya (w.e.f. 12.11.2015)

Shri P Mohan Rao (upto 31.08.2015)

REGD.OFFICE

Administrative Building,

Rashtriya Ispat Nigam Limited (RINL),

Visakhapatnam Steel Plant (VSP), Visakhapatnam, 530 031.

Tel: (0891) 251 8015/251 8249; Fax:(0891)251 8249

E mail: csrinl@vizagsteel.com, Website: www.vizagsteel.com

STATUTORY AUDITORS

M/s. Rao & Kumar

Chartered Accountants, Visakhapatnam

COST AUDITORS

M/s. Narasimha Murthy & Co.,

Cost Accountants, Hyderabad.

SECRETARIAL AUDITORS

M/s. Vinod Kothari & Company

Practising Company Secretaries, Kolkata

REGISTRAR AND SHARE TRANSFER AGENT

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No. 17 - 24, Vithal Rao Nagar, Madhapur,
Hyderabad -500 081, State of Telangana, India

SUBSIDIARIES

Eastern Investments Limited (EIL)

The Orissa Minerals Development Company Limited (OMDC)

The Bisra Stone Lime Company Limited (BSLC)

JOINT VENTURE COMPANIES

RINMOIL Ferro Alloys Private Limited

International Coal Ventures Pvt. Limited

RINL Powergrid TLT Pvt. Ltd

BANKERS

Bank of India

State Bank of India

Bank of Baroda

Canara Bank

State Bank of Hyderabad

Allahabad Bank

IDBI bank

UCO bank

Union Bank of India

Axis Bank

Indusind Bank

HDFC Bank

Deutsche Bank

Bank of Tokyo - Mitsubishi (UFJ)

ICICI Bank

Citi Bank

Standard Chartered Bank

Andhra Bank

HSBC Bank

Vijaya Bank

Kotak Mahindra Bank

DBS Bank

United Overseas Bank

Yes Bank

ANZ Bank

EXIM Bank

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CHAIRMAN'S ADDRESS



Dear Shareholders

I take great pleasure in welcoming you all for the 34th Annual General Meeting of your Company. I take this opportunity to thank you all for making it convenient to attend the meeting and express my gratitude for your continuous support and patronage. The Directors' Report, the Audited Statement of Accounts

for the year 2015-16 and the Notice to the Shareholders have already been circulated and with your permission, I take them as read.

External Environment:

As per World Steel Association (WSA), apparent steel consumption contracted by 3% during 2015 and is projected to decline by another 0.8% in 2016. However, as per WSA, the world steel demand will return to growth of 0.4% in 2017, as steel demand outside China is expected to grow by 3.0% in 2017.

The decline in steel demand in China is expected to be 4.0% in 2016 followed by a further fall of 3.0% in 2017. This translates to a decline by 109 Mt from 2013. China announced that it would cut crude steel capacity by 100 to 150 million tonnes within the next 5 years. The implementation of the same and translation of the same into reduction in output holds the key for Steel Industry world over in the near future.

In India, growth in steel consumption recovered to a level of 3.9% in 2014-15 and 4.5% in 2015-16. However, heavy dumping of steel from countries like China, Japan and South Korea led to availability of cheaper material creating distress in domestic steel industry.

Various steps taken by Government like Anti-dumping duty on imports of HR steel, 5% hike in import duty on Key steel products, safeguard duty of 20% on imports of flat steel products and Imposition of Minimum Import Price (MIP) on 173 steel products in Feb'16 provided some amount of protection against cheaper imports during Q4 of the year.

Your Company's performance

Your Company achieved sales turnover of ₹ 12,271 Crores (including sale of trial run production of ₹ 2,211.24 crores) which is 5% growth in value and 39% growth in volume respectively over the previous year. Export sales of ₹ 1,186 crs

registered a growth of 37% and also the best since inception.

Your Company recorded growth in all major areas of production, such as Hot Metal, Crude Steel and Saleable Steel. The Value Added Steel production grew by 20% and Captive Power Generation grew by 6% in the year.

The steel prices fell sharply with the Chinese steel prices dropping to their lowest level in more than twenty years. The net realization during the year 2015-16 was lower by 24% compared to the previous year which severely affected the financials resulting in a net loss of ₹ 1,421 Crores.

The company has commissioned all major units of expansion to 6.3 Mtpa of liquid steel. The company is also modernizing some of its existing assets, which will further increase the capacity to 7.3 Mtpa. With consistent efforts on stabilization of new units, the company is set to register significant growth in production.

Sustainability initiatives

To face the challenges due to severe downturn in the steel industry during the year, renewed thrust has been given in areas of cost reduction and revenue maximization. Austerity measures have been put in place and focus has been given for savings through financial interventions.

Corporate Social Responsibility (CSR)

CSR initiatives of your Company have always been undertaken in conformity to the prevalent guiding principles issued by Government like applicable Department of Public Enterprises (DPE) Guidelines, Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014. RINL's CSR projects are carried out in and around township, Rehabilitation Colonies, mines and far flung locations across the Country in the areas of education, providing medical and health care facilities, village development, access to water facilities, sanitation, Livelihood, infrastructural development in peripheral rural areas and environment conservation, women empowerment, etc.

A separate section is provided in Directors' Report regarding CSR activities.

Corporate Governance

Your company's commitment to transparency in Corporate Governance is reflected in its establishing appropriate systems and procedures for every process. A separate Report on Corporate Governance along with Certificate on Compliances of Corporate Governance guidelines and

Secretarial Audit / Compliance forms part of the Directors' Report.

Environment Management

The Company with its manufacturing operations is conscious of its role in maintaining clean environment for future generation. Your Company implemented Environment Management System (EMS) ISO 14001 throughout the plant covering 47 departments and a number of Environment Management Programmes (EMPs) are taken up every year to ensure continual improvement.

Your company has been conducting Mass Plantation programmes to bring awareness and create responsibility. During the year, 55,000 trees have been planted in avenue and block plantation. A separate section on Environment Management forms part of the Directors' Report.

Dividend for the year 2015-16

Your Company has not declared any dividend for the financial year.

Contribution to the Exchequer

The Company contributed ₹ 1,954 crs to the Exchequer in the form of excise duty, customs duty, income tax, Sales Tax, entry tax, octroi to various government agencies as against ₹ 1,944 crs during the previous year. In addition to the above, RINL has paid to the Govt. of India, an amount of ₹ 300 crs (P.Y ₹ 550 Crs) on account of redemption of Preference Shares. With this, the entire Preference Shares has been redeemed.

Looking ahead

India is increasingly becoming an important part of the international steel market and a key growth area for steel production, based on various positive factors including its strong demand for steel arising from strong economic growth, low per capita steel consumption and abundant iron ore reserves. India's prospects are bright and apparent steel use is expected to grow at 5.4% in 2016 & 2017. RINL products will continue to be sought after especially when the long product consumption in the country is poised for accelerated growth with large scale infrastructural investment planned by the Government. To tap the potential of export to the neighbouring countries, your Company has already opened its International Marketing Centre in Colombo, Sri Lanka. For capitalizing on the demand for Capital Region Development planned by Govt. of Andhra Pradesh, a new Branch Sales office in Vijayawada has been opened in Feb'16.

The Company is continuously focussing on improving operational efficiencies such as Labour Productivity, Coke rate, PCI Rate, Specific Energy Consumption the same are set to improve further with ramp up of production from Expansion units and stabilisation of modernization units. These operational efficiencies along with High End Value Added steel would significantly improve the overall performance of the company. The burden of Interest would also come down with increase in production, substantial amount of the capex requirements for expansion and modernization have been met cumulatively through internal accruals generated during the years of execution of project. These initiatives along with other strategic initiatives being pursued would place the company in good stand in the coming years.

Acknowledgement

To conclude, on behalf of the Board of Directors, I acknowledge that the achievements in the year have been made possible only due to the relentless and dedicated efforts of the human resources of the Company. I thank all the Stakeholders, particularly the Ministry of Steel and other Ministries of GoI, the Government of AP, the Suppliers (Domestic and Overseas), Customers, Ancillary Units, Bankers, the People's Representatives, the District Administration and various other agencies for the confidence and trust bestowed upon the Company and the opportunity given for its continued growth for achieving various milestones.

Thanking you,

Jai Hind,



(P Madhusudan)
Chairman

Dated 29th Sept. 2016
Visakhapatnam

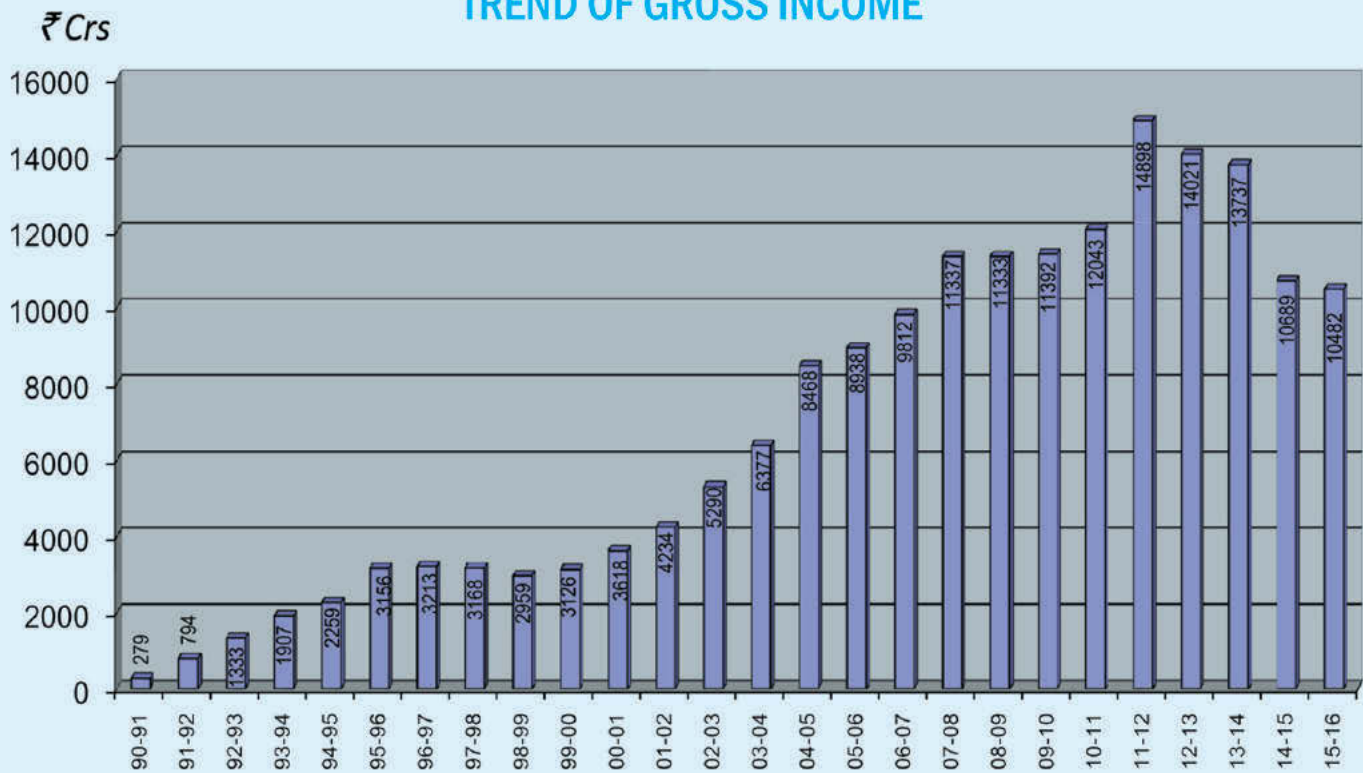


A Glance of Financial Results since inception

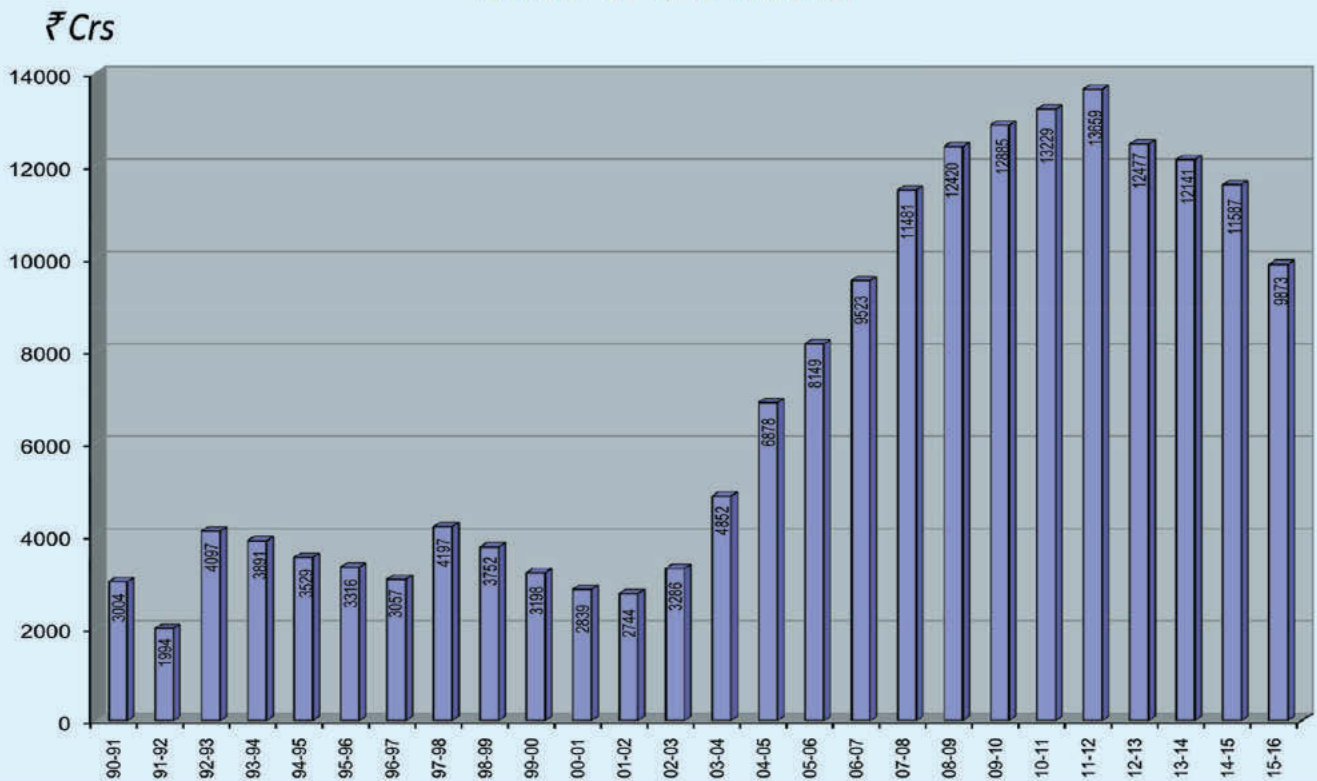
Year	Turnover	Other Revenue	Gross Income	Raw Materials consumed	Stock(Accretion) / Decretion	Employee Benefits	Depreciation & Amortisation	Interest & Wealth Tax	Stores, R&M, Power & Other Expenses	Profit / (Loss) before tax	Profit / (Loss) after tax	Capital	Reserves & Surplus	Loans / Buyers Credit	Fixed Assets Gross Block	Total Depreciation	Fixed Assets Net Block	Employees as on 31st March
90-91	243	36	279	175	(27)	29	197	192	191	(478)	(478)	3506	(478)	3924	3720	248	3472	14433
91-92	772	22	794	402	(70)	54	449	437	509	(987)	(987)	3506	(1464)	5476	5031	704	4327	16656
92-93	1185	148	1333	680	(152)	77	340	198	758	(568)	(568)	3706	(2033)	3495	6157	1026	5131	17454
93-94	1751	156	1907	875	160	103	340	347	655	(573)	(573)	6494	(2605)	3474	7326	1365	5961	17483
94-95	2209	50	2259	1059	(200)	128	415	366	855	(364)	(364)	6494	(2970)	3735	8289	1747	6542	17369
95-96	3040	116	3156	1311	(50)	155	430	407	1107	(204)	(204)	6494	(3174)	3831	8392	2177	6215	17642
96-97	3135	78	3213	1385	(115)	174	422	430	1163	(246)	(246)	6494	(3420)	3735	8548	2819	5729	17478
97-98	3071	97	3168	1405	(118)	210	439	198	1211	(177)	(177)	6494	(3597)	2205	8592	3037	5555	17354
98-99	2762	197	2958	1220	318	255	111	361	1151	(457)	(457)	6494	(4054)	2243	8615	3148	5467	17400
99-00	2972	154	3126	1394	(95)	272	432	382	1303	(562)	(562)	7827	(4616)	2343	8635	3580	5055	17254
00-01	3437	181	3618	1444	(103)	408	445	351	1364	(291)	(291)	7827	(4907)	2293	8643	4012	4630	17131
01-02	4081	153	4234	1602	62	375	475	291	1504	(75)	(75)	7827	(4982)	1989	8703	4468	4235	17026
02-03	5059	231	5290	1806	281	406	455	186	1635	521	521	7827	(4461)	1186	8731	4903	3828	16894
03-04	6168	209	6377	2050	26	481	476	49	1748	1547	1547	7827	(2914)	37	8710	5338	3372	16755
04-05	8182	286	8468	3020	(310)	490	1006	11	1997	2254	2008	7827	(906)	531	8763	6322	2441	16613
05-06	8491	447	8938	3585	66	572	448	31	2346	1890	1252	7827	346	458	8832	6754	2078	16574
06-07	9151	661	9812	3889	24	741	362	49	2525	2222	1363	7827	1711	917	8876	7085	1790	16401
07-08	10433	904	11337	4280	(343)	1031	488	32	2854	2995	1943	7827	3654	441	8901	7516	1385	16416
08-09	10410	924	11333	5896	(917)	1157	240	88	2842	2027	1336	7827	4593	1008	9006	7750	1256	17225
09-10	10634	758	11392	5535	415	1400	277	78	2439	1248	797	7827	5058	1233	9474	8009	1465	17830
10-11	11517	526	12043	7188	(532)	1273	266	165	2701	982	658	7827	5402	1137	9795	8265	1530	17829
11-12	14461	437	14898	8472	45	1467	345	191	3268	1110	751	7727	5932	2575	10394	8607	1787	18079
12-13	13553*	558	14021	8099	(304)	1469	187	360	3684	526	353	6347	6131	4900	12588	8799	3790	18072
13-14	13488*	374	13737	6967	7	1751	271	338	3854	549	366	5740	6401	4943	13616	9083	4533	18371
14-15	11675*	288	10689	5128	(820)	1918	271	435	3654	103	62	5190	6404	7511	14608	9251	5357	18137
15-16	12271*	421	10482	4142	1150	1923	347	651	3686	(1417)	(1421)	4890	4983	10391	21152	9288	11864	17873

* Includes sale of trial run production of ₹ 89.83 Crs in 2012-13, ₹ 125.29 Crs in 2013-14, ₹ 1274.51 Crs in 2014-15 and ₹ 2211.24 Crs in 2015-16.

TREND OF GROSS INCOME

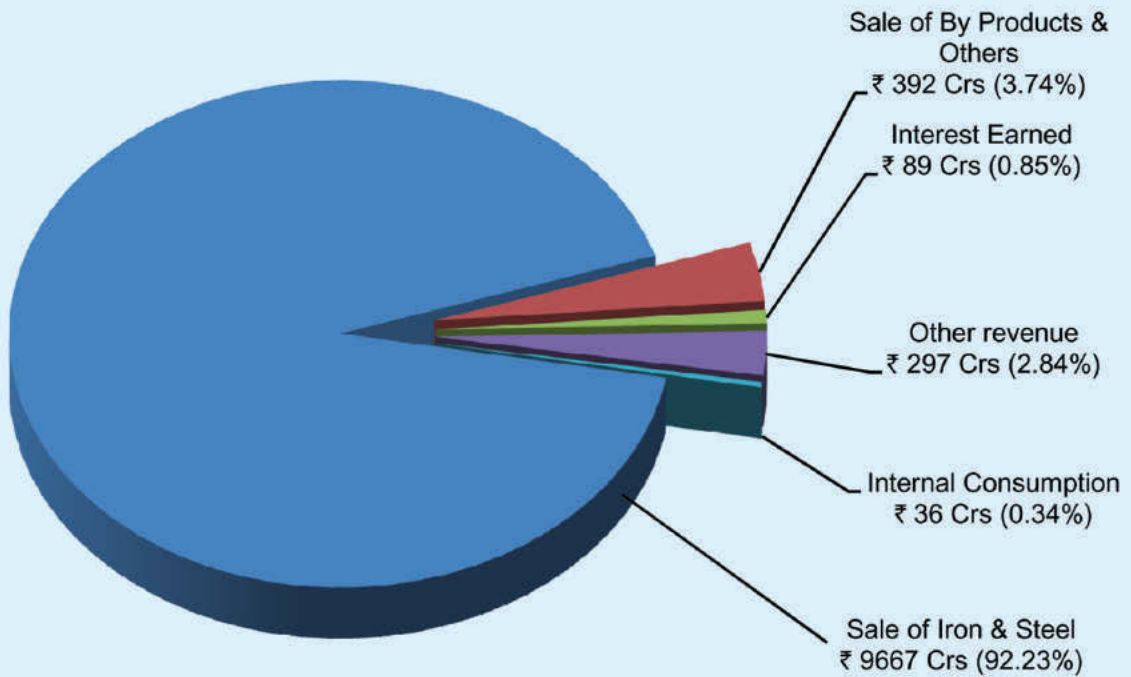


TREND OF NET WORTH

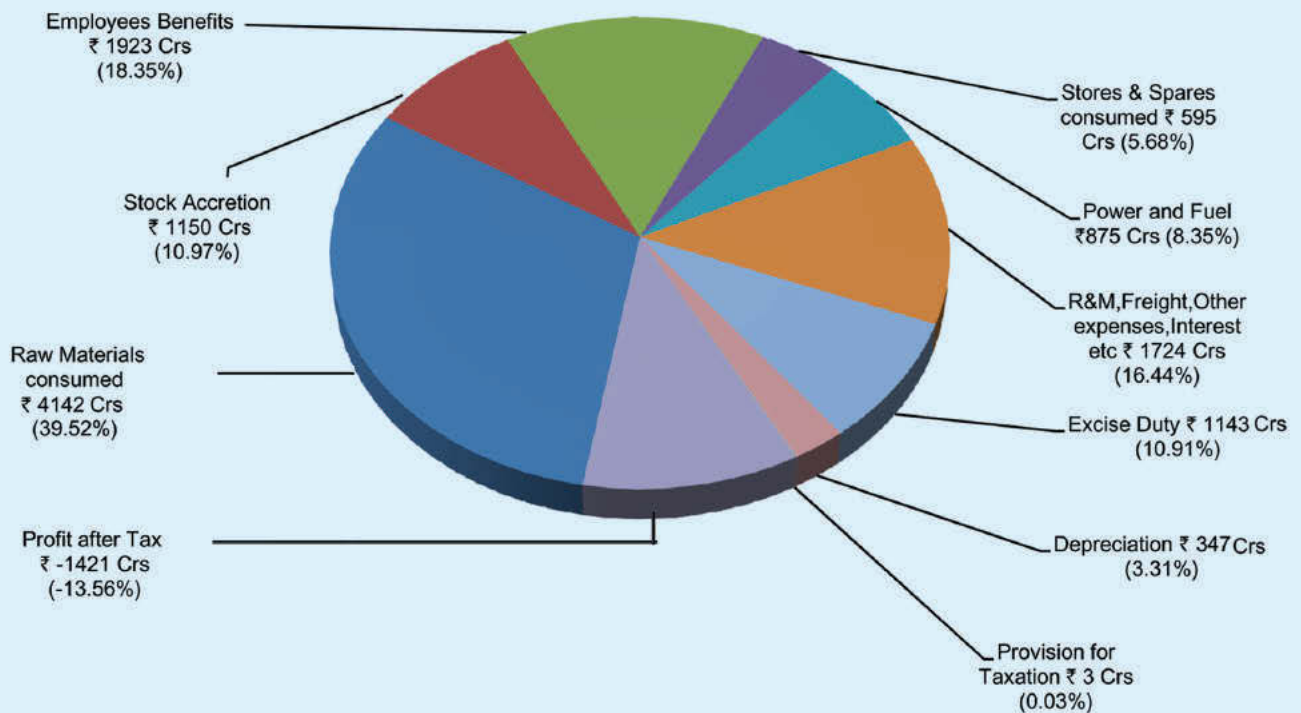


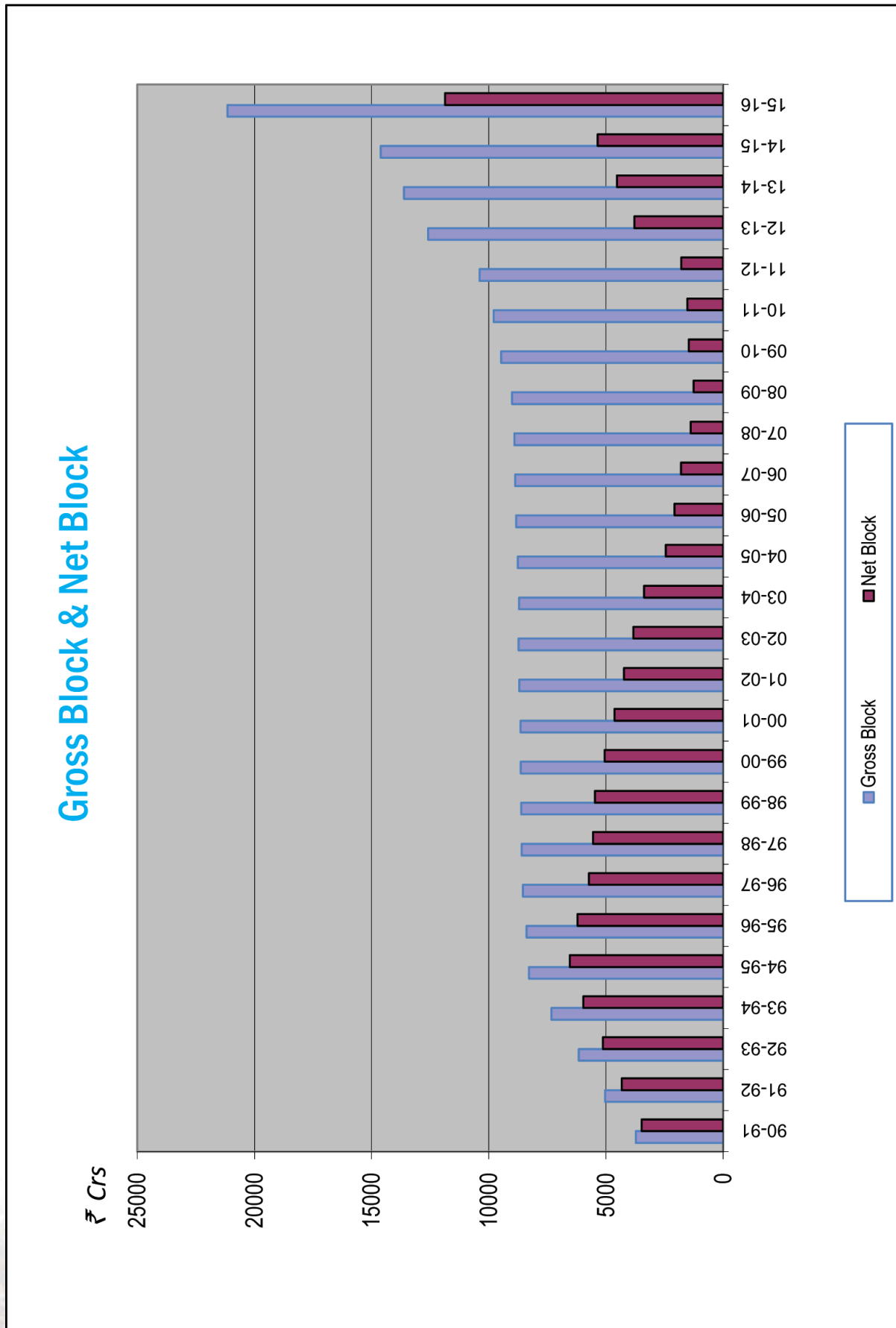


BREAK UP OF GROSS INCOME : 2015-16



DISTRIBUTION OF GROSS INCOME : 2015-16







FINANCIAL HIGHLIGHTS

		2015-16	2014-15
A	OPERATING RESULTS (₹ Crs)		
	Turnover	12271	11675
	Turnover (Excl. Trial Run)	10059	10401
	Gross Income	10482	10689
	Gross Expenditure	11248	10151
	Gross Profit (PBIT)	(766)	538
	Profit before Tax	(1417)	103
	Net Profit After Tax	(1421)	62
B	YEAR END FINANCIAL POSITION (₹ Crs)		
	Share Capital	4890	5190
	Reserves and Surplus	4983	6404
	Capital Employed	7575	2564
	Net Worth	9866	11587
	Gross Block	21152	14608
	Cumulative Depreciation	9288	9251
	Net Block	11864	5357
	Inventory	3908	5180
C	PROFITABILITY AND OTHER RATIOS		
	(i) Percentage of		
	Gross Profit to Sales	(7.6)	5.2
	Net Profit to Sales	(14.1)	0.6
	Gross Profit to Net Worth	(7.8)	4.6
	Net Profit to Net Worth	(14.4)	0.5
	Gross Profit to Capital Employed	(10.1)	21.0
	Net Profit to Capital Employed	(18.8)	2.4
	Gross Profit to Share Capital	(15.7)	10.4
	Inventory to Sales	38.8	49.8
	(ii) Ratio of		
	Current Assets to Current Liabilities	0.6	0.6
	Quick Assets to Current Liabilities	0.3	0.3
	Sales to Capital Employed	1.3	4.1

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 34th Annual Report of the Company for the financial year ended 31st March 2016, together with the Audited Statements of Accounts, the Statutory Auditors' Report, Secretarial Audit Report and Comments on the Accounts by the Comptroller and Auditor General of India.

BUSINESS PERFORMANCE

Your Company achieved Sales Turnover of ₹ 12270.58 Crs (including sale of trial run production of ₹ 2,211.24 crores) during the year. Though growth of 39% was achieved in the saleable steel sales volume, the growth in sales turnover was limited to 5%, due to sluggish market conditions and cheaper imports. Though the realisations improved from February, 2016 after imposition of Minimum Import Price (MIP) by the Government of India, the average Net Sales Realisation for the year was lower compared to the previous year. The year ended with a net loss of ₹ 1,421 crores compared to a Net Profit of ₹ 62 Cr in the previous year.

The Comparative position of major financial parameters is given as under:

Particulars	₹ in crores	
	2015-16	2014-15
Turnover including trial run sales	12270.58	11674.66
Profit before finance charges, Tax, Depreciation/ Amortisation (PBITDA)	(419.72)	808.71
Less: Finance Charges	650.70	434.73
Profit before Depreciation/ Amortisation (PBTDA)	(1070.42)	373.98
Less: Depreciation	346.81	270.63
Net Profit before Taxation (PBT)	(1417.23)	103.35
Provision for taxation	3.41	40.97
Profit/(Loss) after Taxation (PAT)	(1420.64)	62.38

SHARE CAPITAL

During the year under review, 30,00,00,000 Nos. of 7% Non-cumulative Redeemable Preference Shares of ₹10/- each issued in favour of Government of India were redeemed. With this, the entire Preference Share Capital of ₹ 2937.47 crs has been redeemed. There was no change in the equity share capital and authorized capital.

PRODUCTION

The company achieved growth in all the major production areas during the year compared to 2014-15, as per details below:

(Unit: '000t)

	2015-16	2014-15	% growth
Hot metal	3975	3780	5%
Crude Steel	3641	3297	10%
Saleable Steel	3513	3017	16%
Value Added Steel	2638	2195	20%

The production from the new units was ramped up during the year and as a result the Gross Sinter production from Machine-3; Crude Steel production from SMS-2; and Wire Rods production from WRM-2 improved by 45%, 124% and 306% respectively.

Technical Parameters:

In technical parameters, improvements were achieved in important parameters such as Labour Productivity (9%), BF Productivity (13%), Fuel Rate (1%) and Specific Water Consumption (5%) compared to last year.

Cost reduction and revenue maximization initiatives:

With ramp up of production from Expansion units, the technical parameters improved in many areas. In addition to the savings achieved through improvement in technical parameters, incremental savings were achieved through the following measures:

- Pulverised Coal Injection, as partial replacement for costlier coke, commenced in Blast Furnace-1 & 3. It is planned to be commenced in Blast Furnace-2 also, after the Capital Repairs are completed.
- Usage of different Coals in the Coal Blend is optimized continuously to achieve overall reduction in the cost.
- Thrust on cost reduction measures to restrict expenditure has been further intensified in all areas which have larger potential of cost reduction. Enhanced levels of Recycling, Reprocessing and Reclamation of various wastes yielded incremental savings over last year.
- The percentage of Value Added Steel under



Expansion units improved to 64% in 2015-16 from a level of 30% in 2014-15.

MARKETING

The company achieved Sales Volume of 37.28 lakh tonnes in Saleable Steel, which is a growth of 39% over the previous year, despite challenges of sluggish market and cheaper imports. The performance in major parameters is given below:

Parameter	Unit	2015-16	2014-15	% Gr.
Saleable Steel sales volume (including Exports)	Lakh tons	3728	2674	39
Sales Turnover	₹ cr.	12271	11675	5
Export Saleable Steel	Lakh tons	525	223	135
Export Value	₹ cr.	1186	865	37

The Inventory of Saleable Steel reduced to 1.66 lakh tonnes as on 31st March'16 from 3.43 lakh tonnes at the beginning of the year.

Marketing Initiatives:

- ◆ **Product Mix / Market Mix:** Dynamic product-mix adjustment has been carried out on continuous basis in line with market demand. Depending on the product wise demand in different regions, market mix distribution has been done for improving realizations.
- ◆ **New Product Development :** SAE10B21,EN8DCR, & VIZAG-Co₂ grades developed for Automobile Industry.
- ◆ **Boosting Sales:** MOU Quantities of Customers were enhanced. Ex-plant rake deliveries made for bulk purchasers.
- ◆ **Thrust on Exports:** Leveraging port based location of the plant and taking advantage of dollar strengthening, the company focused on improving exports. During the year, Iron & Steel products were exported mainly to Bangladesh, Sri Lanka, Nepal and Thailand.
- ◆ **International Marketing Office (IMO):** The company has setup an International Marketing Office (IMO) at World Trade Center, Colombo, Sri Lanka.
- ◆ **Customer Interface for improving Customer Relations:** Customer Meets at Regional/Branch Offices were organized. Visits of CMD/ Director (Commercial) to Customers' Premises were held.

Cross Functional Teams (CFTs) visits to all the five regions were organized.

- ◆ **New Branch Sales Office in Vijayawada:** Branch Sales Office was opened in Vijayawada for capitalising on the demand for Capital Region Development planned by Govt of Andhra Pradesh. Further, operations have been commenced through International Marketing Office in Sri Lanka.
- ◆ **Rural Marketing:** As part of special thrust for increasing sales in rural areas, distribution network was strengthened with 264 Rural Dealers across the country, including District Level Dealers.



Southern Region Customers' meet held at Bangalore on 23rd Sep'15

MATERIAL MANAGEMENT

In the area of Purchase, the company has taken initiatives in the direction of input cost reduction, securitization and diversification of critical raw materials like coking coal, iron ore, boiler coal etc., and in containing the inventory of coking coal. Transparency in procurement activity is promoted and maintained by implementation of Integrity pact.

Three new coal brands, from Mozambique, Canada and Indonesia were introduced in the Coal Blend during the year, enhancing the supplier base. Procurement of Coal from Indonesia gives the benefit of lower freight. Major other procurement cost reduction initiatives included shorter procurement cycle for Silico Manganese to capitalize on falling prices and nomination of cape size vessels with a carrying capacity of about 1.5 lakh tonne to optimize outgo on account of ocean freight.

Consequent to dispensation from TRANSCHART regime by

Govt. of India, internal Policy & Procedure for Direct Chartering of Vessels for dry bulk cargo by the company were formulated with incorporation of online e-chartering system. The company has commenced chartering of vessels directly from Jan'16 onwards.

Work Place Management Practices as per 5S representing 5 Japanese words SEIRI (Sorting / Segregation), SEITON (Set in Order / Arrangement), SEISO (Shine / Cleaning), SEIKETSU (Standardization), SHITSUKE (Self Discipline / Cultural transformation) has been implemented and Central Stores is complying with the ISO standards for Quality, Environment and Occupational Health and Safety.

Vendor Development:

Widening of vendor base was well focused and a total of 142 new vendors (including 95 MSEs) have been enlisted taking the total vendor base to 3376 by end of this year. Of this, 1522 are MSEs comprising of 45 % of MM vendor base.

Implementation of Integrity Pact:

The company is one of the first organizations to implement Integrity Pact (IP) w.e.f Apr'07, in procurement activities. During the year, the value of contracts covered with IP, was in line with Standard Operating Procedure (SOP) of Central Vigilance Commission.

Procurement of Goods & Services from MSEs:

The Government of India has notified a Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 with a target for procurement of minimum 20% of total annual purchases of produced and services rendered by Micro and Small Enterprises in a period of three years. During the year, the total procurement of goods and services made by the company from MSEs (including MSEs owned by SC/ST entrepreneurs) was ₹ 238.82 Crores, which works out to 21.59% of the total annual procurement of goods and services (excluding the goods and services such as Iron Ore, Coking Coal and Turnkey Contracts for which exemption was sought).

FINANCE

During the year, the company continued its thrust on better fund management by raising commercial papers and short term fully hedged foreign currency borrowings (Buyers credit) at competitive rates compared to cash credit interest rate and thus brought down the overall interest implication. By availing Export Packing Finance Credit (EPFC), fully hedged long term foreign currency borrowings, the company has curtailed the interest cost.

The financial accounts of the Company for the year 2015-16

have been certified by the Statutory Auditors as well as by the C&AG Auditors with 'Nil' comments. It is the 9th consecutive year to secure 'Nil' comments.

During the year, the Company received Income Tax refunds to the tune of ₹118.57 crores from the Income Tax Department for the Assessment Years 2006-07 to Assessment Year 2010-11.

PROJECTS

6.3 Mtpa Expansion

The 6.3 Mtpa expansion of the company has been completed with the commissioning of the two finishing Mills under Stage-2. The units are under various stages of stabilization and ramp up.

Special Bar Mill



Structural Mill



Up gradation & Modernisation to 7.3 Mtpa:

Under Modernization / Upgradation programme, Category-1 Capital Repairs of BF-1 and Revamp of Converter-1 of Steel Melt Shop-1 have already been completed and the units are under operation. Balance Modernization works are being taken up progressively.



Revamped Converter-1 of SMS-1



Other major projects commissioned:

- ◆ **Captive Power Plant-2** commissioned on 29th July' 2015 and synchronized with Grid successfully.
- ◆ **Augmentation of Iron ore storage** - Reclaiming stream commissioned on 29th July' 2015 with the existing tipping system
- ◆ **Air Separation Unit-5** commissioned on 20th Aug' 2015.

Air Separation Unit - 5:



Captive Power Plant - 2



Turbine view before synchronization

Capex:

The capital expenditure during the year was ₹ 1,492 Cr, against the plan of ₹ 1,402 Cr, a fulfilment of 106%.

MINES:

- ◆ For the Banera Iron Ore block, for which Letter of Intent (LOI) was issued by Govt. of Rajasthan, Environmental Impact Assessment (EIA)/ Environmental Management Plan (EMP) report was prepared and submitted to Ministry of Environment and Forest (MoEF), for obtaining Environmental Clearance. Further, the company entered into an MOU with Andhra Pradesh Mineral Development Corporation (APMDC), for exploration and development of Iron ore mines.

STRATEGIC INITIATIVES:

- ◆ For Transmission Line Tower project being set up in Visakhapatnam in partnership with M/s Powergrid Corporation of India, the JV company was formed.
- ◆ In case of the Forged Wheel Plant being set up at Rae Bareli in Uttar Pradesh based on assured offtake of Railways on Cost Plus model, the main technological package was awarded during the year.

BUSINESS EXCELLENCE INITIATIVES:

Under Business Excellence, continued thrust was given for identifying improvement opportunities through initiatives like Gemba, Quality Improvement Projects as detailed below:

Gemba Improvement:

To encourage continuous improvements and bring in visibility of on-going improvement projects at the shop floor through leadership involvement, "Gemba" Improvement initiative was further streamlined during the year. A system has been put in place for showcasing Gemba Improvements and reward scheme has also been introduced to encourage participation

of employees working in the shop floor. During the year, seven improvement projects were showcased to the Gemba team. The projects were completed with the guidance and vital inputs from the Gemba team.



Quality Improvement Projects:

To encourage the use of structured problem solving / process optimizing techniques for addressing critical problems in the shop floor and achieving breakthrough improvements, the company continued its focus on the system of Quality Improvement Projects (QIPs). During the year, 17 QIP projects were completed successfully. Three officers underwent Six Sigma black belt certification training by CII Institute of Quality, Bengaluru. Two QIP teams participated in the 9th CII Regional Level Competition on Lean Six Sigma and were selected for the National Round held in Oct'15.

Knowledge Management:

The efforts towards Knowledge Management (KM) include filing of 5 patents, development of 13 case studies that included revival efforts post Hudhud cyclone & other improvement projects, conduct of 24 Communities of Practice (CoP) sessions and 3 shop floor Communities of Practice (CoP). Also, 8(Eight) KM awareness workshops were conducted which were specifically designed to enhance the understanding of KM tools and also to capture the knowledge gained from external trainings.

A three day Knowledge Exchange Workshop, ConSitech 2015, was conducted from 8th to 10th Jun'15 to facilitate sharing of experience and learning on modernization of LD Converters and Sinter Machines. The participants for the workshop included experienced engineers from major Steel Plants, Technology suppliers and consultants.

RESEARCH & DEVELOPMENT

The company is focusing on Research and Development programs in the areas of process improvement, waste

management, new product development, cost reduction, new technology development, environment protection etc. by taking up internally as well as collaborating with external research organizations. During the year, three new research projects were taken up in addition to the eleven projects continued from last year.

During the year, R&D Centre of the company was accorded recognition by Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Govt. of India. Eight technical papers were presented at four different national and international seminars and three patents were filed. The R&D Investment during the year was ₹ 21.74 Cr.

SAFETY

The company is the first among the Indian Steel plants to be certified for OHSAS: 18001 Standard for Health and Safety Management Practices. Continuous efforts on the implementation of safety standards, monitoring of risk control and other proactive measures have resulted in reduction / elimination of potential hazards.

- ◆ Frequency Rate of Accidents improved to 0.18 from 0.24 of previous year.
- ◆ M/s Bureau Veritas India Pvt. Limited (BVIL) conducted HAZOP, HAZAN & Risk Assessment Studies with a team of 6 experts.
- ◆ The Safety perception survey for both executives & non-executives was completed and course of action plan made for 10 lowest perceptions of executives and 5 lowest perceptions of non-executives and action plan is being implemented.
- ◆ Disaster/Emergency Management Plan (DEMP) was revised in-line with the National Disaster Management guidelines.

Safety Training and Awareness Programmes:

More than 6700 of regular employees were covered in regular safety training programs and 13500 of contract workers were given safety induction training and Refresher training programs. In addition to the General Safety & Accident Prevention programs, proactive measures were undertaken to inculcate safety culture.

ENVIRONMENT MANAGEMENT

Environmental Management System (EMS):

Environmental Management System ISO 14001 was implemented throughout the plant covering 47 departments. To ensure that "Continual Improvement" is propagated through EMS a number of Environmental Management Programmes (EMPs) are taken up every year. EMP's are



focused in the areas of reduction of resource consumption, reduction in use of Ozone Depleting Substances (ODS), usage of wastes, improvement of work-zone environment, elimination of Hazardous material use etc. About 78 EMP 's were taken up by different departments during the year 2015-16.

During the year, Metallurgical waste of 369,607 (Last Year: 325,683) tonnes was utilized in Sinter Plant. Waste water to an extent of 879.05 Million Gallons was recovered by treatment in Appikonda & Balacheruvu Waste Water Treatment Plants and the Ultra Filtration Unit, compared to 655.30 Million Gallons in 2014-15.

Environmental Projects:

- Rain Water Harvesting Ponds with Pump houses were commissioned during the year, with a potential to harvest about 54 lakh cum of rain water every year.
- Pulverized Coal injection system was installed in Blast Furnace -1&3, where in BF Coke will be substituted partially by coal.
- 120 MW waste gas based captive power plant was synchronized on 29.03.2016.
- The Converter- A of Steel Melting Shop-1 was revamped and provided with a Dog House.
- Revamping & up-gradation of Electro Static Precipitators of Sinter Plant and Blast Furnace No.2 is taken up to limit the stack emissions to the revised norm of 50mg/Nm³.
- Modification / augmentation of Electro Static Precipitators of Thermal Power Plant has been taken up to bring down the emissions below 50 mg/Nm³.

Environmental Initiatives:

Training was imparted to 594 employees of the company, on environment related topics, for increasing environmental awareness.

Environment Park (A Swachh Bharat Initiative) was inaugurated on the occasion of World Environment Day Celebrations on 5th June 2015.



As part of Green Visakha programme, the company embarked on plantation of 4,50,000 trees in 5 years. Accordingly, plantation of 2,55,000 trees was completed up to 2015-16. During the year 2015-16, the company planted 55,000 trees in avenue & block plantation.

INFORMATION TECHNOLOGY

During the year, the company was certified for ISO 27001 by M/s British Standards Institute (BSI) for implementing Information Security Management System (ISMS) in Information Technology and Enterprise Resource Planning services. Compliance of Website i.e. www.vizagsteel.com as per Guidelines for Indian Government Websites was completed and Digital India initiative was started with a joint presentation by Software Technology Parks of India (STPI), Visakhapatnam and the company.

Kids Corner portal, with animated interface and features like Steel making from pre-historic to modern times, Quiz on Steel etc. was deployed on www.vizagsteel.com. Mobile Apps were developed for the areas of Production cum Delays, Recruitment, WRM Production, Position of Rakes, Rakes handed over to Railways, Average detention and Demurrage to Railways.

Enterprise Resource Planning (ERP) was further stabilized and improved with the implementation of CRM (Customer Relationship Management) module, SRM 7.0 (Supplier Relationship Management) module, Project Systems and HCM (Human Capital Management) module with payroll, many of them for the first time in Indian Steel Industry.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The manpower of the company stood at 17,873 as on 31.03.2016, out of which 2,967 (16.60%) belong to Scheduled Caste and 1,304 (7.30%) belong to Scheduled Tribes. 520 Women, 2236 OBC, 224 Ex-servicemen & 443 Minorities.

There are 80 Participative Fora involving employees aimed to achieve commonality thereby ensuring Industrial peace. 322 Shop Floor Coordination Committee (SFCC) meetings, 319 Shop Floor Safety Committee (SFSC) meetings and 123 Department Welfare Coordination Committee (DWCC) meetings were conducted, during the year.

Training and development:

Emphasis was given for training the employees in the new technologies of expansion units and accordingly trained 3595 employees. During the year, 11 training days per employee per year was achieved.

As a part of skill India initiative, the company entered into MOU with National Skill Development Corporation for imparting skill training to unemployed youth, contract workers and employees. Nodal office and Skill Development Centre were established at the Company's Training Department for organizing Skill Trainings through Iron and Steel Sector Skill Council.

The company entered into MOU with NMDC, for organizing training to NMDC trainees, for its Nagarnar Steel Plant, at RINL. 74 Executive Trainees have joined and are undergoing Institutional training.

Apprentice trainings were organized for Graduate engineers, Diploma engineers, Intermediate-Vocational and ITI certificate holders. Organized Vocational training to 10,460 students of various educational institutions.



MoU with National Skill Development Corporation

Welfare:

Besides fulfilling all the Statutory welfare measures, the company has been implementing various Schemes for benefit of its employees to meet the social security requirements, schemes like Employees' Family Benefit Scheme, Superannuation Benefit Scheme and Group Medi-claim Insurance Scheme are in place for the Superannuated employees.

Grievance Redressal Mechanism:

A well-structured Grievance Handling System is functioning for redressal of grievances of employees, which provides easily accessible machinery to ensure expeditious settlement of grievances within the fixed time-frame, leading to increased job satisfaction, productivity and efficiency. During the year, 147 employee grievances were received and all were redressed.

Priority is being given to Public Grievance Handling System. A link to the Gol's Portal for Public Grievances has also been provided in the company's website. Status of pending public grievances is monitored regularly and Public Grievances are

being redressed by the Company within the stipulated time-frame. A total of 72 Public Grievances were received and were redressed during the year.

Women Empowerment:

The strength of Women employees as on 31.03.2016 was 520. Under the aegis of Forum of Women in Public Sector (FOWIPS), SCOPE, WIPS Cell of the company has been functioning since 1997.



RINL-WIPS receiving the "Best Enterprise Award" for 2015 under Navratna category during WIPS National Convention-2016 at Chennai from Mrs Lalita Kumaramangalam, Chairperson, National Commission for Women



Women employees working at shop floor

The Cell has been associating in a number of activities for the development of women employees besides conducting Gender Sensitivity programmes. Networking & Social Skills and various other training programmes including Personal Safety & Self Defence. During the year under review, women employees were nominated by the company for technical and managerial training as well as for various competitions, seminars, conferences and meets.

The Cell maintains an exclusive "Portal" on the company's website wherein important achievements of women worldwide are posted for the information and inspiration of women employees. The portal also serves as a networking site for women employees of the company. The WIPS cell also publishes "DISHA" - a newsletter every year.

The company has Two Women Directors on its Board.



Disclosure Under The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has put in place an Anti-Sexual Harassment Policy in line with the requirements of the aforesaid Act and an Internal Complaints Committee has been setup to redress complaints received regarding Sexual Harassment. During the year, one complaint was received and the same was resolved.

The Persons with Disabilities (equal opportunities, protection of rights and full participation) Act, 1995:

After the Act came into force on 7th Feb, 1996, the Company employed 108 persons with various disabilities (including 7 persons selected on merit) as on 31-03-2016. Accessibility Audit in public buildings was conducted to improve the facilities for the convenience of the differently-abled persons at different offices at Main Administrative Building and corporate office of the company. The facilities provided include Ramp Way, Toilets, Auditory Signals in both the lifts of the building and Wheel-chair at the Reception Centre located at the entrance of the Main Administrative Building.

Medical & Health Services:

The Company has been providing specialized medical care to its employees through a modern 160 bedded hospital with 1:1.76 Doctor-Bed ratio and 4 Primary Health Centers located at the Plant, Rehabilitation Colonies and Captive Mines (Madharam and Jaggayyapeta). In addition, a full-fledged Occupational Health & Safety Research Centre and two First Aid Centres are located inside the Plant premises. A separate OPD was provided for improved medical services to superannuated employees. During the year, treatment was extended to 5,229 in-patients and 5,35,459 out-patients.

Sports:

The infrastructure provided to encourage sports include a Cricket Stadium of International Standard, Hockey field, Foot Ball ground, separate indoor & outdoor courts for Badminton, Volley Ball and one Multi Gymnasium. Annual Summer Coaching Camp for Children was conducted for two weeks with 40 coaches, wherein 1300 children participated. International Yoga Day was celebrated with participation of more than 300 persons.

Children of employees of the company won 28 Medals in the National Roller Skating Championship. Sports meet for employees with disability and National Roller Skating (Hockey) Championship were organized.



Employee involvement activities:



Employee involvement is encouraged through implementation of Suggestion Schemes and Quality Circle programs. During the year, about 40% employees participated in suggestion scheme and 65% were involved in QC projects.

Employees were recognized & awarded for their exemplary performance through “Special Performance Awards Scheme”(SPAS) and “Employee Instantaneous Recognition Scheme”. For their involvement and contribution of high order, 2 employees were recognized at National level and conferred with Prime Minister’s Shram Vir & Shram Shree Awards.

Right to Information Act,2005:

All efforts are made to provide information to citizens under Right to Information Act 2005. A total of 463 requests for information and 40 appeals were disposed during the year.

Progressive usage of Hindi:

Implementation of Official Language Policy and strict compliance of Specified Rules and annual Programme has always been given utmost importance in the Company.

During the year, 160 employees were trained under Hindi Prabodh / Praveen courses, 639 employees were trained in Hindi Workshops conducted at HQ and Regional / Branch Sales Offices and 354 employees were trained to work on computers in Hindi through Unicode. A National level Hindi Seminar was organised on the topic viz. 'Role of Steel Industry in Make in India Campaign' in which delegates from various organizations also participated.

Citizen Charter:

The Company is totally committed to excellence in public service delivery through good governance by a laid down process of identifying citizens, commitment to them in meeting their expectations, and communication to them of key policies in order to make the service delivery process more effective. The Citizen Charter is made available on the Company's website in both English & Hindi versions.

VIGILANCE

The Company's Vigilance has been focusing on preventive and proactive Vigilance activities to facilitate a conducive environment for enabling people to work with integrity, impartiality and efficiency, in a fair and transparent manner, upholding highest ethical standards to enhance reputation and create value for the organization.

To enhance awareness amongst employees, Vigilance Awareness Sessions and Workshops on Contract Management, Transparency in Public Procurement etc. were regularly held. A total of 7 Sessions involving 175 Employees of VSP were conducted during the year. To inculcate ethics amongst the children at their formative stage, an initiative has been taken by the Company's-Vigilance for nurturing ethics amongst the School Children and College Students. 13 Sessions have been conducted during the year involving about 2,390 School Children and College Students in Visakhapatnam.

Vigilance Awareness Week was observed with the theme "Preventive Vigilance as a Tool of Good Governance". In addition to Corporate Vigilance Excellence Award 2015-16 bestowed on the company, two officers of the company received Vigilance Excellence Awards in individual category and two officers were presented with Certificates of Appreciation.



National Vigilance Excellence Award 2015

VIGIL MECHANISM:

The Company has since put in place a Vigil Mechanism comprising Whistle Blower Policy. The Policy may be referred to, at the Company's website www.vizagsteel.com at web link <https://www.vizagsteel.com/insiderin/Vigil%20mechanism%20Policy.pdf>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report covering the Performance and Outlook of the Company is enclosed at **Annexure -I.**

CORPORATE GOVERNANCE REPORT

The Company strives to attain highest standards of Corporate Governance. In line with the Guidelines issued by Department of Public Enterprises, which have become mandatory from May 2010, a separate section on Corporate Governance is annexed and forms part of the Directors' Report vide **Annexure-II.**

CERTIFICATION BY THE CEO & CFO

Certificate attested by the CEO & CFO is enclosed, forming part of the Corporate Governance Report along with a declaration signed by CMD regarding Code of Conduct for Members of the Board and Senior Management vide **Annexure-III.**

CERTIFICATE ON COMPLIANCE OF GUIDELINES ON CORPORATE GOVERNANCE

A Certificate on Compliance of Guidelines on Corporate Governance issued by DPE in May 2010, for the year 2015-16 given by a practicing Company Secretary is annexed herewith and forms part of the Directors' Report vide **Annexure-IV.**



CORPORATE SOCIAL RESPONSIBILITY

The Company has Board approved CSR & Sustainability Policy and a Board Sub Committee on CSR headed by an Independent Director in terms of Section 135 of the Companies Act, 2013. The Annual Report on Corporate Social Responsibility (CSR), activities pursuant to Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed at **Annexure -V.**

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form No. MGT-9 for the F.Y. ended on 31st March, 2016, which has been duly reviewed by a Practising Company Secretary, is enclosed at **Annexure - VI.**

NUMBER OF BOARD MEETINGS

During the year, Eight (8) Board Meetings were held and the details of which are provided in the Corporate Governance Report which forms part of this report.

AUDIT COMMITTEE

The details of composition of the Audit Committee are provided in Corporate Governance Report which forms part of this report. All the recommendations made by Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 (5) OF COMPANIES ACT, 2013

Pursuant to the requirements under Section 134(3)(c) & Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Directors of the Company confirm that:

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities;

- d) the Directors had prepared the Annual Accounts on a "going concern" basis and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT OF DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS UNDER SUB-SECTION 7 OF SECTION 149 OF THE COMPANIES ACT, 2013

The Company has obtained declarations from each of the Independent Directors to the effect that they meet the criteria of Independence as provided under Sub-Section 6 of Section 149 of the Companies Act'2013.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATIONS

The Company has constituted the Nomination and Remuneration Committee as required under Section 178 (1) of the Companies Act, 2013. Being a Central Public Sector Undertaking (CPSU) Directors' appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-Section 3 of Section 178 of the Companies Act, 2013 are made / fixed by the Govt.of India. The Appointment and Remuneration Policy is also exempted vide MCA notification No. G.S.R. 463(E) dated 5th June 2015 for Govt. Companies

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The above particulars are covered in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS UNDER SUB-SECTION 1 OF SECTION 188 (RELATED PARTY TRANSACTIONS) OF THE COMPANIES ACT, 2013

There are no transactions during the year as referred to under Section 188 and hence Form AOC-2 is not enclosed.

STATEMENT OF THE COMPANY'S AFFAIRS

The details with regard to the Company's Affairs during the year have been elaborated in the preceding paras of this Report.

TRANSFER TO RESERVES

No transfer to reserves is proposed for the period under review.

DIVIDEND

No dividend was proposed for the period under review.

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC

Information required in accordance with the provisions of Section 134 (3) (m) of Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings/outgo during the year are furnished in the **Annexure-VII**.

ENTERPRISE RISK MANAGEMENT POLICY

The Company has a Board approved Enterprise Risk Management Policy and the same has been put on Company's Website. In terms of the policy, there is separate implementation agency for identifying the Risk profiles across the organization covering both Works and Non Works Departments by an In-house team and monitoring of the same is done through the Concerned Heads of the Departments and also review by the Audit Committee.

ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Ministry of Corporate Affairs (MCA) vide notification No.G.S.R. 463(E) dated 5th June, 2015 has exempted the above for Government Companies.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL (KMP) WHO WERE APPOINTED OR HAVE CEASED TO BE DIRECTOR(S) DURING THE YEAR AND TILL THE DATE OF REPORT ARE AS FOLLOWS:
Directors:
Appointments:

Name of the Director (S/Shri)	Appointed w.e.f
Sanjay Kumar Srivastava	13.11.2015
Sunil Gupta	13.11.2015
Kodundhirapully Madhavan Padmanabhan	13.11.2015
Surendra Kumar Mishra	27.11.2015
Prabir Raychaudhury	01.03.2016

Cessation:

Name of the Director (S/Shri)	Cessation
Ashhok Kumar Jain	13.05.2015
Sushil	13.05.2015
Virendra Singh Jain	15.05.2015
Tapan Kumar Chand	27.07.2015
Suresh Kumar Garg	15.10.2015
T.V.S.Krishna Kumar	31.05.2016

Key Managerial Personnel (KMP):

Shri T.V.S.Krishna Kumar, Director (Finance) was also designated as Chief Financial Officer (CFO) w.e.f. 01.06.2015, superannuated on 31.05.2016. Shri J. Srinivasa Rao, General Manager (F&A) has been designated as Chief Financial Officer (CFO) of the company with effect from 31st August, 2016 till the appointment of Director (Finance) & CFO.

Shri P.Mohan Rao, Company Secretary superannuated on 31.08.2015 on attaining the age of retirement. Shri Deepak Acharya took over charge as Company Secretary on 12.11.2015

OTHER DISCLOSURE:

Financials: The Financial summary or highlights are indicated separately in the report in the previous pages.

ESOPS/Sweat Equity Shares: The Company has not issued equity shares with differential rights/Sweat equity shares/Employee Stock Options.

No change in the nature of business: There is no change in the nature of business of the Company and it continues to do business in Iron & Steel including By Products there from.

Particulars of Employees: The Company being a Government Company, is exempted from the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder vide Ministry of Corporate Affairs (MCA) Notification dated 05.06.2015.

Subsidiaries or Joint Venture: None of the Subsidiaries or Joint Venture of the Companies have ceased to be Subsidiaries or Joint Ventures during the year.

Material changes and commitments: There are no material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of F.Y. of the company to which the financial statements relates (31st March 2016) and the date of the report.

Significant and material orders: There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future during the year.

Deposits: The Company has not invited/accepted any deposits falling within the purview of provisions of the Companies Act, 2013 during the year.

INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS

The Company has a proper, adequate and efficient system of Internal control commensurate with the size and nature of its business for achieving the objectives of the Company by ensuring efficiency in operations, protection of resources,



accuracy and promptness in financial reporting and compliance with the laid down policies and procedures along with relevant Laws and regulations. This Internal Control Systems is an integral part of the Company's Corporate Governance Policy. Significant features include formulation of Policies, Guidelines, Procedures, Delegation of Powers, Implementation of ERP System, compliance with specific Laws and other Laws, Budgetary Control, proper functioning of Audit Committee, Committee of Independent Directors, CSR, Compliance with Accounting Standards etc.

Internal Auditor:

In the Company, there is a separate Internal Audit Department which has been approved as "Internal Auditor" by the Board in terms of the provisions of Companies Act'2013. The Internal Audit is conducted by a team of experienced Chartered Accountants, Cost & Management Accountants and Engineers including a System Analyst with diversified experience. The Internal Audit department focuses on Transparency in the Systems and proper / adequate internal control mechanisms. Annual Audit Programmes are drawn up covering critical areas of various departments and carries out reviews, evaluates and appraises various systems, procedures and policies of the Company and suggests meaningful and useful improvements along with corrective measures wherever required.

The reports containing significant Audit findings are submitted to the Audit Committee of the Company for review periodically.

MONITORING MECHANISM FOR SUBSIDIARY COMPANIES & CONSOLIDATION OF ACCOUNTS

The Subsidiary companies of the Company are managed by their respective Boards which includes Nominee Directors of the Company in the best interests of their stakeholders. The Company monitors performance of Subsidiary companies, inter alia, by placing Minutes of Board Meetings of the subsidiary companies before the Company's Board periodically. The Consolidated Accounts for the year incorporating the accounts of the Subsidiary Companies are enclosed to this report. The Statement containing salient features of the financial statements of Subsidiaries /Joint ventures, pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is also enclosed in **Form AoC-1**.

Joint Venture Mechanism

The Company is one of the CPSEs as a joint venture partner in M/s International Coal Ventures (P) Limited which was incorporated for acquiring Overseas Coal assets.

The Company has also formed a Joint Venture, M/s RINLMOIL Ferro Alloys Private Limited, with MOIL (another CPSE) with 50:50 shares for the purpose of setting up of a Ferro Alloys Unit at Bobbili in Andhra Pradesh.

During the year, RINL Powergrid TLT Private Limited (RPTPL), a 50:50 Joint Venture company with Power Grid Corporation of India Limited (POWERGRID), was incorporated on 19th Aug'15 under Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Company has appointed M/s. Vinod Kothari & Company, Practising Company Secretaries, Kolkata as Secretarial Auditors of the Company for the year 2015-16. The Secretarial Audit Report, confirming compliance to the provisions of Companies Act, 2013 and Rules made thereunder and the provisions contained in Memorandum and Articles of Association of the Company for the year is annexed and forms part of the Directors' Report vide **Annexure-VIII**.

STATUTORY AUDITORS

M/s Rao & Kumar, Chartered Accountants, Visakhapatnam were appointed as Statutory Auditors of the Company for the year 2015-16 by the Comptroller and Auditor General of India (C&AG). The Statutory Auditors' Report on the Accounts of the Company for the financial year ended 31st March, 2016 is enclosed to the Directors' Report at **Annexure-IX**.

EXPLANATIONS OR COMMENTS BY THE BOARD ON QUALIFICATIONS ETC., MADE BY THE AUDITOR & SECRETARIAL AUDITOR

There are no qualifications on the accounts of the Company. Further there are no observations of Secretarial Auditors in their report.

C&AG AUDIT

The Comptroller and Auditor General of India (C&AG) has issued 'Nil' comments on the account of the Company for the ninth year in succession. A copy of the above letters of C&AG are enclosed at **Annexure-X & Annexure-XI** respectively.

COST AUDIT

Ministry of Corporate Affairs (MCA), Govt. of India, vide notification no. GSR 425(E) dtd.30th June, 2014 and GSR 01(E) dtd. 31st December, 2014 has notified the Companies (Cost Records and Audit) Rules, 2014 applicable to certain companies which are engaged in the production of goods or

providing services. Such companies are required to keep cost records and get its cost records audited in accordance with these rules. The rules are also applicable to the company and accordingly the Cost Accounting Records are being maintained by the Company and Cost Audit reports are being submitted by the Cost Auditor.

COST AUDITOR

M/s. Narasimha Murthy & Co, Cost Accountants, Hyderabad have been appointed as Cost Auditor, under the Companies Act, 2013 for the year 2015-16. The Cost Audit Reports for the year have been filed with Cost Audit Branch, Ministry of Corporate Affairs within the stipulated time.

ACKNOWLEDGEMENT

The Board of Directors of the Company take this opportunity to express and acknowledge with deep appreciation, the valuable guidance, assistance, cooperation and support received from the Government of India, especially the Ministry of Steel and Govt. of Andhra Pradesh and wish to place on record the cooperation and assistance extended by the Financial Institutions, the Company's Valued Customers & Suppliers, Railways, Bankers, Auditors, Contracting agencies,

Business Associates, Consultants, other officials of Ministries of Union Govt and various other Ministries of the State Govt., the local District Administration and Law & Order authorities during the year under review. The Board of Directors also wish to place on record their appreciation for the sincere efforts and hard work put in by all the employees of the Company, Trade Unions and Executive Association during the year.

For and on behalf of the Board of Directors

sd/-

(P Madhusudan)

Chairman-cum-Managing Director

Visakhapatnam

Dated: 31-08-2016



Management Discussion and Analysis Report

1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1. Developments in World Steel:

As per World Steel Association(WSA) Short range Outlook 2016-17, apparent steel consumption contracted by 3% (y-o-y growth) during 2015 and is projected to decline by 0.8% in 2016. Forecast of decline in steel demand of emerging and developing economies along with global demand contraction indicate continuing pressure on both profitability and capacity utilization across the steel industry.

Apparent consumption of steel in China remained negative in 2015 even after ongoing economic rebalancing measures and is expected to decline by 4% (y-o-y growth) in 2016. India continues to be the third largest producer and the only major economy to register growth in steel production and consumption.

The region/country wise apparent steel consumption and YoY % growth is given below:

Region	Apparent Steel Usage (Mt)			YoY Growth Rate (%)		
	2015	2016(F)	2017(F)	2015	2016(F)	2017(F)
EU 28	153.3	155.4	158.1	2.8	1.4	1.7
Other Europe	40.1	41.3	42.6	8.1	3.0	3.0
CIS	50.0	46.3	48.4	-10.8	-7.4	4.6
NAFTA	134.5	138.8	142.3	-8.4	3.2	2.6
Gen. & S America	45.4	42.6	44.0	-7.3	-6.0	3.2
Africa	39.0	40.5	43.1	4.3	3.8	6.5
Middle East	53.0	54.3	56.4	-1.0	2.4	4.0
Asia & Oceania	984.8	968.5	958.7	-3.3	-1.7	-1.0
World	1500.1	1487.7	1493.6	-3.0	-0.8	0.4
China	672.3	645.4	626.1	-5.4	-4.0	-3.0
India	79.5	83.8	88.3	4.5	5.4	5.4
Russia	39.4	35.9	37.4	-8.4	-8.8	4.3
Brazil	21.3	19.4	20.1	-16.7	-8.8	3.1
Emerging and Developing Economies	1101.0	1081.8	1083.2	-2.7	-1.7	0.1
Developed economies	399.1	405.9	410.4	-4.0	1.7	1.1

Source: WSA SRO - Apr'16

Capacity utilization of steel industry dropped to 69.7% in 2015 from a level of 73.4% in 2014 and 80.7% in 2011 due to the condition of over capacity prevailing globally with addition of new capacities coupled with drop in demand.

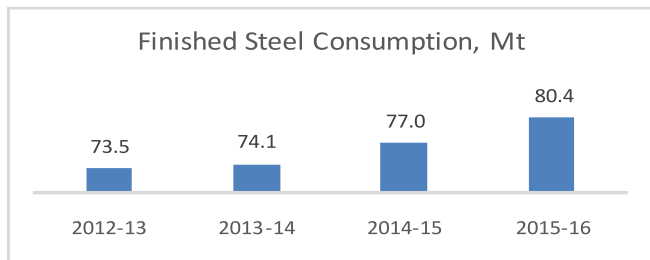
1.2 Macro-economic Indicators of India

During 2015-16, the overall growth of GDP is estimated at 7.6% as compared to 7.2% for 2014-15. At the sectoral level, the growth rate of Gross Value Added (GVA) at constant (2011-12) basic prices for Agriculture, Industry and Service Sectors for the year 2015-16 are estimated to be 1.1%, 7.3% and 9.2% against -0.2%, 5.9% and 10.3%, respectively in the previous year i.e. 2014-15. Thus, during the year 2015-16, growth in Industry Sector was higher compared to the previous year.

1.3 Indian Steel Industry:

India recorded a fair growth in consumption at 4.5% in 2015-16. However, heavy dumping of steel from countries like China, Japan and South Korea led to availability of cheaper material creating a distress in domestic steel industry. Business environment for domestic steel industry can be summarised as below:

- * Growth in domestic steel consumption recovered to a level of 3.9% in 2014-15 and 4.5% in 2015-16, from a low of 0.8% in 2012-13. As a result, India emerged as target for panic exports with conditions of over capacity prevailing all over the world and India recording relatively better growth in steel consumption.



- * Investments in capacity additions in previous years to cater to the projected future demand led to capacity build-up. However, availability of cheaper imports and moderate growth in demand conditions resulted in declining of capacity utilization from 88% in 2010-11 to 76% in 2015-16.
- * Imports of finished steel products increased by 26% in 2015-16 over and above 71% recorded in 2014-15. Various steps taken by Government of India like Anti-dumping duty on imports of HR steel, 2.5% hike in import duty on key steel products, Safeguard duty of 20% on imports of flat steel products and Imposition of Minimum Import Price on 173 steel products provided some protection against cheaper imports during the 2nd half of the year.
- * The Government of India (GoI) initiatives have resulted in restricting the growth in imports of long product segment to 2% in 2015-16 against 202% in 2014-15, however sustainability of increase in price after imposition of MIP is yet to be established.
- * Lower commodity prices, contraction in global demand and cheaper imports exerted considerable downward pressure on prices - prices of TMT products as per JPC reached the lowest level of ₹ 30,340 in Dec'15 (a fall of 22% w.r.t Apr'15 prices). Improvement in prices was observed for a short period from Jan'16 onwards.
- * Major Indian steel players are resorting to asset sales as last option to overcome the financial

crunch due to lower realisations, higher interest burden and depreciation leading to negative realisations of net margins.

2.0 STRENGTHS AND WEAKNESSES

The few strengths and weakness of the company (not an exhaustive list) are placed below:

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Shore based location ✓ Operational Efficiency ✓ Well established marketing and customer network in India ✓ Availability of Land ✓ Image as quality producer. ✓ Committed manpower ✓ Strong environmental and Social commitments 	<ul style="list-style-type: none"> ✓ Lack of Captive Mines for Iron Ore and Coking Coal. ✓ Single Location Company and only Long Products, exposed to cyclic markets. ✓ High Equity base ✓ Lack of investible surplus

3.0 OPPORTUNITIES AND THREATS

Opportunities	Threats
<ul style="list-style-type: none"> ✓ Encouraging growth projections. ✓ Restructuring initiatives of GoI ✓ Improved availability of Ports & Logistics ✓ Product diversification ✓ Export of products to developing economies 	<ul style="list-style-type: none"> ✓ Increased competition. ✓ Cheaper imports ✓ Volatility in supply and prices of coking coal ✓ Single iron ore supplier. ✓ Predominant secondary sector in long products. ✓ Oversupply in India due to slowdown in other economies

4.0 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Details in respect of the above item have already been covered in the Directors' Report which may, kindly be referred to.

5.0 OUTLOOK FOR THE COMPANY IN 2016-17

As per WSA, India's prospects are bright and apparent steel use is expected to grow at 5.4% in 2016 & 2017 and reaching 88.3 Mt in 2017. However, profitability of steel makers in India will continue to be under pressure with sluggish market conditions, availability of cheaper imports and volatile raw material prices.

**Road ahead for the Company:**

With efforts on stabilisation of new units, the Company is set to register significant growth in production, inspite of ongoing modernization, with associated benefits in the form of economies of scale. However, global oversupply and unabated imports still pose a challenge for improvement of financial performance of the company in 2016-17 also.

Sustainability Initiatives:

In order to counter the severe downturn in the steel industry during the year, renewed thrust on identification of areas of cost reduction and revenue maximization have been taken with focus on:

- * Cost reduction initiatives in production areas
- * Revenue maximization through improvement in sales
- * Revenue maximization through high end value added steels
- * Savings through financial interventions
- * Cost reduction through austerity measures
- * Other initiatives like optimization of Sea borne logistics, optimisation of procurement cycle for Ferro alloys, etc.,

6.0 RISKS & CONCERNS:

Other concerns for the company include volatile raw material prices, increased competition, timely completion of modernization projects and production ramp-up in new units as per plan.

7.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Details in respect of the above item have already been covered in the Directors' Report which may kindly be referred to.

8.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**8.1 Financial overview**

The Company registered sales turnover of ₹ 12,271 crores (including sale of trial run production of ₹2,211.24 crores) with a growth of 5% in value and 39% growth in volume respectively over the previous year. Due to sluggish market conditions and dumping of material from China, the Net Sales Realisation during the year 2015-16 is lower by 24% compared to the previous year which severely

affected the financials resulting in a net loss of ₹ 1,421 crores.

8.2 Financial Performance

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Sales Turnover*	12270.58	11674.66	5
PBDIT	(419.72)	808.71	Adverse
Profit before Tax (PBT)	(1417.23)	103.35	Adverse
Profit After Tax (PAT)	(1420.64)	62.38	Adverse

*Sales Turnover includes sale of trial run production of ₹ 2211.24 Cr in FY2015-16 and ₹1274.51 Crs in FY 2014-15.

8.3 ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY**8.3.1 Sales Turnover (Incl. Trial Run)**

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/ (Dec) over previous year
Sale of Saleable steel products	11503.90	10776.46	7
Sale of Pig Iron and Other Products	766.68	898.19	(-)15
Total Sales Turnover	12270.58	11674.66	5
Less: Excise Duty (Inc ED on Trial run sales)	1311.11	1214.05	8
Net Sales Turnover	10959.47	10460.61	5

The sale of Saleable Steel products include sale of Blooms which is a intermediary product used for rolling of finished products. The blooms sold as semi finished product, with lower realization, have increased due to ramp up of production from SMS-2 and the stabilization process in the new mills.

8.3.2 Other Revenues

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Interest Earned	88.76	67.20	32
Other Non-operating Income	258.92	189.08	37

Other non operating income includes ₹122.93 cr. reversal of property tax based on Hon'ble High Court interim orders and ₹25 cr. received from Insurance company on HUD HUD claim on account settlement.

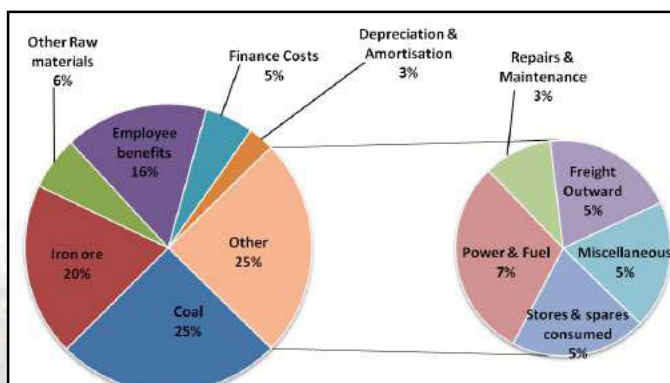
8.3.3 Expenditure (Net of Inter Account Adjustments)

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Cost of materials consumed	4141.59	5127.54	(19)
Employees' benefits	1923.20	1918.16	-
Finance Costs	650.70	434.73	50
Depreciation & Amortisation	346.81	270.63	28
Other Expenses	2913.15	2541.76	15
Total	9975.45	10292.82	(3)

Increase in interest expenditure is mainly on account of increase in working capital requirements, capitalization etc.

Higher depreciation is on account of capitalization of new units like SMS-II, WRM-II, SP-3 etc during the year.

Analysis of Expenditure for the F.Y 2015-16 (incl. Trial Run)



8.3.4 Prior period adjustments

During the year there was reduction of ₹ 374.32 Crores in the loss of the Company with corresponding increase in the value of net block of assets due to restoration of residual value of ₹ 374.32 Crores which was charged off as depreciation in earlier years consequent upon change in erstwhile accounting policy 9.1.1 on Depreciation and Amortisation. The adjustment has been carried out by giving credit to PPA - Adjustments.'

8.3.5 Contribution to Exchequer

The Company contributed ₹1954 Crs to the National Exchequer in the form of taxes and duties to various government agencies as against ₹ 1944 Crs during the previous year. In addition to the above, the Company has paid to the Govt. of India, an amount of ₹ 300.00 Crs (P.Y ₹ 550.00 Crs) on account of redemption of preference share capital.

8.3.6 Borrowings

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Secured Loans	4130.34	2339.70	77
Unsecured Loans	6260.78	6311.03	(1)
Total Loans (Long & Short Term)	10391.12	8650.73	20

Major portion of Capex and additional working capital requirements were met through borrowings.

8.3.7 Fixed Assets

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Net Block			
Tangible	11826.39	5305.40	123
Intangible	37.49	51.33	(27)
Capital Work-in-Progress	6979.93	11492.99	(39)
Intangible Assets under development	2.70	2.57	5



During the year, the following major units were capitalized which resulted in increase in net block assets.

Unit	Date of Capitalisation
Sinter Plant	29/02/2016
SMS-2	29/02/2016
WRM-2	31/01/2016
RMHP	29/02/2016

8.3.8 Non-Current Assets & Non-Current Liabilities

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
Non-Current Assets			
Long term Borrowings	3805.48	66.52	---
Deferred Tax Liabilities (net)	448.30	444.89	0.77
Other Long term Liabilities	109.81	138.27	(21)
Long term Provisions	853.59	557.14	53
Non-Current Assets			
Non-current Investments	642.59	362.53	77
Long term Loans & Advances	649.79	926.53	(30)
Other Non-Current Assets	100.43	81.32	23

8.3.9 Current Assets, Current Liabilities

Particulars	F.Y 2015-16 (₹Cr)	F.Y 2014-15 (₹Cr)	% Inc/(Dec) over previous year
CURRENT ASSETS			
Inventories			
Semi-Finished/ Finished goods	1873.47	3129.95	(40)
Raw materials	1438.09	1467.96	(2)

Stores & Spares	595.94	581.60	2
Total Inventories	3907.50	5179.51	(25)
Trade Receivables			
Gross Receivables	977.81	1055.69	(7)
Less: Provision for Trade receivables	19.70	20.26	(3)
Net Receivables	958.11	1035.43	(7)
Cash&Bank balances	45.56	63.94	(29)
Short term Loans & Advances	3440.21	3259.83	6
Other Current Assets	147.79	98.75	50
Total Current Assets	8499.17	9637.46	(12)
CURRENT LIABILITIES			
Short term Borrowings	6585.64	7444.89	(12)
Trade payables	733.56	600.60	22
Current Liabilities	6328.91	6979.28	(9)
Short Term Provisions	-	34.61	(100)
Total Current Liabilities & Provisions	13648.11	15059.38	(9)

8.3.10 Initiatives taken by the Company:

Raw Materials:

- * Pulverised Coal Injection, as partial replacement for costlier coke, commenced in Blast Furnace-1 & 3. It is planned to be commenced in Blast Furnace-2 also, after the Capital Repairs are completed.
- * Usage of different Coals in the Coal Blend is optimized continuously to achieve overall reduction in the cost. The savings on account of such optimisation are estimated to be about ₹ 47 Cr, in the year.
- * Three new coal brands, from Mozambique, Canada and Indonesia were introduced in

the Coal Blend, enhancing the supplier base. Procurement of Coal from Indonesia gives the benefit of lower freight also.

- * In order to reduce the outgo on account of ocean freight, cape size vessels with a carrying capacity of about 1.5 lakh tonne are being nominated for coal shipments. During the year, 62% of coal was imported through Cape Size vessels with an estimated savings of ₹ 35 Cr.
- * Considering the downtrend in prices, the procurement cycle for Silico Manganese has been reduced from 2 months to 1 month. The estimated savings on account of this initiative, during the year is ₹ 4.95 Cr.

Wages:

- * With low incremental manpower envisaged for Expansion, the Labour Productivity is planned to be almost doubled, bringing down the wage component. In the process, 9% increase in Labour Productivity was achieved during the year, with an estimated savings of about ₹ 500/t.

Operating Cost:

- * Thrust on cost reduction measures to restrict expenditure has been further intensified in all areas which have larger potential of cost reduction. Enhanced levels of Recycling, Reprocessing and Reclamation of various wastes yielded incremental savings of about ₹ 28 Cr in the current year over the last year.
- * 120 MW BF gas based Power Plant, first of its kind in Indian steel industry, was commissioned in 2015-16 enabling reduction in power generation cost as also quantum of power import. With this, the power generation capacity based on utilisation of waste energy increased to 323 MW from a level of 155 MW in 3 Mtpa stage. This works out to 62% of total installed capacity for power generation.

Revenue Maximisation:

- * Product Mix and Distribution has been changed from time to time, in line with the market demand and to maximize the realizations. To cater to specific customer requirements, the Company has developed

17 new products during last three years (2013-16).

- * Secondary metallurgy facilities have been installed under expansion to enhance the capabilities for production of High End Value Added Steel with higher margins. The percentage of Value Added Steel under Expansion units ramped up to 64% in the year from a level of 30% last year
- * Further, the share of sales in Andhra Region, with relatively higher realisations, was increased from 28% to 30%, during the year. Branch Sales Office has been opened in Vijayawada for capitalising on the demand for Capital Region Development planned by Government of Andhra Pradesh. Further, operations have been commenced through International Marketing Office in Srilanka.

Administrative Expenses:

- * Further, Austerity Measures have been put in place to reduce the Administrative Expenditure. Budgets have been cut and Non-Plan Expenditure is permitted only for meeting the essential functional requirements of the Company.

Treasury Management Initiatives:

- * Savings on various working capital borrowings with respect to Weighted Average Cash Credit interest rate of 9.58% are as below:

Particulars	Interest rate availed	Savings from Apr'15- Mar'16 (₹ Crs)
Foreign Currency Borrowings(FCB)	7.73%	41.34
Commercial paper(CP)	8.05%	28.44
Borrowings from banks	9.33%	5.66
Total Loans	8.40%	75.44

9.0 MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Details in respect of the above item have already been covered in the Directors' Report.



10.0 ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RESEARCH AND DEVELOPMENT, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION :

Details in respect of the above item have already been covered in the Directors' Report.

11.0 CORPORATE SOCIAL RESPONSIBILITY

Details in respect of the above item have already been covered in the Directors' Report.

12.0 CAUTIONARY STATEMENT

Statements / Data which do not relate to the Company and are used / made in this report are from sources which are considered reliable and Company cannot be held responsible for its authenticity. Further Statement in the Management Discussion and Analysis, describing the Company's objectives, 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.

CORPORATE GOVERNANCE REPORT

1.0 COMPANY'S PHILOSOPHY

The Company believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents. It endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision and Objectives. The philosophy of the Company in relation to Corporate Governance is to ensure Accountability, Transparency, Integrity, Disclosures and Reporting that conforms fully to laws, regulations, guidelines, etc. and to promote ethical conduct throughout the organization. The Company recognizes that good corporate governance is a continuous exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of all its

stakeholders. The Company has implemented the guidelines enunciated by the Department of Public Enterprises (DPE), Govt. of India., on Corporate Governance.

2.0 BOARD OF DIRECTORS

2.1 Composition of Board

The Company follows DPE Guidelines relating to the compliance with the conditions of Corporate Governance. As on 31st March, 2016, the total number of Board of directors is Twelve (12) comprised of Chairman-cum-Managing Director (CMD), Five (5) Whole time Directors (Functional Directors), Two (2) Part-time official Directors (i.e Government Nominee Directors) and Four (4) Part-time Non-official Directors (i.e Independent Directors). However, the requirements of minimum Independent Directors as specified in Department of Public Enterprises (DPE) Guidelines was not fully met during the period from 15.05.2015 to 12.11.2015.

The details of the Board of Directors as on **31st March, 2016** were as follows:

Functional Directors	
1) Shri P.Madhusudan	Chairman - cum - Managing Director
2) Shri P.C.Mohapatra	Director (Projects)
3) Dr. G.B.S. Prasad	Director (Personnel)
4) Shri D.N. Rao	Director (Operations)
5) Shri T.V. S. Krishna Kumar	Director (Finance)
6) Shri P Raychaudhury	Director (Commercial)
Part-time official Directors (i.e Government Nominee Directors)	
7) Ms. Bharathi S Sihag	Additional Secretary & Financial Advisor, MoS, Govt. of India.
8) Smt. Urvilla Khati	Joint Secretary (Steel), MoS, Govt. of India.
Part-time Non-official Directors (i.e Independent Directors)	
9) Shri S K Srivastava	
10) Shri S K Mishra	
11) Shri K M Padmanabhan	
12) Shri Sunil Gupta	

2.2 Board Meetings

During the financial year ended 31st March, 2016, Eight (8) Board Meetings were held on following dates:

Board Meeting No.	Date	Board Meeting No.	Date
289	13-05-2015	293	06-10-2015
290	26-06-2015	294	07-12-2015
291	23-07-2015	295	16-02-2016
292	25-08-2015	296	17-03-2016



Details of number of Board Meetings attended by Directors, attendance at the last Annual General Meeting (AGM), number of other directorships and number of Board Sub-Committees positions as Chairman / Member in the Company etc., during the year 2015-16 were as follows:

S. No	Category Name & Designation of the Director(s)	No. of Board Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at last AGM held on 29.09.2015	No. of other Directorships as on 31.03.2016	No. of RINL Board Sub-Committee Chairman / Member as on 31.03.2016*		No. of Board Sub-Committees in other companies as Chairman / Member as on 31.03.2016*	
						Chairman	Member	Chairman	Member
Functional Directors									
1)	Shri P.Madhusudan CMD	8	8	Yes	7	-	-	-	-
2)	Shri P.C.Mohapatra Director (Projects)	8	8	Yes	5	-	1	-	-
3)	Dr. G.B.S. Prasad Director (Personnel)	8	7	Yes	NIL	-	1	-	-
4)	Shri D.N.Rao Director (Operations)	8	8	Yes	2	-	-	-	-
5)	Shri T.V.S. Krishna Kumar Director (Finance)	8	8	Yes	3	-	1	-	-
6)	Shri P Raychaudhury Director (Commercial) (w.e.f 01.03.2016)	1	1	**	NIL	-	-	-	-
7)	Shri T.K.Chand # Director (Commercial) (upto 27.07.2015)	3	3	**	-	-	-	-	-
Part-time official Directors (i.e Government Nominee Directors)									
8)	Ms. Bharati S Sihag AS & FA (MoS)	8	8	No	7	-	-	-	-
9)	Smt. Urvilla Khati Jt .Secretary (Steel)	8	7	No	4	-	-	-	-
Part-time Non- official Directors (i.e Independent Directors)									
10)	Shri S K Srivastava (w.e.f. 13.11.2015)	3	3	**	1	1	2	1	2
11)	Shri S K Mishra (w.e.f. 27.11.2015)	3	2	**	-	1	1	-	-
12)	Shri K M Padmanabhan (w.e.f. 13.11.2015)	3	2	**	2	1	2	1	2
13)	Shri Sunil Gupta (w.e.f. 13.11.2015)	3	Nil	**	2	1	2	-	-
14)	Shri V.S.Jain \$ (upto 15.05.2015)	1	1	No	3	-	-	-	-
15)	Shri Ashhok Kumar Jain \$ (upto 13.05.2015)	1	1	No	Nil	-	-	-	-
16)	Prof.Sushil \$ (upto 13.05.2015)	1	1	No	2	-	-	-	-
17)	Prof.S.K.Garg \$ (upto 15.10.2015)	5	5	Yes	Nil	-	-	-	-

Resigned; \$ Cessation of directors on completion of their tenure of appointment.

* Audit Committee, CSR & Sustainability Committee, Nomination and Remuneration & Ethics / HR Committee, Shareholders Investors Grievance Committee being Corporate Governance related Committees and the position as on 31.03.2016 are only considered and reflected above.

** The respective persons were not a Director of the Company as on last AGM Date.

Note:

- 1) The particulars of memberships in Sub-Committees in the Company and in other Companies are not given in respect of Directors namely Shri V.S.Jain, Shri Ashhok Kumar Jain, Prof. Sushil & Prof.S.K.Garg who ceased to be directors during the year.
- 2) Number of other directorships held by Shri V.S.Jain, Shri Ashhok Kumar Jain, Prof.Sushil & Prof.S.K.Garg were given upto their tenure only in the Company.

2.3 Board Meetings Procedure

The Company Secretary in consultation with the Chairman-cum-Managing Director calls for a meeting of the Board by giving not less than seven days' notice in writing to every Director at his address registered with the company. The Board Agenda is circulated to the Directors well in advance.

The members of the Board have access to all relevant information of the Company and its performance and are free to recommend inclusion of any matter in the agenda for discussion. In case of need, the senior management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and / or to give presentation on each item to the Board.

The Board meets regularly and is responsible for the proper direction and management of the Company.

2.4 Role of the Company Secretary in overall governance process

The Company Secretary being a Key Managerial Person (KMP) plays a vital role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the Meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements under the Companies Act, 2013 and rules made thereunder or any enactment thereof and is the interface between the Management and Regulatory Authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

2.5 Information placed before the Board of Directors

The information under the following heads is usually presented to the Board of Directors of the Company either as part of the agenda papers or is tabled / presented during the course of the Board meetings:

- ◆ Annual operating plans and budgets and any updates.
- ◆ Capital budgets and any updates.
- ◆ Quarterly, Half yearly and Annual Financial results for the company and its operating divisions or business segments.
- ◆ Minutes of meetings of Audit Committee and other Sub-Committees of the Board.
- ◆ Minutes of Board Meetings of Subsidiary Companies.
- ◆ Details of any Joint Venture or R&D project or technical collaboration agreement requiring approval of Board of Directors.
- ◆ Sale of material, nature of investments, subsidiaries, assets, which is not in normal course of business.
- ◆ Action Taken Report on matters desired by the Board.
- ◆ Disclosure of Interest by Directors about directorships and Committee positions occupied by them in other companies.
- ◆ Periodic Report on Production Performance, Techno-economic parameters and Research & Development activities.
- ◆ Periodic Report on Safety performance.
- ◆ Periodic Project Status Report.
- ◆ Significant developments between two board meetings.
- ◆ Secretarial Reports.
- ◆ Periodic status on HR activities.
- ◆ Quarterly report on Statutory Compliance and compliance of laws.
- ◆ Information relating to major legal disputes.
- ◆ Arbitration cases.
- ◆ Short term Investment of surplus funds.
- ◆ Significant Capital Investment proposals.
- ◆ Changes in significant accounting policies and practices and reasons for the same.



- ◆ Compliance with the provisions of Companies Act, 2013 and rules made thereunder.
- ◆ Any other information required to be presented to the Board either for information or approval.

2.6 Role of Independent Directors

The Independent Directors play an important role in deliberations of the Board and Board Sub-Committee meetings and bring to the Company their expertise in various fields viz engineering, finance, management, law and public policy. The Board has established various Sub-Committees such as Audit Committee and CSR Committee etc with adequate representation of Independent Directors in line with the Companies Act, 2013 and Rules made thereunder and the requirements of Department of Public Enterprises (DPE) Guidelines on Corporate Governance for CPSEs. The Company has also constituted Nomination and Remuneration ethics/HR Committee, to deal with various matters as per Section 178 of the Companies Act, 2013 including Performance Related Pay headed by an Independent Director.

A Board Sub-Committee for Corporate Social Responsibility & Sustainability headed by an Independent Director has been constituted pursuant to the provisions of Companies Act, 2013 and DPE guidelines, for proper and periodic monitoring of CSR activities.

2.7 Meetings of Independent Directors

A Board Sub Committee has been set up comprising all the Independent Directors viz Committee of Independent Directors (COID) which facilitates the Independent directors to meet and discuss on issues without the presence of Whole time (Executive) Directors or Management Personnel. During such meetings the Independent Directors discuss matters pertaining to the affairs of the company. For the FY 2015-16, one such meeting was held on 17.03.2016.

Declaration by Independent Directors

All Independent Directors have furnished declaration as under Section 149(6) read with 149(7) of the Companies Act, 2013 and also in fulfillment of the requirement DPE guidelines.

2.8 Selection of New Directors

The Chairman-cum-Managing Director, Functional Directors, Part-time Official Directors (i.e Government Nominees) and Part-time Non-official Directors (i.e Independent Directors) are appointed / nominated by Government of India.

2.9 Terms & Conditions of appointment of Board Members, Retirement Policy and Evaluation of the Board Members

The appointment of Chairman-cum-Managing Director and Functional Directors of the company is made by the Government of India from time to time on such terms and conditions like remuneration payable, tenure etc, they are appointed for a term of five (5) years or till the date of their superannuation whichever is earlier.

Two Part-time Official Directors i.e. Govt. Directors viz. Joint Secretary (Steel), Ministry of Steel and Special Secretary & Financial Advisor, Ministry of Steel are nominated by the Government of India on the Board of the Company and they continue to hold such office at the discretion of the Government of India and is co-terminus with their position in the Ministry of Steel.

The Company being a Government Company, the provisions of Section 134(3)(e) and (p),149(6)(a)and (c), 152(5) and 178(2), (3) and (4) of the Companies Act, 2013 with regard to appointment, performance evaluation etc, have been exempted by Government of India, Ministry of Corporate Affairs vide Gazette notification dated 05.06.2015.

2.10 Code of Conduct

As part of the Company's persisting endeavor to set a high standard of conduct for its employees and its Board members, a 'Code of Business Conduct and Ethics' has been laid down for all Board Members and Senior Management personnel. The same is placed at Company's website.

The Code encompasses:

- ◆ General Moral Imperatives;
- ◆ Specific Professional Responsibilities; and
- ◆ Additional Duties / Imperatives for Board Members and Senior Management Personnel.
- ◆ Senior Management personnel and Board Members declare affirmation, annually that they do read and follow the code.

2.11 Board Charter

Board has laid down a Board Charter for the Board of Directors of the Company defining the roles and responsibilities of the Board members. The Charter also articulates Company's Corporate Governance objectives and approach.

2.12 The details of remuneration & sitting fee paid to Directors during the financial year 2015-16.

Whole Time Directors (WTD)/ Functional Directors

The Whole Time Directors/ Functional Directors are appointed in terms of the Articles of Association of the Company by the President of India, in consultation with the Chairman of the Company for a period of 5 years or till the age of Superannuation or until further orders, whichever is earlier. The appointment may, however, be terminated by either side on three months' notice or on payment of three months' salary in lieu thereof. The details of remuneration paid to Whole time Directors during the year 2015-16 are as follows:

(Value in ₹)

S. No.	Name	Basic Salary (in ₹)	Allowances and Perquisites & other retirement benefits (in ₹)	Sitting Fees (in ₹)	Total (in ₹)
1.	Shri P.Madhusudan	1082910	2426965	NIL	3509875
2.	Shri P.C.Mohapatra	1028401	1999873	NIL	3028274
3.	Dr. G.B.S Prasad	1016080	2375001	NIL	3391081
4.	Shri D.N.Rao	1186866	2295473	NIL	3482339
5.	Shri T.V.S.Krishna Kumar	1097727	2272590	NIL	3370317
6.	Shri P Raychaudhury (w.e.f 01.03.2016)	82400	92618	NIL	175018
7.	Shri T. K. Chand (upto 27.07.2015)	324064	1028475	NIL	1352539

Part-time Non-official Directors (Independent Directors)

The part-time non-official directors (i.e. Independent Directors) are appointed by Government of India as Director for a period of 3 years from the date of assumption of charge or until further orders, whichever is earlier. Sitting fees is only paid by the Company to the part-time non-official directors @ Rs 20,000/- for each Board/Board Sub-Committee Meetings attended to by them. The details of sitting fees paid during the year to Part time non-official Directors are as follows:

S. No.	Name	Basic Salary (in ₹)	Allowances and Perquisites & other retirement benefits (in ₹)	Sitting Fees (in ₹)	Total (in ₹)
1.	Shri S K Srivastava	Except Sitting fees, no other remuneration is paid by the Company to the part-time non-official directors.		260000	260000
2.	Shri S K Mishra			120000	120000
3.	Shri K M Padmanabhan			240000	240000
4.	Shri Sunil Gupta*			NIL	NIL
5.	Shri Ashhok Kumar Jain			80000	80000
6.	Shri V.S.Jain			40000	40000
7.	Prof. Sushil			100000	100000
8.	Prof. S.K.Garg			340000	340000

*Shri Sunil Gupta has not been paid any sitting fees as he has not attended any Board/ Committee meeting after his appointment during the period under review.



Part-time official Directors/ Govt. Directors

Ms. Bharathi S Sihag and Smt. Urvilla Khati are the Part-time official Directors/ Government Directors nominated by Government of India as Directors of RINL and no remuneration is paid to the Part-time official Directors by the Company.

2.13 Loans & Advances given to Directors

Functional Directors are not given any special loans or advances. However they are entitled to festival advances and House Building Advance on par with normal employees.

3.0 Board Sub Committees (BSC)

The Board has constituted the following Committees:

A. Corporate Governance

- i) Audit Committee
- ii) Nomination and Remuneration & Ethics/HR Committee
- iii) CSR & Sustainability Committee
- iv) Stakeholders/Investors Grievance Committee
- v) Committee of Independent Directors (COID)

B. Other Business purposes

- vi) Board Sub Committee on Marketing (BSCOM)
- vii) Board Sub Committee on Raw Material Security and Joint Ventures & Acquisitions, SPUs etc.,
- viii) Committee for Expansion and Related Projects (earlier HPSC)
- ix) Committee of Management (COM)

Procedure at Board Sub Committee Meetings

The guidelines relating to Board Meetings are mostly followed for all Board Sub-Committee Meetings. Minutes of the proceedings of the Committee meetings are placed before the Board for perusal and noting.

Company Secretary is the Secretary to the respective Board Sub-Committees.

3.1 Audit Committee

In terms of the provisions of Section 177(2) of the Companies Act' 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, the functions/Scope of the Audit Committee was approved by the Board. The details of the same are as follows:

I. Scope of the Committee:

The scope of the Audit Committee has to be in conformity with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the guidelines issued by Department of Public Enterprises (DPE) for Corporate Governance in respect of unlisted Companies.

A. Statutory nature

In terms of the provisions of Section 177 of the Companies Act, 2013, following functions are required statutorily to be discharged by the Audit Committee:

- 1) The terms of reference shall, inter alia, include:-
 - a) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - c) Examination of the financial statement and the auditors' report thereon;
 - d) Approval or any subsequent modification of transactions of the company with related parties;
 - e) scrutiny of inter-corporate loans and investments;
 - f) valuation of undertakings or assets of the company, wherever it is necessary;
 - g) evaluation of internal financial controls and risk management systems;
 - h) monitoring the end use of funds raised through public offers and related matters.
- 2) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- 3) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in (1) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

B. As per Corporate Governance Guidelines issued by Department of Public Enterprises (DPE), the main functions of the Audit Committee are as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

Approval nature:

- 2) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

Recommending nature:

- 3) Recommending to the Board the fixation of Audit Fees.

Review nature:

- 4) To review the functioning of the Vigil Mechanism (Whistle Blower Mechanism);
- 5) Reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(5) of the Companies Act' 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by Management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) qualifications in the draft Audit Report;
- 6) Reviewing with the Management, the Quarterly financial statements before submission to the Board for approval.
- 7) Discussion with Statutory and Internal Auditors any significant findings and follow up there on.
- 8) Reviewing with the Management, the performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- 9) Reviewing the adequacy of the Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official

heading the Department, reporting structure, coverage and frequency of Internal Audit.

- 10) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 11) Discussion with Statutory Auditors before the Audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 12) To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 13) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 14) To review the follow up action on the audit observations of the Comptroller & Audit General (C&AG) Audit.
- 15) To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- 16) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 17) Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 18) Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- 19) Review of Management discussion and analysis of financial condition and results of operations.
- 20) Review of Statement of related party transactions submitted by management.
- 21) Review of Management letters / letters of internal control weaknesses issued by the statutory auditors.
- 22) Review of Internal audit reports relating to internal control weaknesses.
- 23) Certification / declaration of financial statements by the Chief Executive Officer i.e. CMD and CFO i.e. Director (Finance); and



- 24) Appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee.
- 25) Review of Status of Sundry Debtors.
- 26) Consider and review the following with the independent auditor, if any, and the management:
 - a) The adequacy of internal controls including computerized information system controls and security, and
 - b) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- 27) Consider and review the following with the management, internal auditor and the independent auditor:
 - a) Significant findings during the year, including the status of previous audit recommendations;
 - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

C. In addition to the above, the Audit Committee should also fulfill the following requirements of Clause 49 of the Listing Agreement:

- a) The Audit Committee shall approve the appointment of the CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
- b) The Chairman of the Audit Committee shall be present at annual general meeting to answer shareholder queries; provided that in case the Chairman is unable to attend due to unavoidable reasons, he may nominate any member of the Audit Committee; and
- c) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, head of internal audit and a representative of the Statutory Auditor may be present as invitees for the meetings of the Audit Committee.

D. In terms of RINL Board directions, in addition to the above, the Audit Committee shall also look into the following areas:

- 1) Recommending nature:
 - a) Recommendations on working capital arrangements and term loans including borrowings for capital expenditure.
 - b) Recommendations on investment of surplus funds.
 - c) Recommendations of write off of losses requiring approval of Board.
- 2) Review of information by Audit Committee:
 - a) Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - b) To review contracts on nomination basis as per extant guidelines.

E. The powers of the Committee include the following:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e) To protect whistle blowers.

F. The Audit Committee may also look into any such other matter as may be prescribed by the Statutory Authorities from time to time.

Periodicity: In terms of the Corporate Governance guidelines issued by DPE vide para 4.4 from time to time, the Audit Committee should meet at least four times in a year and not more than four (4) months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two independent members must be present.

II. Composition:

The Audit Committee comprised the following four (4) Independent Directors as on 31.03.2016. The details of meetings attended by the members and their tenure as member of the above Committee are as follows:

Name of the Director	Position	Meetings held during the tenure	Meetings Attended
Shri Sunil Gupta (w.e.f. 07.12.2015)	Chairman	1	0
Shri S K Srivastava (w.e.f. 07.12.2015)	Member	1	1
Shri S K Mishra (w.e.f. 07.12.2015)	Member	1	1
Shri K.M. Padmanabhan (w.e.f.16.02.2016)	Member	-	-
Shri A K Jain (upto 13.05.2015)	Chairman	2	2
Prof. Sushil (upto 13.05.2015)	Member	2	2
Prof. S K Garg Member upto 12.05.2015 & Chairman w.e.f. 13.05.2015 to 15.10.2015	Member Chairman	2 5	2 5
Dr. G B S Prasad (13.05.2015 to 06.12.2015)	Member	5	4
Shri T K Chand (13.05.2015 to 27.07.2015)	Member	2	1
Shri D N Rao (25.08.2015 to 06.12.2015)	Member	2	2

Director (Finance) is a Permanent invitee and Head of Internal Audit & Stock Verification Department is an Invitee for the meetings of the Audit Committee. The representative of the Statutory Auditors are also invited to the Audit Committee meeting while considering Annual Financial Statements and discussion on the nature and scope of Annual Audit. Company Secretary acts as the Secretary of the Audit Committee.

III. Meetings and attendance of Audit Committee during the year:

During the financial year ended 31st March, 2016, 8 (Eight) Audit Committee Meetings were held on following dates:

Sl. No.	Meeting No.	Date	Sl. No.	Meeting No.	Date
1	54	19.04.2015	5	58	25.08.2015
2	55	12.05.2015	6	59	29.09.2015
3	56	25.06.2015	7	60	05.10.2015
4	57	16.07.2015	8	61	08.02.2016

The details of attendance of each member is given in the above table.

The minutes of all the Audit Committee meetings are put up to Board in their subsequent meetings as an item of information. The Chairman of the Audit Committee also appraises the Board about the observations, if any, of the Audit Committee during the Board Meeting.

3.2 Nomination, Remuneration & Ethics/HR Committee

Nomination, Remuneration & Ethics/HR Committee comprised of three (3) Independent directors as on 31.03.2016.

The Company being a Government Company, the appointment, tenure and remuneration of CMD and Functional Directors are decided by Govt. of India. As per the Department of Public Enterprises (DPE) Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. The Board of Directors of the company reconstituted the Nomination, Remuneration & Ethics/ HR Committee by merging both the Remuneration Committee and Ethics/ HR Committee. The Director (Finance) and Director (Personnel) are invitees for Remuneration Committee (RC) issues. Committee shall meet periodically depending upon the requirement.

Name of the Director	Position	Meetings held during the tenure	Meetings Attended
Shri S K Srivastava (w.e.f. 07.12.2015)	Chairman	1	1
Shri Sunil Gupta (w.e.f.07.12.2015)	Member	1	0
Shri K.M Padmanabhan (w.e.f.07.12.2015)	Member	1	1
Prof. Sushil (upto 13.05.2015)	Chairman	-	-
Shri A.K. Jain (upto 13.05.2015)	Member	-	-
Prof. S. K. Garg (upto 15.10.2015)	Member	-	-



3.3 CSR & Sustainability Committee

Composition:

CSR & Sustainability Committee comprised of three (3) Independent directors as on 31.03.2016. The details of members and their attendance are as follows:

Name of the Director	Position	Meetings held during the tenure	Meetings Attended
Shri K M Padmanabhan (w.e.f. 07.12.2015)	Chairman	1	1
Shri S K Srivastava (w.e.f. 07.12.2015)	Member	1	1
Shri Sunil Gupta (w.e.f. 07.12.2015)	Member	1	0
Prof. S. K. Garg (upto 15.10.2015)	Chairman	1	1
Shri Ashhok Kumar Jain (upto 13.05.2015)	Member	1	1
Prof. Sushil (upto 13.05.2015)	Member	1	1

Director (Finance), Director (Personnel) & Director (Operations) are invitees for the meetings of the Committee.

3.4 Stakeholders/Investors Grievance Committee

The Stakeholders/Investors Grievance Committee comprised five (5) members and One Independent Director is the Chairman and the other four whole time directors are members. The details are as follows:

Name of the Director	Position
Shri S K Mishra	Chairman
Shri P.C Mohapatra	Member
Dr. G. B. S. Prasad	Member
Shri T.V.S Krishna Kumar	Member
Concerned Functional Director	Member

The Committee shall meet periodically depending upon the requirement.

4.0 General Body Meetings

(i) Date, time and venue of the last three AGMs:

Financial Year	Date	Time	Venue
2012-13	21.09.2013	16.00hrs	Admn. Building,
2013-14	29.09.2014	15.00hrs	RINL/VSP, Visakhapatnam
2014-15	29.09.2015	11.00hrs	-530 031.

(ii) Whether any special resolutions passed in the previous three AGMs: Yes.

Date	Description of Special Resolution passed
29.09.2015	To accord approval for issue of Non-Convertible Debentures
29.09.2014	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
29.09.2014	To accord approval for the number of directors on the Board of the Company to be a maximum of Sixteen (16) directors
29.09.2014	To accord approval for issue of Non-Convertible Debentures (NCDs)

(iii) AGM of the current year;

Financial Year	Date	Time	Venue
2015-16	29 th Sep. 2016	11.00 hrs	Admn. Building, RINL/VSP, Visakhapatnam.

(iv) EGM and Special Resolution passed;

During the year, No EGM has been conducted.

5.0 Disclosures

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:

There were no transactions by the company of material nature with Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years:

There were no instances of non-compliance by the Company, Penalties, Strictures imposed on the Company by any Statutory Authority, on any matter related to any guidelines issued by Government, during last three years.

(iii) Vigil mechanism Policy .

The Company has since put in place a Vigil Mechanism comprising Whistle Blower Policy.

(iv) Details of compliance with the requirements of Corporate Governance Guidelines:

The Company has complied with the requirement of DPE Guidelines on Corporate Governance.

(v) Details of Presidential Directives issued by the Central Government and their compliance during the year and also in the last three years:

No Presidential Directives were issued by the Central Government during the last three years.

(vi) Items of expenditure debited in books of accounts, which are not for the purposes of the business:

There were no items of expenditure debited in books of accounts, which are not for the purposes of the business.

(vii) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management:

There were no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.

(viii) Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase:

₹ in Crores

S.No.	Detail	2015-16	2014-15	Reasons for increase / decrease over 2014-15
1	Administrative and Office expenses	85.11	82.45	---
2	Financial expenses	650.70	434.73	Increased (due to increase in borrowings)
3	Total expenses (as per P&L A/c)	9975.46	10292.82	---
4	Administrative expenses as a % of Total expenses (1÷3)	0.85%	0.80%	Increased (due to increase in Security expenses)
5	Financial expenses as a % of Total expenses (2÷3)	6.52%	4.22%	Increased (due to increase in borrowings)

6.0 Means of Communication

(i) Quarterly Results

The Company is an unlisted company and hence quarterly results of the Company are not published in Newspapers. However, the same are being put up to the Administrative Ministry (MoS) and Audit Committee respectively.

(ii) Newspapers wherein results normally published

A brief on Annual Results are covered by News papers viz The Hindu, Eenadu (local Telugu paper) etc.

(iii) Any website, where displayed

Annual results as part of the Annual Reports for the last three years are made available on the website of the Company (www.vizagsteel.com). Website is designed to open the documents easily and quickly. Hindi version of the Annual report is also placed on the website along with English version.

(iv) Whether it also displays official news releases.

The Company also displays official news releases on its website (www.vizagsteel.com).

7.0 Shareholder's information:

(i) Company Registration Details

The Company is registered in the then State of Andhra Pradesh, India. The Corporate Identity

Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U27109AP1982GOI003404.

(ii) Annual General Meeting

Date: September 29, 2016
Time: 11.00 hrs
Venue: Board Room, Admn. Building, RINL/VSP, Visakhapatnam-530 031.

(iii) Financial Year:

The financial year of the company is from 01st April to 31st March.

(iv) Payment of Dividend:

No dividend was proposed for the financial year 2015-16.

(v) Stock Code: ISIN -INE508F01013

(vi) Registrar and Share Transfer Agent:

KARVY COMPUTERSHARE PRIVATE LIMITED
Plot No. 17 - 24, Vithal Rao Nagar, Madhapur, Hyderabad -500 081, State of Telangana, India.
Telephone: +91 40 4465 5000,
Facsimile: +91 40 2343 1551,
Email: murali.m@karvy.com
Website: www.karisma.karvy.com,
Contact Person: Shri M. Murali Krishna,
SEBI Registration Number: INR000000221

**(vii) Share Transfer System**

The Company, being a Govt. Company, the entire share capital is held by Central Government represented by President of India and his nominees. Shares held in the name of President of India are in dematerialized form. Shares held in the name of nominees are in physical form. Shares in the physical form are transferred as and when changes are made in the nominees by following the procedure as applicable to Govt. Companies.

M/s. Karvy Computershare Private Limited, Hyderabad has been appointed as Registrar & Share Transfer Agent for looking after demat and other related works and reporting system through weekly snapshot reports.

(viii) Equity Shareholding pattern as on 31.03.2016

S. No.	Name of the Shareholder	Number of Equity Shares
1	The President of India (Acting through MoS)	488,98,45,400
2	Shri P. Madhusudan	300
3	Shri P C Mohapatra	100
4	Dr. G B S Prasad	100
5	Shri T V S Krishna Kumar	100
6	Ms. Bharathi S Sihag	100
7	Smt. Urvilla Khati	100
	Total	488,98,46,200

The Company is a wholly owned Government company. All the shares are held in the name of the President of India and his nominees as appeared above from Sl.no.2 to 7.

(ix) The Subsidiaries of the company as on 31st March, 2016

- Eastern Investments Limited (EIL)
- The Orissa Minerals Development Company Limited (OMDC)
- The Bisra Stone Lime Company Limited (BSLC) (OMDC & BSLC are the Subsidiaries of EIL)

(x) Joint Venture Companies as on 31st March, 2016

- RINMOIL Ferro Alloys Private Limited
- International Coal Ventures Pvt. Limited

- RINL Powergrid TLT Pvt. Ltd.
- Uttarbanga RINL Rail Karkhana Limited (URRKL)*

*Name struck off U/S. 560(3) of the Companies Act, 1956 in MCA records & Gazette Notification is awaited.

(xi) Address for correspondence:

Shri Deepak Acharya,
AGM (CA) & Company Secretary,
Company Affairs Department,
D-12, D Block, 2nd Floor, Administrative Building,
Rashtriya Ispat Nigam Limited (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam, 530 031.
Tel: (0891) 251 8249; Fax:(0891)251 8249
E-mail: dacharya@vizagsteel.com;
csrinl@vizagsteel.com,
Website: www.vizagsteel.com

8.0 Audit Qualifications

The Company has secured 'NIL' Comments from Comptroller & Auditor General (CAG) for the last Nine (9) consecutive years since 2007-08.

9.0 Training of Board Members

The Company has been sponsoring the independent directors/ newly inducted directors for training programs conducted by SCOPE/ DPE/IPE.

10.0 Certification of Financial Statements by the CEO and CFO of the Company

The CEO (i.e. CMD of the Company) and CFO (i.e. Director (Finance)) of the company have provided the Certification regarding the financial statements for the year 2015-16, as reviewed by Audit Committee. (Copy enclosed) **(Annexure -III to Directors' Report).**

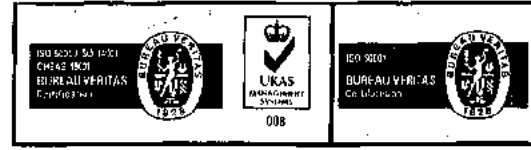
11.0 Corporate Governance Certificate

A Certificate on Compliance of Guidelines on Corporate Governance issued by DPE in May 2010, for the year 2015-16 given by a practicing Company Secretary is annexed herewith and forms part of the Directors' Report vide **Annexure-IV.**

Annexure - III to Directors' Report



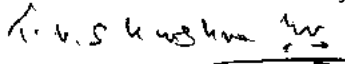
राष्ट्रीय इस्पात निगम लिमिटेड
(भारत सरकार का उपक्रम)
Rashtriya Ispat Nigam Limited
(A Government of India Undertaking)
CIN : U27109AP1982GOI003404

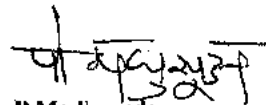


Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, **P. Madhusudan**, Chief Executive Officer & Chairman-Cum-Managing Director and **T.V.S.Krishna Kumar**, Chief Financial Officer & Director (Finance) of RINL, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Statement of Profit & Loss, significant accounting policies and Notes to Accounts, as well as the Cash Flow Statement for the year ended March 31, 2016;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading or omit to the state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information statements present true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards and/or applicable Laws and Regulations;
4. To the best of our knowledge and belief, no transaction was entered into by the Company during the year which was fraudulent, illegal or violative of the Company's Code(s) of Conduct;
5. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
6. We have indicated to the Company's Auditors and Audit committee of RINL's Board of directors
 - (a) Significant changes, if any, in internal controls over financial reporting during the year;
 - (b) Significant changes, if any in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.
7. We further declare that all Board Members and Senior Managerial personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2016.


T.V.S.Krishna Kumar
CFO & Director (Finance)


P Madhusudan
CEO & Chairman-Cum-Managing Director

Place: Visakhapatnam
Date : 26.05.2016.

हिन्दी के प्रयोग का स्वागत है, पत्र का उत्तर शीघ्र दिया जायेगा।

Please send your reply to :

Web Site : www.vizagsteel.com

विशाखपट्टणम इस्पात संयंत्र, विशाखपट्टणम - 530 031

E-mail :

Visakhapatnam Steel Plant, Visakhapatnam - 530 031

Cell No. :



Regd. Office : Rashtriya Ispat Nigam Limited (A Government of India Undertaking)

Visakhapatnam Steel Plant, Administrative Building, Visakhapatnam - 530 031, INDIA.

पंजीकृत कार्यालय : राष्ट्रीय इस्पात निगम लिमिटेड, (भारत सरकार का उपक्रम)

विशाखपट्टणम इस्पात परियोजना, प्रशासनिक भवन, विशाखपट्टणम - 530 031, भारत



P.N. Rao & Co.
Company Secretaries

Phone : 0891-2751934
Mobile : 7032651934
e-mail : pnraoandco@gmail.com

CERTIFICATE ON COMPLIANCE OF GUIDELINES ON CORPORATE GOVERNANCE

To

The Members,

Rashtriya Ispat Nigam Limited
Visakhapatnam Steel Plant
Visakhapatnam.

1. We have examined the compliance of conditions of Corporate Governance by Rashtriya Ispat Nigam Limited, a Government of India Undertaking (Unlisted Public Company) for the financial year ended March 31, 2016 pursuant to the Guidelines on Corporate Governance issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises vide their O.M.No.18 (8)/2005-GM dated 14th May, 2010.
2. The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE's Guidelines.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Visakhapatnam
Date: 23.06.2016



For P.N. Rao & Co.
Company Secretaries

P. Narasinga Rao
23.06.2016
(P. NARASINGA RAO)
Proprietor
CP No.2552

Annual Report on CSR Activities

for the financial year 2015-16

(Disclosures as per Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs

The Company's CSR policy is formulated keeping in mind the specific environment in which the company operates. The policy intends to align the process in line with the Companies Act, 2013 and the CSR Rules issued thereafter. Further, the company has been strictly adhering to the guidelines issued by Department of public enterprises. The company's CSR Policy underwent two major amendments this year.

- In the 284th Board meeting held on 8th September 2014, a revised policy was approved by the Board in line with the Companies Act, 2013 requirements and the CSR Rules 2014.
- Further to adhere to the DPE Guidelines, again the policy was re-drafted which was approved by the Board on 27th March 2015.

Brief of the Policy :

The policy of the company is formulated with due emphasis on sustainability.

- The policy has been renamed as "**CSR & Sustainability (CSR&S)**" policy.
- Policy has a section dedicated to sustainability including sustainability policy of the company.
- While in the initial part, the policy explains

the incorporation of Sustainability in its strategy, the latter half of the policy about CSR activities.

- The scope of the policy in terms of the nature of activities as well as area of implementation is mentioned, where the local area is also defined.
- An indicative ratio of 80:20 regarding the spend between the local area and the non-local area is specified.
- The identification, implementation as well as monitoring part of the projects is delineated.
- The implementation strategy with three different options of collaborating with an NGO, Government organization or doing it directly through RINL trust is specified.
- Delegation of powers with respect to the valuation of the projects is mentioned therein.
- There is a requirement of a minimum of 5 years of sustained experience by an NGO or a trust, RINL collaborates with.
- A format for proposed projects to the CSR Committee at the beginning of the year is also given.
- The web link for the policy : <https://www.vizagsteel.com/csr/csr-policy.pdf> .



The overview of projects undertaken in the focus areas viz., *Education, Health, Sanitation, Livelihood & Environment* are as follows:

Sl.	CSR Activity/ Program/ Project
1	Total Adult literacy program covering adults in peripheral villages of Visakhapatnam Steel Plant
2	Supply of drinking water to Rehabilitation colonies & peripheral villages of Visakhapatnam Steel Plant
3	Free education to differently abled children through Arunodaya school, Ukkunagaram, Visakhapatnam
4	Support to Visteel Mahila Samiti (VMS) for CSR activities in peripheral villages of Visakhapatnam Steel Plant, Visakhapatnam.
5	Construction/repair of 86 Toilets in Govt. schools under 'Swachh Vidyalaya Abhiyan'
6	Providing Drinking water facility in rural areas of Vizag district under 'Sujala Pathakam'
7	Providing computer education to the economically backward girl students in villages of Himachal Pradesh & Haryana
8	Vocational training programs in RH colonies & peripheral villages of VSP
9	Providing free education to BPL children in peripheral villages of Plant & mines
10	Construction of Dormitory for HIV affected children& providing medicines for the children of St Joseph Hospital Prathipadu East Godawari District, Andhra Pradesh.
11	Providing placement based skill development training for 135 SC youth in Garment Construction Technique& Industrial sewing machine operation (Basic& advanced)
12	Construction of additional five Class Rooms, toilets and providing furniture to Z. P High School Gajuwaka
13	Providing solar power lighting system to St Joseph home for the aged Visakhapatnam.
14	Undertaken plantation of trees in the areas of GVMC as well as plant surroundings under "Green Visakha"Project
15	Swachh Bharat projects like, providing Dumper bins to Greater Visakha Municipal Corporation, Solar powered drinking water to a tribal village, etc..

2. Composition of the committee:

RINL Board Sub-Committee on CSR & S is functioning as the CSR Committee.

The Board Sub-Committee on CSR & S consists of 3 members and all the three are Independent

Directors:

1. Shri. K.M. Padmanabhan- Chairman
2. Shri S. K. Srivastava- Member
3. Shri. Sunil Gupta- Member

Besides the above, Director (Personnel), Director (Operations), Director (Finance) are invitees and the Company Secretary is the Secretary to the Committee.

3. Average Net profit of the company for the last three financial years : ₹ 326.56 Cr

4. Prescribed CSR Expenditure (2%) of the amount): ₹ 6.53 Cr

5. Details of CSR Spent during the financial year 2015-16:

- a) Total Amount to be spent during the financial year: ₹ 15.00 Cr (including carry forward amount of ₹ 3.63 Cr)
- b) Amount unspent if any: ₹ 6.27 Cr

sd/-

(P. Madhusudan)

(Chairman - cum Managing Director)

- c) Manner in which the amount spent during the financial year: Enclosed at **Annexure.**

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report.

2 % of the average net profit of immediate preceding three years (as per the Companies Act, 2013) has been utilized completely during 2015-16. However, some unspent amount resulted as projects are at various stages of implementation and several of the projects being the infrastructure projects, the payments are to be released in phases on completion of various milestones.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

It is to state that at RINL, the implementation and monitoring of CSR activities has been carried out in compliance with CSR objectives & CSR &S Policy of the Company.

sd/-

K.M. Padmanabhan

(Chairman - CSR Committee)

Annexure
CSR- DETAILS OF AMOUNT SPENT DURING FINANCIAL YEAR 2015 – 16

S. No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local Area or other (2) Specify the state and district where project or program undertaken	Amount Outlay (Budget) project or program wise (Rs in Lakhs)	Amount spent on the projects or programs Sub-Heads : (1) Direct expenditure on projects or programs. (2)Overheads (Rs in Lakhs)	Cumulative expenditure upto reporting period (Rs in Lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Providing Free education to BPL children from surrounding villages of Plant & Mines.	Education	1. Local Area 2. (i)Visakhapatnam, Andhra Pradesh (ii) Krishna, Andhra Pradesh (iii)Khammam, Telangana	532.25	456.85	456.85	Diocese of Vizagpatnam Society, Dayanand Anglo-Vedic School, Kendriya Vidyalaya
2	Adult Literacy programme in the surrounding villages of VSP	Education	1. Local Area 2. Visakhapatnam, Andhra Pradesh	18.96	17.87	17.87	Pratham Education Foundation
3	Providing Educational Infrastructure in the form of classrooms, hostel blocks as well as school furniture to various schools, Jr. colleges etc	Education	1. Local Area 2.(i)Visakhapatnam, (ii)Vizianagaram Andhra Pradesh	70.37	49.50	49.50	Govt. ITI s, Central Public Works Department, Sarva Shiksha Abhiyan, Visteel Mahila Samiti
4	Computer Education to girl students in Himachal Pradesh & Haryana & construction of Class rooms in various schools.	Education	1. Other Area 2.(i) Solan, Haryana & Himachal Pradesh (ii) Gonda, Balrampur, Faizabad, Uttar Pradesh	81.74	21.88	21.88	Maharaja Agrasena Education Society, New Delhi, HSCL(Hindustan Steelworks construction Ltd.)



5	Free education to differently abled children through Arunodaya Special School, Ukkunagaram	Education	1. Local Area 2. Visakhapatnam, Andhra Pradesh	35.00	32.69	32.69	Arunodaya Special Educational Society Ukkunagaram
6	Providing of health infrastructure dormitory construction for AIDS affected children, medical equipment to hospitals ,mobile eye testing units, cataract surgeries etc.	Health	1. Local area 2. (i) East Godavari (ii)Visakhapatnam, Andhra Pradesh	108.66	17.16	17.16	CPWD,Visakha Eye Hospital Trust King George Hospital, Visteel Mahila Samiti
7	Providing blankets & Medicines for HIV/AIDS children in St.Joseph's Prathipadu	Health	1. Local area 2. (i)East Godavari (ii)Visakhapatnam, Andhra Pradesh	3.88	3.20	3.20	Medical Society for Sisters of St.Joseph of Annency
8	Construction of Dormitory for Differently abled persons under "Aakar Asha project", Hyderabad.(NEST Block)	Health	1. Local Area 2.Hyderabad, Telangana	16.00	16.00	16.00	Swain Memorial Trust
9	Medical camps in surrounding areas Plant & Mines	Health	1. Local Area 2. Visakhapatnam, Andhra Pradesh	1.89	1.34	1.34	Viskha Steel General Hospital
10	Providing Drinking water facility in rural areas of Vizag district under 'Sujala Pathakam'	Sanitation	1. Local Area 2. Visakhapatnam , Andhra Pradesh	25.58	28.38	28.38	Rural Water Supply & Sanitation , Govt. of AP.
11	Construction of Toilets in schools under 'Swachh Vidyalaya'	Sanitation	1. Local Area 2. Visakhapatnam , Andhra Pradesh	58.83	7.00	7.00	Sarva Shiksha Abhiyan

12	Swachh Bharat projects like, providing Dumper bins to Greater Visakha Municipal Corporation, Solar powered drinking water to a tribal village, & swachh Bharat activities	Sanitation	1. Local Area 2. Visakhapatnam , Andhra Pradesh	30.00	10.60	10.60	Greater Visakha Municipal Corporation , Rural water Supply & Sanitation , Govt. of A.P.
13	Supply of Drinking water to 4 RH Colonies & providing RO Plant in surrounding villages.	Sanitation	1. Local Area 2. Visakhapatnam , Andhra Pradesh	18.22	11.99	11.99	Greater Visakha Municipal Corporation, Waterlife India Pvt. Limited
14	Vocational Training Programmes at RH Colonies and other Areas	Skill Development	1. Local Area 2. Visakhapatnam , Andhra Pradesh	12.23	9.85	9.85	Jan Shiksha Sansthan
15	Financial Assistance to NSFDC for conducting Skill Development Youth belonging to Scheduled Castes of Visakhapatnam	Skill Development	1. Local Area 2. Visakhapatnam , Andhra Pradesh	21.12	15.64	15.64	National Scheduled Caste Finance Development Corporation
16	Placement based Skill Development training ,Common Facility Centre on Fabrication of steel etc.	Skill Development	1. Other Area 2. Gonda ,Uttar Pradesh	32.87	12.30	12.30	IL & FS
17	Green Visakha' - Block plantation & Planting of trees in the areas of GVMC as well as VSP areas.	Environment	1. Local Area 2. Visakhapatnam, Andhra Pradesh	122.97	113.62	113.62	Directly through Agro-forestry Department of RINL
18	Installation of 100 nos. Solar Street lights in rural areas	Environment	1. Other Area 2. Gonda ,Uttar Pradesh	2.39	1.86	1.86	HSCL



19	Support to solar energy initiatives at St.Joseph's Home for aged, Visakhapatnam, Real time air quality monitoring station at Visakhapatnam	Environment	1. Local Area 2. Visakhapatnam, Andhra Pradesh	45.32	5.32	5.32	Medical Society of Sisters of St.Joseph of Annency
20	Construction of roads, bus shelters, Community welfare centers, Multipurpose halls, Shed for making artificial limbs and other Community Development initiatives.	Community development	1. Local Area 2.(i)Visakhapatnam (ii) Krishna, Andhra Pradesh	253.36	38.14	38.14	Directly through Civil engg dept of RINL,CPWD, Gurudev Charitable Trust Visakhapatnam
21	Non-project expenditure on impact assessment & need assessment surveys etc.	Non Project work	1. Local Area 2. Visakhapatnam, Andhra Pradesh	7.90	2.13	2.13	Andhra University
			Total (Rs. in Lakhs)	1500.00	873.32	873.32	

Annexure - VI to Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31-03-2016

[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 : U27109AP1982GOI003404
- ii) Registration Date : 18-02-1982
- iii) Name of the Company : RASHTRIYA ISPAT NIGAM LIMITED (RINL)
- iv) Category : Company limited by shares
- v) Sub- Category of the Company : Union Government Company
- vi) Address of the Registered office and contact details : Administrative Building,
 RASHTRIYA ISPAT NIGAM LIMITED (RINL)
 Visakhapatnam Steel Plant (VSP)
 Visakhapatnam - 530031,
 Andhra Pradesh
 Tel: 0891 - 2518249; Fax: 0891 - 2518249
 E-mail: dacharya@vizagsteel.com;
 csrinl@vizagsteel.com
- vii) Whether listed company : No
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Pvt. Ltd.,
 Plot No: 17-24, Vithal Rao Nagar, Madhapur
 Hyderabad - 500081
 040-44655000; 040-23431551
 Email: murali.m@karvy.com

II. PRINCIPAL BUSSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Saleable Steel and pig iron	241-Manufacture of Basic Iron &Steel	96.10%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Eastern Investments Ltd. (EIL) "Sourav Abasan", 2 nd Floor, AG-104, Sector-II, Salt Lake, Kolkata, West Bengal - 700091	L65993WB1927G0I005532	Subsidiary	51	2(87)(ii)
2	The Bisra Stone Lime Company Ltd. (BSLC) "Sourav Abasan", 2 nd Floor, AG-104, Sector-II, Salt Lake, Kolkata, West Bengal - 700091	L14100WB1910G0I001996	Subsidiary	50.27*	2(87)(ii)
3	The Orissa Minerals Development Company Limited (OMDC), "Sourav Abasan", 2 nd Floor, AG-104, Sector-II, Salt Lake, Kolkata, West Bengal - 700091	L51430WB1918G0I003026	Subsidiary	50.01**	2(87)(ii)
4	RINMOIL Ferro Alloys Private Limited Ground Floor, Old Health Centre, Sector-II, Ukkunagaram, Visakhapatnam-530031	U27101AP2009PTC064546	Joint Venture	50	2(6)
5	International Coal Ventures Private Limited (ICVL), 20 th Floor, Scope Minar, (Core-2), North Tower, Laxmi Nagar District Centre, Delhi -110092	U10100DL2009PTC190448	Joint Venture	26.49	2(6)
6	RINL Powergrid TLT Pvt. Ltd. (RPTPL) Room No.31, "B" Block, Project Office, Visakhapatnam Steel Plant, Visakhapatnam -530031	U28121AP2015PTC097211	Joint Venture	50	2(6)

* RINL (0.21%), EIL (50.01%) and Birds Jute and exports Ltd. (0.05%) collectively holds 50.27 % of Shareholding of BSLC.

** EIL holds 50.01% of shareholding of OMDC.;

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2015)			% of Total Shares	No. of Shares held at the end of the year (as on 31-03-2016)			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a) Individual*/ HUF	0	800	800	0.000016	0	800	800	0.000016	0
b) Central Govt	4889845400	0	4889845400	99.999984	4889845400	0	4889845400	99.999984	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	4889845400	800	4889846200	100	4889845400	800	4889846200	100	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+ (A)(2)	4889845400	800	4889846200	100	4889845400	800	4889846200	100	0
B. Public Shareholding									
1. Institutions									
a) mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds		0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i) Funds Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0



2. Non-Institutions									
a) Bodies Corp	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
individual share holders holding nominal share capital									
(i) up to Rs 1 Lakh	0	0	0	0	0	0	0	0	0
(ii) excess of Rs. 1 lakh.	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B) (2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4889845400	800	4889846200	100	4889845400	800	4889846200	100	0

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2015)			Shareholding at the end of the year (31/03/2016)			% 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.	President of India	4889845400	99.999984	-	4889845400	99.999984	-	-
Nominees of the President of India								
2.	P.Madhusudan	300	0.000006	-	300	0.000006	-	-
3.	T.K.Chand	100	0.000002	-	-	-	-	(0.000002)
4.	P.C.Mohapatra	100	0.000002	-	100	0.000002	-	-
5.	T.V.S.K. Kumar	100	0.000002	-	100	0.000002	-	-
6.	V K Thakral	100	0.000002	-	-	-	-	(0.000002)
7.	Urvilla Khati	100	0.000002	-	100	0.000002	-	-
8.	Bharathi S Sihag	-	-	-	100	0.000002	-	0.000002
9.	Dr. G B S Prasad	-	-	-	100	0.000002	-	0.000002
	Total	4889846200	100.00	-	4889846200	100.00	-	-

iii) Change in Promoter's Shareholding (please specify, if there is no change) - No Change

SI No	Particulars	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
	At the beginning of the year	There is no change in the Promoters Shareholding. President of India is holding 100% shareholding.			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI.No	Particulars	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
	For each of the Top ten(10) Shareholders	President of India is holding 100% shareholding and other individuals is holding shares for and on behalf of President of India only.			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key managerial Personnel:

SI.No	Particulars	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
	For each of the Top ten(10) Shareholders				
1.	P. MADHUSUDAN				
	At the beginning of the year	300	0.000006	300	0.000006
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	300	0.000006	300	0.000006



2.	T K CHAND				
	At the beginning of the year	100	0.000002	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Shares transferred to Dr. G B S Prasad on 24.08.2015	100	0.000002	-	-
	At the End of the year (or on the date of separation, if separated during the year)	0	-	-	-
3.	V. K. THAKRAL				
	At the beginning of the year	100	0.000002	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Shares transferred to Ms. Bharathi S Sihag. on 23.04.2015	100	0.000002	100	0.000002
	At the End of the year (or on the date of separation, if separated during the year)	0	-	-	-
4.	P.C. MOHAPATRA				
	At the beginning of the year	100	0.000002	100	0.000002
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	100	0.000002
5.	T. V. S. KRISHNA KUMAR				
	At the beginning of the year	100	0.000002	100	0.000002
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	100	0.000002
6.	URVILLA KHATI				
	At the beginning of the year	100	0.000002	100	0.000002
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	100	0.000002

7.	Bharathi S Sihag				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	Received by transfer from V K Thakral on 23.04.2015	100	0.000002	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	-	-
8.	Dr. G B S Prasad				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	Received by transfer from T.K.Chand on 24.08.2015	100	0.000002	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	-	-

Above shares are holding for and on behalf of President of India.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (**₹ in Crores**)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2329.94	6311.03	NIL	8640.97
ii) Interest due but not paid	0	0		0
iii) interest accrued but not due	10.91	5.35		16.26
Total (i+ii+iii)	2340.85	6316.38		8657.23
Change in indebtedness during the financial year	1806.59	119.34	NIL	1925.93
* Addition	0	-160.29		-160.29
* Reduction				
Net Change	1806.59	-40.95		1765.64
Indebtedness at the end of the financial year				
i) Principal Amount	4130.34	6260.78	NIL	10391.12
ii) Interest due but not paid	---	---		---
iii) interest accrued but not due	17.1	14.65		31.75
Total (i+ii+iii)	4147.44	6275.43		10422.87

Indebtedness includes borrowings from Banks & Commercial Papers and it includes both working capital & Capex borrowings.



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

Sl.No	Particulars of Remuneration	Name of MD / WTD/ Manager (Shri)							
		P.Madhusudan	T.K.Chand	P.C. Mohapatra	G.B.S. Prasad	D.N. Rao	T.V.S.K. Kumar	P..Ray Chaudhury	Total (in Rs)
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	3120030	1233371	2603306	3016235	3137202	2994924	171722	16276790
	(b) Value of perquisites u/s 17(2) Income Tax Act,1961	389845	119168	424969	374845	345137	375394	3296	2032654
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act,1961	0	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0	0	0
	- Others, specify...	0	0	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0	0	0
	Total (A)	3509875	1352539	3028275	3391080	3482339	3370318	175018	18309444
	Ceiling as per the Act	Not Applicable as Section 197 of the Companies Act, 2013 shall not apply to Govt. Companies.							

Note: Gross Salary of Shri T.K.Chand is from 01.04.2015 to 26.07.2015 & Shri P. Ray Chaudhury is from 01.03.2016 to 31.03.2016.

B. Remuneration to other directors:

(Amount in Rupees)

Sl.No	Particulars of Remuneration	Name of Directors (Shri)								Total Amount
		S K Srivastava	S K Mishra	K M Padma nabhan	Sunil Gupta	A K Jain	V.S. Jain	Sushil	S.K. Garg	
1	Independent Directors									
	(a) Fee for attending Board/ Committee meetings	260000	120000	240000	0	80000	40000	100000	340000	1180000
	(b) Commission	0	0	0	0	0	0	0	0	0
	(c) Others,	0	0	0	0	0	0	0	0	0
	Total (B) (1)	260000	120000	240000	0	80000	40000	100000	340000	1180000
2	Other Non-Executive Directors									
	(a) Fee for attending Board/ Committee meetings	0	0	0	0	0	0	0	0	0

(b) Commission	0	0	0	0	0	0	0	0	0
(c) Others,	0	0	0	0	0	0	0	0	0
Total (B) (2)	0	0	0	0	0	0	0	0	0
Total (B) (1) + (B)(2)	0	0	0	0	0	0	0	0	0
Total Managerial Remuneration	260000	120000	240000	0	80000	40000	100000	340000	1180000
Overall Ceiling as per the Act	Not Applicable as Section 197 of the Companies Act, 2013 shall not apply to Govt. Companies.								

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel (Shri.)				Total Amount (Rs)
		CEO	Company Secretary		CFO	
		P.Mohan Rao	Deepak Acharya			
1	Gross Salary:					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	0	1979386	605886	0	2585272
	(b) Value of perquisites u/s 17(2) Income Tax Act,1961	0	96876	37737	0	134613
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act,1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission: - As % of profit	0	0	0	0	0
	- Others, specify.....	0	0	0	0	0
	TOTAL	0	2076262	643623	0	2719885

Note: Gross Salary of Shri P.Mohan Rao is from 01.04.2015 to 31.08.2015 & Shri Deepak Acharya is from 26.10.2015 to 31.03.2016.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B.DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.,**

(Information 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.)

A) CONSERVATION OF ENERGY**(i) The Steps taken or impact on conservation of energy:**

The following measures have been taken during the year 2015-16 for conservation of energy.

Engaged M/s National Productivity Council to conduct Mandatory Energy Audit as per Energy Conservation Act-2001 to identify potential areas for improvement. Agency has submitted Final Audit report with several energy efficiency improvement initiatives including action plan for implementation. These initiatives are under the process of implementation and stabilization.

- PCI injection at Blast furnace 3 has been successfully carried out in the month of Nov-2015 and the system is under stabilization.
- LD gas recovery from SMS-2 was commissioned in the month of Dec-15 and system is under the process of stabilization
- In BF-3, Waste heat recovery system from flue gases of stoves for preheating of gas was put into service and the system is working normal.
- 120MW Blast Furnace gas based new Power Plant was commissioned. This enables usage of additional 400000Nm³/hr BF gas over and above the existing capacity of BF gas firing at the old plant (TPP1)
- RINL observed National energy conservation day on 14-12-2015

Other Initiatives:**1. Energy conservation plans under progress:**

- Stabilization of Pulverized coal injection in BF-1
- Stabilization of Pulverized coal injection in BF 3
- Stabilization of LD gas recovery from SMS-2
- Stabilization of Power generation from TRT of BF 3
- Stabilization of 120 MW Blast furnace Gas based power plant

2. a) Waste Heat Recovery Systems (2015-16)

Energy Saving facility	Units	Energy Recovered	Boiler Coal Saved (tons)	Reduction of CO ₂ emission (tons)
Total volume of LD Gas recovered at LD Gas recovery plant	MNCum	232.06	125158	197332
Total power generated at Back Pressure Turbine Station (BPTS)	MWH	195667	156534	246801
Total power generated at Gas Expansion Turbine Station (GETs)	MWH	27716	22173	34959
Total power generated from Waste heat recovery of Sinter plant straight line cooler(NEDO project)	MWH	2879	2303	3631

(MNCum-Million Normal Cubic Meters, MWH-Mega Watt Hours)

b) Usage of By-product gases in Thermal Power Plant (2015-16)

Name of Fuel used in TPP	Units	Value	Boiler Coal Saved (tons)	Reduction of CO ₂ emission (tons)
Coke Oven Gas	MNCum	467.24	657718	1037002
BF gas	MNCum	3205.29	790638	1246573

(ii) The steps taken by the company for utilizing alternate sources of Energy:

- RINL has taken initiative as a part of sustainable development of the organization and the nation as a whole to install solar power systems to

produce clean and green energy. RINL has awarded contract for installation of 5MW ground mounted solar power PV plant within its premises and LOA was issued on 16-03-2016. The Plant is expected to be commissioned in 16-17

b) RINL also identified 3 buildings for installing Roof top solar PV plants to generate solar power from roof top installations

c) SOLAR ENERGY SYSTEMS

RINL has placed order on M/s.Ujaas Energy Limited, Indore for installation of 5MW Ground based solar PV for a cost of ₹38.27 Crs. in the month of March,2016.

(iii) The capital investment on Energy conservation equipments: Nil

B) TECHNOLOGY ABSORPTION

(i) The Efforts made towards technology absorption:

RINL has been adopting the state of the art technology and harnessing the same to emerge as a major steel producer in the country. The technology absorption is done at three levels :

- a. Improvement on the existing process/equipment to improve the efficiency, availability, quality improvements etc.
- b. Modernization and up-gradation of the existing equipment through major capital repairs and

implementing the technological improvements during the capital repairs

- c. Expansion of plant capacity to enhance the production volume as well as improve the product portfolio both size wise as well as market segment wise through the expansion projects

The following means are adopted for technology identification / absorption :

- Undertaking study tours to Steel Plants in India & abroad.
- One to one discussions with potential technology supplier(s).
- Expression of Interest / Technical presentation on invitation to known technologists in the field.
- Knowledge Exchange Workshops like LEO (Learning From Each Other) and initiatives dealing with technology detection and selection.
- Routine scanning of articles, patents and events.
- Visit by consultants / in house engineering experts / technology suppliers / for making a study and extending help during the major break downs, etc.
- Industry seminars / conferences.
- Membership in and collaboration with various professional organizations like IITs, Research Institutes, CII, WSA etc.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Area	Major Unit	Technology	Benefits
1 Expansion Units :			
Sinter Making	New Sinter Plant-3	Circular cooler and Multi slit burners	Energy efficiency
		Waste heat recovery from sinter cooler	Reduction in energy consumption and power generation
Iron Making	New Blast Furnace-3	Profilometer	Improved process control
		Copper staves in high heat zones & hearth bottom cooling	Better campaign life
		Pulverized Coal Injection	Reduced coke consumption & improved Productivity.
Steel making	New LD Converter	Combined blowing	Reduced consumption of Ferro Alloys, Better Yield & Quality
		Secondary fume extraction system	Cleaner Environment
		Contour & bath level measurement	Measurement of refractory lining
	New CCM	Auto mould level control	Reduction in breakouts
		100% billet casting	Energy saving
Steel Melt Shop LH&RH	Electro Magnetic Stirrer	Cleaner and homogeneous steel	



Mills	Wire Rod Mill-2	High speed WRM (105-110m/s)	Increased productivity
		Integration of Furnace Control with Mill Control	Better Fuel Optimization
	Special Bar Mill	20-45mm size in straight & coil	Reduced wastage for end user
		Free size rolling	Customized sizes with tolerance of +/-0.1 mm
Structural Mill	High speed roughing stands to produce 75-175 mm structurals	Increased productivity	
Power Plant	Power Plant-2	Surplus BF Gas fired boiler	Use of surplus BF gas and improved efficiency of power generation

2 Modernization Units:

Sinter Making	Sinter plant-1&2	Waste heat recovery from Sinter cooler and Energy efficient ignition furnace	Reduced in energy consumption
		Closed circuit coke crushing	Reduced Specific Coke Consumption
Iron making	Blast Furnace-1&2	Copper staves in high heat zones and Hearth bottom cooling with water	Better campaign life, reduction in Refractory and increased volume
		Pulverized coal injection	Reduced coke consumption & improved productivity.
Steel making	LD Converters	Combined blowing	Reduced consumption of Ferro Alloys. Improved in productivity. Better Yield and Quality.
		Secondary fume extraction	Cleaner Environment and Cleaner steel.

3. Research & development (R & D)

1) Specific areas in which R&D carried out by the company

Research & Development in RINL is mainly doing projects in the areas of process improvement, environment protection, waste management, cost reduction, new product development and new technology development.

2) Benefits derived as a result of the above R&D

a) Mathematical modeling of sintering cum pelletisation process:

Mathematical modeling of agglomeration processes like sintering and pelletisation would help in process optimization, consistent sinter quality and improvement in productivity in sinter plant. The project was taken up in collaboration with Indian Institute of Science (IISc), Bangalore.

b) Optimization of design and operating parameters like wire speed, bath super heat, steel grades on Calcium recovery and its efficacy for inclusion modification:

Alumina is formed during Aluminium deoxidation of steel creating clogging problems during casting. A joint research project was taken up with Indian Institute of Technology, Kharagpur to mitigate the problem by addition of calcium in the liquid steel in the form of Ca-Si and Ca-Fe.

c) Effect of iron ore micro-fines on sintering process:

Increased levels of production of steel led to more mining resulting in increase in generation of micro fines. These micro fines are left unutilized although they have high iron content. Attempts are being made to maximize use of iron ore micro-fines in sintering process. A collaborative project was taken up with Institute of Minerals and Materials Technology (IMMT), Bhubaneswar for studying the effect of micro-fines on sintering process.

d) Feasibility studies of enrichment of BF gas for enhancement of calorific value:

Blast Furnace (BF) gas has 18-20% of CO gas and its calorific value is 700-850kcal/m³. Studies are underway to increase the calorific value by reducing the contents of CO₂ and N₂ in gas mixture. Central

Glass and Ceramic Research Institute (CGCRI), Kolkata is the research partner.

- e) *Development of seismic resistant rebars having improved corrosion resistance:*

Thermo Mechanical Treated bars are used in RCC in construction. This internal project aims to increase its seismic and corrosion resistance.

- f) *Studies and development of Carbon dioxide (CO₂) sequestration technique using LD Converter slag (steel slag) to control the Green House Effect of Carbon dioxide:*

CO₂ emissions and generation of LD slag are some of the major causes of concern for steel industry. Sequestration of CO₂ making use of the calcium component of LD slag is under study. National Institute of Ocean Technology (NIOT), Chennai is the collaborative Research Partner.

- g) *Development of Boron Steel grades:*

Boron steel grades are widely used in automobile applications like high strength fasteners, dash panel, safety bars around seats, door guard beams, inner B-pillar reinforcements, bumper reinforcements, etc. This internal project aims to have a better NSR by developing Boron grade steels.

- h) *Identifying causes for crack development in billets and rounds during hot rolling of VSP:*

Aim of this project is reduction in defect generation and improved customer satisfaction. National Metallurgical Laboratory (NML), Jamshedpur is the collaborative Research Partner.

- i) *Reduction of ladle balance and improvement of yield from the steel ladle at VSP:*

During teeming liquid steel from ladle to tundish, some ladle balance is left to avoid slag entry into tundish. Reduction of ladle balance by 1 tonne will improve plant productivity. Indian Institute of Technology (IIT), Kanpur is the Research Partner.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a) The details of technology imported:

NEDO Project

RINL has installed 20.6 MW waste heat recovery system on straight-line cooler of sinter machine-1&2 as NEDO model project.

The project has been set up with technological cooperation with NEDO, Japan. The imported scope of work includes supply of boiler, turbine, generator, electrical and instrumentation and supervision of erection and commissioning by NEDO, Japan (around ₹150 Crs.).

The project has been commissioned & synchronized on 19.03.2014.

PULVERISED COAL INJECTION (PCI)

About 90% of coking coal requirements are being met through imports. To reduce the coke consumption, the pulverized coal injection technology has been imported from M/s.CERI, Republic of China. High grade pulverized non-coking coals with projected injection rate of 150-200 kgs/tonne of hot metal, with nitrogen as injection media, has been envisaged for injection into blast furnace.

- b) The year of import: NEDO Project in the year 2013-14 and PCI in the year 2015-16.
- c) Whether the technology being fully absorbed: Installed and commissioned. Presently the systems are under stabilization.
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) Expenditure on R&D :

a) Capital	₹ 0.29 Cr
b) Revenue/ recurring	₹ 21.45 Cr
c) Total	₹ 21.74 Cr
d) Total R&D expenditure as a percentage of total turnover	0.18

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange Earnings during the year was ₹ 1198.96 Crores and the Foreign Exchange Outgo during the year was ₹ 3221.75 Crores (Includes ₹ 369.52 Crores on Expansion activities / Capital Goods).



VINOD KOTHARI & COMPANY

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Unique Code - P1996WB042300
PAN No - AAMFV6726E
Service Tax Registration No. - AAMFV6726ESD001
Udyog Adhar Number - WB10D0000448

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rashtriya Ispat Nigam Limited
Visakhapatnam

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rashtriya Ispat Nigam Limited (hereinafter called "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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per Annexure - I, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2015 to March 31, 2016 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the

Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. 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;
3. Corporate Governance Guidelines issued by Department of Public Enterprises vide their OM. No. 18(8)/2005-GM dated 14th May, 2010.
4. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. Legal Metrology Act, 2009;
2. Indian Explosives Act 1884;
3. Foreign Trade Development & Regulation Act, 1992;
4. Customs Act, 1962;
5. FEMA, 1999 and Rules & Regulations made thereunder;

Management Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the 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 or examined any books, information or statements other than Books and Papers;
4. We have not examined any other specific laws except as mentioned above.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
6. 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 procedure on test basis;
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

We report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act, 2013.

We further report that the company has complied with the conditions of Corporate Governance Guidelines issued by Department of Public Enterprises.

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

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.

All decisions of the board were taken with the requisite majority and recorded as part of the minutes.

We further report that during the Audit Period, the Company has incurred the following specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (a) Approval for the issue of Non Convertible Debentures (NCDs):
Pursuant to section 42 of the Act read with Rule 14 (2) (a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company has obtained the shareholders approval at the 33rd Annual General Meeting held on September 29, 2015, for issuing NCDs upto ₹ 4000 Crores through Private Placement.
- (b) During the year under review, 30,00,00,000 Nos. of 7% Non-cumulative Redeemable Preference Shares of ₹10/- each issued in favour of Government of India were redeemed. With this, the entire Preference Share Capital of ₹1652.47crs has been redeemed as per schedule.

**For Vinod Kothari & Company
Practicing Company Secretaries**

sd/-
Arun Kumar Maitra

**Place: Kolkata
Date: 21-05-2016**

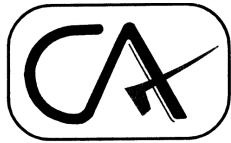
**(Partner)
Membership No.: A3010
C P No.: 14490**



ANNEXURE-I

List of Documents

1. Corporate Matters
 - 1.1 Minutes books of the following Meetings were provided:
 - 1.1.1 General Meeting
 - 1.1.2 Board Meeting
 - 1.1.3 Audit Committee
 - 1.1.4 Nomination, Remuneration Committee and Ethics/HR Committee
 - 1.1.5 Stakeholders/ Investors Grievance Committee
 - 1.1.6 Corporate Social Responsibility and Sustainability Committee
 - 1.1.7 Board Sub-committee on Marketing
 - 1.2 Annual Report (2014-15)
 - 1.3 Memorandum and Articles of Association
 - 1.4 Disclosures under the Act, 2013
 - 1.5 Policies framed under the Act, 2013
 - 1.6 Forms and returns filed with the ROC
 - 1.7 Registers maintained under Act, 2013



Rao & Kumar

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RASHTRIYA ISPAT NIGAM LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RASHTRIYA ISPAT NIGAM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- ◆ In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- ◆ In the case of the Statement of Profit or Loss, of the loss for the year ended on that date, and;
- ◆ In the case of the Cash Flows Statement, of the cash flows for the year ended on that date.



Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Note 11.03 to the financial statements, regarding change in accounting policy on Depreciation resulting in restoration of residual value of assets charged off to depreciation in earlier years and corresponding credit to Prior Period Adjustments by ₹ 374.32 Crores.
2. Note 22 to the financial statements which, regarding accounting of expenditure incurred due to the damages caused on account of HUD-HUD cyclone.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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.

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. The provisions of Section 164 (2) of the Act are not applicable to the Government Companies vide notification No. G.S.S.R.829[E] dated 21-10-2003 as declared by the Central Government.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure B" to this report.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by section 143(5) of the Act, we give in "Annexure - C", a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

For **RAO & KUMAR**
Chartered Accountants
FRN 03089S
sd/-
CA Guru Prasad K C S
Partner
MNo.215652

Date: 26-05-2016
Place: New Delhi

Annexure - A to the Independent Auditors' Report:

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2016. We report that:

1. a.	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b.	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	All assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c.	Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	Except in cases as disclosed at Note No.11.05, 11.07 & 11.08 to Financial Statements, title deeds of all immovable properties are held in the name of the company.
2	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account;	The physical verification of inventory is being carried out at reasonable intervals by the management. We are informed that all the material discrepancies have been dealt with in the books of account.
3	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so	The company had neither granted nor taken any loans, secured or unsecured, to / from companies / firms or other parties covered in the register maintained under section 189 of the Act, hence clauses 3(iii)a,b& c are not applicable.
a.	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NOT APPLICABLE
b.	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NOT APPLICABLE
c.	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	NOT APPLICABLE
4.	In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	During the year Company has not given any loans to Directors that would attract provisions of Section 185 of the Act. According to information and explanations provided to us in respect of investments and guarantees provisions of Section 186 of the Act have been complied.
5.	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or	The company has not accepted any deposits from the public. However, there are advances received from customers which are unadjusted for more than 365



	any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	days which according to the opinion of Independent Company Secretary obtained by the Company, does not fall under the definition of Deposits under The Companies (Acceptance of Deposits) Rules, 2014, on which we have relied.
6.	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained;	The Company has made and maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
7a	whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales Tax, , service tax, customs duty, excise duty, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	<p>According to the records of the company, the company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, VAT and other material Statutory dues applicable.</p> <p>According to information and explanations given to us there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable as per books of accounts as at 31st March 2016.</p>
b.	Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.	According to information and explanation given to us, as at the end of the financial year the disputed dues of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and VAT which have not been deposited are indicated in the Table annexed.
8	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).	In our opinion and according to the records produced to us, the company has not defaulted in repayment of its dues to any financial institution or bank during the year.
9	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	<p>According to information and explanation given to us during the year:</p> <ul style="list-style-type: none">◆ The company has not raised monies by way of public issue/ follow-on offer (including debt instruments)◆ The term loans were applied for the purpose for which they were obtained.
10	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; If yes, the nature and the amount involved to be indicated.	According to the information and explanations given to us no fraud on or by the company by its officers/ employees has been noticed or reported during the year.

11	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Provisions of Section 197 are not applicable to Government Companies vide notification no. G.S.R.463(E) dated 05.06.2015 issued by the Central Government, hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	In our opinion the Company is not a Nidhi Company, hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.	According to information and explanations given to us all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.
14	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	According to information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
15	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with the director during the year.
16	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **RAO & KUMAR**
Chartered Accountants
FRN 03089S
sd/-
CA Guru Prasad K C S
Partner
MNo.215652

Date: 26-05-2016
Place: New Delhi



Table Annexed for Sl. No. 7 (b) of CARO 2015-16.

The disputed dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited are as follows:

RINL

Name of the Statute	Nature of dues	Forum where dispute is pending	Amount (₹ in Crs.)
Finance Act, Customs & Excise Act	Excise Duty, Service Tax & CENVAT	Commissioner(Appeals)	1.05
-do-	-do-	CESTAT	105.83
-do-	Customs	CESTAT	25.30
The Andhra Pradesh General Sales Tax Act & C S T Act	-do-	STAT	2.21
-do-	-do-	Honorable High Court of Andhra Pradesh	911.66
Bihar VAT Act	VAT	Joint Commissioner of Taxes	0.05
Odisha Sales Tax Act	Sales Tax	Addl. Commissioner, Sales Tax, Orissa	0.20
West Bengal Vat Act	Sales Tax	WBCTA	0.39
Maharashtra Vat Act	Sales Tax	JCST	0.07

Annexure - B to the Independent Auditors' Report:

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2016. We report that:

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to:

- ◆ the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ◆ 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
- ◆ 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial



control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAO & KUMAR**
Chartered Accountants
FRN 03089S

sd/-
CA Guru Prasad K C S
Partner
MNo.215652

Date: 26-05-2016
Place: New Delhi

Annexure - C to the Independent Auditors' Report:

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2016. We report that:

1	Whether the Company has clear title/lease deeds for free hold and lease hold land respectively? If not please state of area of freehold and leasehold land for which title/lease deeds are not available.	Except in cases disclosed vide note no. 11.05, 11.07 and 11.08 to Financial Statements, the Company has clear title/lease deed for freehold and leasehold lands.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc, if yes, the reasons therefor and amount involved.	During the year there are cases of write off of bad debts amounting to ₹ 73.52 Lakhs which, according to the management are irrecoverable. During the year there are no instances of waiver of loans/interests.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant (s) from the Government or other authorities.	Company is maintaining proper records for inventories lying with third parties. According to information and explanations given to us, there are no gifts/grants received from Government or other Authorities during the year.

For **RAO & KUMAR**
Chartered Accountants
FRN 03089S

sd/-
CA Guru Prasad K C S
Partner
MNo.215652

Date: 26-05-2016
Place: New Delhi

Annexure -X to Directors' Report



सत्यमेव जयते

भारतीय लेखा तथा लेखापरीक्षा विभाग

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद.

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

PDCA/A/c/Desk/2015-16/RINL/1.01/146 .

दिनांक :
Date : 23 June 2016

To
The Chairman & Managing Director,
Rashtriya Ispat Nigam Limited,
Visakhapatnam

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2015-16 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully
sd/-

(Arabinda Das)
Principal Director



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the 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 26 May 2016.

I, on the 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 Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

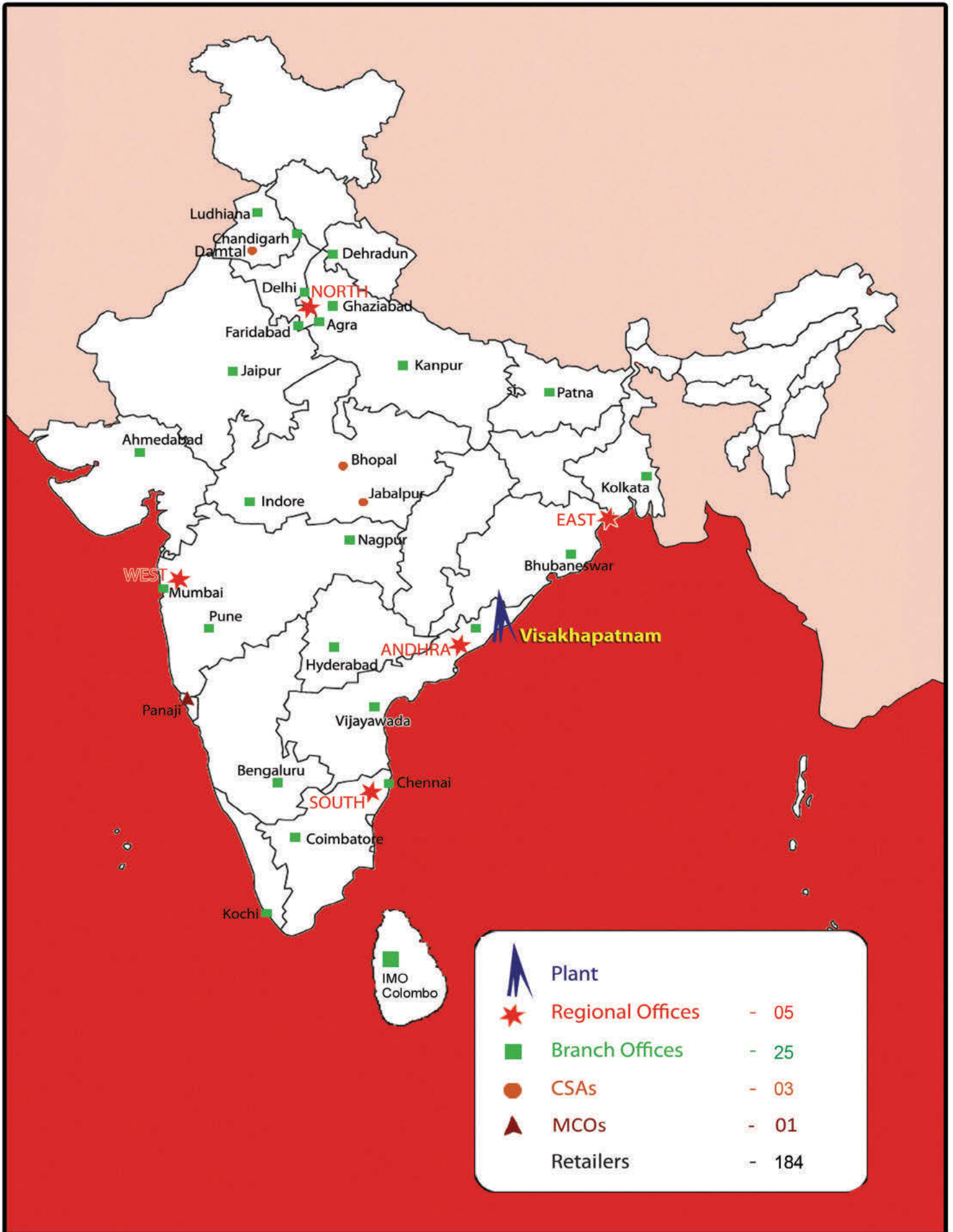
**For and on the behalf of the
Comptroller and Auditor General of India**

sd/-

(Arabinda Das)

**Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 23 June 2016**





Audited Annual Accounts

2015 - 2016



BALANCE SHEET AS AT 31st MARCH 2016
₹ Cr

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	B 01.00	4 889.85	5 189.85
Reserves and Surplus	B 02.00	4 983.35	6 404.08
NON CURRENT LIABILITIES			
Long-term borrowings	B 03.00	3 805.48	66.52
Deferred Tax Liabilities (Net)	B 04.00	448.30	444.89
Other Long-term Liabilities	B 05.00	109.81	138.27
Long-term provisions	B 06.00	853.59	557.14
CURRENT LIABILITIES			
Short-term borrowings	B 07.00	6 585.64	7 444.89
Trade payables:	B 08.00		
MSME		55.30	29.08
Other than MSME		678.26	571.52
Other current liabilities	B 09.00	6 328.91	6 979.28
Short-term provisions	B 10.00	0.00	34.61
Total		<u>28 738.49</u>	<u>27 860.13</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible assets	B 11.00	11 826.39	5 305.41
Intangible assets	B 11.00	37.49	51.33
Capital work-in-progress	B 12.00	6 979.93	11 492.98
Intangible assets under development		2.70	2.57
Non Current Investments	B 13.00	642.59	362.53
Long-term Loans and Advances	B 14.00	649.79	926.53
Other Non Current assets	B 15.00	100.43	81.32
CURRENT ASSETS			
Inventories	B 16.00	3 907.50	5 179.51
Trade receivables	B 17.00	958.11	1 035.43
Cash and Bank balances	B 18.00	45.56	63.94
Short-term Loans and Advances	B 19.00	3 440.21	3 259.83
Other Current assets	B 20.00	147.79	98.75
Total		<u>28 738.49</u>	<u>27 860.13</u>

Significant Accounting Policies [A] and

Notes to Accounts [B 01.00 to B 31.00] annexed form part of the Accounts

For and on behalf of Board of Directors

sd/-

(P. Madhusudan)

Chairman-cum-Managing Director

sd/-

(Deepak Acharya)

Company Secretary

sd/-

(T V S Krishna Kumar)

Director (Finance)

and

Chief Financial Officer

As per our report of even date
For M/s Rao & Kumar

Chartered Accountants

Regn. No (F.R.N) 003089S

sd/-

(CA Guru Prasad K C S)

Partner

M.No: 215652

Place : New Delhi

Date : 26.05.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

₹ Crs

Particulars	Note No.	For the Year ended 31 st March, 2016		For the Year ended 31 st March, 2015	
INCOME					
Revenue From Operations	B 21.00	10 132.90		10 432.17	
Less: Excise duty		1 143.40	8 989.50	1 117.81	9 314.36
Other Income	B 22.00		347.68		256.29
Total Revenue			9 337.18		9 570.65
EXPENSES					
Cost of materials consumed	B 23.00		4 141.59		5 127.54
Changes in Inventories of Semi-finished/ Finished goods	B 24.00		1149.72		(820.19)
Employees' benefits	B 25.00		1 923.20		1 918.16
Finance Costs	B 26.00		650.70		434.73
Depreciation and Amortisation	B 11.01		346.81		270.63
Other expenses	B 27.00		2 913.15		2 541.76
Total Expenses			11 125.18		9 472.63
Profit for the year before Prior Period Items (PPI)			(1788.00)		98.02
Prior Period items - Net (Debit) / Credit	B 28.00		370.77		5.33
Profit after PPI and Before Exceptional & Extraordinary Items and Tax			(1417.23)		103.35
Exceptional Items			0.00		0.00
Profit Before Extraordinary Items and Tax			(1417.23)		103.35
Extraordinary items			0.00		0.00
Profit Before Tax			(1417.23)		103.35
Tax Expense					
Current Tax (MAT)		0.00		21.70	
Less: MAT Credit Entitlement		0.00	0.00	(21.70)	0.00
Earlier years adjustments			0.00		0.00
Deferred Tax			3.41		40.97
Profit/(loss) for the period from Continuing Operations			(1420.64)		62.38
Profit/(loss) for the period from Discontinuing Operations		0.00		0.00	
Tax Expense of discontinuing Operations		0.00		0.00	
Profit/(loss) for the period from Discontinuing Operations (after Tax)			0.00		0.00
Profit / (loss) for the period			(1420.64)		62.38
Basic and Diluted Earnings Per Share (in ₹)(Face Value ₹ 10 per share)	B 29.00		(2.91)		0.09

Notes to Accounts [B 01.00 to B 31.00] annexed form part of the Accounts

For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
Chairman-cum-Managing Director
sd/-
(Deepak Acharya)
Company Secretary

sd/-
(T V S Krishna Kumar)
Director (Finance)
and
Chief Financial Officer

As per our report of even date

For M/s Rao & Kumar
Chartered Accountants
Regn. No (F.R.N) 003089S
sd/-
(CA Guru Prasad K C S)
Partner
M.No: 215652

Place : New Delhi
Date : 26.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016
₹ Crs

Particulars	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015
A. Cash flow from Operating activities		
Net Profit / (Loss) before taxation	(1417.23)	103.35
Add / (Less) Adjustments for:		
Depreciation	(23.76)	262.47
Interest and Finance Charges	651.38	435.99
Provisions	200.02	36.24
Unrealised Foreign Exchange (Gain) /Loss (Profit)/Loss on sale of fixed assets	4.28 (0.16)	(13.26) (0.46)
Interest Income	(0.29)	(0.27)
Dividend Income	0.00	(0.01)
Operating Profit Before working capital changes	(585.76)	824.05
Adjustments for		
(Increase) / Decrease in Inventories	1272.01	(1316.47)
(Increase) / Decrease in Trade Receivables	77.32	(231.78)
(Increase) / Decrease in Loans & Advances	72.09	(31.06)
(Increase) / Decrease in Other Non current assets	(19.11)	(21.09)
(Increase) / Decrease in Other current assets	(35.51)	14.39
Increase / (Decrease) in Liabilities	206.42	651.24
Cash generated from Operations	987.46	(110.72)
Income Tax paid	85.25	(71.35)
Net cash from / (used in) Operating activities	1072.71	(182.07)
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(1634.42)	(2061.71)
Proceeds from / (Purchase of) Investments	(95.90)	(236.26)
Dividend received	0.00	0.01
Proceeds from sale of Fixed Assets	0.40	0.78
Interest received	0.29	0.27
Net cash from / (used in) Investing activities	(1729.63)	(2296.91)
C. Cash flow from Financing activities		
Proceeds from / (Repayment of) Long-term loans	2599.64	2.31
Proceeds from / (Repayment of) Short-term loans	(859.25)	3704.96
Proceeds from Prime Minister's Award Funds	0.60	0.54
Proceeds from / (Repayment of) Share capital	(300.00)	(550.00)
Interest and Finance charges	(802.45)	(719.82)
Dividend Paid	0.00	(60.00)
Dividend Tax Paid	0.00	(10.96)
Net cash from / (used in) Financing activities	638.54	2367.03
Net Increase / (decrease) in Cash and Cash equivalents (A+B+C)	(18.38)	(111.95)
Opening Balance of Cash and Cash equivalents	63.94	175.89
Closing Balance of Cash and Cash equivalents	45.56	63.94
(Represented by Cash and Bank Balances - Note B 18.00)		

1. This statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3.
2. Significant Accounting Policies and Notes to Accounts form part of the Cash Flow Statement.
3. Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
 Chairman-cum-Managing Director
 sd/-
(Deepak Acharya)
 Company Secretary

sd/-
(T V S Krishna Kumar)
 Director (Finance)
 and
 Chief Financial Officer

As per our report of even date

For M/s Rao & Kumar
 Chartered Accountants
 Regn. No (F.R.N) 003089S
 sd/-
(CA Guru Prasad K C S)
 Partner
 M.No: 215652

Place : New Delhi
 Date : 26.05.2016



A. SIGNIFICANT ACCOUNTING POLICIES

1.0 GENERAL

- 1.1 Financial Statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified there under.
- 1.2 The preparation of financial statements in conformity with Generally Accepted Accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

2.0 FIXED ASSETS

- 2.1 Fixed Assets are stated at historical cost less accumulated depreciation/amortisation.
- 2.2 Expenditure attributable /relating to construction is accounted as below:
 - (a) To the extent directly identifiable to any specific plant unit. Trial run expenditure net of revenue is included in the cost of Fixed asset.
 - (b) To the extent not directly identifiable to any specific Plant Unit, is kept under 'Expenditure During Construction' for allocation to Fixed Assets and is grouped under 'Capital Work-in- Progress'.

3.0 INVESTMENTS

- 3.1 Current investments are carried at lower of cost and fair value.
- 3.2 Long-term investments are carried at cost. Diminution in value, other than temporary, is provided for.

4.0 INVENTORIES

- 4.1 Inventories are valued at lower of cost and net realizable value.
- 4.2 The basis of determining cost is:
 - 4.2.1 Finished / Semi-finished goods, Raw materials – Periodic Weighted Average cost.
 - 4.2.2 Minor Raw materials, Stores & spares, Loose tools - Dynamic Moving Weighted Average cost.
 - 4.2.3 All Materials in- transit at cost.
- 4.3 Obsolete / Surplus / Non-moving inventory are adequately provided for.

5.0 REVENUE RECOGNITION

- 5.1 Sales are recognized when all significant risks and rewards of ownership have been transferred to the buyer.
- 5.2 Export incentives under various schemes are recognized as Income on certainty of realisation.

6.0 CLAIMS

- 6.1 Claims against outside agencies are accounted on certainty of realisation.

7.0 FOREIGN CURRENCY TRANSACTIONS

- 7.1 Foreign currency monetary items are recorded at the closing rate.
- 7.2 Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.

8.0 EMPLOYEE BENEFITS

- 8.1 Provisions/Liabilities towards gratuity, postretirement medical benefits, retirement settlement benefits and Employees' Family Benefit Scheme are made based on the actuarial valuation as at the end of the year. Consequential charge to Statement of Profit and Loss includes actuarial gains/losses.

9.0 DEPRECIATION AND AMORTISATION

- 9.1 "Depreciation is provided on straight line method (SLM) up to 95% of the cost of the asset over their useful lives as in Schedule II of the Companies Act, 2013, except in respect of the following categories of assets where their useful life is based on the technical assessment of the Management (useful life given in brackets): "Telecom Equipment (5 years); Cranes, Slag Pot Carriers, Audio & Visual Equipment (10 years); Earth Moving Equipment, Forklift Trucks, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 years); Cars (6 years); Safety Equipment, Other light vehicles (8 years); Central Processors [including system Software] (4 years); Coke Ovens & Coal Chemical Plant (15 years)."
- 9.2 Amortisation of "Intangible Assets" is accounted as follows:
- 9.2.1 Mining lease rights are amortised over the period of lease.
- 9.2.2 Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of 4 years or its licence period, whichever is less.

10.0 BORROWING COSTS

- 10.1 Borrowing costs incurred for obtaining assets which take more than 12 months to get ready for its intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- 10.2 Other borrowing costs are treated as expense for the year.

11.0 PRIOR PERIOD ITEMS

- 11.1 Items of Income / Expenditure which arise in the current period as a result of errors or omissions in the preparation of Financial Statements of one or more prior years, exceeding ₹ 5,00,000/- in value, in each case are treated as prior period items.



B. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2016

Note 01.00 : Share Capital

₹ Crs

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
AUTHORISED		
4,890,000,000 (Previous Year 4,890,000,000) Equity Shares of ₹ 10 each	4890.00	4890.00
3,110,000,000 (Previous Year 3,110,000,000) Preference Shares of ₹ 10 each	3110.00	3110.00
Total	8000.00	8000.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
4,889,846,200 (Previous Year 4,889,846,200) Equity Shares of ₹ 10 each.	4889.85	4889.85
Nil (Previous Year 300,000,000) 7 % Non-Cumulative redeemable Preference shares of ₹ 10 each redeemable at par.	0.00	300.00
Total	4889.85	5189.85

01.01 : Statement of Reconciliation of Issued, Subscribed and Fully paid-up Share capital

Particulars	Equity Shares			7% Non-Cumulative Redeemable Preference Shares		
	Number	Face Value (₹)	₹ Crs	Number	Face Value (₹)	₹ Crs
Shares outstanding at the beginning of the Year	4,889,846,200 (4,889,846,200)	10 (10)	4889.85 (4889.85)	300,000,000 (850,000,000)	10 (10)	300.00 (850.00)
Add : Issue of Shares	--	--	--	--	--	--
Less : Reduction of shares	--	--	--	--	--	--
On Redemption of Preference shares of Face Value of ₹ 10 each	--	--	--	300,000,000 (550,000,000)	10 (10)	300.00 (550.00)
Shares outstanding at the end of the year	4,889,846,200 (4,889,846,200)	10 (10)	4889.85 (4889.85)	0 (300,000,000)	10 (10)	0.00 (300.00)

Sub Note: Figures in brackets are for previous year

01.02 : Details of Shareholders holding more than 5% of Share holding as at 31.03.2016

Type of Shares	Name of the Shareholder	% of Shares held	No of Shares Held
Equity	President of India	100% (100%)	4,889,846,200 (4,889,846,200)
Preference	President of India	- (100%)	- (300,000,000)

Sub Note: Figures in brackets are for previous year

01.03 : Company does not have any Holding Company as at 31.03.2016

01.04 : For the period of five years immediately preceding the Reporting date -

- (i) The Company has not allotted any shares for consideration other than for cash.
- (ii) The Company has neither issued bonus shares nor has bought back any shares .

Note 02.00 : Reserves and Surplus
₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Capital Redemption Reserve				
Amount as per last Balance Sheet	2637.47		2087.47	
Add: Amount transferred during the year	<u>300.00</u>	2937.47	<u>550.00</u>	2637.47
Other Reserves				
Reserve for Redeeming Preference Share Capital				
Amount as per last Balance Sheet	300.00		850.00	
Less: Transfer to Capital Redemption Reserve	<u>300.00</u>	0.00	<u>550.00</u>	300.00
Prime Minister's Trophy Award Fund *				
Amount as per last Balance Sheet	6.55		6.01	
Add: Amounts received / Interest accrued during the year	<u>0.60</u>	7.15	<u>0.54</u>	6.55
Cash Flow Hedge Reserve				
Amount as per last Balance Sheet	0.00		0.00	
Add: Fair value changes recognised during the year	<u>(0.69)</u>	(0.69)	<u>0.00</u>	0.00
Surplus				
Amount as per last Balance Sheet	3460.06		3457.41	
Less: Adjustment for transitional depreciation (net of deferred tax) under Schedule II of Companies Act 2013	<u>0.00</u>		<u>29.31</u>	
	3460.06		3428.10	
Add: Surplus as per Statement of Profit and Loss	(1420.64)		62.38	
Adjustment of Proposed Dividend on Redeemed Preference shares	0.00		0.00	
Adjustment of Tax on Proposed Dividend on Redeemed Preference shares	0.00		0.00	
Adjustment of Dividend Tax credit on dividend received from EIL (subsidiary)	0.00		0.00	
	<u>(1420.64)</u>		<u>62.38</u>	
Less: Appropriations				
Interim Dividend	0.00		25.35	
Proposed Dividend (Final)	0.00		0.00	
Tax on Interim Dividend	0.00		5.07	
Tax on Proposed Dividend (Final)	<u>0.00</u>		<u>0.00</u>	
	0.00	2039.42	30.42	3460.06
Total		<u>4983.35</u>		<u>6404.08</u>

* The Fund has been created out of Award conferred by the Prime Minister of India as best Integrated Steel Plant in India and the earnings from the Fund are utilised for the purposes intended for.



02.01: Proposed Dividend and Dividend per Share

Particulars		2015-16	2014-15
Preference Dividend			
Interim Dividend	₹ Crs	0.00	14.00
Proposed Dividend (Final)	₹ Crs	0.00	0.00
Number of Preference Shares	No. of shares	0	200,000,000
Dividend per share	₹	0.00	0.70
Equity Dividend			
Interim Dividend	₹ Crs	0.00	11.35
Proposed Dividend (Final)	₹ Crs	0.00	0.00
Number of Equity Shares	No. of shares	4,889,846,200	4,889,846,200
Dividend per share	₹	0.00	0.02

Note 03.00 : Long-term Borrowings

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Term Loans		
From Banks		
Secured Loans	3318.54	66.52
Unsecured Loans	486.94	0.00
	<u>3805.48</u>	<u>66.52</u>

03.01 : Details of outstanding Secured Loans from Bank are as follows:

- Indian Rupee Loan amounting to ₹ 1135.86 crores from SBI secured by primary security as pari passu first charge on current assets of the company and collateral security as pari passu first charge on fixed assets of the company. The loan is repayable on quarterly basis with an instalment of ₹ 75 Crores starting from 1st quarter of FY 2017-18.
- Indian Rupee Loan amounting to ₹ 2182.68 crores from SBI secured by pari passu first charge on fixed assets of the company. The loan is repayable by 30th June 2018 as bullet repayment.

03.02 : Details of outstanding Unsecured Loans from Bank are as follows:

USD loan amounting to 73.50 million equivalent to ₹ 486.94 Crores from EXIM bank is repayable as bullet repayment by 10th December 2018.

03.03 : Loans guaranteed by Directors and Others 0.00 0.00

03.04 : Default in repayment of loans and interest 0.00 0.00

Note 04.00 : Deferred Tax liabilities (Net)

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Deferred Tax Liabilities		
Difference between book and tax depreciation	1268.32	669.27
Sub-Total (A)	<u>1268.32</u>	<u>669.27</u>
Deferred Tax Assets		
Provision for Gratuity	0.00	4.35
Provision for Doubtful Debts, Advances, Claims, Interest	30.79	30.50
Unabsorbed Depreciation	774.60	162.16
Other Deferred Tax Assets	14.63	27.37
Sub-Total (B)	<u>820.02</u>	<u>224.38</u>
Net Deferred tax Liability	(A) - (B) 448.30	444.89

04.01 : Deferred Tax Asset on account of unabsorbed depreciation has been recognised since there is virtual certainty of realisation as the same can be carried forward over an indefinite period.

Note 05.00 : Other Long-term liabilities

₹ Crs

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
Trade Payables	0.00	0.00
Others		
Security deposits	109.30	105.28
Other Liabilities	0.51	32.99
Total	<u>109.81</u>	<u>138.27</u>

Note 06.00 : Long-term Provisions

₹ Crs

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
Provision for Employee Benefits		
Compensated Absences	262.90	76.64
Post-retirement Benefits	364.72	254.83
Employee Family Benefit Scheme	176.69	170.06
Long Service Awards	37.87	39.21
Leave Travel Concession	8.05	13.17
Others		
Mines Closure	3.36	3.23
Total	<u>853.59</u>	<u>557.14</u>

06.01 : Disclosures of Provisions required by Accounting Standard (AS) 29 'Provisions, Contingent Liabilities and Contingent Assets':

₹ Crs

Particulars	Opening Balance as at 01.04.2015	Additions during the year	Utilised during the year	Closing Balance as at 31.03.2016
Provision for Mines Closure Expenditure	3.23	0.13	0.00	3.36

Note 07.00 : Short-term Borrowings

₹ Crs

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
Loans repayable on demand		
From Banks		
Secured Loans		
Working Capital Borrowings (Secured by hypothecation of Current Assets)	811.80	1133.86
Unsecured Loans		
Working Capital Borrowings	1541.62	1085.89
Short-term Loans	860.05	1489.78
Short-term Foreign currency loans	2090.62	4827.92
Other Loans		
Unsecured		
Commercial Papers	1281.55	1483.11
Total	<u>6585.64</u>	<u>7444.89</u>

07.01 : Loans guaranteed by Directors and Others

0.00

0.00

07.02 : Default in repayment of loans and interest

0.00

0.00



Note 08.00 : Trade Payables

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
MSME	55.30	29.08
Others	678.26	571.52
Total	733.56	600.60

08.01 : Information relating to 'Supplier' under the provisions of Micro, Small and Medium Enterprise Development Act, 2006. ₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
i) The amounts due thereon remaining unpaid to any supplier as at the end of the year		
Principal	Nil	Nil
Interest	Nil	Nil
ii) Payments made beyond the appointed day and interest thereon during the year	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payments but without adding the interest specified in the Act.	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
v) The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid	Not Applicable	Not Applicable

Note 09.00 : Other Current liabilities

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Current maturities of long-term debt	0.00	1139.32
Interest accrued but not due		
Short-term borrowings	31.76	6.52
Income Tax	0.00	0.00
Advances from customers	199.01	180.81
Other advances	1.46	1.41
Earnest money, security & other deposits	136.22	116.06
Current Liabilities of Long-term Employee Benefits		
Compensated Absences	43.35	133.50
Post-retirement Benefits	25.89	20.13
Employee family Benefit Scheme	27.90	25.49
Long Service Awards	3.74	4.23
Leave Travel Concession	1.63	2.67
Other liabilities		
Sundry Creditors	463.62	395.08
Foreign Exchange Forward Contract Payables	2704.99	2333.19
Other Payables	2689.34	2620.87
Total	6328.91	6979.28

09.01 : Other Payables include net liability of ₹ 433.08 Crs (Previous year ₹ 560.99 Crs) towards provision on account of pay revision effective from 01.01.2007 in respect of Executive employees and w.e.f 01.01.2012 in respect of Non-Executive employees.

Note 10.00 : Short-term Provisions

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Provision for Employee Benefits		
Gratuity to employees	0.00	12.57
Others		
Current Income Tax	0.00	21.70
Wealth Tax	0.00	0.34
Total	0.00	34.61

Note 11.00 : Fixed Assets
₹ Crs

Particulars	Gross Block			
	As at 1 st April, 2015	Additions & adjustments	Sales & adjustments	As at 31 st March, 2016
A. TANGIBLE ASSETS				
Land				
- Freehold (Including cost of development)	55.76	4.04	--	59.80
- Leasehold	1.65	--	--	1.65
Railway Lines & sidings	236.42	0.00	--	236.42
Roads, Bridges & Culverts	194.61	41.59	--	236.20
Buildings	1312.67	99.94	--	1412.61
Plant & Equipments	11143.38	6166.53	2.12	17307.79
Furniture & Fixtures	25.71	0.89	0.07	26.53
Vehicles	17.03	4.92	0.07	21.88
Electrical Installations	747.01	45.99	0.15	792.85
Water Supply & Sewerage systems	607.31	144.14	--	751.45
Miscellaneous Assets	197.29	38.17	0.18	235.28
Total (A)	14538.84	6546.21	2.59	21082.46
<i>Figures for the previous year</i>	<i>13601.98</i>	<i>1200.93</i>	<i>264.07</i>	<i>14538.84</i>
B. INTANGIBLE ASSETS				
Computer software	63.29	0.50	--	63.79
Mining rights	5.83	--	--	5.83
Total (B)	69.12	0.50	0.00	69.62
<i>Figures for the previous year</i>	<i>14.21</i>	<i>54.91</i>	<i>0.00</i>	<i>69.12</i>
TOTAL (A+B)	14607.96	6546.71	2.59	21152.08
<i>Figures for the previous year</i>	<i>13616.19</i>	<i>1255.84</i>	<i>264.07</i>	<i>14607.96</i>

Note 11.00 : Fixed Assets Continued ...
₹ Crs

Particulars	Depreciation			Net Block		
	As at 1 st April, 2015	For the Year (incl. PPA)	Sales & adjustments	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
A. TANGIBLE ASSETS						
Land						
- Freehold (Including cost of development)	0.00	--	--	0.00	59.80	55.76
- Leasehold	0.76	0.03	--	0.79	0.86	0.89
Railway Lines & sidings	136.39	2.99	--	139.38	97.04	100.03
Roads, Bridges & Culverts	101.12	21.99	--	123.11	113.09	93.49
Buildings	666.02	28.32	--	694.34	718.27	646.65
Plant & Equipments	7493.89	(-) 99.90	2.00	7391.99	9915.80	3649.49
Furniture & Fixtures	18.00	0.93	0.04	18.89	7.64	7.71
Vehicles	12.87	0.82	0.07	13.62	8.26	4.16
Electrical Installations	382.16	39.56	0.11	421.61	371.24	364.85
Water Supply & Sewerage systems	288.03	13.40	--	301.43	450.02	319.28
Miscellaneous Assets	134.19	16.85	0.13	150.91	84.37	63.10
Total (A)	9233.43	24.99	2.35	9256.07	11826.39	5305.41
<i>Figures for the previous year</i>	<i>9071.94</i>	<i>425.24</i>	<i>263.75</i>	<i>9233.43</i>	<i>5305.41</i>	<i>4530.03</i>
B. INTANGIBLE ASSETS						
Computer software	13.44	14.06	--	27.50	36.29	49.85
Mining rights	4.35	0.28	--	4.63	1.20	1.48
Total (B)	17.79	14.34	0.00	32.13	37.49	51.33
<i>Figures for the previous year</i>	<i>11.46</i>	<i>6.33</i>	<i>0.00</i>	<i>17.79</i>	<i>51.33</i>	<i>2.75</i>
TOTAL (A+B)	9251.22	39.33	2.35	9288.20	11863.88	5356.74
<i>Figures for the previous year</i>	<i>9083.40</i>	<i>431.57</i>	<i>263.75</i>	<i>9251.22</i>	<i>5356.74</i>	<i>4532.78</i>



11.01: ALLOCATION OF DEPRECIATION

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Transitional Depreciation charged to Opening Surplus	0.00	44.41
Current Year (Profit&Loss)	346.81	270.63
Prior Periods	(370.57)	(8.16)
Total	(23.76)	306.88

11.02: Allocation of Depreciation not included above and charged to:

Expenditure During Construction 63.09 124.69

11.03: Consequent upon change in the erstwhile accounting policy 9.1.1 on Depreciation and Amortisation, the residual value amounting to ₹ 374.32 Crores charged off as depreciation in earlier years has been restored by giving credit to PPA-Adjustments. This resulted in reduction of loss by ₹ 374.32 Crores with corresponding increase in the value of Net Block of assets

11.04: The componentisation of fixed assets, as required under Schedule II to the Companies Act, 2013, has been accounted for during the year. As a result, the Loss for the Year is lower by ₹ 10.14 crores.

11.05: Land at a cost of ₹ 39.99 Crs (Previous Year ₹ 39.99 Crs) is being held in the name of President of India. The Company is holding Power of Attorney issued by Govt. of India for utilisation of the land acquired for the Project and related purposes incidental thereto.

11.06: Land includes 372.93 acres (Previous Year 367.07 acres) allotted to various agencies on lease basis.

11.07: Land includes 12.5 acres (0.03 Crs) whose title is under dispute.

11.08: Sale deeds in respect of the following assets are yet to be executed:

- a) Stockyard at Chennai (13.21 acres) ₹ 2.37 Crs (Previous year ₹ 2.37 Crs)
- b) Office building at New Delhi ₹ 25.53 Crs (Previous year ₹ 25.53 Crs)
- c) Office buildings at Ahmedabad ₹ 0.18 Crs (Previous year ₹ 0.18 Crs)
- d) Residential buildings at Kolkata ₹ 0.95 Crs (Previous year ₹ 0.95 Crs)
- e) Site for Liaison Office at Hyderabad(1 acre) ₹ 1.30 Crs (Previous year ₹ 1.30 Crs)

11.09: Fixed Assets include ₹ 0.67 Cr (Debit) [Previous Year ₹ 1.21 Cr (Credit)] representing Net Exchange Rate Variation for the year in respect of foreign currency liabilities with regard to acquisition of fixed assets prior to 1st April 2004.

11.10: Capital expenditure common to more than one asset are capitalised on the basis of consultants'/engineers' estimates.

11.11: Main plant units, including Mills, constitute "Continuous process plant".

Note 12.00 : Capital Work-In-Progress

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
-------------	---------------------------------------	---------------------------------------

Work-in-Progress (Including Material issued to contractors)

6.3 MT Expansion	4830.04		9699.10	
Others	<u>1802.41</u>	6632.45	<u>1112.80</u>	10811.90
Less: Provision for dropped SLTM Project		<u>18.27</u>	<u>6614.18</u>	<u>18.27</u> 10793.63
Expenditure during construction awaiting allocation (Note : 12.01)		<u>365.75</u>		699.35
Total		<u>6979.93</u>		<u>11492.98</u>

12.01 : Expenditure During Construction
₹ Crs

Particulars		As at	
		31 st March, 2016	31 st March, 2015
Opening Balance	(A)	699.35	479.00
Expenditure during the year:			
Employees' Remuneration & Benefits		38.76	47.34
Other Expenses & Provisions		39.19	34.87
Interest		7.19	10.84
Depreciation		63.09	124.69
		148.23	217.74
Less :			
Interest Receipts		0.00	0.00
Other Revenue		1.23	0.65
Net expenditure during the year	(B)	147.00	217.09
Total	(A+B)	846.35	696.09
Less: Amount allocated to Fixed Assets		480.60	(3.26)
Balance carried forward to Note 12.00		365.75	699.35

Note 13.00 : Non Current Investments
₹ Crs

Particulars	No. of fully paid-up Equity Shares	Face Value of each Share (₹)	As at	
			31 st March, 2016	31 st March, 2015
Traded				
Investment In Equity Instruments				
Quoted (A)				
Subsidiary				
Eastern Investments Ltd	736638 (736638)	10	361.03	361.03
Others				
Bisra Stone Lime Company Ltd *	182927 (182927)	10	0.00	0.00
Total (A)			@ 361.03	@ 361.03
Unquoted (B)				
Joint Ventures				
Rinmoil Ferro Alloys Private Limited	100000 (100000)	10	0.10	0.10
International Coal Ventures Pvt. Ltd	281357143 (1400000)	10	281.36	1.40
RINL POWERGRID TLT Pvt Ltd	100000 (-)	10	0.10	0.00
0.10			281.56	1.50
Others #				
Free Press House Limited \$	2280 (2280)	1	0.00	0.00
			0.00	0.00
Total (B)			281.56	1.50
Total (A+B)			642.59	362.53

Sub Note : Figures in the brackets are for previous year.

 @ Aggregate Market Value as at 31st March 2016 & 31st March 2015 is not ascertainable due to non-availability of Quotes in Stock Exchange.

* Investments amounted to ₹ 1000/-, hence rounded off to zero.

Others include one fully paid-up Equity share of ₹ 100/- each in Anapalli Rural Electric Co-operative society Limited.

\$ Investments amounted to ₹ 2280/-, hence rounded off to zero



13.01 : Joint Venture Entities

Details of Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture entities, all incorporated in India, are given below:

Name of the Joint Venture Entity	Percentage of Company's ownership Interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1. RINMOIL Ferro Alloys Pvt Ltd	50	*	*	*	*	*	51.55
2. International Coal Ventures Pvt Ltd	26	*	*	*	*	*	910.00
3. RINL POWERGRID TLT Pvt Ltd	50	*	*	*	*	*	41.41

(*) The accounts of the respective joint ventures for the Financial Year 2015-16 are not yet prepared.

Note 14.00 : Long-term Loans and Advances

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Capital advances				
Advances & other recoverables				
(Recoverable in cash or in kind or for value to be received)				
Government departments	3.47		2.76	
Less:Provision for doubtful advances	0.00	3.47	0.00	2.76
Contractors	35.69		78.40	
Less:Provision for doubtful advances	0.00	35.69	0.00	78.40
Suppliers	0.27		5.14	
Less:Provision for doubtful advances	0.00	0.27	0.00	5.14
Others	8.15		13.61	
Less:Provision for doubtful advances	0.00	8.15	0.00	13.61
		47.58		99.91
Security Deposits		55.72		46.07
Loans and Advances to Related parties				
Directors	0.00		0.00	
Joint venture Companies	56.46	56.46	240.62	240.62
Other Loans and Advances				
Loans				
Employees	60.33		57.44	
Others	187.10	247.43	239.88	297.32
Advances				
MAT Credit Entitlement	242.41		242.41	
Others	0.19	242.60	0.20	242.61
Total		649.79		926.53
14.01 : Particulars of Long-term Loans & Advances				
Capital Advances				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	47.58		99.91	
Doubtful	0.00	47.58	0.00	99.91
Security Deposits				
Secured & Considered good	55.72		46.07	
Unsecured & Considered good	0.00		0.00	
Doubtful	0.00	55.72	0.00	46.07
Loans and Advances to Related parties				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	56.46		240.62	
Doubtful	0.00	56.46	0.00	240.62
Other Loans and Advances				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	490.03		539.93	
Doubtful	0.00	490.03	0.00	539.93
Total		649.79		926.53
14.02 : Loans and advances due by Directors/officers		0.00		0.00
14.03 : Loans and advances due by Private Companies in which Director of the Company is a director		56.46		240.62

Note 15.00 : Other Non Current Assets
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Interest Accrued on Loans		
Employees	18.83	16.52
Others	81.60	64.80
Total	100.43	81.32

Note 16.00 : Inventories* (As taken and certified by the Management)
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Raw materials	1222.38	1109.93
Add: In-transit/ Under inspection	561.88	771.33
	1784.26	1881.26
Less: Provision for shortages	346.17	413.30
	1438.09	1467.96
Semi Finished/ Finished goods	1844.05	3066.25
Add: In-transit	29.42	63.70
	1873.47	3129.95
Stores & Spares	611.79	608.55
Add: In-transit/ Under inspection	24.38	9.41
	636.17	617.96
Less: Provision for obsolescence & Non-moving items	40.23	36.36
Total	3907.50	5179.51

* Valued as per Accounting Policy 4.0.

16.01: Quantities of Closing Stock of finished / semi-finished goods have been adopted as per book balances after duly adjusting for shortages/ excesses identified on physical verification at anytime during the year.

16.02 : No credit is taken in the accounts for the stock of run of mines ore and rejects at Mines.

16.03 : Since the Coke Breeze is used for internal consumption, the same has been valued at 60% of the production cost of metallurgical coke.

16.04 : Coke and other By products are valued at net realisable value, wherever cost is not determinable and at cost, where net realisable value is not available, except in the case of Stock of BF Granulated slag (Qty 6623106.08 tonnes) at dump yard for which no value is assigned.

16.05 : The stock of production related iron scrap and steel scrap has been considered in the accounts on the basis of visual survey / estimates and are valued at 75 % and 90 % respectively, at lower of the cost of Pig Iron and of the domestic net realisable value of Pig Iron.

Note 17.00 : Trade Receivables
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Trade Receivables		
Debts over six months	34.19	22.25
Other debts	943.62	1033.44
	977.81	1055.69
Less : Provision for doubtful debts	19.70	20.26
Total	958.11	1035.43

17.01: Particulars of Trade Receivables

Secured and considered good	0.00	0.00
Unsecured and considered good	958.11	1035.43
Doubtful	19.70	20.26

17.02 : Debts due by Directors/Officers **0.00** 0.00

17.03 : Debts due by Private Companies in which Director of the company is a Director **0.00** 0.00



Note 18.00 : Cash and Bank balances

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Cash and cash equivalents				
Balances with Banks	14.49		2.57	
Cheques, Drafts on hand	20.17		51.36	
Cash on Hand	0.03		0.04	
Other Bank Balances				
Term deposits with Banks				
Term Deposits with maturity upto 12 months	3.72		3.42	
Term Deposits with maturity more than 12 months	0.00		0.00	
Earmarked Balances with Banks				
Prime Minister's Trophy Award Fund	7.15	45.56	6.55	63.94
Total		45.56		63.94

Note 19.00 : Short-term Loans and Advances

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Loans and Advances to Related Parties				
Directors	0.00		0.00	
Joint venture Companies	0.50	0.50	2.11	2.11
Loans and Advances to Others				
Loans				
Material issued on loan		0.00		0.38
Advances & other recoverables				
(Recoverable in cash or in kind or for value to be received)				
Government departments	499.37		537.48	
Less: Provision for doubtful advances	0.00	499.37	0.00	537.48
Contractors	16.73		23.28	
Less: Provision for doubtful advances	0.20	16.53	0.20	23.08
Suppliers	52.77		38.09	
Less: Provision for doubtful advances	4.09	48.68	3.70	34.39
Employees	16.16		37.55	
Less: Provision for doubtful advances	0.16	16.00	0.16	37.39
Others	67.44		68.69	
Less: Provision for doubtful advances	11.53	55.91	11.19	57.50
Foreign Exchange Forward contract receivables	2581.96		2262.79	
Advance Income Tax	7.00	3225.45	74.00	3026.63
Prepaid expenses		6.49		7.37
Claims recoverable	153.72		168.66	
Less: Provision for doubtful claims	53.28	100.44	52.64	116.02
Deposits		107.33		107.32
Total		3440.21		3259.83

19.01: Particulars of Loans & Advances

Loans and Advances to Related parties

Secured & Considered good	0.00		0.00	
Unsecured & Considered good	0.50		2.11	
Doubtful	0.00	0.50	0.00	2.11

Loans and Advances to Others

Secured & Considered good	0.00		0.00	
Unsecured & Considered good	3439.71		3257.72	
Doubtful	69.26	3508.97	67.89	3325.61

Total **3509.47** **3327.72**

19.02 : Loans and advances due by Directors/Officers **0.00** **0.00**

19.03 : Loans and advances due by Private Companies in which Director of the Company is a Director **0.50** **2.11**

19.04 : Short-term loans and advances include ₹ 330.90 Crs (Previous year ₹ 404.06 Crs) pertaining to deposits / advances made against disputed taxes and ₹ 3.15 Crs payment made under protest to Customs Department towards 10 cases where final assessment is still pending.

Note 20.00 : Other Current assets
₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Current maturities of Long-term Loans				
Employees	19.16		18.12	
Others	31.18	50.34	<u>9.58</u>	27.70
Interest accrued on loans to employees		1.84		1.44
Interest accrued – others	15.42		9.25	
Less: Provision for Non recoverable interest	0.00	15.42	<u>0.00</u>	9.25
Other Receivables		24.58		18.28
Assets Retired from active use and held for disposal				
Value of Fixed Assets	6.30		6.67	
Less: Provision for loss	6.18	0.12	<u>6.55</u>	0.12
Deferred Premium on Forward contracts		55.49		41.96
Total		147.79		<u>98.75</u>

20.01 : Loans due by Directors

0.00
0.00
Note 21.00 : Revenue from Operations
₹ Crs

Particulars	Year ended		Year ended	
	31 st March, 2016		31 st March, 2015	
Sale of Products				
Domestic	11084.09		10809.22	
Less: Sale of Trial Run Production (Transferred to CWIP)*	<u>1406.30</u>	9677.79	<u>824.49</u>	9984.73
Export	1186.49		<u>865.44</u>	
Less: Sale of Trial Run Production (Transferred to CWIP)	<u>804.94</u>	381.55	<u>450.02</u>	415.42
		10059.34		10400.15
Other Operating Revenues				
Internal consumption		35.60		25.86
Export benefits		37.96		6.16
Total		10132.90		<u>10432.17</u>

*includes Excise Duty of ₹ 167.71 Crores (Previous Year : ₹ 96.24 Crores)

21.01 : Stocks & Sales
Quantity in Tonnes *
Value in ₹ Crs

Particulars		Pig Iron	Blooms	Saleable Steel	Sundries *		Total
					Coke & Coke Products	Others	
Opening stock	Quantity	99002	86414	363271	715694	1065743	--
		(46913)	(77564)	(145367)	(705548)	(349812)	--
	Value	213.62	240.16	1311.57	874.02	490.58	3129.95
		(119.14)	(227.11)	(479.48)	(984.62)	(254.70)	(2065.05)
Sales	Quantity	207184	128856	2715118	126517	1436157	--
		(147134)	(39324)	(2260087)	(93194)	(1419856)	--
	Value	375.01	296.71	8995.48	104.88	287.26	10059.34
		(364.21)	(128.87)	(9478.60)	(95.90)	(332.57)	(10400.15)
Closing stock	Quantity	5607	141128	171760	719263	1117558	--
		(99002)	(86414)	(363271)	(715694)	(1065743)	--
	Value	10.40	369.23	491.10	667.83	334.90	1873.47
		(213.62)	(240.16)	(1311.57)	(874.02)	(490.58)	(3129.95)

(*) Quantity for Argon Gas, Oxygen Gas and Nitrogen Gas is in Thcum.

Sub Note: (i) Figures in brackets are for previous year.

(ii) Closing stock includes 47407.706 tonnes of value ₹ 153.08 (Previous year 102295.026 tonnes of value ₹ 391.08 Crs.) in the custody of Consignment / Handling agents.



(iii) Figures of closing stock are after adjustment for internal consumption, transfers to capital works, shortages / excesses.

(iv) Others include By-products, Aux Shop, Iron & Steel Scrap, Defectives, Hot Metal, Sized Iron Ore, Gross Sinter & Base Mix.

Note 22.00 : Other Income

₹ Crs

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	Quantity	Value	Quantity	Value
Interest Income				
Banks		0.29		0.27
Loans to employees		5.01		3.99
Others		83.46		62.94
		88.76		67.20
Dividend Income		0.00		0.01
Other Non-Operating Income				
Claims for finished goods (Shortages & Missing Wagons)		0.68		1.62
Rent recoveries		4.98		7.73
Liquidated damages		26.27		14.90
Profit on sale of fixed assets		0.16		0.46
Other Income		2.01		1.56
Provision no longer required written back		0.35		2.04
Sundry receipts		224.47		160.77
Total		347.68		256.29

22.01 : Sundry Receipts includes an amount of ₹ 122.93 Crores towards reversal of Property Tax liability and however considered as Contingent liability

22.02: As against our revised claim of ₹ 418.29 Crores ,towards damages caused by Hud Hud cyclone an amount of ₹ 25 crores (PY ₹115.25 Crores), paid by the Insurance Company as an on account payment, is accounted under Sundry Receipts . The expenditure on account of damages caused by Hud Hud Cyclone is accounted under several primary heads of account as it is difficult to reliably identify the said expenditure for its separate disclosure.

Note 23.00 : Cost of Materials consumed

Quantity: Tonnes

Value: ₹ Crs

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	Quantity	Value	Quantity	Value
Raw Materials				
Coal	4259063	2997.01	3928943	3186.71
Iron Ore	5915404	2312.42	6116650	2996.01
Limestone	1160731	184.23	1031908	169.49
Dolomite	735454	129.19	700032	119.00
Silico Manganese	57811	267.71	56806	333.70
Ferro Silicon	7222	52.24	7207	53.52
Aluminium	5410	67.90	4489	68.14
Manganese Ore	8251	2.76	5214	2.43
Petroleum Coke	6828	17.54	6270	17.07
Sea Water Magnesite	6217	27.28	5505	27.06
Others		21.06		9.08
		6079.34		6982.21
Intermediate Products				
Add: Output from Trial Run Production		837.50		856.62
Less: Material Consumed for Trial Run Production		2715.31		2653.96
Less: Inter account adjustments - raw material mining cost		59.94		57.33
Total		4141.59		5127.54

23.01 : Value of Indigenous and Imported Raw materials consumed
₹ Crs

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	₹ Crs	%	₹ Crs	%
Indigenous	3122.50	51.36	3857.46	55.25
Imported	2956.84	48.64	3124.75	44.75
Total	6079.34	100.00	6982.21	100.00

Note 24.00 : Changes in Inventories of Semi-Finished / Finished goods
₹ Crs

Particulars	Year ended	Year ended
	31 st March, 2016	31 st March, 2015
Opening stock	3129.95	2181.56
Less: Closing stock	1873.47	3129.95
	1256.48	(948.39)
Less: Excise Duty on (accretion) / depletion to stock	106.76	(128.20)
Net Reduction / (Accretion)	1149.72	(820.19)

Note 25.00 : Employee Benefits
₹ Crs

Particulars	Year ended	Year ended
	31 st March, 2016	31 st March, 2015
Salaries and wages	1592.20	1620.86
Company's contribution - provident fund & other funds	126.57	156.28
Staff Welfare expenses	204.43	141.02
Total	1923.20	1918.16

25.01: Expenditure on Employee benefits not included above and charged to:
₹ Crs

Particulars	Year ended	Year ended
	31 st March, 2016	31 st March, 2015
Capital Work in Progress / Expenditure During Construction		
Salaries and wages	149.75	142.79
Company's contribution - provident fund & other funds	12.01	14.32
Staff Welfare expenses	17.36	9.50
Total	179.12	166.61

25.02 : Details of Employee Benefits

25.02.01: An amount of ₹ 6.16 Crs (Previous Year ₹ 6.18 Crs) recognised in the Statement of Profit and Loss Account and ₹ 0.66 Cr (Previous Year ₹ 0.58 Cr) in Capital Work in Progress, ₹ Nil Cr (Previous Year ₹ 0.02 Cr) in Intangible Assets under Development towards Superannuation Benefit Scheme (Post Employment Benefit - Defined Contribution Plan).

25.02.02: General Description of the Post Employment Benefits - Defined Benefit Plans:

- Provident Fund - Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate Trust, which invests the funds in permitted securities. On Contributions, the Trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the Company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.
- Gratuity - Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service.
- Retirement Settlement Benefits - The retired employees, their dependents, as also the dependents of the employees expired while in service are entitled for travel and transport expenses to their place of permanent residence. At the time of retirement, employees will be given 10 Gms. of gold each.
- Employee Family Benefit Scheme - Monthly payments, till the notional date of superannuation, to employees separated upon disablement / legal heirs of deceased employees at their option who fulfill the criteria of prescribed amount of deposit.



25.02.03: Reconciliation of present value of defined benefit obligations:

₹ Crs

Particulars	Gratuity	Retirement Medical Benefits	Retirement Settlement Benefits	Employee Family Benefit Scheme
	(700.50)	(191.59)	(52.85)	(188.56)
Service Cost	10.38	9.73	2.64	43.55
	(11.58)	(7.85)	(1.98)	(42.00)
Interest Cost	58.88	18.26	5.42	14.20
	(62.26)	(17.14)	(4.69)	(16.09)
Actuarial gains (-) / losses (+)	-15.94	89.84	2.10	-21.80
	(23.33)	(27.86)	(14.62)	(-27.50)
Benefits paid	-39.28	-7.37	-3.61	-26.91
	(-32.70)	(-6.64)	(-2.87)	(-23.60)
Obligations as at the end of the period	779.01	348.26	77.82	204.59
	(764.97)	(237.80)	(71.27)	(195.55)

Sub Note: Figures in the brackets are for previous year.

25.02.04: Against Gratuity fund of ₹ 790.86 Crs (Previous Year ₹ 753.66 Crs) covered by a separate trust's plan assets, the present value of the obligation as at 31st March, 2016 is ₹ 779.01 Crs (Previous year ₹ 764.97 Crs). The differential fund of ₹ 11.85 Crs is retained to meet the expected liability during the next financial year. The other post-employment defined benefit obligations are unfunded.

25.02.05: Reconciliation of fair value of Plan Assets:

₹ Crs

Particulars	Gratuity	
	2015-16	2014-15
Balance as at the opening of the year	753.66	717.40
Expected Return	66.57	63.23
Actuarial gains (+) / losses (-)	(1.40)	2.84
Contributions by the Employer	11.31	2.89
Benefits paid	(39.28)	(32.70)
Balance as at the end of the year	790.86	753.66

25.02.06: Reconciliation of Present Value of Defined Benefit Obligation and Fair value of Plan Assets:

₹ Crs

Particulars	Gratuity	
	2015-16	2014-15
Fair Value of Plan Assets	790.86	753.66
Present Value of Defined Benefit Obligation	779.01	764.97
Amount recognised in Balance Sheet as at the end of the period	(11.85)	11.31

25.02.07: Expenses recognised in the statement of Profit and Loss :

₹ Crs

Particulars	Gratuity	Retirement Medical Benefits	Retirement Settlement Benefits	Employee Family Benefit Scheme
	(11.58)	(7.85)	(1.98)	(42.00)
Interest Cost	58.88	18.26	5.42	14.20
	(62.26)	(17.14)	(4.69)	(16.09)
Actuarial gains (-) / losses (+)	-14.54	89.84	2.10	-21.80
	(20.49)	(27.86)	(14.62)	(-27.50)
Expected Return on Plan Assets	-66.57	0.00	0.00	0.00
	(-63.23)	(0.00)	(0.00)	(0.00)

Accounting Estimate Change on Opening obligation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total to be charged - Employees Benefits	-11.85 (31.10)	117.83 (52.85)	10.16 (21.29)	35.95 (30.59)
Amount charged to :				
Statement of Profit & Loss (Note -B 25.00)	-10.69 (28.46)	106.27 (48.35)	9.16 (19.47)	32.42 (27.98)
Expenditure During Construction	0.22 (0.44)	1.55 (0.80)	0.13 (0.33)	0.47 (0.46)
Capital Work in Progress	-1.34 (2.04)	9.73 (3.47)	0.84 (1.40)	2.97 (2.01)
Intangible Assets under Development	-0.04 (0.07)	0.29 (0.07)	0.03 (0.01)	0.09 (0.04)

Sub Note: Figures in the brackets are for previous year.

25.02.08: Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefit scheme: **₹ Crs**

Particulars	Effect of one percentage point increase in medical cost trend		Effect of one percentage point decrease in medical cost trend	
	2015-16	2014-15	2015-16	2014-15
On aggregate current service and interest cost of post retirement medical benefits	8.10	4.39	(6.48)	(3.55)
On present value of defined benefit obligations as at end of the period	67.59	41.52	(54.05)	(33.54)

25.02.09: Actuarial assumptions **₹ Crs**

Description	As at 31 st March 2016	As at 31 st March 2015
Discount Rate (per annum)	7.9%	7.8%
Mortality rate	Indian Assured lives (2006-08) Ultimate Table	Indian Assured lives (2006-08) Ultimate Table
Withdrawal rates (per annum)	1%	1%
Estimated Rate of Return on Planned Assets	9%	9%
Medical Cost Trend Rates (Per Annum)	5% of Hospital Cost and Medi-claim Premium	4.5% of Hospital Cost and Medi-claim Premium
Salary Escalation (per annum)	7%	7%
	The estimate of future salary increase considered in actuarial valuation takes into account inflation rate, seniority, industrial practices, promotion and other relevant factors on long term basis.	

25.02.10: Provident Fund: Company's contribution paid/payable during the year to Provident Funds are recognised in the Statement of Profit & Loss. The company's Provident Fund Trusts are exempted under section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemption stipulated that the employer shall make good, deficiency if any, in the interest rate declared by the Trusts vis-a-vis statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment. This Note is to be read with Note No 25.02.02.

Note 26.00 : Finance Costs **₹ Crs**

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Interest :		
Foreign currency facilities	177.25	212.79
Bank Loans & Commercial papers	463.86	217.05
Others	8.31	2.40
Other Borrowing costs	1.82	0.80
Loss/(Gain) on Foreign currency transactions and translation	(0.54)	1.69
Total	650.70	434.73



**26.01: Expenditure on Finance Costs not included above and charged to:
Capital Work in Progress / Expenditure During Construction**

Interest - Banks	215.41	172.72
------------------	--------	--------

Note 27.00 : Other expenses*

₹ Crs

Particulars	Note No.	Year ended	
		31 st March, 2016	Year ended 31 st March, 2015
Consumption of Stores and Spare parts	27.02	595.31	548.34
Power and Fuel	27.03	875.41	765.85
Repairs and Maintenance	27.04	299.75	318.71
Remuneration to Auditors	27.05	0.27	0.45
Miscellaneous Expenses	27.06	273.30	214.83
Rent		2.26	2.27
Rates and taxes		14.53	29.20
Insurance		22.42	10.34
Handling and scrap recovery		187.39	127.95
Freight outward		583.21	473.78
Provisions			
Shortage/damaged material/obsolescence/non-moving items of stores		4.40	1.42
Doubtful advances and claims		1.22	0.80
Doubtful debts		0.04	0.00
Loss on Fixed Assets Retired from active use and held for disposal		0.00	0.00
Write-offs			
Shortage/damaged material/obsolescence/non-moving items of stores		0.03	0.32
Doubtful advances and claims		0.04	0.02
Bad debts		0.06	0.00
Sundries		53.51	47.48
Total		2913.15	2541.76

* Other expenses include ₹ 8.73 Crores (P.Y. ₹ 14.04 Crores) amount of expenditure on Corporate Social Responsibility activities as per Section 135 of the Companies Act, 2013 for the FY 2015-16

27.01: Expenditure on Other expenses not included above and charged to:

₹ Crs

Particulars	Year ended	
	31 st March, 2016	Year ended 31 st March, 2015
Capital Work in Progress / Expenditure During Construction		
Power and Fuel	4.96	3.32
Repairs and maintenance - Plant and Equipment and others	0.72	1.95
Security Expenses	3.91	9.90
Travelling Expenses	5.03	4.14
Postage, telegrams and telephone	0.15	0.21
Water Charges	26.75	17.37
Advertisement	0.78	0.91
Bank Charges	0.00	0.01
Total	42.30	37.81

27.02 : Value of Indigenous and Imported Stores and Spares consumed

₹ Crs

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	₹ Crs	%	₹ Crs	%
Indigenous	527.16	88.55	485.75	88.59
Imported	68.15	11.45	62.59	11.41
Total	595.31	100.00	548.34	100.00

27.03 : Power and Fuel
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Purchased power	405.51	314.76
Coal	466.05	438.89
Furnace oil/ LSHS/ LDO	3.85	12.20
Total	875.41	765.85

27.03.01 : Cost of Power and fuel does not include the cost of generation of power and production of certain fuel elements in the Plant which are internally consumed. The related expenses have been included under the primary heads of account.

27.04 : Repairs and Maintenance
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Plant and Equipment	129.76	184.97
Buildings	34.38	36.01
Others	135.61	97.73
Total	299.75	318.71

27.05 : Remuneration to Auditors
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
As Auditor	0.15	0.22
For taxation matters	0.02	0.04
Other Services	0.06	0.01
For reimbursement of expenses	0.04	0.18
Total	0.27	0.45

27.06 : Miscellaneous Expenses
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Technical services	8.80	9.23
Travelling expenses	62.22	68.75
Printing and stationery	2.19	1.97
Postage, telegrams and telephone	4.49	4.33
Water charges	50.75	41.13
Legal expenses	1.29	1.10
Bank charges	1.06	1.57
Community Development Welfare	6.10	0.69
Donations		
CSR Foundation	2.63	2.36
Others	0.00	5.00
Security expenses	66.13	49.01
Entertainment expenses	1.14	2.90
Advertisement	9.25	11.43
Demurrages and wharfages	14.90	9.16
ISO Audit Expenses	0.04	0.04
Selling expenses	9.68	10.42
Exchange Differences (Net)	32.63	(4.26)
Total	273.30	214.83

**Note 28.00 : Prior period items**

₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Other Revenue	(0.76)	1.69
Other Expenses	(0.12)	(0.12)
Depreciation	(370.57)	(8.16)
Finance Cost	0.68	1.26
Total	(370.77)	(5.33)

Sub Note: Figures in brackets represent credit amounts.

Note 29.00 : Earning Per Share (EPS)

Particulars		2015-16	2014-15
Net Profit as per Statement of Profit & Loss.	₹ Crs	(1420.64)	62.38
Preference Dividend and Tax thereon	₹ Crs	--	16.80
Net Profit attributable to Equity Shareholders	₹ Crs	(1420.64)	45.58
Weighted average number of Equity Shares outstanding during the year	No. of shares	4889846200	4889846200
Face value per share	₹	10	10
Basic and diluted EPS	₹	(2.91)	0.09

Note 30.00 : Contingent Liabilities and Commitments (to the extent not provided for)**30.01 : Contingent Liabilities****30.01.01:** Claims against the company not acknowledged as debt

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Contractors / Suppliers / Customers	665.99	715.46
Local Authorities - State Govt.	380.28	206.34
Sales Tax matters *	1006.70	1905.37
Income Tax	195.57	214.02
Customs / Excise duty	227.46	180.45
Others	392.67	392.81

(*) No liability is expected to arise as the movement of goods were on stock transfer and Sales Tax is paid on eventual sales

30.01.02 : Claims in Courts in connection with Land Acquisition: - Amount not ascertainable.**30.01.03 :** Liability towards reimbursement of excise duty on structural works wherever applicable. - Amount not ascertainable.**30.01.04 :** Show cause notices issued by various Government Authorities are not considered as contingent liabilities.**30.02 : Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 6172.26 Crs (Previous year ₹ 5520.20 Crs).

Note 31.00 : Notes to accounts - Others**31.01 :** For a substantial portion of Loans and Advances, Trade payables/ Trade receivables / Other payables, letters seeking confirmation of balances were sent and no material discrepancies were found in respect of balances confirmed.**31.02 : Details of Foreign Exchange Transactions.**

	₹ Crs	
	2015-16	2014-15
31.02.01 : Expenditure in foreign currency		
(a) Technical consultation fee / know-how	41.60	10.22
(b) Interest	20.28	16.14
(c) Others	2.52	5.90

	<u>2015-16</u>	<u>2014-15</u>
31.02.02 : Earnings in foreign exchange		₹ Crs
(a) Export of goods (on FOB basis)	1189.63	866.39
(b) Others	9.33	2.09
31.02.03 : Value of imports during the year calculated on CIF basis		₹ Crs
(a) Raw materials	2712.08	3361.27
(b) Components and Spare parts	75.75	108.86
(c) Capital Goods	369.52	85.70

31.03 : Disclosure regarding related parties for the year 2015-16

Nature of Relationship	Name of the Related party
(a) Subsidiaries	Eastern Investments Limited The Orissa Minerals Development Company Ltd. The Bisra Stone Lime Company Limited The Borrea Coal Co. Ltd. (In Liquidation) Ordinary Shares
(b) Joint Ventures	RINMOIL Ferro Alloys Pvt Ltd International Coal Ventures Pvt Ltd RINL Powergrid TLT Pvt Ltd
(c) Key Management Personnel	Shri P.Madhusudan Shri T.V.S.Krishna Kumar Shri P.C.Mohapatra Dr. G.B.S.Prasad Shri D.N.Rao Shri T.K.Chand (Upto 27.07.2015) Shri P Raychaudhury (w.e.f. 01.03.2016)

The details of transactions between the Company and the related parties during the year are given below

₹ Crs

Nature of Transaction	Subsidiaries		Joint Venture		Key Management Personnel		Note No:
	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2016	As at 31 st March 2015	
	For the Year ended 2015-16	For the Year ended 2014-15	For the Year ended 2015-16	For the Year ended 2014-15	For the Year ended 2015-16	For the Year ended 2014-15	
Investments	361.03	361.03	281.55	1.50	0.00	0.00	B 13.00
Long-term Loans and Advances	0.00	0.00	56.46	240.62	0.00	0.00	B 14.00
Short-term loans and advances	8.96	4.98	0.50	2.11	0.00	0.00	B 19.00
Amount Withheld	0.10	0.05	0.00	0.00	0.00	0.00	B 09.00
Trade Payables	0.78	0.00	0.00	0.00	0.00	0.00	B 08.00
Remuneration	0.00	0.00	0.00	0.00	1.94	2.45	B 25.00
Dividend Received	0.00	0.01	0.00	0.00	0.00	0.00	B 22.00
Interest income	0.63	0.12	0.00	0.00	0.00	0.00	B 22.00
Cost of Materials Consumed	6.92	0.00	0.00	0.00	0.00	0.00	B 23.00
Purchase of Dolomite	0.00	0.12	0.00	0.00	0.00	0.00	B 16.00

31.04 : The Company's business is construed as one business segment which comprises of mainly production of Steel products, whose associated risks and returns are predominantly the same. Further, the Company has no geographical segments which are subject to different risks and returns. Hence no separate disclosure in terms of Accounting Standard (AS) 17 on 'Segment Reporting' is considered necessary.



31.05 : Since the Lease transactions of the Company, are incidental to the Company's main business of production & sale of Iron & Steel products, specific disclosures as per AS - 19 on 'Leases', are not considered necessary.

31.06 : The entire plant is considered as a Cash Generating Unit. As Recoverable amount of the Cash Generating Unit, being its value in use, is in excess of its carrying amount, there is no impairment loss in terms of the AS 28 - 'Impairment of assets'.

31.07 : Outstanding Derivative Contracts

31.07.01 : Outstanding forward exchange contracts entered to hedge future interest obligations on foreign currency borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
No of Contracts	9	-
US Dollar equivalent (in million)	1.63	0.00
INR equivalent (₹ Crores)	10.79	0.00

31.07.02 : Outstanding interest rate swap to hedge against interest rate changes on foreign currency borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
No of Contracts	2	-
US Dollar equivalent (in million)	0.39	0.00
INR equivalent (₹ Crores)	2.59	0.00

31.08 : Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

Subsidiaries and Joint Ventures

During the year, the Board of Directors (the Board) reviewed the affairs of subsidiaries and Joint Ventures. In accordance with Section 129(3) of the Companies Act, 2013 Consolidated Financial Statements had been prepared which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary, associate and joint venture and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report.

Subsidiaries:

1. Eastern Investments Limited (EIL) :

The income of the company is derived mainly from (i) dividends from investments in shares of various companies including subsidiary company OMDC. (ii).interest on term deposits with banks and deposits in bonds. The dividend income received from the Orissa Minerals Development Company Ltd(OMDC) during the year was ₹1.33 Crores i.e.₹4.43per each share of ₹.1 each compared to ₹0.31 Crores i.e. ₹ 1.04 per share of ₹ 1 each in 2014-15. The total income of the company for the year ended 31.03.2016 is ₹.2.24 Crores, with profit of ₹ 1.71 Crores before tax and profit of ₹ 1.44 Crores after tax.

2. The Orissa Minerals Development Company Limited (OMDC) :

There was no mining activity in the mines of OMDC owing to non-renewal of mining leases and non availability of statutory clearances. Other income was ₹ 69.97Crores during the year 2015-16 which has decreased by 6.29% as compared to that of ₹ 74.66 Crores in 2014-2015. Profit before tax during the financial year 2015-2016 stood at ₹ 18.91 Crores as compared to ₹25.84 Crores for the previous financial year 2014-15 which has decreased by 26.80 %. The net profit after tax registered a figure of ₹ 10.63 Crores for 2015-2016 which has decreased by 39.94% against ₹17.70 Crores for the previous financial year 2014-15.

The main earning of the Company is interest from the term deposits.

3. The Bisra Stone Lime Company Limited (BSLC) :

Sales turnover of the Company increased from ₹ 7.11 Crores in 2014-15 to ₹ 38.49 Crores in 2015-16 i.e. an increase of 441.65%. The improvement in operations resulted in reduction of loss from ₹ 27.27 Crores in 2014-15 to ₹ 16.17 Crores in 2015-16 i.e. a decrease of 40.70%. The accumulated loss on 31st March, 2016 is ₹175.46 Crores.

The lease deed in respect of Birmitrapur Limestone & Dolomite mines of BSLC over an area of 793.043 Ha, was executed on 18.12.2015 and registered on 30.03.2016 for the period ending 31.03.2020.

The Ministry of Environment Forest & Climate change , Govt. of India vide letter of 8th March,2016 has kindly consented to enhance the production from 0.96 MTPA to 5.26 MTPA.

Joint Ventures

1. International Coal Ventures Private Limited (ICVL) :

ICVL has 100% subsidiary in Mauritius by the name of ICVL, Mauritius which has 100% step-down subsidiary Riversdale Mining (Pty) Limited (RML) in Australia which in turn holds a share of 65% stake in Minas De Benga Mauritius Limited (a joint venture enterprise operating coal mines in Mozambique) which is running into heavy losses due to fall in international coal prices and currently no mining operation are being carried out.

2. RINMOIL Ferro Alloys Private Limited (RINMOIL) :

The company is under the process of setting up of Ferro Alloys plant and yet to commence its business operation. To make the project viable, the matter has been taken up with the Govt. Of A.P. for supply of power at reduced tariffs. The Company is also exploring alternative viable agreements for supply of power.

3. RINL Powergrid TLT Private Limited (RPTPL) :

RPTPL, a 50:50 Joint Venture company of two Navratna CPSEs of India namely Rashtriya Ispat Nigam Limited (RINL) and Power Grid Corporation of India Limited (POWERGRID),has been incorporated on 19th August, 2015 under the provisions of the Companies Act, 2013 in the jurisdiction of State of Andhra Pradesh. RPTPL is poised to commence its first phaseof project work shortly to set up a Transmission Line Tower manufacturing unit strategically located at Visakhapatnam, Andhra Pradesh.



Financial Highlights	Subsidiaries						Joint Venture		RINL Group	
	EIL		OMDC		BSLC		ICVL (Consolidated)		Consolidated	
	(Rupees in crores)		(Rupees in crores)		(Rupees in crores)		(Rupees in crores)		(Rupees in crores)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
The financial performance of Subsidiary/Joint Venture companies & RINL Group(Consolidated)										
Particulars										
Turnover	1.62	0.61	0.00	0.00	38.49	7.11	463.68	239.16	12431.92	11715.95
Profit before finance charges, Tax, Depreciation/ Amortisation (PBITDA)	1.71	(12.63)	25.91	34.54	(7.77)	(25.52)	(567.31)	(353.48)	(550.73)	755.58
Less: Finance Charges	0.00	0.00	0.00	0.00	1.28	1.35	121.98	40.30	685.07	442.81
Profit before Depreciation/ Amortisation (PBTDA)	1.71	(12.63)	25.91	34.54	(9.05)	(26.87)	(689.29)	(393.78)	(1235.80)	312.77
Less: Depreciation	0.00	0.00	7.00	8.70	7.12	0.40	73.03	47.76	380.28	286.58
Net Profit before Taxation (PBT)	1.71	(12.63)	18.91	25.84	(16.17)	(27.27)	(762.32)	(441.54)	(1616.08)	26.19
Provision for taxation	0.27	0.09	8.28	8.14	0.00	0.00	0.00	0.00	11.97	49.20
Profit/(Loss) after Taxation (PAT) before Minority Interest	1.44	(12.72)	10.63	17.70	(16.17)	(27.27)	(762.32)	(441.54)	(1628.05)	(23.01)
Provision for proposed dividend	0.29	0.00	1.59	2.66	0.00	0.00	0.00	0.00	1.88	2.66
Dividend tax on proposed dividend	0.06	0.00	0.32	0.53	0.00	0.00	0.00	0.00	0.38	0.53
Transfer to General Reserve	0.00	0.00	1.06	1.77	0.00	0.00	0.00	0.00	1.06	1.77

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

(₹ in Crores)

1	Sl. No.	1	2	3
2	Name of the Subsidiary	Eastern Investments Limited(EIL)	The Bisra Stone Lime Company Limited (Subsidiary of EIL)	The Orissa Minerals Development Company Limited (Subsidiary of EIL)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period i.e 31 st March 2016.		
4	Reporting currency and Exchange rate as on the last date of relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
5	Share Capital	1.44	87.29	0.60
6	Reserves & Surplus	267.68	(175.43)	834.34
7	Total assets	270.68	17.04	935.87
8	Total Liabilities	1.56	105.18	100.93
9	Investments	261.68	0.00	3.25
10	Turnover/ Total Income	2.24	38.92	69.97
11	Profit Before Taxation	1.71	(16.17)	18.91
12	Provision for Taxation	0.27	0.00	8.28
13	Profit After Taxation	1.44	(16.17)	10.63
14	Proposed dividend	0.00	0.00	1.59
15	% of shareholding	51.00%	50.22%*	50.01%

* Extent of holding through EIL is 50.01% and directly is 0.21%.

- | | | |
|---|---|-----|
| 1 | Name of Subsidiaries which are yet to commence operations | NIL |
| 2 | Name of Subsidiaries which have been liquidated or sold during the year | NIL |

**Part "B" : Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No.	PARTICULARS	RINMOIL Ferro Alloys Private Limited	International Coal Ventures Private Limited	RINL Powergrid TLT (P) Ltd
1	Latest Audited Balance Sheet Date	Same as holding company's Balance sheet Date i.e 31 st March 2016.		
2	Shares of Associate/ Joint Ventures held by the company on the year end			
	No.	100000	281357143	100000
	Amount of Investment in Associates/ Joint Venture (₹.in Crores)	0.10	281.36	0.10
	Extend of Holding %	50.00%	26.49%	50.00%
3	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture
4	Reason why Associate/Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet(₹.in Crores)	0.10	237.72	0.10
6	Profit/Loss(-) for the year			
i.	Considered in Consolidation	Nil	-133.90	Nil
ii.	Not Considered in Consolidation	Nil	-371.50	Nil

- Name of associates/Joint Ventures which are yet to commence operations-
(i) Rinmoil Ferro alloys Private Limited
(ii) RINL Powergrid TLT (P) Ltd
- Name of associates/Joint Ventures which have been liquidated or sold during the year- NIL

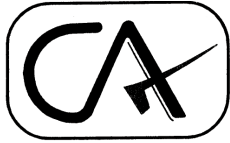
For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
Chairman-cum-Managing Director

sd/-
(J SRINIVASA RAO)
GM (Finance and Accounts) and Chief Financial Officer

sd/-
(Deepak Acharya)
Company Secretary

Place : New Delhi
Date : 31.08.2016



Rao & Kumar

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
M/s. RASHTRIYA ISPAT NIGAM LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. RASHTRIYA ISPAT NIGAM LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries and joint ventures (the Holding Company and its subsidiaries and joint ventures together referred to as "the Group" includes M/s Eastern Investments Limited (EIL) with its subsidiaries (M/s. Orissa Minerals Development Company Limited (OMDC), (M/s. Bisra Stone Lime Company Limited (BSLC) & (M/s Borrea Coal Company Limited), and its associate companies of (M/s. Burrakur Coal Company Limited) & (M/s Karanpura Development Company Limited) and Joint Ventures of the Holding Company, (M/s. RINMOIL Ferro Alloys Pvt. Ltd), (M/s. International Coal Ventures Private Limited) & (M/s. RINL Powergrid TLT Private Limited), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records

in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes



evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion:

- (1) In respect of M/s Eastern Investments Limited (subsidiary company of M/s Rashtriya Ispat Nigam Limited)
 - a. Capital reserve amounting to ₹ 13874.24 lacs as at 31st March 2016. No calculation or supporting was made available to substantiate the said amount. Hence the audit is not in a position to offer or comment on the same.
 - b. The Fixed assets are subject matter of dispute/litigation. Actual impact on the consolidated financial statements is unascertained (Refer Note No: 11.12 of notes to consolidated financial statement).
 - c. Balances of advances, Other Receivables & Payables are subject to confirmation. Effect on the profitability remains unascertained.
- (2) In respect of M/s. The Borrea Coal Company Limited, one of the subsidiary company of M/s Eastern Investments Limited has gone into liquidation and official liquidator has taken possession of all the books and records vide order dated 5th October 2005 of the Honorable High Court, Kolkata. As a result, no account of the said company has been prepared and considered in consolidated group accounts.

M/s.The Burrakur Coal Company Limited and M/s.The Karanpura Development Limited associate companies of M/s Eastern Investments Limited are under liquidation. As per the provisions of accounting Standard-23 on Accounting for Investment in Associates in Consolidated Financial Statements, issued by the Institute of Chartered accountants of India, the accounts of these companies should have been consolidated. Similarly one of the subsidiaries of Eastern Investments Limited namely M/s The

Orissa Minerals Development Company has entered into a Joint Venture with M/s. Eastern India Minerals Limited. The accounts of this Joint Venture Entity should have been consolidated as per Accounting Standard 27 on Financial Reporting on interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

Since the aforesaid accounts have not been consolidated as per the Accounting Standard 23 and Accounting Standard 27 we are not in a position to offer our comments upon the same.

- (3) In respect of M/s Orissa Minerals Development Company limited, subsidiary of Eastern Investment Limited:
 - a. The title deeds of immovable properties including leasehold were not made available.
 - b. There being restrictions on movement of the items of inventory, it could not be ascertained whether these will fetch the value at which these are stated in the financial statements.
 - c. Diminution other than temporary, if any, in the carrying amount of unquoted shares amounting to ₹ 281 lacs could not be ascertained due to non-availability of latest financial statements of the Investee Company for investment.
 - d. Balances of advances, Other Receivables & Payables are subject to confirmation. Effect on the profitability remains unascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i. In the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March 2016;
- ii. In the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date;

and

- iii. In the case of the consolidated cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

In respect of holding company namely M/s RINL

- a. We draw attention to Note 11.03 to the Consolidated Financial Statements, regarding change in accounting policy on Depreciation resulting in restoration of residual value of assets charged off to depreciation in earlier years and corresponding credit to Prior Period Adjustments by ₹ 374.32 Crores.
- b. We draw attention to Note No: 22.02 of other Notes to the Consolidated Financial Statements, regarding accounting of claim amount of ₹ 25Crores (PY ₹115.25Crores) received under Sundry Receipts and accounting of expenditure incurred due to the damages caused on account of HudHud cyclone under several Primary Heads of Account as the Company is unable to reliably identify the said expenditure for its separate disclosure.
- c. We draw attention to Note No: 31.09 regarding delay in commencement of construction of the proposed factory of M/s. RINMOIL FERRO ALLOYS PRIVATE LIMITED at Bobbili Industrial Area even after lapse of 7 years from the date of incorporation 29-07-2009. As per the management note the proposed unit construction is likely to be commenced soon. Therefore we believe it is a going concern and report accordingly.
- d. We draw attention to Note No: 31.10 regarding non-adherence to the Share Capital ratio to be maintained between SAIL, CIL, RINL, NMDC and NTPC in terms of Article 5 of the Articles of Association of M/s. INTERNATIONAL COAL VENTURES PRIVATE LIMITED.
- e. We draw attention to Note No. 31.15 which describes the mining operation of the subsidiary company namely M/s. THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED is continued to be remained suspended due to non-renewal of the leases and non-receipt of requisite clearances from the Government of Odhisa and the Central Government. These conditions indicate the existence of a material uncertainty to resume the mining operation though the financial statements have been prepared on a going concern basis mainly for the initiative taken by the Company's management for opening of the mines and resumption of mining operations.
- f. We draw attention to Note No: 30.01.09 regarding liability towards stamp duty of M/s. THE BISRA STONE LIME COMPANY LIMITED a subsidiary company of M/s. EASTERN INVESTMENTS LIMITED the holding company, acknowledgement of liability for an amount of ₹ 1068.04 lacs as against demand of ₹ 9942.11 lacs raised by the Government of Odisha towards stamp duty for lease period of 20 years till 13.01.2031, invoking Indian Stamp (Odisha Amendment) Act, 2013, and related uncertainty till Honorable High Court of Orissa judicially reviews the matter.
- g. We draw attention to Note No: 1.3.1 regarding Significant Accounting Policies where different Policies being followed by the Holding Company and its subsidiaries are mentioned (Policy Nos. 4.4, 4.5, 9.2.3, 9.3, 9.4, 9.5. 9.6 & 11.2). The impact of these varied policies is not determined by the company and not considered in the Consolidated Financial Statements.
- h. We draw attention to Note No: 1.3.8,
1. No audited accounts for the following foreign subsidiary accounts have been made available to us as on 31.03.2016 and the accounts have been consolidated on the basis of the accounts provided by the management.
 - 1.1 M/S. RIVERSDALE MINING PTY LTD (incorporated in Australia)
 - 1.2 M/S. MINAS DE BENGA MAURITIUS LTD (incorporated in Mauritius)

In the case of M/S. RIVERSDALE MINING PTY LIMITED, the last audited accounts available are as at 31.12.2014 and in the case of M/S. MINAS DE BENGA MAURITIUS LTD, the last audited accounts available are as at 31.12.2013.
 2. There are two companies namely, MINAS DE CHANGARA LDA and BENGA ENERGIA SA which as per information provided by the management are defunct companies and no accounts have been prepared for these companies. However the investment made and the loans provided to these companies have been fully written off in the accounts.
- i. We draw attention to Note No. 31.07.01. The previous year figures reflected in Consolidated Financial Statements of M/s International Coal Ventures Private Limited are unaudited in view of the fact that



this year is the first year of presentation of consolidated financial statements and the same have been considered by us for consolidation.

- j. We draw attention to Note No. 1.1 as regards subsidiary companies of International Coal Ventures Private Limited, whose standalone financial statements have not been prepared on Generally Accepted Accounting Principles followed in India and the same have been considered for consolidation. Further the impact of the same is not determined by the company and not considered in the Consolidated Financial Statements.
- k. In case of International Coal Ventures Private Limited:
- The accounting policy relating to fixed assets, investments, revenue recognition, foreign currency transaction, deferred taxes, have not been disclosed in a correct form.
 - Various notes relating to employee benefits, (Accounting Standard 15), Related Party Disclosures (Accounting Standard 18) have not been disclosed in the notes to accounts and same have not been disclosed.
 - No break up of Deferred Tax Assets and Deferred Tax Liabilities have been disclosed as required under accounting standard 22 (Deferred Taxes) and the same has been consolidated under Other Deferred Tax Assets and Liabilities respectively under Note No.4.
 - No disclosures have been made as per the requirements of Micro, Small, and Medium Enterprises Development Act, 2006.
 - The consolidated financial statements have not been prepared strictly in accordance with the format prescribed under schedule 3 of the Companies Act, 2013 as regards detailed notes Long & Short Term Borrowings, Other Current Liabilities, Long & Short Term Loans & Advances, Other Non-Current and Current Assets.

Our opinion is not modified in respect of these matters.

Other Matters

- We did not audit the financial statements / financial information of subsidiary company of the holding company namely M/s EASTERN INVESTMENTS LIMITED and its subsidiaries namely M/s. THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED, M/s. BORREA COAL COMPANY LIMITED & M/s THE BISRA STONE LIME COMPANY LIMITED and its associate companies namely M/s. THE KARANPURA DEVELOPMENT COMPANY LIMITED & M/s. THE BURRAKUR COAL COMPANY LIMITED and joint venture company of holding company namely M/s. INTERNATIONAL COAL VENTURES PRIVATE LIMITED and its subsidiaries namely International Coal Ventures Mauritius, ICVL Zambeze (Mauritius) Ltd, ICVL Ventures (Mauritius), Promark Services Ltd, Benga Power Plant (Mauritius) Ltd, (Mozambique) and other joint venture companies of holding company namely M/s. RINMOIL FERRO ALLOYS PRIVATE LIMITE & M/s. RINL POWERGRID TLT PRIVATE LIMITED whose financial statements / financial information reflect total assets of ₹ 370133.25 lacs as at 31st March, 2016, total revenues of ₹ 64203.49 lacs and net cash flows amounting to ₹ 1139.13 lacs 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 loss of ₹ 76775.06 lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, these financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- The Financial Statements of M/S RINL POWERGRID TLT PRIVATE LIMITED Joint Venture Company of the Holding Company comprise of only Balance Sheet as at 31st March 2016, Capital Work in Progress Statement as on

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and are report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. In case of International Coal Ventures Private Limited, we have considered revised audit report dated 10-08-2016 on its Consolidated Financial Statements issued as per the directions of Comptroller & Auditor General of India.

that date and the summary of significant Accounting Policies and other explanatory information. Profit & Loss Statement has not been prepared by the company as the company has not yet started any commercial activity. Consequently, it has shown all its expenses under Capital Work in Progress in its Financial Statements. Cash Flow Statement has not been prepared by the company as the company falls under Small Company category as per Section 2(85) of the Companies Act, 2013.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The provisions of Section 164 (2) of the Act are not applicable to the Government Companies vide notification No. G.S.S.R. 829[E] dated 21-10-2003 as declared by the Central Government.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by section 143(5) of the Act, we give in "Annexure – B", a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

For **Rao & Kumar**
Chartered Accountants
FRN: 03089S

sd/-
(CA K.C.S.GURU PRASAD)
Membership No: 215652
Partner.

Place: Visakhapatnam.
Date: 31-08-2016.



Annexure – A to the Independent Auditors' Report:

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2016. We report that:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31st, 2016, We have audited the internal financial controls over financial reporting of M/s Rashtriya Ispat Nigam Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled companies, that are companies incorporated in India, as of that date. In respect of Subsidiary Companies of M/s International Coal Ventures Private Limited are Companies incorporated outside India, hence the reporting on the adequacy of the internal financial controls over financial reporting in respect of those Companies is not applicable and hence this report is limited to companies incorporated in India only.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to:

- the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer Opinion

- a. According to the information and explanation given to us, one of the subsidiaries, The Orissa Minerals Development Company Ltd one of the Subsidiary of M/s Eastern Investment Limited (Subsidiary of Holding Company), is in process of establishing its internal financial control over financial reporting on criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Due to this we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion whether the said subsidiary had adequate internal financial controls over financial reporting and whether such internal controls were operating effectively at 31st March 2016. Subject to the matter discussed above, in our opinion, the Holding Company and its other Subsidiary Company, which is a company incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

- b. In respect of M/s RINMOIL Ferro Alloys Pvt Ltd. & M/s RINL Powergrid TLT Private Ltd. Joint Ventures of Holding Company since the Auditors of the aforesaid companies have not reported on internal financial controls, we have no comments in this regard.

Opinion

Subject to point No. a & b above in our opinion, the Holding Company, its subsidiary companies and jointly controlled companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

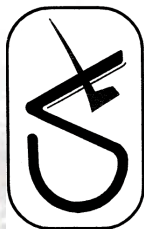
Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to One (1) subsidiary company, and Three (3) jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Rao & Kumar**
Chartered Accountants
FRN: 03089S

sd/-
(CA K.C.S.GURU PRASAD)
Membership No: 215652
Partner.

Place: Visakhapatnam.
Date: 31-08-2016.



RASHTRIYA ISPAT NIGAM LIMITED

Annexure-B

Directions under section 143(5) of The Companies Act 2013 applicable from the year 2015-16 and onwards

S.No.	Particular	Auditor's Remark						RPTLT
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	
i)	Whether the Company has clear title/lease deeds for free hold and lease land hold respectively? If not please state of area of freehold and leasehold land for which title/lease deeds are not available.	Except in cases disclosed vide note no. 11.05, 11.07 and 11.08 to Financial Statements, the Company has clear title/lease deed for freehold and leasehold lands.	a) As per the information provided by the management, the land of the company is under dispute and occupied by una authorized persons. No title deed relating to land has been made available to us for verification by the company. Value of the land being Rs.3.40lacs (net block) included in fixed assets. b) As per the information and explanation provided by the management, the land under the head block in fixed assets is under dispute. No	The title deeds of the freehold land of 207.135 acres having a book value of ₹ 28020 and lease deeds for leasehold land of 56.372 acres having a book value of ₹19677000 were not made available for our examination.	Total sanctioned mining lease area of the company (BSLC) was 1099.33 hectares spanning over 6 blocks i.e.. Block-I, Block-II, Block-III, Block-IV, Block-VI, Block-XI which expired on 29-02-2000. Subsequently, Government of Odisha vide letter no. III, (LD) / SM-77/2013/3861 dated 01-05-2015 and subsequent letter no. III, (LD) / SM-77/2013/7033 dated 29-07-2015 directed to execute lease deed over an area of 793.043 hectares covering only one block i.e.. Block-XI because the company has kept all other blocks idle. Out of 793.043 hectares surface right for mining operation has been obtained from the Collector,	The company does not own any freehold or leasehold land. Hence there is nothing to be reported in this regard.	Not Available	Not Applicable

S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
			<p>title deed relating to said land has been made available to us for verification by the company. Value of block being ₹ 0.29 Lacs (Net block) included in fixed assets.</p> <p>c) As per information and explanation provided by the company, no physical verification survey of the land has been conducted by it during the year.</p>		<p>Sundargarh for Mining and Allied activities over an area of 571.121 hectares. The freehold land within the surface right area of 571.121 hectares is of 104.925 hectares. BSLC has got the title deed over the freehold land. Encroached and disputed area is of 571.121 hectares. Eviction case is pending in different courts. The survey and demarcation work of the leasehold area has been done by the Director of Mines Office, Government of Odisha, Bhubaneswar during execution of lease deed. The scheme of mining of BSLC for the period 2013-18 has been approved by IBM, Bhubaneswar. An other freehold land of 1.522 hectares is available in expired Mining Lease of Jagda which is in possession of BSLC.</p>			
ii)	<p>Whether there are any cases of waiver/write off of debts/loans/interest etc, if yes, the reasons therefor and amount involved.</p>	<p>During the year there are cases of write off of bad debts amounting to ₹ 73.52</p>	<p>The company has written off old balances amounting to ₹ 16,638 on account advance FBT, out of which</p>	<p>No debts / loans / interest have been written off / waived. Provisions have been created</p>	<p>There is no case of waiver/write off of debts/loans/interest etc, during the year.</p>	<p>There is no case of waiver/write off of debts/loans/interest etc, and hence</p>	<p>No such cases.</p>	<p>No such cases.</p>



S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
		Lakhs which, according to the management are irrecoverable. During the year there are no instances of waiver of loans/interests.	provision for Rs. 9215 was standing in the books from earlier years. In current year accounts ₹ 7423 has been expensed.	for long outstanding balances considered doubtful of recovery.	—	there is nothing to be reported.	—	—
iii)	Whether proper records are maintained for inventories lying with third parties and assets received as gift / grant (s) from the Government or other authorities.	Company is maintaining proper records for inventories lying with third parties. According to information and explanations given to us, there are no gifts/grants received from Government or other Authorities during the year.	The Company does not hold any inventory, hence is not commented upon.	Not Applicable	The company occasionally sends inventories to third parties for repairing purpose only. Proper records are maintained for inventories lying with third parties. No asset is received as gift from Government or other authorities during the year.	There are no inventories lying with third parties nor any gifts received, hence there is nothing to be reported	Not Applicable	Not Applicable
iv)	A report on age-wise analysis of pending legal / arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	—	—	—	—	—	—	—

S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
v)	If the Company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including Committed and general reserves) may be examined including the mode and present stage of disinvestment process.	—	—	—	—	—	Not Applicable	—

II Sub-directions

S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
A.	Land:							
1.	Examine the title / lease deeds for freehold and leasehold land and report area of freehold and leasehold land for which title deeds are not available in dispute and under encroachment.	—	—	—	—	—	Not Applicable, Company has yet to take land through lease from the JV Promoter, M/s MOIL.	Not Applicable
2.	State whether the company has physically surveyed the land during the year, whether the certificate / report of the survey matches with the area of land held by the company and effective steps taken by the company to remove encroachment.						Not Applicable	Not Applicable



S.No.	Particular	Auditor's Remark												
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT						
B. 1.	Trade and other Receivables: Examine the balances of trade and other receivables and report whether the same were reconciled and unmatched items were adequately explained and adjusted in the accounts. Also report the total amount of unconfirmed balances and those outstanding for more than 3 years and more than 5 years.	—	—	—	—	—	No such balances	No such balances						
2.	Where such balances have been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial statements, and if so, difference to be disclosed.	—	—	—	—	—	Not applicable as the company has not yet commenced production and trading activities.	Not Applicable						
C.	Examine the percentage escalation in salary assumed by Management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the company to the	—	As per the information and explanation given to us by the company, the percentage escalation in salary assumed by Management for computation of actuarial liability and other employee	1. The salary escalation rates considered by the actuaries for computing liabilities towards employee benefits are as follows. <table border="1" style="margin-left: 20px;"> <tr> <td>Gratuity</td> <td>6%</td> </tr> <tr> <td>Privilege leave</td> <td>5%</td> </tr> <tr> <td>Half-Pay leave</td> <td>5%</td> </tr> </table>	Gratuity	6%	Privilege leave	5%	Half-Pay leave	5%	Actuarial valuations have been made for Gratuity liability, Earned Leave liability and Sick Leave Liability. Percentage escalation of salary is assumed to be 5%. Considering the financial status of the company that assumption appears to be reasonable. Source date provided by the	The Company has only one employee on their payroll and all the other officers working in the Company are all on ,deputation from the promoter companies	—	—
Gratuity	6%													
Privilege leave	5%													
Half-Pay leave	5%													

S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
	Actuaries for actuarial valuation were correct, complete and valid.		benefits or found to be reasonable. And source date provided by the company to the actuaries for actuarial valuation was correct, complete and valid.	As the pay revision of the company is pending before the Ministry of Steel, we are unable to comment on the adequacy of the rates considered for actuarial valuation of liabilities pertaining to employee benefits. Further the Company created a provision to cover the impact on such pay revision on the accrued liabilities towards employee benefits which, however is not based on actuarial valuation. 2. The source data provided for computation of gratuity liability was for only 511 employees out of 512 employees of the company.	company to the actuaries for actuarial valuation are obtained from employee data base of the company and appears to be correct, complete and valid.	and their gratuity, and benefits are being taken care of by their respective companies. Gratuity Act, 1972 is not applicable.		
D.	Review and report on impairment of investments of ICVL in its subsidiary companies in light of suspension of mining operations					The Company has a 100 % subsidiary in Mauritius called ICVL Mauritius which holds 100 % shares		



S.No.	Particular	Auditor's Remark						
		RINL	EIL	OMDC	BSLC	ICVPL	RINMOIL	RPTLT
	and unfavorable cost of mining.					<p>in Riversdale Mining (PTY) Limited, Australia. The company in turn holds 100% equity in Various other companies based in Mauritius. Further these Mauritius companies hold majority shares in various Mozambique based entities which own the mines. Since we have only been provided with the audited Financials of ICVL Mauritius as at 31st March 2015, a Share valuation report of ICVL Mauritius has been obtained from M/S SBI Capital Markets Limited, a Category I Merchant Bunker as at 31st December 2015 has been relied upon. This was a requirement of the Reserve Bank of India (Master Circular No 11/2015-16, dated July 1, 2015, for an investment of USD 5 Million or more) for further investment in the Equity shares of the ICVL Mauritius except in Minas De Benga Mauritius Ltd in which the company holds only 65% equity. The valuation was done based on the unaudited figures as at 31st December, 2015 since the last Audited balance sheet was only available till 31st March, 2015. The method of valuation adopted by them has been the Book Value Method and the value has been arrived at par at 1 USD.</p> <p>There being no other alternative we have based our reliance on this Valuation.</p>		

For RAO & KUMAR
Chartered Accountants
FRN 03089S

sd/-
CA Guru Prasad K.C.S
Partner
MNo.215652

Place: Visakhapatnam

Date: 31-08-2016

Annexure -XI to Directors' Report



भारतीय लेखा तथा लेखापरीक्षा विभाग

प्रधान निदेशक, वित्तीय लेखापरीक्षा एवं
प्रदेश मध्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER
AUDIT BOARD, HYDERABAD

PDCA/A/c/Desk/2015-16/RINL/1.01(A)/2022

दिनांक.
Date 20 September 2016

To
The Chairman & Managing Director,
Rashtriya Ispat Nigam Limited,
Visakhapatnam

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated Financial Statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated Financial Statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended on 31 March 2016.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2015-16 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged

Encl:- As above

Yours faithfully,

sd/-
(Arabinda Das)
Principal Director

महालेखाकर का कार्यालय परिसर, सैफाबाद, हैदराबाद - 500 004
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004
e-mail : mabhyderabad@cag.gov.in

Grasis : DIRCOMIT Fax : 040-23231318
Phone : 23233315, 23230415



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2016 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on these financial statements under Section 143 read with Section 129(4) of the Act based on the 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 31.08.2016.

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 Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of Rashtriya Ispat Nigam Limited, Eastern Investment Limited and its subsidiaries namely The Orissa Mineral Development Corporation and The Bisra Limestone Company Limited and jointly controlled entities International Coal Ventures (P) Limited and RINMOIL Ferro Alloys Private Limited, but did not conduct supplementary audit of the financial statements of jointly controlled entity RINL Powergrid TLT Private Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

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

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

sd/-

(Arabinda Das)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad

Date: 20.09.2016

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016
₹ Crs

Particulars	Note No	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	B 01.00	4 889.85	5 189.85
Reserves and Surplus	B 02.00	4 912.31	6 256.29
Minority Interest		326.30	503.60
NON CURRENT LIABILITIES			
Long-term borrowings	B 03.00	4 031.85	434.80
Deferred Tax Liabilities (Net)	B 04.00	455.51	451.51
Other Long-term Liabilities	B 05.00	126.25	155.71
Long-term provisions	B 06.00	1 105.59	656.72
CURRENT LIABILITIES			
Short-term borrowings	B 07.00	6 716.90	7 529.26
Trade payables	B 08.00		
MSME		55.30	29.08
Other than MSME		790.79	633.98
Other current liabilities	B 09.00	6 440.74	7 079.57
Short-term provisions	B 10.00	16.92	48.34
Total		<u>29 868.31</u>	<u>28 968.72</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible assets	B 11.00	12 013.66	5 424.36
Intangible assets	B 11.00	468.50	262.22
Capital work-in-progress	B 12.00	6 982.66	11 500.02
Intangible assets under development		<u>2.70</u>	<u>2.57</u>
		19 467.52	17 189.17
Goodwill on Consolidation		150.91	257.44
Non Current Investments	B 13.00	6.28	6.86
Long-term Loans and Advances	B 14.00	601.69	812.45
Other Non Current assets	B 15.00	218.78	157.16
CURRENT ASSETS			
Inventories	B 16.00	3 958.72	5 235.51
Trade receivables	B 17.00	965.17	1 045.16
Cash and Bank balances	B 18.00	868.59	858.90
Short-term Loans and Advances	B 19.00	3 457.22	3 279.80
Other Current assets	B 20.00	173.43	126.27
Total		<u>29 868.31</u>	<u>28 968.72</u>

Significant Accounting Policies [A] and
Notes to Accounts [B 01.00 to B 31.00] annexed form part of the Accounts

For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
Chairman-cum-Managing Director
sd/-
(Deepak Acharya)
Company Secretary

sd/-
(J. Srinivasa Rao)
GM (Finance & Accounts)
and
Chief Financial Officer

As per our report of even date

For M/s Rao & Kumar
Chartered Accountants
Regn. No (F.R.N) 003089S
sd/-
(CA Guru Prasad K C S)
Partner
M.No: 215652

Place : New Delhi
Date : 31.08.2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

₹ Crs

Particulars	Note No	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015
INCOME			
Revenue From Operations	B 21.00	10 294.54	10 474.08
Less: Excise duty		1 143.40	9 356.27
Other Income	B 22.00	435.85	354.27
Total Revenue		9 586.99	9 710.54
EXPENSES			
Cost of materials consumed	B 23.00	4 277.15	5 168.27
Changes in Inventories of Semi-finished/Finished goods	B 24.00	1176.66	(807.35)
Employees' benefits	B 25.00	1 989.48	1 977.11
Finance Costs	B 26.00	685.07	442.81
Depreciation and Amortisation	B 11.01	380.28	286.58
Other expenses	B 27.00	3 064.68	2 621.72
Total Expenses		11 573.32	9 689.14
Profit for the year before Prior Period Items (PPI)		(1986.33)	21.40
Prior Period items - Net (Debit) / Credit	B 28.00	370.25	4.79
Profit after PPI and Before Exceptional & Extraordinary Items and Tax		(1616.08)	26.19
Exceptional Items		0.00	0.00
Profit Before Extraordinary Items and Tax		(1616.08)	26.19
Extraordinary items		0.00	0.00
Profit Before Tax		(1616.08)	26.19
Tax Expense			
Current Tax (MAT)		7.63	31.83
Less: MAT Credit Entitlement		0.00	(21.70)
Earlier years adjustments		0.00	0.00
Deferred Tax		4.33	39.07
Profit/(loss) for the period from Continuing Operations		(1628.05)	(23.01)
Profit/(loss) for the period from Discontinuing Operations		0.00	0.00
Tax Expense of discontinuing Operations		0.00	0.00
Profit/(loss) for the period from Discontinuing Operations (after Tax)		0.00	0.00
Profit / (loss) for the period (after Tax) before Minority Interest		(1628.05)	(23.01)
Less: Share of Minority interest		(68.34)	(33.74)
Less: Capital Profit/(loss)		(27.77)	0.00
Profit / (loss) for the period after tax and Minority Interest		(1531.94)	10.73
Basic and Diluted Earnings Per Share (in ₹)(Face Value ₹10 per share)B 29.00		(3.13)	(0.01)
Significant Accounting Policies [A] and			
Notes to Accounts [B 01.00 to B 31.00] annexed form part of the Accounts			

For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
Chairman-cum-Managing Director
sd/-
(Deepak Acharya)
Company Secretary

sd/-
(J. Srinivasa Rao)
GM (Finance & Accounts)
and
Chief Financial Officer

As per our report of even date

For M/s Rao & Kumar
Chartered Accountants
Regn. No (F.R.N) 003089S
sd/-
(CA Guru Prasad K C S)
Partner
M.No: 215652

Place : New Delhi
Date : 31.08.2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016
₹ Crs

Particulars	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015
A. Cash flow from Operating activities		
Net Profit / (Loss) before taxation	(1616.08)	26.19
Add / (Less) Adjustments for:		
Depreciation	9.79	286.33
Interest and Finance Charges	685.75	444.18
Provisions	356.59	139.25
Unrealised Foreign Exchange (Gain) /Loss	4.28	(13.26)
(Profit)/Loss on sale of fixed assets	8.65	(0.46)
Interest Income	(69.08)	(75.56)
Dividend Income	0.00	(0.01)
Operating Profit Before working capital changes	(620.10)	806.66
Adjustments for		
(Increase) / Decrease in Inventories	1276.79	(1342.43)
(Increase) / Decrease in Trade Receivables	79.99	(223.77)
(Increase) / Decrease in Loans & Advances	172.52	(46.55)
(Increase) / Decrease in Other Non current assets	(61.63)	(98.53)
(Increase) / Decrease in Other current assets	(33.63)	10.98
Increase / (Decrease) in Liabilities	375.13	557.21
Cash generated from Operations	1189.09	(336.43)
Income Tax paid	(19.91)	(84.75)
Net cash from / (used in) Operating activities	1169.18	(421.18)
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(2006.38)	(2328.56)
Proceeds from / (Purchase of) Investments	115.87	(117.54)
Dividend received	0.00	0.01
Proceeds from sale of Fixed Assets	155.34	0.78
Interest received	69.08	75.56
Net cash from / (used in) Investing activities	(1666.08)	(2369.75)
C. Cash flow from Financing activities		
Proceeds from / (Repayment of) Long-term loans	2457.73	370.59
Proceeds from / (Repayment of) Short-term loans	(812.36)	3704.96
Proceeds from Prime Minister's Award Funds	0.60	0.54
Proceeds from / (Repayment of) Sharecapital	(300.00)	(550.00)
Interest and Finance charges	(836.81)	(728.01)
Dividend Paid	(2.13)	(60.38)
Dividend Tax Paid	(0.43)	(10.96)
Net cash from / (used in) Financing activities	506.59	2726.74
Net Increase / (decrease) in Cash and Cash equivalents (A+B+C)	9.69	(64.19)
Opening Balance of Cash and Cash equivalents	858.90	923.09
Closing Balance of Cash and Cash equivalents	868.59	858.90
(Represented by Cash and Bank Balances - Note B 18.00)		

1. This statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3.
2. Significant Accounting Policies and Notes to Accounts form part of the Cash Flow Statement.
3. Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

For and on behalf of Board of Directors

sd/-
(P. Madhusudan)
Chairman-cum-Managing Director
sd/-
(Deepak Acharya)
Company Secretary

sd/-
(J. Srinivasa Rao)
GM (Finance & Accounts)
and
Chief Financial Officer

As per our report of even date

For M/s Rao & Kumar
Chartered Accountants
Regn. No (F.R.N) 003089S
sd/-
(CA Guru Prasad K C S)
Partner
M.No: 215652

Place : New Delhi
Date : 31.08.2016



A. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1.0 GENERAL

- 1.1 Consolidated Financial Statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified there under except in case of foreign subsidiaries of International Coal Ventures Private Limited whose standalone financial statements have not been prepared on Generally Accepted Accounting Principles followed in India and the same has been considered for consolidation.
- 1.2 The preparation of financial statements in conformity with Generally Accepted Accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting Period. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

1.3 PRINCIPLES OF CONSOLIDATION

- 1.3.1 The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated at 1.1,4.4,4.5,9.2.3,9.3,9.4,9.5,9.6,11.2.
- 1.3.2 The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits or losses as specified in Accounting Standard 21 - "Consolidated Financial Statements."
- 1.3.3 The financial statements of Joint venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard 27 -Financial reporting of Interests in Joint ventures.
- 1.3.4 The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- 1.3.5 Minorities share in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- 1.3.6 Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

1.3.7 The Subsidiary Companies, Associate Companies considered in the Consolidated Financial Statements are as Follows:

Name of the Company	Ownership in % either directly or through Subsidiaries@ 2015-16	Ownership in % either directly or through Subsidiaries@ 2014-15	Country of Incorporation
A. Subsidiaries:			
Eastern Investments Limited (EIL)	51.00	51.00	India
Subsidiaries of EIL:			
1. The Orissa Minerals Development Company Ltd. (OMDC)	50.01	50.01	India
2. The Bisra Stone Lime Company Limited (BSLC)	50.22	50.22	India

The accounts of The Borrea Coal Company Ltd, another subsidiary and two associate companies namely The Burrakur Coal Co.Ltd and The Karanpura Development Co.Ltd of EIL have gone into liquidation and official liquidators have taken possession of all the Books and as a result, no account of the above said companies have been prepared and considered in group consolidated financial statements.

B. Joint ventures

RINMOIL Ferro Alloys Pvt.Ltd	50.00	50.00	India
International Coal Ventures Pvt Ltd (ICVL)	26.49	14.29	India
RINL POWERGRID TLT Pvt Ltd	50.00	NA	India

1.3.8 In case of ICVL,
1.3.8.1 The Subsidiary Companies considered in the Consolidated Financial Statements are as Follows:

NAME OF THE COMPANY	OWNERSHIP IN % EITHER DIRECTLY OR THROUGH SUBSIDIARIES		COUNTRY OF INCORPORATION
	2015-16	2014-15	
ICVL MAURITIUS	100%	100%	MAURITIUS
RIVERSDALE MINING (PTY) LIMITED	100%	100%	AUSTRALIA
MINAS DE BENGAL MAURITIUS LTD	65%	65%	MAURITIUS
ICVL ZAMBEZE MAURITIUS LTD	100%	100%	MAURITIUS
ICVL VENTURES MAURITIUS LTD	100%	100%	MAURITIUS
PROMARK SERVICES LTD RPU	100%	100%	MAURITIUS
BENGAL POWER PLANT MAURITIUS LTD	100%	100%	MAURITIUS
MINAS DE BENGAL LDA	65.5%	65.5%	MOZAMBIQUE
ICVL ZAMBEZE LDA	100%	100%	MOZAMBIQUE
ICVL VENTURES LDA	100%	100%	MOZAMBIQUE
MINAS DE CHANGARA LDA	75%	75%	MOZAMBIQUE
BENGAL ENERGIA SA	100%	100%	MOZAMBIQUE

1.3.8.2 The Financial Statements of Minas De Changaralda, Mozambique & Benga Energia SA, Mozambique have not been prepared as both the companies are defunct companies and hence their Financial Statements have not been considered for consolidation purpose.

1.3.8.3 The Investment made in defunct Companies have been impaired by the Investment Companies during the consolidation of accounts.



1.3.8.4 The audited accounts of Riversdale Mining Pty Limited and Minas de Benga Limited are not available and therefore management accounts have been considered for consolidation.

2.0 FIXED ASSETS

2.1 Fixed Assets are stated at historical cost less accumulated depreciation/amortisation.

2.2 Expenditure attributable /relating to construction is accounted as below:

- (a) To the extent directly identifiable to any specific plant unit. Trial run expenditure net of revenue is included in the cost of Fixed asset.
- (b) To the extent not directly identifiable to any specific Plant Unit, is kept under 'Expenditure During Construction' for allocation to Fixed Assets and is grouped under 'Capital Work-in- Progress'.

2.3 In case of OMDC:

- (i) Prospecting and development expenses incurred to prepare the mines ready for commercial exploration (i.e. in the nature of preliminary and preoperative expenses) are capitalized.
- (ii) Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets.
- (iii) Expenditure incurred for renewal of mining lease is capitalized under Mining Lease.

2.4 In case of ICVL

2.4.1 Exploration and evaluation expenditure:

Capitalisation of exploration and evaluation expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Group.

The plant and equipment's and mining developments assets essentially comprising the following projects:

- i Coal Handling and processing plant (CHPP).
- ii Conveyor construction.
- iii Rail siding construction to Moatize.
- iv Power transmission from Matambo.
- v Locomotives and wagons.

2.4.2 Rehabilitation assets

The changes in rehabilitation provision, in 2015, represents management's best estimate of the present value of the future rehabilitation costs required under the mining activities

2.4.2.1 Mine rehabilitation provision

The Company assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and cost increases. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

3.0 INVESTMENTS

3.1 Current investments are carried at lower of cost and fair value.

3.2 Long-term investments are carried at cost. Diminution in value, other than temporary, is provided for.

4.0 INVENTORIES

4.1 Inventories are valued at lower of cost and net realizable value.

4.2 The basis of determining cost is:

- 4.2.1 Finished / Semi-finished goods, Raw materials – Periodic Weighted Average cost.
- 4.2.2 Minor Raw materials, Stores & spares, Loose tools - Dynamic Moving Weighted Average cost.
- 4.2.3 All Materials in- transit at cost.
- 4.3 Obsolete / Surplus / Non-moving inventory are adequately provided for.
- 4.4 In case of OMDC:
- (i) Stock-in trade of finished goods is valued on FIFO basis
 - (ii) Quantities of Closing Stock including stock of stores & spare parts have been taken as per the physical verification done.
 - (iii) Where physical stock is more than book stock, book stock is considered for valuation of stock. However Surplus stock is valued at Rs. 1/- per LOT for the Surplus stock available as on date of closing.
 - (iv) The Excise Duty payable on closing stock of finished goods at the time of sale is not considered in valuation of closing stock.
 - (v) Raw materials, stock of stores and spare parts, loose tools are valued at Weighted Average cost.
- 4.5 In case of BSLC
- (i) Semi finished goods are valued after adjusting conversion cost.
 - (ii) Stock of Stores and spare parts, loose tools are valued at Weighted Average cost.

5.0 REVENUE RECOGNITION

- 5.1 Sales are recognized when all significant risks and rewards of ownership have been transferred to the buyer.
- 5.2 Export incentives under various schemes are recognized as Income on certainty of realisation.

6.0 CLAIMS

- 6.1 Claims against outside agencies are accounted on certainty of realisation.

7.0 FOREIGN CURRENCY TRANSACTIONS

- 7.1 Foreign currency monetary items are recorded at the closing rate.
- 7.2 Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the Period in which they arise.
- 7.3 In case of ICVL, The functional currency of subsidiary companies are in US\$ except for Riversdale Mining Pty Ltd which is having AU\$ as functional currency.
Foreign currency transactions are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate in force on the balance sheet date
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

8.0 EMPLOYEE BENEFITS

- 8.1 Provisions/Liabilities towards gratuity, postretirement medical benefits, retirement settlement benefits, and Employees' Family Benefit Scheme are made based on the actuarial valuation as at the end of the year. Consequential charge to statement of Profit and Loss includes actuarial gains/losses.

9.0 DEPRECIATION AND AMORTISATION

- 9.1 Depreciation is provided on straight line method (SLM) up to 95% of the cost of the asset over their useful lives as in Schedule II of the Companies Act, 2013, except in respect of the following categories of assets where their useful life is



based on the technical assessment of the Management (useful life given in brackets):“Telecom Equipment (5 years); Cranes, Slag Pot Carriers, Audio & Visual Equipment (10 years); Earth Moving Equipment, Forklift Trucks, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 years); Cars (6 years); Safety Equipment, Other light vehicles (8 years); Central Processors [including system Software] (4 years); Coke Ovens & Coal Chemical Plant (15 years).

9.2 Amortisation of "Intangible Assets" is accounted as follows:

9.2.1 Mining lease rights are amortised over the period of lease.

9.2.2 Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of 4 years or its licence period, whichever is less.

9.2.3 In case of BSLC.,Prospecting and development expenditure of mines is amortized over a period of ten years .

9.3 In case of EIL,Depreciation on all depreciable assets except disputed assets has been duly provided for on straight line method (SLM) up to 95% of the cost of the asset over their useful lives as in Schedule II of the Companies Act, 2013.

9.4 In case of OMDC,Depreciation is provided on straight line method (SLM) on full value of the cost of the assets over the specified period in accordance with the provision of Schedule II of the Companies Act, 2013

9.5 In case of BSLC & ICVL,Assets costing up to ₹ 5000/- are fully depreciated in the year of capitalisation. In case of ICVL, System software amortised over a period of 5 years or license period whichever is less.

9.6 In case of ICVL, Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

	Annual rate %
Buildings	4
Plant and equipment	4 – 33
Mining development assets	UOP
Transport equipment	10 –25
Other tangible assets	10 –20

9.7 In case of ICVL, Units of production basis (UOP)

9.7.1 For mining properties and leases and certain mining equipment, the consumption of the economic benefits of the asset is linked to the production level. Except as noted below, these assets are depreciated on units of production basis. In applying the units of production method, depreciation is normally calculated based on production in the period as a percentage of total expected production in current and future periods based on proved and probable reserves and, for some mines, other mineral resources. These other mineral resources may be included in depreciation calculations in limited circumstances and where there is a high degree of confidence in their economic extraction. This would be the case when the other mineral resources do not yet have the status of reserves merely because the necessary detailed evaluation work has not yet been performed and the responsible technical personnel agree that inclusion of a proportion of measured and indicated resources is appropriate based on historic reserve conversion rates.

9.7.2 In these cases, specific areas of mineralisation have to be evaluated in considerable detail before their economic status can be predicted with confidence. Where measured and indicated resources are used in the calculation of depreciation for infrastructure, primarily rail and port, which will benefit current and future mines then the measured and indicated resources may relate to mines which are currently in production or to mines which will be brought into production in the future. The quantum of resources is determined taking into account future capital costs as required by the Joint Ore Reserves Committee (JORC) code. The depreciation calculation, however, does not take into account future development costs for mines which are not yet in production.

9.7.3 Assets within operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight-line basis.

Regularly reviews the adequacy of the estimated useful life of its tangible assets. Changes in the expected useful life of assets are recorded by changing the depreciation method or period, as appropriate, and treated as changes in accounting estimates.

9.8 Leasehold land is amortized over the period of lease.

10.0 BORROWING COSTS

10.1 Borrowing costs incurred for obtaining assets which take more than 12 months to get ready for its intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.

10.2 Other borrowing costs are treated as expense for the year.

11.0 PRIOR PERIOD ITEMS

11.1 Items of Income / Expenditure which arise in the current period as a result of errors or omissions in the preparation of Financial Statements of one or more prior Years, exceeding ₹ 5,00,000/- in value, in each case are treated as prior period items.

11.2 In case of BSLC, Items of Income / Expenditure which arise in the current period as a result of errors or omissions in the preparation of Financial Statements of one or more periods, exceeding ₹ 50,000 in each case, are treated as Prior Period Items.

B. CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2016

₹ Crs

Note 01.00: Share Capital

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
AUTHORISED		
4,890,000,000 (Previous Year 4,890,000,000) Equity Shares of ₹ 10 each	4890.00	4890.00
3,110,000,000 (Previous Year 3,110,000,000) Preference Shares of ₹ 10 each	3110.00	3110.00
Total	8000.00	8000.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
4,889,846,200 (Previous Year 4,889,846,200) Equity Shares of ₹ 10 each.	4889.85	4889.85
Nil (Previous Year 300,000,000) 7 % Non-Cumulative redeemable Preference Shares of ₹ 10 each redeemable at par	0.00	300.00
Total	4889.85	5189.85

01.01 : Statement of Reconciliation of Issued, Subscribed and Fully paid-up Share capital

Particulars	Equity Shares			7% Non-Cumulative Redeemable Preference Shares		
	Number	Face Value (₹)	₹ Crs	Number	Face Value (₹)	₹ Crs
Shares outstanding as at the beginning of the Year	4,889,846,200 (4,889,846,200)	10 (10)	4889.85 (4889.85)	300,000,000 (850,000,000)	10 (10)	300.00 (850.00)
Add : Issue of Shares	-	-	-	-	-	-
Less : Reduction of shares						
On Redemption of Preference shares of Face Value of ₹ 10 each	-	-	-	300,000,000 (550,000,000)	10 (10)	300.00 (550.00)
Shares outstanding as at the end of the year	4,889,846,200 (4,889,846,200)	10 (10)	4889.85 (4,889.85)	0 (300,000,000)	10 (10)	0.00 (300.00)

Sub Note: Figures in brackets are for previous year



01.02 : Details of Shareholders holding more than 5% of Share holding as at 31.03.2016

Type of Shares	Name of the Shareholder	% of Shares held	No of Shares Held
Equity	President of India	100% (100%)	4,889,846,200 (4,889,846,200)
Preference	President of India	- (100%)	- (300,000,000)

Sub Note: Figures in brackets are for previous year

01.03 : For the period of five years immediately preceding the Reporting date -

- (i) The Company has not allotted any shares for consideration other than for cash.
- (ii) The Company has neither issued bonus shares nor has bought back any shares.

Note 02.00 : Reserves and Surplus

₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Capital Redemption Reserve				
Amount as per last Balance Sheet	2637.47		2087.47	
Additions/ (Deletions) during the year	300.00	2937.47	<u>550.00</u>	2637.47
Capital Reserve				
Amount as per last Balance Sheet	0.00		0.00	
Additions/ (Deletions) during the year	139.99	139.99	0.00	0.00
Reserve as per RBI Act (Special Reserve)				
Amount as per last Balance Sheet	0.86		0.86	
Additions/ (Deletions) during the year	0.29	1.15	<u>0.00</u>	0.86
General Reserve				
Amount as per last Balance Sheet	4.61		2.84	
Additions/ (Deletions) during the year	1.06	5.67	<u>1.77</u>	4.61
Other Reserves				
Reserve for Redeeming Preference Share Capital				
Amount as per last Balance Sheet	300.00		850.00	
Less: Transfer to Capital Redemption Reserve	300.00	0.00	<u>550.00</u>	300.00
Prime Minister's Trophy Award Fund *				
Amount as per last Balance Sheet	6.55		6.01	
Add: Amounts received / Interest accrued during the year	0.60	7.15	<u>0.54</u>	6.55
Cash Flow Hedge reserve				
Amount as per last Balance Sheet	0.00		0.00	
Add: Fair value changes recognised during the year	(0.69)	(0.69)	<u>0.00</u>	0.00
Foreign Currency Transmission/ Translation Reserve		(44.37)		(92.09)
Surplus				
Amount as per last Balance Sheet	3398.89		3443.62	
Less: Adjustment for transitional depreciation (net of deferred tax) under Schedule II of Companies Act 2013	0.00		<u>37.24</u>	
	3398.89		3406.38	
Add: Surplus as per Statement of Profit and Loss	(1531.94)		10.73	
Adjustment of Proposed Dividend on Redeemed Preference shares	0.00		0.00	
Adjustment of Tax on Proposed Dividend on Redeemed Preference shares	0.00		0.00	
Adjustment of Dividend Tax credit on dividend received from EIL (subsidiary)	0.00		0.00	
	(1531.94)		<u>10.73</u>	
Less: Appropriations				
Interim Dividend	0.00		25.35	
Proposed Dividend (Final)	1.88		2.66	
Tax on Interim Dividend	0.00		5.07	
Tax on Proposed Dividend (Final)	0.38		0.53	
General Reserve	1.06		1.77	
Special Reserve	0.29		0.00	
Adj of Minority interest	0.00		0.00	

Adj of Inter co. transactions	(2.60)		(17.16)	
	1.01	1865.94	18.22	3398.89
Total		4912.31		6256.29

* The Fund has been created out of Award conferred by the Prime Minister of India as best Integrated Steel Plant in India and the earnings from the Fund are utilised for the purposes intended for

Note 03.00 : Long-term Borrowings
₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Term Loans				
From Banks				
Secured Loans		3544.91		66.52
(Secured by hypothecation of Fixed Assets)				
Unsecured Loans		486.94		0.00
From Other Parties				
Secured Loans	0.00		0.00	
Unsecured Loans	226.37	226.37	368.28	368.28
		4031.85		434.80

03.01 : Details of outstanding Secured Loans from Bank are as follows:

- Indian Rupee Loan amounting to ₹ 1135.86 crores from SBI secured by primary security as pari passu first charge on current assets of the company and collateral security as pari passu first charge on fixed assets of the company. The loan is repayable on quarterly basis with an instalment of ₹ 75 Crores starting from 1st quarter of FY 2017-18.
- Indian Rupee Loan amounting to ₹ 2182.68 crores from SBI secured by pari passu first charge on fixed assets of the company. The loan is repayable by 30th June 2018 as bullet repayment.

03.02 : Details of outstanding Unsecured Loans from Bank are as follows:

USD loan amounting to 73.50 million equivalent to ₹ 486.94 Crores from EXIM bank is repayable as bullet repayment by 10th December 2018.

03.03 : Loans guaranteed by Directors and Others 0.00 0.00

03.04 : Default in repayment of loans and interest 0.00 0.00

Note 04.00 : Deferred Tax liabilities (Net)
₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Deferred Tax Liabilities				
Difference between book and tax depreciation		1277.57		677.97
Other Deferred Tax Liabilities		1.96		0.99
Sub-Total (A)		1279.52		678.96
Deferred Tax Assets				
Provision for Gratuity		0.00		4.35
Provision for Doubtful Debts, Advances, Claims, Interest		30.79		30.50
Unabsorbed depreciation		774.60		162.16
Other Deferred Tax Assets		18.62		30.44
Sub-Total (B)		824.01		227.45
Net Deferred tax Liability	(A) - (B)	455.51		451.51



04.01 : Deferred Tax Asset on account of unabsorbed depreciation has been recognised since there is virtual certainty of realisation as the same can be carried forward over an indefinite period in case of Holding Co.

Note 05.00 : Other Long-term liabilities

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Trade Payables	0.00	0.00
Others		
Security deposits	109.30	105.28
Other Liabilities	16.95	50.43
Total	<u>126.25</u>	<u>155.71</u>

Note 06.00 : Long-term Provisions

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Provision for Employee Benefits		
Compensated Absences	281.54	83.89
Post-retirement Benefits	364.72	254.83
Employee Family Benefit Scheme	176.69	170.06
Long Service Awards	37.87	39.21
Leave Travel Concession	8.05	13.17
Others		
Mines Closure	3.36	3.23
Provisin for Mine Rehabilitation	224.62	84.83
Accretion Provisions	5.39	4.14
Provision for Rates&Taxes	0.49	0.49
Provision for site Reclamation	2.87	2.87
Total	<u>1105.59</u>	<u>656.72</u>

06.01 : Disclosures of Provisions required by Accounting Standard (AS) 29 ' Provisions, Contingent Liabilities and Contingent Assets' for Holding Co:

₹ Crs

Particulars	Opening Balance as at 01.04.2015	Additions during the year	Utilised during the year	Closing Balance as at 31.03.2016
Provision for Mines Closure Expenditure	3.23	0.13	0.00	3.36

Note 07.00 : Short-term Borrowings

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Loans repayable on demand		
From Banks		
Secured Loans		
Working Capital Borrowings (Secured by hypothecation of Current Assets)	811.80	1133.86
Unsecured Loans		
Working Capital Borrowings	1541.62	1085.89
Short-term Loans	912.77	1489.87
Short-term Foreign currency loans	2090.62	2252.25
From Other Parties		
Unsecured Loans	78.53	84.28
Other Loans		
Unsecured		
Commercial Papers	1281.55	1483.11
Total	<u>6716.90</u>	<u>7529.26</u>
07.01 : Loans guaranteed by Directors and Others	0.00	0.00
07.02 : Default in repayment of loans and interest	0.00	0.00

Note 08.00 : Trade Payables
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
MSME	55.30	29.08
Others	790.79	633.98
Total	846.09	663.06

08.01 : Information relating to 'Supplier' under the provisions of Micro, Small and Medium Enterprise Development Act, 2006.
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
i) The amounts due thereon remaining unpaid to any supplier as at the end of the year		
Principal	<i>Nil</i>	<i>Nil</i>
Interest	<i>Nil</i>	<i>Nil</i>
ii) Payments made beyond the appointed day and interest thereon during the year	<i>Nil</i>	<i>Nil</i>
iii) The amount of interest due and payable for the period of delay in making payments but with out adding the interest specified in the Act.	<i>Nil</i>	<i>Nil</i>
iv) The amount of interest accrued and remaining unpaid at the end of the year	<i>Nil</i>	<i>Nil</i>
v) The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid	<i>Not Applicable</i>	<i>Not Applicable</i>

Note 09.00 : Other Current liabilities.
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Current maturities of long-term debt	0.00	1139.32
Interest accrued but not due		
Short-term borrowings	31.76	6.52
Income Tax	0.00	0.00
Interest accrued and due on short term borrowings	0.00	0.00
Advances from customers	213.20	203.29
Unpaid Dividend	1.20	1.82
Disputed Dividend	0.44	0.30
Unclaimed Preference Shares	0.02	0.02
Other advances	1.46	1.41
Earnest money, security & other deposits	152.84	131.98
Current Liabilities of Long-term Employee Benefits		
Compensated Absences	69.04	156.84
Post-retirement Benefits	25.89	20.13
Employee family Benefit Scheme	27.90	25.49
Long Service Awards	3.74	4.23
Leave Travel Concession	1.63	2.67
Other liabilities		
Sundry Creditors	463.62	395.08
Foreign Exchange Forward Contract Payables	2704.99	2333.19
Other Payables	2743.02	2657.28
Total	6440.74	7079.57

09.01 : Other Payables include net liability of ₹ 433.08 Crs (Previous year ₹ 560.99 Crs) towards provision on account of pay revision effective from 01.01.2007 in respect of Executive employees and w.e.f 01.01.2012 in respect of Non-Executive employees for Holding Co.



Note 10.00 : Short-term Provisions

₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Provision for Employee Benefits		
Gratuity, etc to employees	4.35	24.69
Others		
Current Income Tax	0.00	21.70
Wealth Tax	0.00	0.34
Proposed Dividend (Final)	1.09	1.33
Tax on proposed Dividend (Final)	0.22	0.27
Others	11.27	0.00
Total	16.92	48.34

Note 11.00 : Fixed Assets

₹ Crs

Particulars	Gross Block			
	As at 1 st April, 2015	Additions & adjustments	Sales & adjustments	As at 31 st March, 2016
A. TANGIBLE ASSETS				
Land				
- Freehold (Including cost of development)	55.88	4.04	--	59.92
- Leasehold	3.78	8.6	0.16	12.22
Railway Lines & sidings	242.03	0.32	--	242.35
Roads, Bridges & Culverts	197.08	41.59	--	238.67
Buildings	1346.94	99.94	(-)47.03	1493.91
Plant & Equipments	11313.91	6167.65	(-)22.44	17504
Furniture & Fixtures	27.99	0.89	0.07	28.81
Vehicles	90.29	4.92	(-)21.37	116.58
Electrical Installations	749.35	45.99	0.15	795.19
Water Supply & Sewerage systems	638.35	144.14	--	782.49
Miscellaneous Assets	203.22	38.17	0.18	241.21
Total (A)	14868.82	6556.25	(90.28)	21515.35
<i>Figures for the previous year</i>	13685.04	1449.27	265.50	14868.82
B. INTANGIBLE ASSETS				
Computer software	63.32	0.5	--	63.82
Mining rights	740.17	218.63	(-)317.39	1276.19
Total (B)	803.49	219.13	(-)317.39	1340.01
<i>Figures for the previous year</i>	106.07	697.43	--	803.49
TOTAL (A+B)	15672.31	6775.38	(-)407.67	22855.36
<i>Figures for the previous year</i>	13791.11	2146.70	265.50	15672.31

Note 11.00 : Fixed Assets Continued ...

₹ Crs

Particulars	Depreciation			Net Block		
	As at 1 st April, 2015	For the Year (incl. PPA)	Sales & adjustments	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
A. TANGIBLE ASSETS						
Land						
- Freehold (Including cost of development)	0.00	--	--	0.00	59.92	55.88
- Leasehold	1.11	6.94	0.16	7.89	4.33	2.67
Railway Lines & sidings	139.41	3.45	--	142.86	99.49	103.82
Roads, Bridges & Culverts	101.30	23.56	--	124.86	113.81	93.49
Buildings	675.47	29.01	(-) 1.37	705.85	788.06	673.95
Plant & Equipments	7621.01	(-) 94.02	(-) 5.14	7532.13	9971.87	3693.04
Furniture & Fixtures	19.08	1.12	0.04	20.16	8.65	9.50
Vehicles	47.05	5.76	(-) 4.76	57.57	59.01	43.23
Electrical Installations	383.61	39.86	0.11	423.36	371.83	364.85

Water Supply & Sewerage systems	316.82	13.66	--	330.48	452.01	319.28
Miscellaneous Assets	139.59	17.06	0.13	156.53	84.68	64.65
Total (A)	9444.45	46.40	-10.83	9501.69	12013.66	5424.36
<i>Figures for the previous year</i>	9264.81	435.56	255.92	9444.45	5424.36	
B. INTANGIBLE ASSETS						
Computer software	13.47	14.06	--	27.53	36.29	210.46
Mining rights	527.81	12.42	(-) 303.75	843.98	432.21	51.76
Total (B)	541.28	26.48	-303.75	871.51	468.50	262.22
<i>Figures for the previous year</i>	529.32	11.96	0.00	541.28	262.21	
TOTAL (A+B)	9985.73	72.88	-314.58	10373.20	12482.16	5686.58
<i>Figures for the previous year</i>	9794.13	447.52	255.92	9985.73	5686.58	

11.01: ALLOCATION OF DEPRECIATION
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Transitional Deprecation charged to Opening Surplus	0.00	44.41
Current Year (Profit & Loss)	380.28	286.58
Prior Periods	(370.49)	(8.16)
Total	9.79	322.83

11.02: Allocation of Depreciation not included above and charged to:

Expenditure During Construction **63.09** 124.69

11.03 : In case of Holding Co, Consequent upon change in the erstwhile accounting policy 9.1.1 on Depreciation and Amortisation, the residual value amounting to ₹ 374.32 Crores charged off as depreciation in earlier years has been restored by giving credit to PPA-Adjustments. This resulted in reduction of loss by ₹ 374.32 Crores with corresponding increase in the value of Net Block of assets

11.04: The componentisation of fixed assets, as required under Schedule II to the Companies Act, 2013, has been accounted for during the year. As a result, the Loss for the Year is lower by ₹ 10.14 for Holding Co.

11.05: Land at a cost of ₹ 39.99 Crs (Previous Year ₹ 39.99 Crs) is being held in the name of President of India. The Company is holding Power of Attorney issued by Govt. of India for utilisation of the land acquired for the Project and related purposes incidental thereto for Holding Co.

11.06: Land includes 372.93 acres (Previous Year 367.07 acres) allotted to various agencies on lease basis for Holding Co.

11.07: Land includes 12.5 acres (₹ 0.03 Crs) whose title is under dispute for Holding Co.

11.08: Sale deeds in respect of the following assets are yet to be executed in respect of Holding Co:

- a) Stockyard at Chennai (13.21 acres) ₹ 2.37 Crs (Previous year ₹ 2.37 Crs)
- b) Office building at New Delhi ₹ 25.53 Crs (Previous year ₹ 25.53 Crs)
- c) Office buildings at Ahmedabad ₹ 0.18 Crs (Previous year ₹ 0.18 Crs)
- d) Residential buildings at Kolkata ₹ 0.95 Crs (Previous year ₹ 0.95 Crs)
- e) Site for Liaison Office at Hyderabad (1 acre) ₹ 1.30 Crs (Previous year ₹ 1.30 Crs)

11.09: Fixed Assets include ₹ 0.67 Cr (Debit) [Previous Year ₹ 1.21 Cr (Credit)] representing Net Exchange Rate Variation for the year in respect of foreign currency liabilities with regard to acquisition of fixed assets prior to 1st April 2004.

11.10: Capital expenditure common to more than one asset are capitalised on the basis of consultants'/engineers' estimates.

11.11: Main plant units, including Mills, constitute "Continuous process plant".

11.12: Certain Fixed Assets of Subsidiary EIL comprising of Land, Building, Railway Siding etc are under subject matter of litigation/ dispute and ultimate impact of the same on the consolidated financial statements is unascertained.

11.13: Provision for rent & cess on Lawrence Property has not been provided in the books of the Subsidiary EIL and the exact amount is unascertainable.

11.14: The effects of change in % of Share holding in ICVL-JV during FY-15-16 is shown in Adjustments column of Fixed Assets Schedule.



Note 12.00 : Capital Work-In-Progress

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Work-in-Progress (Including Material issued to contractors)				
6.3 MT Expansion	4830.04		9699.10	
Others	1804.64	6634.68	1119.84	10818.94
Less: Provision for dropped SLTM Project		18.39		18.27
Expenditure during construction awaiting allocation (Note : 12.01)		366.37		699.35
Total		6982.66		11500.02

12.01 : Expenditure During Construction

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Opening Balance	(A)	699.96		479.00
Expenditure during the year:				
Employees' Remuneration & Benefits		38.76		47.34
Other Expenses & Provisions		39.20		34.87
Interest		7.19		10.84
Depreciation		63.10	148.25	124.69
Less :				
Interest Receipts		0.00		0.00
Other Revenue		1.24		0.65
Net expenditure during the year	(B)	147.00		217.09
Total	(A+B)	846.97		696.09
Less: Amount allocated to Fixed Assets		480.60		(3.26)
Balance carried forward to Note 12.00		366.37		699.35

Note 13.00 : Non Current Investments

₹ Crs

Particulars	No. of fully paid-up Equity Shares	Face Value of each Share (₹)	As at 31 st March 2016	As at 31 st March 2015
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Non-Traded

Quoted (A)

DEBENTURES Fully Paid :

5% Woodland Nursing Home @ ₹ 100/- each. (Formerly, East India Clinic Ltd.)	95	100	0.00	0.00
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BONDS AND MUTUAL FUNDS

Master Share - Unit Trust of India.	2880		0.00	0.00
Capital Growth Unit Scheme 1992(Master Gain 1992)	3000		0.00	0.00
7.7% IDBI R.I.Omni Bond-II of ₹ 10,00,000/- each	1	1000000	-	0.10
7.61% State Development Loan (SDL) 2016 of ₹100 per unit.	14000	100	-	0.14
9.05% Hudco 2016 Bonds of ₹10,00,000/- each.	10	1000000	1.01	1.01
8.85% IDBI OMNI Bonds of ₹10,00,000/- each.	20	1000000	2.00	2.00
8.95% Gujarat Electricity Bond	100	1000000	0.44	3.45
				0.74
				4.00

ORDINARY SHARES of ₹ 10/- each fully paid :

DPSC Ltd (Formally Dishergarh Power Supply Co. Ltd.)	344770	10	0.01	0.01
The Associated Cement Co. Ltd	400	10	0.00	0.00
Titagarh Industries Ltd. (Formerly, The Titagarh Paper Mills Co. Ltd.) (Partial)	615	10	0.17	0.17
Bharat Earth Movers Ltd	200	10	0.00	0.00

Reliance Industries Ltd. (RIL)	86	10	0.00		0.00	
Ispat Profiles Ltd	500	10	0.00		0.00	
Steel Authority of India Ltd.	1000	10	0.01		0.01	
I.T.C. Ltd.	15000	10	0.02		0.02	
H.D.F.C. Bank.	1500	10	0.00		0.00	
J S W Limited. (formerly, Jindal Vijaynagar Steel)	30	10	0.00	0.21	0.00	0.21
Total (A)				<u>3.66</u>		<u>4.21</u>
Unquoted (B)						
Unquoted (B)						
DEBENTURES Fully Paid :						
8% Kumardhubi Engg. Works Ltd of ₹ 500/- each.	58	500	0.00		0.00	
				0.00		0.00
PREFERENCE SHARES of ₹100/- each fully paid :						
7% Birds Jute & Exports Ltd.	263	100	0.00		0.00	
5.5% Kumardhubi Fireclay & Silica Works Ltd. (2nd Pref.)	1260	100	0.01		0.01	
9.5% Kumardhubi Engg. Works Ltd.	50	100	0.00	0.01	0.00	0.01
ORDINARY SHARES of ₹ 100/- each fully paid :						
Birds Jute & Exports Ltd.	4650	100	0.05		0.05	
The Kinnison Jute Mills Co.Ltd.	25645	100	0.27		0.27	
Union Jute Co. Ltd.	18028	100	0.25		0.25	
Kalinga Cement Ltd.	6000	100	0.00		0.00	
Others#						
Sri Aurobindo Sahayog Samity Ltd.	1	100	-	0.57	0.00	0.58
ORDINARY SHARES of ₹ 10/- each fully paid :						
Eastern News Paper (Formaly Chora Investment Co. Ltd.)	83	10	0.00		0.00	
East India Minerals Limited	2811010	10	2.81		2.81	
The Burrakur Coal Co. Ltd. (In Liquidation)	475300	10	0.41		0.41	
Holman Climax Manufacturing Ltd.	123598	10	0.10		0.10	
The Karanpura Development Co. Ltd.	79850	10	0.06		0.06	
Kumardhubi Fireclay & Silica Works Ltd.	146764	10	0.20		0.20	
Woodland Multispeciality Hospital Ltd	1950	10	0.00		0.00	
Sijua (Jherriah) Electric Supply Co. Ltd.	73632	10	0.05	3.63	0.05	3.63
ORDINARY SHARES of ₹ 1/- each fully paid :						
Free Press House Limited	2280	1	-	0.00		0.00
INVESTMENT IN Subsidiary COMPANY :						
(Equity Shares of ₹ 10/- each)						
The Borrea Coal Co. Ltd. (In Liquidation)	84640	10		0.07		0.07
Investment in Equity shares of Benga subsidiary-Benga Energia				0.00		0.01
Investment in Equity shares of Minas De ChanSak Limitada Mozambique				0.00		0.00
Total (B)				4.28		4.29
Total (A+B)				<u>7.94</u>		<u>8.49</u>
Less : Provision for diminution in the value of investments			(1.63)		(1.63)	
Provision for excess of cost over Redemption Value			(0.03)	(1.66)	0.00	(1.63)
				<u>6.28</u>		<u>6.86</u>
Market Value of Quoted Investments				4.37		4.60
Sub Note						

* Investments amounted upto ₹ 50000/-, are rounded off to zero.

Others include one fully paid-up Equity share of ₹ 100/- each in Anakapalli Rural Electric Co-operative society Limited.



13.01 : Joint Venture Entities

Details of Company's share of ownership interest, contingent liabilities and capital commitments in the joint venture entities, all incorporated in India, are given below:

Name of the Joint Venture Entity	Percentage of Company's ownership Interest	Contingent Liabilities	Capital Commitments
1. RINMOIL Ferro Alloys Pvt Ltd	50	Nil	51.55
2. International Coal Ventures Pvt Ltd	26	Nil	910.00
3. RINL POWERGRID TLT Pvt Ltd	50	Nil	41.41

Note 14.00 : Long-term Loans and Advances

₹ Crs

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
Capital advances				
Advances & other recoverables				
(Recoverable in cash or in kind or for value to be received)				
Government departments	3.47		2.76	
Less:Provision for doubtful advances	<u>0.00</u>	<u>3.47</u>	<u>0.00</u>	<u>2.76</u>
Contractors	35.69		78.40	
Less:Provision for doubtful advances	<u>0.00</u>	<u>35.69</u>	<u>0.00</u>	<u>78.40</u>
Suppliers	0.27		5.14	
Less:Provision for doubtful advances	<u>0.00</u>	<u>0.27</u>	<u>0.00</u>	<u>5.14</u>
Others	9.84		18.25	
Less:Provision for doubtful advances	<u>0.74</u>	<u>9.09</u>	<u>0.74</u>	<u>17.50</u>
		48.52		103.80
Security Deposits		58.86		49.16
Loans and Advances to Related parties				
Directors	0.00		0.00	
Joint venture Companies	<u>4.25</u>	<u>4.25</u>	<u>119.54</u>	<u>119.54</u>
Other Loans and Advances				
Loans				
Employees	60.33		57.44	
Others	<u>187.10</u>	<u>247.43</u>	<u>239.90</u>	<u>297.34</u>
Advances				
MAT Credit Entitlement	242.41		186.88	
Others	<u>0.21</u>	<u>242.62</u>	<u>55.73</u>	<u>242.61</u>
Total		601.69		812.45
14.01 Particulars of Long-term Loans & Advances				
Capital Advances				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	48.52		103.80	
Doubtful	<u>0.74</u>	<u>49.27</u>	<u>0.74</u>	<u>104.55</u>
Security Deposits				
Secured & Considered good	58.86		49.16	
Unsecured & Considered good	0.00		0.00	
Doubtful	<u>0.00</u>	<u>58.86</u>	<u>0.00</u>	<u>49.16</u>
Loans and Advances to Related parties				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	4.25		119.54	
Doubtful	<u>0.00</u>	<u>4.25</u>	<u>0.00</u>	<u>119.54</u>
Other Loans and Advances				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	490.05		539.95	
Doubtful	<u>0.00</u>	<u>490.05</u>	<u>0.00</u>	<u>539.95</u>
Total		602.43		813.19
14.02 : Loans and advances due by Directors/officers		0.00		0.00
14.03 : Loans and advances due by Private Companies in which Director of the Company is a director		4.25		119.54

Note 15.00 : Other Non Current Assets
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Interest Accrued on Loans		
Employees	18.83	16.52
Others	199.95	140.64
Total	218.78	157.16

Note 16.00 : Inventories* (As taken and certified by the Management)
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Raw materials	1222.85	1110.40
Add: In-transit/ Under inspection	561.88	771.33
	1784.73	1881.73
Less: Provision for shortages	346.17	413.30
	1438.56	1468.43
Semi Finished/ Finished goods	1893.30	3183.82
Add: In-transit	29.42	0.00
	1922.72	3183.82
Stores & Spares	613.52	611.50
Add: In-transit/ Under inspection	24.38	8.34
	637.90	619.84
Less: Provision for obsolescence & Non-moving items	40.47	36.58
	597.43	583.26
Total	3958.72	5235.51

* Valued as per Accounting Policy 4.0.

- 16.01:** Quantities of Closing Stock of finished / semi-finished goods have been adopted as per book balances after duly adjusting for shortages/ excesses identified on physical verification at anytime during the year.
- 16.02 :** No credit is taken in the accounts for the stock of run of mines ore and rejects at Mines.
- 16.03 :** Since the Coke Breeze is used for internal consumption, the same has been valued at 60% of the production cost of metallurgical coke.
- 16.04 :** Coke and other By products are valued at net realisable value, wherever cost is not determinable and at cost, where net realisable value is not available, except in the case of Stock of BF Granulated slag (Qty 6623106.08 tonnes) at dump yard for which no value is assigned for Holding Co.
- 16.05 :** The stock of production related iron scrap and steel scrap has been considered in the accounts on the basis of visual survey / estimates and are valued at 75 % and 90 % respectively, at lower of the cost of Pig Iron and of the domestic net realisable value of Pig Iron.

Note 17.00 : Trade Receivables
₹ Crs

Particulars	As at	
	31 st March, 2016	31 st March, 2015
Trade Receivables		
Debts over six months	36.95	25.01
Other debts	950.41	1042.89
	987.35	1067.90
Less : Provision for doubtful debts	22.19	22.74
Total	965.17	1045.16

17.01: Particulars of Trade Receivables

Secured and considered good	0.00	0.00
Unsecured and considered good	965.17	1045.16
Doubtful	22.19	22.74
17.02 : Debts due by Directors/Officers	0.00	0.00
17.03 : Debts due by Private Companies in which Director of the company is a Director	0.00	0.00



Note 18.00 : Cash and Bank balances

₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Cash and cash equivalents				
Balances with Banks	34.06		18.58	
Cheques, Drafts on hand	20.17		51.36	
Cash on Hand	0.04		0.05	
Other Bank Balances				
Term deposits with Banks				
Term Deposits with maturity upto 12 months	680.15		768.93	
Term Deposits with maturity more than 12 months	120.04		6.11	
Earmarked Balances with Banks				
Prime Minister's Trophy Award Fund	7.15	861.61	6.55	851.58
Other bank balances				
Term deposits pledged with Banks		5.77		5.50
Dividend		1.20		1.82
Total		<u>868.59</u>		<u>858.90</u>

Note 19.00 : Short-term Loans and Advances

₹ Crs

Particulars	As at 31 st		As at 31 st	
	March, 2016		March, 2015	
Loans and Advances to Related Parties				
Directors	0.00		0.00	
Joint venture Companies	0.00	0.00	1.95	1.95
Loans and Advances to Others				
Loans				
Material issued on loan		0.00		0.38
Advances & other recoverables				
(Recoverable in cash or in kind or for value to be received)				
Government departments	499.37		537.48	
Less:Provision for doubtful advances	0.00	499.37	0.00	537.48
Contractors	16.73		23.28	
Less:Provision for doubtful advances	0.20	16.53	0.20	23.08
Suppliers	44.43		33.11	
Less:Provision for doubtful advances	4.09	40.34	3.70	29.41
Employees	16.16		37.55	
Less:Provision for doubtful advances	0.16	16.00	0.16	37.39
Others	84.23		88.35	
Less:Provision for doubtful advances	27.13	57.09	29.08	59.26
Foreign Exchange Forward contract receivables	2581.96		2262.79	
Advance Income Tax	31.01	3242.30	95.96	3045.37
Prepaid expenses		7.47		8.76
Claims recoverable	153.41		168.66	
Less: Provision for doubtful claims	53.28	100.13	52.64	116.02
Deposits		107.33		107.32
Total		<u>3457.22</u>		<u>3279.80</u>
19.01: Particulars of Loans & Advances				
Loans and Advances to Related parties				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	0.00		1.95	
Doubtful	0.00	0.00	0.00	1.95
Loans and Advances to Others				
Secured & Considered good	0.00		0.00	
Unsecured & Considered good	3457.22		3277.85	
Doubtful	84.86	3542.09	85.78	3363.63
Total		<u>3542.09</u>		<u>3365.58</u>
19.02 : Loans and advances due by Directors/Officers		0.00		0.00
19.03 : Loans and advances due by Private Companies in which Director of the Company is a Director		0.00		1.95

19.04 : Short-term loans and advances include ₹ 330.90 Crs (Previous year ₹ 404.06 Crs) pertaining to deposits / advances made against disputed taxes and ₹ 3.15 Crs payment made under protest to Customs Department towards 10 cases where final assessment is still pending.

Note 20.00 : Other Current assets
₹ Crs

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
Current maturities of Long-term Loans				
Employees	19.16		18.12	
Others	31.18	50.34	9.58	27.70
Interest accrued on loans to employees		1.84		1.44
Interest accrued – others	34.18		31.91	
Less: Provision for Non recoverable interest	0.00	34.18	0.00	31.91
Other income accrued		0.00		0.00
Other Receivables		31.47		23.15
Assets Retired from active use and held for disposal				
Value of Fixed Assets	6.30		6.67	
Less: Provision for loss	6.18	0.12	6.55	0.12
Deferred Premium on Forward contracts		55.49		41.96
Total		173.43		126.27
20.01 : Loans due by Directors		0.00		0.00

Note 21.00 : Revenue from Operations
₹ Crs

Particulars	Year ended		Year ended	
	31 st March, 2016		31 st March, 2015	
Sale of Products				
Domestic	11245.43		10850.51	
Less: Sale of Trial Run Production (Transferred to CWIP)*	1406.30	9839.13	824.49	10026.02
Export	1186.49		865.44	
Less: Sale of Trial Run Production (Transferred to CWIP)	804.94	381.55	450.02	415.42
		10220.68		10441.44
Other Operating Revenues				
Internal consumption	35.60			25.86
Export benefits	37.96			6.16
Dividend Income	0.01			0.33
Income from Investments	0.28			0.29
Total		10294.54		10474.08

*includes Excise Duty of ₹ 167.71 Crores (Previous Year : ₹ 96.24 Crores)

Note 22.00 : Other Income
₹ Crs

Particulars	Year ended		Year ended	
	31 st March, 2016		31 st March, 2015	
Interest Income				
Banks	69.08		75.04	
Loans to employees	5.01		3.99	
Others	83.02	157.11	63.03	142.06
Dividend Income		0.00		0.01
Other Non-Operating Income				
Claims for finished goods (Shortages & Missing Wagons)	0.68		1.62	
Rent recoveries	4.98		7.73	
Liquidated damages	26.27		14.90	
Profit on sale of fixed assets	0.16		0.46	
Other Income	2.11		2.38	
Provision no longer required written back	2.03		2.45	
Sundry receipts*	242.51	278.74	182.65	212.20
Total		435.85		354.27



22.01 : Sundry Receipts includes an amount of ₹ 122.93 Crores towards reversal of Property Tax liability and however considered as Contingent liability

22.02: As against our revised claim of ₹ 418.29 Crores ,towards damages caused by Hud Hud cyclone an amount of ₹ 25 crores (PY ₹115.25 Crores), paid by the Insurance Company as an on account payment, is accounted under Sundry Receipts . The expenditure on account of damages caused by Hud Hud Cyclone is accounted under several primary heads of account as it is difficult to reliably identify the said expenditure for its separate disclosure.

Quantity: Tonnes

Value: ₹ Crs

Note 23.00 : Cost of Materials consumed

Particulars	Year ended 31 st March 2016		Year ended 31 st March 2015	
	Quantity	Value	Quantity	Value
Raw Materials				
Coal	4259063	2997.01	3928943	3186.71
Iron Ore*	5915404	2312.42	6116650	2996.01
Limestone	1160731	184.23	1031908	169.49
Dolomite	735454	129.19	700032	119.00
Silico Manganese	57811	267.71	56806	333.70
Ferro Silicon	7222	52.24	7207	53.52
Aluminium	5410	67.90	4489	68.14
Manganese Ore	8251	2.76	5214	2.43
Petroleum Coke	6828	17.54	6270	17.07
Sea Water Magnesite	6217	27.28	5505	27.06
Others		156.61		49.81
		6214.90		7022.94
Intermediate Products				
Add: Output from Trial Run Production		837.50		856.62
Less: Material Consumed for Trial Run Production		2715.31		2653.96
Less: Inter account adjustments - raw material mining cost		59.94		57.33
Total		4277.15		5168.27

Note 24.00 : Changes in Inventories of Semi-Finished / Finished goods

₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Opening stock	3183.82	2248.26
Add : Effect of change in % Share holding in ICVL-Joint Venture during FY 15-16	22.32	0.00
Sub Total	3206.14	2248.26
Less: Closing stock	1922.72	3183.82
	1283.42	(935.55)
Less: Excise Duty on (accretion) / depletion to stock	106.76	(128.20)
Net Reduction / (Accretion)	1176.66	(807.35)

Note 25.00 : Employee Benefits

₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Salaries and wages	1642.90	1668.63
Company's contribution - provident fund & other funds	135.08	163.58
Staff Welfare expenses	211.50	144.90
Total	1989.48	1977.11

25.01 : Details of Employee Benefits of Holding Co.

25.01.01: An amount of ₹ 6.16 Crs (Previous Year ₹ 6.18 Crs) recognised in the Statement of Profit and Loss Account and ₹ 0.66 Cr (Previous Year ₹ 0.58 Cr) in Capital Work in Progress, ₹ Nil Cr (Previous Year ₹ 0.02 Cr) in Intangible Assets under Development towards Superannuation Benefit Scheme (Post Employment Benefit - Defined Contribution Plan).

25.01.02: General Description of the Post Employment Benefits - Defined Benefit Plans:

- Provident Fund - Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate Trust, which invests the funds in permitted securities. On Contributions, the Trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the Company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.
- Gratuity - Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service .
- Retirement Settlement Benefits - The retired employees, their dependents, as also the dependents of the employees expired while in service are entitled for travel and transport expenses to their place of permanent residence. At the time of retirement, employees will be given 10 Gms. of gold each.
- Employee Family Benefit Scheme - Monthly payments, till the notional date of superannuation, to employees separated upon disablement / legal heirs of deceased employees at their option who fulfill the criteria of prescribed amount of deposit.

25.01.03: Reconciliation of present value of defined benefit obligations:
₹ Crs

Particulars	Gratuity	Retirement Medical Benefits	Retirement Settlement Benefits	Employee Family Benefit Scheme
Obligation as at the beginning of the period	764.97	237.80	71.27	195.55
	(700.50)	(191.59)	(52.85)	(188.56)
Service Cost	10.38	9.73	2.64	43.55
	(11.58)	(7.85)	(1.98)	(42.00)
Interest Cost	58.88	18.26	5.42	14.20
	(62.26)	(17.14)	(4.69)	(16.09)
Actuarial gains (-) / losses (+)	-15.94	89.84	2.10	-21.80
	(23.33)	(27.86)	(14.62)	(-27.50)
Benefits paid	-39.28	-7.37	-3.61	-26.91
	(-32.70)	(-6.64)	(-2.87)	(-23.60)
Obligations as at the end of the period	779.01	348.26	77.82	204.59
	(764.97)	(237.80)	(71.27)	(195.55)

Sub Note: Figures in the brackets are for previous year.

25.01.04: Against Gratuity fund of ₹ 790.86 Crs (Previous Year ₹ 753.66 Crs) covered by a separate trust's plan assets, the present value of the obligation as at 31st March, 2016 is ₹ 779.01 Crs (Previous year ₹ 764.97 Crs). The differential fund of ₹ 11.85 Crs is retained to meet the expected liability during the next financial year. The other post-employment defined benefit obligations are unfunded.

25.01.05: Reconciliation of fair value of Plan Assets:
₹ Crs

Particulars	Gratuity	
	2015-16	2014-15
Balance as at the opening of the year	753.66	717.40
Expected Return	66.57	63.23
Actuarial gains (+) / losses (-)	(1.40)	2.84
Contributions by the Employer	11.31	2.89
Benefits paid	(39.28)	(32.70)
Balance as at the end of the year	790.86	753.66

25.01.06: Reconciliation of Present Value of Defined Benefit Obligation and Fair value of Plan Assets:
₹ Crs

Particulars	Gratuity	
	2015-16	2014-15
Fair Value of Plan Assets	790.86	753.66
Present Value of Defined Benefit Obligation	779.01	764.97
Amount recognised in Balance Sheet as at the end of the period	(11.85)	11.31



25.01.07: Expenses recognised in the statement of Profit and Loss :

₹ Crs

Particulars	Gratuity	Retirement Medical Benefits	Retirement Settlement Benefits	Employee Family Benefit Scheme
Service Cost	10.38 (11.58)	9.73 (7.85)	2.64 (1.98)	43.55 (42.00)
Interest Cost	58.88 (62.26)	18.26 (17.14)	5.42 (4.69)	14.20 (16.09)
Actuarial gains (-) / losses (+)	-14.54 (20.49)	89.84 (27.86)	2.10 (14.62)	-21.80 (-27.50)
Expected Return on Plan Assets	-66.57 (-63.23)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Accounting Estimate Change on Opening obligation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total to be charged - Employees Benefits	-11.85 (31.10)	117.83 (52.85)	10.16 (21.29)	35.95 (30.59)
Amount charged to :				
Statement of Profit & Loss (Note -B 25.00)	-10.69 (28.46)	106.27 (48.35)	9.16 (19.47)	32.42 (27.98)
Expenditure During Construction	0.22 (0.44)	1.55 (0.80)	0.13 (0.33)	0.47 (0.46)
Capital Work in Progress	-1.34 (2.04)	9.73 (3.47)	0.84 (1.40)	2.97 (2.01)
Intangible Assets under Development	-0.04 (0.07)	0.29 (0.07)	0.03 (0.01)	0.09 (0.04)

Sub Note: Figures in the brackets are for previous year.

25.01.08: Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefit scheme:

₹ Crs

Particulars	Effect of one percentage point increase in medical cost trend rate		Effect of one percentage point decrease in medical cost trend rate	
	2015-16	2014-15	2015-16	2014-15
On aggregate current service and interest cost of post retirement medical benefits	8.10	4.39	(6.48)	(3.55)
On present value of defined benefit obligations as at end of the period	67.59	41.52	(54.05)	(33.54)

25.01.09: Actuarial assumptions

₹ Crs

Description	As at 31 st March 2016	As at 31 st March 2015
Discount Rate (per annum)	7.9%	7.8%
Mortality rate	Indian Assured lives (2006-08) Ultimate Table	Indian Assured lives (2006-08) Ultimate Table
Withdrawal rates (per annum)	1%	1%
Estimated Rate of Return on Planned Assets	9%	9%
Medical Cost Trend Rates (Per Annum)	5% of Hospital Cost and Medi-claim Premium	4.5% of Hospital Cost and Medi-claim Premium
Salary Escalation (per annum)	7%	7%
	The estimate of future salary increase considered in actuarial valuation takes into account inflation rate, seniority, industrial practices, promotion and other relevant factors on long term basis.	

25.01.10: **Provident Fund:** Company's contribution paid/payable during the year to Provident Funds are recognised in the Statement of Profit & Loss. The company's Provident Fund Trusts are exempted under section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemption stipulated that the employer shall make good, deficiency if any, in the interest rate declared by the Trusts vis-a-vis statutory rate. The Company doesnot anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment. This Note is to be read with Note No 25.02.02.

Note 26.00 : Finance Costs
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Interest :		
Foreign currency facilities	177.25	212.79
Bank Loans & Commercial papers	463.86	217.05
Income Tax	0.00	0.00
Others	42.68	10.48
Other Borrowing costs	1.82	0.80
Loss/(Gain) on Foreign currency transactions and translation	(0.54)	1.69
Total	685.07	442.81
26.01: Expenditure on Finance Costs not included above and charged to: Capital Work in Progress / Expenditure During Construction		
Interest - Banks	215.41	172.72

Note 27.00 : Other expenses*
₹ Crs

Particulars	Note No	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Consumption of Stores and Spare parts		630.48	551.11
Power and Fuel		880.24	787.88
Repairs and Maintenance		312.52	323.63
Remuneration to Auditors	27.01	0.39	0.57
Miscellaneous Expenses	27.02	315.78	232.47
Rent		4.02	4.00
Rates and taxes		15.08	30.26
Insurance		25.75	10.99
Handling and scrap recovery		187.39	127.95
Freight outward		583.21	473.78
Provisions			
Shortage/damaged material/obsolescence/non-moving items of stores		4.42	1.44
Doubtful advances and claims		1.22	0.80
Doubtful debts		0.06	0.00
Substandard Assets		0.00	5.70
			13.50
			15.74
Write-offs			
Shortage/damaged material/obsolescence/non-moving items of stores		0.03	0.32
Doubtful advances and claims		8.61	0.02
Bad debts		0.06	0.00
			0.34
Sundries		95.42	62.99
Total		3064.68	2621.72

* Other expenses include ₹ 8.73 Crores (P.Y. ₹ 14.04 Crores) amount of expenditure on Corporate Social Responsibility activities as per Section 135 of the Companies Act, 2013 for the FY 2015-16 of Holding Co

27.01 : Remuneration to Auditors
₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
As Auditor	0.27	0.31
For taxation matters	0.02	0.05
Other Services	0.06	0.02
For reimbursement of expenses	0.04	0.18
Total	0.39	0.57

**27.02 : Miscellaneous Expenses**

₹ Crs

Particulars	Year ended 31 st March 2016	Year ended 31 st March 2015
Technical services	8.80	9.23
Travelling expenses	63.58	70.66
Printing and stationery	2.40	2.12
Postage, telegrams and telephone	6.70	5.33
Water charges	59.98	43.99
Legal expenses	1.73	1.74
Bank charges	1.06	1.57
Community Development Welfare	6.10	0.69
Donations		
CSR Foundation	2.63	2.36
Others	0.00	5.28
Security expenses	66.32	52.00
Entertainment expenses	1.14	2.90
Advertisement	9.26	11.43
Demurrages and wharfages	14.90	9.16
ISO Audit Expenses	0.04	0.04
Selling expenses	38.51	18.23
Exchange Differences (Net)	32.63	(4.26)
Total	315.78	232.47

Note 28.00 : Prior period items

₹ Crs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Other Revenue	(0.76)	1.69
Other Expenses	0.32	0.42
Depreciation	(370.49)	(8.16)
Finance Cost	0.68	1.26
Total	(370.25)	(4.79)

Sub Note: Figures in brackets represent credit amounts.

Note 29.00 : Earning Per Share (EPS)

Particulars		2015-16	2014-15
Net Profit as per Statement of Profit & Loss.	₹ Crs	(1531.94)	10.73
Preference Dividend and Tax thereon	₹ Crs	–	16.80
Net Profit attributable to Equity Shareholders	₹ Crs	(1531.94)	(-) 6.07
Weighted average number of Equity Shares outstanding during the year	No. of shares	4889846200	4889846200
Face value per share	₹	10	10
Basic and diluted EPS	₹	(3.13)	(0.01)

Note 30.00 : Contingent Liabilities and Commitments (to the extent not provided for)**30.01 : Contingent Liabilities****30.01.01: Claims against the company not acknowledged as debt**

₹ Crs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Contractors / Suppliers / Customers	665.99	715.46
Local Authorities - State Govt. #	6449.53	5866.41
Sales Tax matters *	1007.90	1906.25
Income Tax	195.86	214.36
Customs / Excise duty	227.46	180.45
Others	485.31	485.53

(*) No liability is expected to arise as the movement of goods were on stock transfer and Sales Tax is paid on eventual sales.

- 30.01.02 :** Claims in Courts in connection with Land Acquisition: - Amount not ascertainable.
- 30.01.03 :** Liability towards reimbursement of excise duty on structural works wherever applicable. - Amount not ascertainable.
- 30.01.04 :** Show cause notices issued by various Government Authorities are not considered as contingent liabilities.
- 30.01.05:** # includes OMDC related demand received from DDM, Joda circle towards recovery under Sub Section (5) of Section 21 of Mines & Minerals (Development & Regulation) Act, 1957 for ₹ 5395.39 Crores (Previous Year ₹. 5395.39 Crores) towards price of minerals alleged to be raised without lawful Authority in respect of Six Mines. Against the above demand the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India
- 30.01.06:** In case of OMDC, Pursuant to the amendments of the Orissa Land Reforms Act, the Sub-Collector, Champua had served a Notice against the Company for alleged unauthorized possession of 10.79 acres of leasehold land on the ground that the said land belongs to Adivasis and based on that, the Revenue Inspector asked OMDC to vacate the land. The Company filed an appeal before the Addl. District Magistrate but the appeal was not allowed. During April, 1999 the Company filed a writ application and obtained Stay Order from the Hon'ble High Court of Orissa to maintain the status quo about the possession of the land until further order. No specific liability could be ascertained.
- 30.01.07:** In case of OMDC, Income Tax Department has raised a demand of ₹420.85 Crore towards mismatch of dispatch figure submitted with IBM and the figure shown in annual accounts multiplied by sales price as per M.B. Shah Commission Report.
- 30.01.08:** In case of BSLC, the company is in default of not depositing premium of LIC. LIC as informed to Company shall honor claim of death/ maturity only till premium is paid against policy i.e., February 2014. Contingent liability from employee might arise for said unpaid premium, amount of which is not ascertainable. Demand of ₹ 120.33 (P.Y ₹ 88.44) lacs in respect of Odisha Sales Tax and Odisha Entry Tax, Challenged in appeal against which a sum of ₹ 56.46 (P.Y ₹ 55.91) lacs is deposited with the Sales Tax Authority balance ₹ 63.87 (P.Y ₹ 32.53) lacs remain unpaid.
- 30.01.09:** Stamp duty related (BSLC):
The Government of Odisha has introduced Indian Stamp (Odisha Amendment) Act, 2013 and raised a demand of ₹ 99.42 Crores for lease period of 20 years from 14-01-2011 to 13-01-2031 calculated on the basis of highest annual extraction of minerals permitted under the approved Mining Plan multiplied by the lease validity period. On an appeal by the Company, the Odisha High Court passed an interim order staying the operations of the Indian Stamp (Odisha Amendment) Act, 2013 till the Hon'ble High Court judicially reviews the matter. The Company, as a matter of prudence, estimated Stamp Duty Liability at ₹ 10.68 Crores on the basis of past actual extraction of minerals and considered the same for the purpose of provision towards the said liability. The expense is apportioned over the period of 20 years till 2031 chargeable at ₹ 0.53 Crores per year. Out of the recognised liability of ₹ 10.68 Crores against the entire lease period, proportionate amount of Stamp Duty Liability accrued till 31-03-2016 and recognized in the books is ₹ 2.78 Crores
- 30.01.10:** Stamp duty related (EIL) :
There is demand from Additional Commissioner of Stamp Revenue Govt of West Bengal for ₹ 58.45 Lacs as regards transfer of shares from President of India in The Orissa Minerals Development Company Ltd (OMDC) and The Bisra Stone Lime Company Ltd (BSLC) to Eastern Investments Ltd(EIL) to make BSLC and OMDC subsidiaries of EIL. The transaction is exempted from Stamp duty and same is communicated to Additional Inspector General of Registration and Additional Commissioner of Stamp Revenue West Bengal vide Letter No EIL/AS/STAMP DUTY/10-2012/01 dated 17th Oct 2012 by the authorized signatory of EIL. As there is no response to the letter of the Company till date, the amount of ₹ 58.45 lacs is consider as contingent liability.
- 30.01.11:** Rent and Cess on Land Revenue (EIL)
The company had continued to pay Rent and Cess on Land Revenue on Lawrence Property at Bauria @ ₹ 2012 per year till 31.03.2001 with the office of the Revenue Inspector. The company though not accepted the substantial increase in such charges from 2001-02, continued to provide liability on the basis of claims received. In absence of any formal claim by the concerned department, amount of such claim, if any, has neither been ascertained nor considered in the accounts from the financial year 2008 – 09 onwards. In the event of claim raised by the appropriate authority there is a contingent liability to the tune of ₹ 90.26 lakhs (Previous year – ₹ 78.98 lakhs) calculated on the basis of claim last raised.
- 30.01.12:** Provident Fund related(BSLC)
Regional Provident Fund Commissioner has raised a demand of ₹1.03 Crores towards differential Provident Fund contribution, being the difference between 12% & 10% for the period from September, 2009 to October, 2010 u/s 7A & 7Q of Employees Provident Fund & Miscellaneous Provisions Act, 1952 on the ground that contribution rate of 12% is applicable instead of 10%, since the Company had reported profit in the year 2009-10. The Company had declared surplus in the year 2009-10, as a result of waiver of accumulated interest on Government Loan in terms of approved Capital Restructuring Scheme. The profit being notional and not supported by any cash inflow, the demand has been contested before the Honourable High Court of Odisha. Subsequently, as per the directives of The Employees Provident Fund Appellate Tribunal, New Delhi vide its Order reference ATA No.286 (10) 2014 dated 03-04-2014 a Bank Guarantee was issued on 23-09-2014 for ₹ 0.31 Crores favouring Regional Provident Fund Commissioner, Rourkela



30.01.13: Bank Guarantee (BSLC)

Bank guarantee of ₹ 1.29 Crores (Previous year – ₹ 1.29 Crores) issued in favour of Indian Bureau of Mines, Bhubaneswar towards meeting statutory obligation under Progressive Mines Closure Plan.

30.01.14: Other matters (BSLC)

- a) Provision for Royalty amounting to ₹ 0.94 Crore is lying for more than 10 years which was created in the year 2005-06 against shortage of stock which was found on Physical Verification. In absence of any details/ confirmation genuineness of this liability is doubtful in nature.
- b) As a measure of progressive mine closure plan, the company has provided for a sum of ₹ 0.09 Crores during the year under audit and totaling to ₹ 1.02 Crore upto 31.03.2016. However, no actual expenditure has been incurred on account of same till date.
- c) As per the Report of Physical Verification of Fixed Assets conducted by a firm of Chartered Accountants, a sum of ₹ 0.46 Crores has been charged off in the Statement of Profit and Loss a/c during the year against few identified assets considered impaired in terms of AS-28.
- d) The Company defaulted in repaying principal amount of term loan and interest thereon to its holding company Eastern Investments Ltd (EIL). The company was accommodated with the loan to tide over financial crisis due to closure of the mines for some period during 2011-12. As per the terms, principal is repayable after one year from the resumption of mining operations in 120 equal monthly instalments. Simple interest on the loan is payable on monthly basis at RBI interest rate prevailing on the date of disbursement for the year of disbursement and thereafter for subsequent years at the prevailing RBI interest rate as on 1st April of that year. The loan was disbursed during 2012-13 on different dates aggregating to ₹ 13.75 Crores and also in April 2013 for ₹ 1.25 crores. Effectively principal repayment falls due from April 2013 in respect disbursements during 2012-13 and from May 2013 for the disbursement in April 2013.
- e) Due to acute financial crisis, the Company could not pay any monthly instalment towards repayment of principal. Aggregate amount of principal falling due for payment but remaining unpaid as at the year-end is ₹ 5.99 Crores (₹ 4.49 Crores). The Company could not repay interest since June 2013. EIL a Non Banking Financial Company declared the entire loan as Non Performing Asset as on 30th Sep 2014 and stopped recognizing interest income thereon from October 2014. The Company has requested EIL to waive the loan amount as well as interest thereon in view of poor financial status of the company. The amount in default towards repayment of interest as at the year-end is ₹3.44 crores (₹ 2.16 Crores).
- f) As per the Voluntary Retirement Scheme (VRS) of the Company, no workmen opted for VRS during the year requiring a payout of ₹ Nil (Previous year ₹ 5.50 Crores) towards settlement of ex-gratia. The entire amount is charged-off to Profit and Loss Statement under head "Employees' Benefits".
- g) The Company has deducted ₹1.33 Crores from salaries of employee & workers towards Premium of Salaries Saving Scheme of Life Insurance Corporation of India (LIC). However, the same has not been deposited February 2014. The company has been informed by LIC that employees share of unpaid premium will be accepted only when upto date unpaid premium is deposited along with interest and fitness certificate from management. Management has provided for ₹ 0.09 Crores towards interest for the year and aggregating to ₹ 0.13 Crores upto 31.03.2016.

30.01.15: Bank guarantees (ICVL)

At year end the following guarantees exist:

Name of Bank	Name of Company	Currency	Original Currency (USD)	Metciais	RINL Proportionate share (Metciais)
MilleniumBim	CFM-PortoseCaminhos de Ferro de Mocambique, EP	USD	1500000	58695000	10185840
MilleniumBim	AutoridadeTributaria de Mocambique	USD	1603135	62730673	10886185
MilleniumBim	Cornelder de Mocambique	USD	860000	33651800	5839882
MilleniumBim	Tribunal Judicial da Cidade de Tele	USD	14545	569146	98769
Standard Bank	EDM- Electricidade de Mocambique, EP	USD	2756	107842	18715
				155754461	27029391

30.01.16: ICVL has given Corporate Guarantee of USD 30 millions to EXIM Bank on behalf of ICVL Mauritius, in respect of Short Term Working Capital loan of US\$30 Million, out of which RINL RINL Proportionate share is USD 7.95 millions.

30.02 : Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 6174.32 Crs (Previous year ₹ 5522.26 Crs).

Note 31.00 : Notes to accounts - Others

31.01 : For a substantial portion of Loans and Advances, Trade payables/ Trade receivables / Other payables, letters seeking confirmation of balances were sent and no material discrepancies were found in respect of balances confirmed in respect of Holding Co., RINL.

31.02 : Disclosure regarding related parties for the year 2015-16

Nature of Relationship	Name of the Related party
(a) Joint Ventures	RINMOIL Ferro Alloys Pvt Ltd International Coal Ventures Pvt Ltd RINL Powergrid TLT Pvt Ltd
(b) Key Management Personnel	Shri P.Madhusudan Shri T.V.S.Krishna Kumar Shri P.C.Mohapatra Dr. G.B.S.Prasad Shri D.N.Rao Shri T.K.Chand (Upto 27.07.2015) Shri P Raychaudury (w.e.f. 01.03.2016)

The details of transactions with the related parties during the year are given below

₹ Crs.

Nature of Transaction	Joint Venture		Key Management Personnel		Note No:
	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2016	As at 31 st March 2015	
Long-term Loans and Advances	4.25	119.54	0.00	0.00	B 14.00
Short-term loans and advances	0.00	1.95	0.00	0.00	B 19.00
	For the Year ended		For the Year ended		
	2015-16	2014-15	2015-16	2014-15	
Remuneration	0.00	0.00	1.94	2.45	B 25.00
Miscellaneous expenses	0.00	0.00	0.00	0.00	B 27.06

31.03 : The Holding Company's i.e RINL business is construed as one business segment which comprises of mainly production of Steel products whose associated risks and returns are predominantly the same is considered as reportable business segment and remaining are others. Further, the Group Company has no geographical segments which are subject to different risks and returns. Hence disclosure in terms of Accounting Standard (AS) 17 on 'Segment Reporting' is given below.

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31.03.2016

Particulars	31.03.2016	31.03.2015
	₹.in Crores	₹.in Crores
1. SEGMENT REVENUE		
a. Steel Products-RINL	8989.50	9314.36
b. Others	161.64	41.91
c. Eliminations	0.00	0.00
Less: Inter Segment Revenue	0.00	0.00
Net sales/Income from Operations	9151.14	9356.27
2. SEGMENT RESULTS		
Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)		
a. Steel Products-RINL	(766.53)	538.08
b. Others	(163.66)	(74.84)
c. Eliminations	(0.83)	(0.12)
Total	(931.02)	463.12
Less :Interest		
a. Steel Products-RINL	650.70	434.73
b. Others	35.20	2.32
c. Eliminations	(0.83)	(0.12)
Total	685.07	436.93
Profit/(Loss) before Tax	(1616.08)	26.19



Particulars	31.03.2016	31.03.2015
	₹.in Crores	₹.in Crores
3. CAPITAL EMPLOYED		
(Segment Assets - Segment Liabilities)		
a. Steel Products-RINL	9873.20	11593.93
b. Others net off Eliminations	255.26	355.81
Total	10128.46	11949.74

31.04 : Since the Lease transactions of the Company, are incidental to the Company's main business of production & sale of Iron & Steel products, specific disclosures as per AS - 19 on 'Leases', are not considered necessary.

31.05 : The entire plant is considered as a Cash Generating Unit. As Recoverable amount of the Cash Generating Unit, being its value in use, is in excess of its carrying amount, there is no impairment loss in terms of the AS 28 - 'Impairment of assets' in case of Holding Co.

31.06 : Outstanding Derivative Contracts in case of Holding Co.

31.06.01 : Outstanding forward exchange contracts entered to hedge future interest obligations on foreign currency borrowings

Particulars	31.03.2016	31.03.2015
No of Contracts	9	-
US Dollar equivalent (in million)	1.63	0.00
INR equivalent (₹ Crores)	10.79	0.00

31.06.02 : Outstanding interest rate swap to hedge against interest rate changes on foreign currency borrowings

Particulars	31.03.2016	31.03.2015
No of Contracts	2	-
US Dollar equivalent (in million)	0.39	0.00
INR equivalent (₹ Crores)	2.59	0.00

31.07 : Previous year's figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

31.07.01: Previous year figures of ICVL considered for consolidation are unaudited.

31.08: DEFERRED TAX (BSLC)

The Company has substantial carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961 and accordingly deferred tax asset of ₹12.20 Crores (P.Y ₹12.08 Crores) has arisen as on 31st March 2016 as per AS-22. However, in consideration of prudence, the deferred tax asset has not been recognized in the financial statements and the same would be considered on the availability of sufficient taxable income against which such deferred tax assets can be realized.

31.09: RINMOIL Ferro Alloys Pvt. Ltd., is a private limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a manufacturing company and has not yet commenced business operations. RINL Powergrid TLT (P) Ltd is incorporated on 19/08/2015 under companies ACT,2013 to manufacture transmission line towers and the company is projected to start its production by end of 2017.

31.10: In case of ICVL, As per Article 5 of the AoA, the SAIL, CIL, RINL, NMDC and NTPC shall contribute in the ratio of 2:2:1:1:1 respectively towards subscripion to the Equity Capital of the Company. However NTPC and CIL are not contributing their share of Equity Capital for long and the issue of restructuring ICVL Capital Structure is being pursued with the MoS.

31.11 Rehabilitation provisions (Minas De BengaLda) of ICVL Group

The movement in rehabilitation provision is made up as follows:

Provision for mine rehabilitation in US\$

31 March 2016	31 March 2015
12,78,04,427	9,48,45,024

31.12 Taxes on Income

31.12.1 Current Taxes

Current income tax in computed on the basis of taxable income, which differs from the accounting results due to adjustments arising from Mozambique's tax laws.

31.13 Assignment of RT Finance Loan to ICVL Mauritius

In pursuant of Clause 3.4 of Share Sale Agreement(SSA) between ICVL and Rio Tinto Jersey Holdings 2010 Limited, the loan from RT Finance termed as RT Finance Loan of AUD 345,358,581.16 appearing in books of Riversdale Mining Pty Limited as Short term borrowings, has been assigned to ICVL Mauritius for US\$ 1. The assignment of loan to ICVL Mauritius had been effected in the financial year 2015-16. With this transaction, a capital reserve of US\$ 268,421,448 (INR 979,95,97,901) has been created in the books of ICVL Mauritius after adjustment of Goodwill as it part of the same transaction..

31.14 In case of ICVL, Minority Interest (Tata Steel Global Pte Limited)

31.14.1 While Tata Steel Global Minerals Holdings Pte Ltd. (TSGMH), a subsidiary of Tata Steel is holding 35 % of the shareholding, Riversdale Mining Pty Limited (formerly Riversdale Mining Limited), a subsidiary of ICVL Mauritius, is holding 65% of the shareholding.

31.14.2 As per clause 6 of the Shareholding Agreement any capital which is required by the Group under a work program & Budget in addition to the Capital of the Company subscribed at the date of this agreement, must be provided by the shareholders in their respective specified proportion by subscribing for additional equity security in the Company.

31.14.3 Clause 6.12 (Incurring losses to be borne in specified proportion) states if a shareholder suffers any loss in relation to any financial accommodation, the other shareholder must make contribution to each other in the specified proportion.

31.14.4 Accordingly, share of loss applicable to the minority Shareholder amounting to ₹ 1010,10,06,803 has been allocated to Tata Steel after adjustment made towards their equity contribution, against which amount of ₹854,41,73,094 as on 31st March, 2016 is appearing as Shareholder Loan.

31.15: In case of OMDC, The accounts have been prepared on Going Concern Basis. All Mining Leases are at various stages of approval. In case of two mines i.e. Kolha-Roida and Dalki, the consent to operate and environment clearance have been received. The Management is continuously following up with Govt. Of Odisha, Govt. Of India and other statutory authorities for opening of the mines, requisite clearances so that mining operation is commenced at the earliest. The Company is a profit making concern and having high positive net worth.

31.16: The Consolidation of Accounts with Joint venture East india Minerals Ltd (EIML) by OMDC could not be made due to legal dispute of the Company with EIML.

31.17: In case of increase in investemnt in ICVL, JV during the FY 2015-16 the net assets for the purpose of calculation of Goodwill/ Capital Reserve as on date of increase in share holding % are calculated by considering previous year net assets and adjustments are made for changes in net assets during FY 2015-16. In order to determine pre-acquisition profit/loss out of current year profit/loss, time basis has been adopted since profits/losses of JV are more or less evenly distributed during the current year.

31.18 Capital Reserve addition during the year in ICVL consolidated Accounts is considered as pre-acquisition reserve since the event effecting such addition has taken place prior to Holding Cos.(RINL) further acquisition of shares during the year

31.19: Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

Name of Entity	Net Assets		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount (in ₹ Crores)	As % of Consolidated Profit/(Loss)	Amount (in ₹ Crores)
Parent: Rashtriya Ispat Nigam Limited Indian	100.72	9873.20	92.73	(1420.64)
Subsidiaries				
1.Eastern Investments Limited (EIL)	2.75	269.12	(0.09)	1.44
2.The Orissa Minerals Development Co. Ltd.	8.52	834.94	(0.69)	10.63
3.Bisra Lime Stone Company Limited	(0.90)	(88.14)	1.06	(16.17)
Minority interest in all subsidiaries	(3.33)	(326.30)	(0.02)	0.27
Joint Ventures				
1.RINMOIL Ferro Alloys Pvt.Ltd	0.00	0.10	NA	0.00
2.International Coal Ventures Pvt Ltd	2.95	289.04	6.93	(106.14)
3.RINL POWERGRID TLT Pvt Ltd	0.00	0.10	NA	0.00
Consolidation Eliminations/adjustments	(10.71)	(1049.90)	0.09	(1.32)
Total	100.00	9802.16	100.00	(1531.93)



RASHTRIYA ISPAT NIGAM LIMITED

(CIN: U27109AP1982GOI003404)

Regd. Office: Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam 530 031.

Website: www.vizagsteel.com; email: csrinl@vizagsteel.com; Tel & Fax: (0891) 2518249.

N O T I C E

NOTICE is hereby given that the **34th Annual General Meeting** of the members of **Rashtriya Ispat Nigam Limited** will be held at **11.00 hrs on Thursday, 29th September, 2016** at the **Registered Office of the Company** at **Administrative Building, Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant, Visakhapatnam – 530 031**, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended March 31, 2016, together with the Directors' Report, the Reports of Auditors' and comments of the Comptroller & Auditor General of India (C & AG) thereon.
2. To authorize Board of Directors of the Company to fix the Remuneration of the Statutory Auditors of the company appointed by Comptroller & Auditor General of India (C&AG) for the financial year 2016-17, in terms of provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification the following Resolution as an *Ordinary Resolution*.

“RESOLVED THAT

The Board of Directors of the Company be and are hereby authorized to decide and fix the Remuneration, Out of pocket expenses, Travelling expenses and other living expenses appropriately for the Statutory Auditors of the Company for the financial year 2016-17, who will be appointed by the C&AG with the recommendations of Audit Committee from time to time.

SPECIAL BUSINESS:

3. *To appoint Shri S K Srivastava (DIN: 02163658) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:*

“RESOLVED THAT

Pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, *Shri S K Srivastava (DIN: 02163658)* who was appointed as Non-Official Independent Director by the President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 13th November, 2015 be and is hereby appointed as a Director of the Company.

4. *To appoint Shri K M Padmanabhan, (DIN: 00254109) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:*

“RESOLVED THAT

Pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, *Shri K M Padmanabhan, (DIN: 00254109)* who was appointed as Non-Official Independent Director by the President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 13th November, 2015 be and is hereby appointed as a Director of the Company.

5. *To appoint Shri Sunil Gupta, (DIN: 00162519) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:*

“RESOLVED THAT

Pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, *Shri Sunil Gupta, (DIN: 00162519)* who was appointed as Non-Official Independent Director by the President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 13th November, 2015 be and is hereby appointed as a Director of the Company.

6. To appoint Shri S K Mishra, (DIN: 07270083) as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT

Pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri S K Mishra, (DIN: 07270083) who was appointed as Non-Official Independent Director by the President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 27th November, 2015 be and is hereby appointed as a Director of the Company.

7. To appoint Shri P Raychaudhury, (DIN: 05339415) as Director (Commercial) of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT

Pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri P Raychaudhury, (DIN: 05339415) who was appointed as Director (Commercial) by the President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 1st March, 2016, be and is hereby appointed as Director (Commercial) of the Company.

8. To ratify the remuneration of the Cost Auditors for the financial years 2015-16 and 2016-17 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of the Cost Auditors appointed by the Board of Directors of the Company for the financial year 2015-16 and 2016-17, as set out in the Statement annexed to the Notice convening this Meeting, be and is hereby ratified.

RESOLVED FURTHER THAT

The Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

9. To borrow in excess of the paid up share capital and free reserves of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolution** :

“RESOLVED THAT

Pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow money up to ₹ 16,500 Crs (Rupees Sixteen Thousand Five Hundred Crores only) which is in excess of the aggregate of paid up capital and free reserves of the Company.

“RESOLVED FURTHER THAT

The Board be and is hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution”

10. To create mortgage and/or charge over the movable & immovable properties of the company, both present & future in respect of the borrowings and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT

Pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013, as amended from time to time read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of the Memorandum and Articles of the Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company



to create mortgage and / or charge over the movable and immovable properties of the company both present and future for securing the borrowings of the Company."

"RESOLVED FURTHER THAT

The Board be and is hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution"

By order of the Board

sd/-

Deepak Acharya

AGM(Company Affairs) &

Company Secretary

Registered office:

Administrative Building,
Rashtriya Ispat Nigam Limited (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam 530 031.

Date: 15.09.2016

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.
2. The President of India may appoint one or more person(s) to represent at the Meeting.
3. Statutory Registers and documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days during business hours.
4. Brief resume of the Directors seeking appointment or re-appointment is annexed hereto and forms part of the Notice.
5. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto.
6. None of the Directors of the Company is in any way related with each other.

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT TO THE SPECIAL BUSINESSES PROPOSED IN THE NOTICE
(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No.3:

Shri S K Srivastava was appointed as Non-Official Independent Director on the Board of RINL with effect from 13th November, 2015 by the President of India vide Order F.No.1/10/2015-BLA, dt. 13th November, 2015 issued by Ministry of Steel (MoS) for a period of three years from the date of notification or until further orders from the MoS, whichever is earlier.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided elsewhere which forms part of this Notice.

Shri S K Srivastava is not disqualified from being appointed as a Director in terms of Section 164(1) of the Companies Act, 2013. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri S K Srivastava is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for the approval of Shareholders.

Item No.4:

Shri K M Padmanabhan was appointed as Non-Official Independent Director on the Board of RINL with effect from 13th November, 2015 by the President of India vide Order F.No.1/10/2015-BLA, dt. 13th November, 2015 issued by Ministry of Steel (MoS) for a period of three years from the date of notification or until further orders from the MoS, whichever is earlier.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided elsewhere which forms part of this Notice.

Shri K M Padmanabhan is not disqualified from being appointed as a Director in terms of Section 164(1) of the Companies Act, 2013. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri K M Padmanabhan is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for the approval of Shareholders.

Item No.5:

Shri Sunil Gupta was appointed as Non-Official Independent Director on the Board of RINL with effect from 13th November, 2015 by the President of India vide Order F.No.1/10/2015-BLA, dt. 13th November, 2015 issued by Ministry of Steel (MoS) for a period of three years from the date of notification or until further orders from the MoS, whichever is earlier.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided elsewhere which forms part of this Notice.

Shri Sunil Gupta is not disqualified from being appointed as a Director in terms of Section 164(1) of the Companies Act, 2013. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sunil Gupta is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for the approval of Shareholders.

Item No.6:

Shri S K Mishra was appointed as Non-Official Independent Director on the Board of RINL with effect from 27th November, 2015 by the President of India vide Order F.No.1/10/2015-BLA, dt. 27th November, 2015 issued by Ministry of Steel (MoS) for a period of three years from the date of notification or until further orders from the MoS, whichever is earlier.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided elsewhere which forms part of this Notice.

Shri S K Mishra is not disqualified from being appointed as a Director in terms of Section 164(1) of the Companies Act, 2013. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri S K Mishra is in any



way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for the approval of Shareholders.

Item No.7:

Shri P Raychaudhury was appointed as Director (Commercial) on the Board of RINL by the President of India vide Order F.No.2/11/2015-BLA, dt.26th February, 2016 issued by Ministry of Steel (MoS) for a period of Five years from the date of his assumption of charge of the post, i.e., 1st March, 2016 or till the date of his superannuation or until further orders from the MoS, whichever is earlier.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided elsewhere which forms part of this Notice.

Shri P Raychaudhury is not disqualified from being appointed as a Director in terms of Section 164(1) of the Companies Act, 2013. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri P Raychaudhury is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for the approval of Shareholders.

Item No.8:

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 requires that remuneration of the Cost Auditors as recommended by the Audit Committee shall be considered and approved by the Board of Directors to be ratified subsequently by the shareholders. However, the Board of Directors of RINL at its 291st Meeting held on 23rd July, 2015, on recommendation of Audit Committee has approved the appointment and remuneration of Cost Auditor for the financial year 2015-16, after approval of notice convening of last (33rd) Annual General Meeting made by the Board in its 290th meeting held on 26th June, 2015. Due to this, the ratification of remuneration of Cost Auditors for the financial year 2015-16 was not taken on the last (33rd) Annual General Meeting of the Company. Accordingly, the said ratification of remuneration of Cost Auditor for the financial year 2015-16 will be submitted in this Annual General Meeting.

Further, the Board in its 299th Meeting held on 21st July, 2016, on the recommendation of the Audit Committee, has also approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost Records of the company for the financial year 2016-17.

The Cost Auditors appointed for the financial year 2015-16 and 2016-17 along with the details of their fees are as under:

S.No.	Name of the Cost Auditor	Remuneration for the financial year 2015-16
1.	M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad	Rs.1,55,000/- (Rupees One Lakh Fifty Five Thousand only) plus applicable service tax and other facilities, i.e (a) Air Fare/s from Hyderabad to Visakhapatnam and back to Partners of the Audit Firm (b) II AC Train Fare/s from Hyderabad to Visakhapatnam and back to Audit Assistants of the Audit Firm (c) Local Conveyance at Hyderabad (to and Fro Airport) and at Visakhapatnam i.e providing of AC Car (d) Hospitality by VSP during the period of their stay at VSP Guest House as Company Guests.
S.No.	Name of the Cost Auditor	Remuneration for the financial year 2016-17
2.	M/s SKG & Co., Cost Accountants, Delhi	Rs.51,000/- (Rupees Fifty One Thousand only) plus applicable service tax and other facilities, i.e Working Lunch only.

Accordingly, consent of the members is sought by passing of an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2015-16 and 2016-17.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no.8.

The Board recommends the resolution for approval of the shareholders.

Item No.9 & 10:

- 1.0 To meet the Capital Expenditure of the Company, the Board in its 284th meeting held on 08th September 2014 vide item no 3.10, approved borrowing limits of ₹ 9,000 Crs for various ongoing / new projects, which are required to be funded through debt which includes, inter alia, long term debt from banks and other sources.
- 2.0 As on 31st July 2016, the company has an outstanding borrowings of about ₹ 5250Crs for Capex purposes (fund and non-fund based) and also the company had a sanction on hand of ₹ 1500 Crs long term borrowing for working capital for a tenor of 6 years from SBI.
- 3.0 The Company has an approved Capital expenditure plan of ₹ 8846 Crs with cash outflows during the 3 years'from FY 16-17 to FY 18-19.
- 4.0 Considering the present scenario of performance of steel sector, to meet the above planned capital commitments, there is a need for the company to arrange with the bankers long term borrowing facility limits.
- 5.0 Company is actively pursuing for a long term borrowing facility for a tenor of 15 years for ₹ 6000 Crs with SBI to fund the borrowing needs of the 7.3 Mtpa expansion project. SBI is keen to extend this loan and is in the process.
- 6.0 Further, to meet the capital expenditure of the other projects it was taken up with SBI for sanctioning of Corporate Loan of ₹ 3000 Crs for a tenor of five years and SBI has shown interest and informed that the same will be processed after the sanction of Long term borrowing of ₹ 6000 Crs.
- 7.0 In addition, to meet the capital commitment under Forged Wheel Plant of ₹ 1682 Crs, a long term borrowing is being pursued with different banks.
- 8.0 To accept all the above bank long term sanctions, there is a need for the company to enhance the approved limits for capex borrowings of an amount of ₹ 16500 Crs from the present limit of ₹ 9000 Crs which would include temporary short term capex borrowing facilities and other borrowings covered under the provision of Section 180(1)(c) of the Companies Act, 2013, to have a competitive interest rate advantage and other non fund requirements.
- 9.0 Sec 180(1)(c) of the Companies Act, 2013, states that the Board of Directors shall exercise certain powers with reference to borrowing only with the consent of the Company by a special resolution:

'to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.'

Explanation: For the purposes of this clause, the expression "temporary loans" means loans repayable on demand or within six months from the date of the loan such as short- term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.
- 10.0 Considering the above provision under Companies Act, 2013, since the proposed borrowing limits of ₹ 16500 Crs, for Capital expenditure purposes along with all other long term borrowings as per provision of Section 180(1)(c) of the Companies Act, 2013 would exceed the aggregate of Company's paid up capital and free reserves of ₹ 9,866 Crs as on 31st March, 2016, the Board is required to exercise the power with the consent of the Company by a special resolution.



- 11.0 For securing the borrowings, the Company has to create mortgage and / or charge which requires consent of the Company by a special resolution u/s 180(1)(a) of the Companies Act, 2013.
- 12.0 The Board of Directors may be authorized to do all such acts, deeds and other things as may be required or considered necessary or incidental there to, for giving effect to the aforesaid resolution.
- 13.0 In view of the above, your Directors recommend to the Members to pass Special Resolutions under the provisions of Section 180 (1) (c) and Section 180 (1) (a) of the Companies Act, 2013, in order to enable the Board of Directors of the Company to increase the borrowing and create mortgage and / or charge for securing borrowings of the Company, as and when necessary.
- 14.0 None of the Directors and / or Key Management Personnel or their relative(s) is / are concerned or interested in the resolution.

Registered office:

Administrative Building,
Rashtriya Ispat Nigam Limited (RINL)
Visakhapatnam Steel Plant (VSP)
Visakhapatnam 530 031

Date: 15.09.2016

By order of the Board

sd/-
Deepak Acharya
AGM(Company Affairs) &
Company Secretary

ANNEXURE TO NOTICE
Brief Resume of the Directors proposed in the resolutions to the Notice of AGM for the F.Y.2015-16

Name	S K Srivastava, IAS (Retd.) Independent Director	K M Padmanabhan, FCA Independent Director	S K Mishra, IRS (Retd.) Independent Director	Sunil Gupta, FCA Independent Director	P Raychaudhury Director(Commercial)
DIN	02163658	00254109	07270083	00162519	05339415
D.O.B. & Age	20.10.1954 & 61yrs	04.04.1957 & 59 yrs	24.05.1953 & 63 yrs	12.02.1964 & 52 yrs	16.07.1959 & 57 yrs
Date of Appt.	13.11.2015	13.11.2015	27.11.2015	13.11.2015	01.03.2016
Qualifications	Master of Arts in Political Science	Chartered Accountant	B.Sc, M.Sc, Master Degree in Law	Chartered Accountant	B.Tech (Chemical Engineering), IIT, New Delhi
Expertise in specific functional Area	Shri S.K. Srivastava is a retired officer from Indian Administrative Services (IAS). He has held various positions in the areas of Land Revenue Management, Health & Family Welfare, Food & Public Distribution, Industries, Transport, Personnel & General Admin, Mines & Minerals, Geology, Energy, Power, Home rehabilitation, Agriculture, Labour & Employment etc. He retired as Secretary to Government of India, Ministry of Coal.	He has more than 27 years of Practice as Chartered Accountant and is the Senior Partner of Sinivas and Padmanabhan, Chartered Accountants, Chennai. He has been a regular Visiting Faculty in the area of Finance and Accounting at Indian Institute of Management (Indore), Indian Institute of Management (Raipur), Institute for Financial Management and Research (IFMR), RBI Staff Training College, Tamilnadu Judicial Academy, The Institute of Chartered Accountants of India (ICAI). He has been trained in Case Method Teaching at Harvard Business School, Boston, USA and at Harvard Business School Center, Shanghai, China. He is the founder member of Prerana Helpline Foundation (NGO) that caters for the need of visually challenged people. He is also a Managing committee member of Madras Management Association one of most acclaimed management associations in India.	Shri S.K. Mishra is a retired officer from Indian Revenue Service (IRS). He was member then vice Chairman of Additional bench, Income Tax Settlement Commission, Mumbai. Before that he has served as Chief Commissioner, Income Tax, Indore, the highest post in the Income Tax Department. He has also served as Commissioner Income Tax at Jaipur and Central Hyderabad and Additional Director of Authority for Advance Rulings and Financial Advisor and CFO of Betwa River Board, Janshi under Ministry of water resources. GOI.	He has 29 years of post-qualification experience in the areas of Statutory Audit, Internal Audit, Tax Audit, Company Law Matters, Income Tax, Service Tax, Finance & Financial Services and General Insurance etc. He also serves as Director in Sakshi Finvest Private Limited.	Prior to this assignment, Sri Raychaudhury served as Executive Director (Transport & Shipping Department), Steel Authority of India (SAIL) in Kolkata. He has 34 years of experience in handling various commercial activities like: Domestic Sales, International Trade, Warehouse Operations, Retail Sales, Transport & Shipping, Vigilance etc.,. He played a major role in drafting policy for dealership schemes for increasing the outreach of the products in the rural areas and was responsible in implementing this initiative across the country. Initiatives like working with INSDAG were also taken up in projects for increasing the steel consumption in the hinterland. He has worked in close coordination with the Railways for undertaking large volume of movement of imported raw materials like coking coal/ lime stone through the railway system and gained good knowledge in the area of railway logistics during his previous tenure.
Directorship held in other Public Companies	GAIL	ONGC Limited	NIL	NIL	NIL



Name	S K Srivastava, /AS (Retd.) Independent Director	K M Padmanabhan, FCA Independent Director	S K Mishra, IRS (Retd.) Independent Director	Sunil Gupta, FCA Independent Director	P Raychaudhury Director(Commercial)
Membership/ Chairmanship of committees in RINL as on notice date.	<p>Chairman of</p> <ol style="list-style-type: none"> Nomination, Remuneration & Ethics/ Human Resources Committee. BSC on Marketing <p>Member of</p> <ol style="list-style-type: none"> Audit Committee Committee for Raw Material Security & Joint Ventures and Acquisitions CSR & Sustainability Committee Committee of Independent Directors (COID) 	<p>Chairman of</p> <ol style="list-style-type: none"> CSR & Sustainability Committee Committee for Raw Material Security & Joint Ventures and Acquisitions <p>Member of</p> <ol style="list-style-type: none"> Audit Committee Committee for Expansion and Related Projects Nomination, Remuneration & Ethics/ Human Resources Committee Committee of Independent Directors (COID) 	<p>Chairman of</p> <ol style="list-style-type: none"> Stakeholders'/ Investors' Grievance Committee Committee for Expansion and Related Projects <p>Member of</p> <ol style="list-style-type: none"> Audit Committee; BSC on Marketing Committee of Independent Directors (COID) 	<p>Chairman of</p> <p>Audit Committee;</p> <p>Member of</p> <ol style="list-style-type: none"> Nomination, Remuneration & Ethics/ Human Resources Committee CSR & Sustainability Committee. BSC on Marketing (BSCOM) Committee of Independent Directors (COID) 	<p>Chairman of</p> <p>NIL</p> <p>Member of</p> <ol style="list-style-type: none"> Committee of Management Committee on Raw Material Security and Joint Ventures & Acquisition
Membership/ Chairmanship of Committees in other public Companies (other than RINL)	<p>GAIL</p> <p>Chairman of</p> <ol style="list-style-type: none"> Business Development & Marketing Committee Finance Committee Stakeholders' Grievance Redressal Committee, <p>Member of -</p> <ol style="list-style-type: none"> Audit Committee H.R. Committee Project Appraisal Committee Nomination and Remuneration Committee 	<p>ONGC</p> <p>Chairman of</p> <ol style="list-style-type: none"> Nomination & Remuneration Committee Project Review Committee Risk Management Committee <p>Member of</p> <ol style="list-style-type: none"> Audit & Ethics Committee Stakeholders' Relationship Committee Committee on Dispute Resolution Project Appraisal Committee Financial Management Committee. 	<p>NIL</p>	<p>NIL</p>	<p>NIL</p>
No.of Shares held in RINL	NIL	NIL	NIL	NIL	NIL

The details in the above table are as on 31.03.2016.

FORM No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U27109AP1982GOI003404
 Name of the company : RASHTRIYA ISPAT NIGAM LIMITED
 Registered office : Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam 530 031.
 Website : www.vizagsteel.com; Tel: (0891)251 8015/8249
 Email : csrinl@vizagsteel.com;

Name of the member (s) :
 Registered address :
 E-mail Id : Folio No/ Client Id : DP ID :

I/We, being the member (s) holding.....shares of the above named company, hereby appoint:

1. Name :
 Address :
 E-mail Id : Signature : or failing him
2. Name :
 Address :
 E-mail Id : Signature : or failing him
3. Name :
 Address :
 E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the company, to be held on the 29th day of Sept., 2016 at 11.00 a.m. at registered office, Visakhapatnam and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	RESOLUTIONS	VOTE		
		(Please mention no. of shares)		
ORDINARY BUSINESS		For	Against	Abstain
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended March 31, 2016, together with the Directors Report, the Reports of Auditors' and comments of the Comptroller & Auditor General of India (C & AG) thereon.			
2	To authorize Board of Directors of the Company to fix the Remuneration of the Statutory Auditors of the company appointed by Comptroller & Auditor General of India (C&AG) for the financial year 2016-17, in terms of provisions of Section 139(5) read with Section 142 of the Companies Act, 2013.			
SPECIAL BUSINESS				
3	To appoint Shri S K Srivastava (DIN: 02163658) as Director of the Company.			
4	To appoint Shri K M Padmanabhan, (DIN: 00254109) as Director of the Company.			



Sl.No.	RESOLUTIONS	VOTE (Please mention no. of shares)		
		For	Against	Abstain
5	To appoint Shri Sunil Gupta, (DIN: 00162519) as Director of the Company.			
6	To appoint Shri S K Mishra, (DIN: 07270083) as Director of the Company.			
7	To appoint Shri P Raychaudhury, (DIN: 05339415) as Director (Commercial) of the Company.			
8	To ratify the remuneration of the Cost Auditors for the financial years 2015-16 and 2016-17.			
9	To borrow in excess of the paid up share capital and free reserves of the company.			
10	To create mortgage and/or charge over the movable & immovable properties of the company, both present & future in respect of the borrowings.			

Signed on thisday of2016.

Signature of shareholder

Signature of Proxy holder(s) _____, _____, _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

VISION 2025



To be the most efficient steel maker having the largest single location shore based steel plant in the country

CORE VALUES

- I Initiative** : Have a self-propelled & proactive approach
- D Decisiveness** : Decide with speed & clarity
- E Ethics** : Be consistent with professional & moral values
- A Accountability** : Take responsibility for actions
- L Leadership** : Lead by example
- S Speed** : Demonstrate swiftness and efficiency in everything we do

OBJECTIVES

- Achieve Gross Margin to Turnover ratio > 10%
- Plan for finishing mill to integrate with 7.3 Mt capacity and commission the same by 2017-18
- Achieve rated capacity of new and revamped units by 2017-18
- Capture markets for high - end value added products by focusing on sector specific applications and customer needs
- Achieve leadership in Energy consumption by achieving 5.6 Gcal/tcs by 2017-18
- Globalisation of operations through acquisition of mines and setting up of marketing network abroad
- Diversify through operationalizing of Bhilwara Mines, setting up of Pelletization Plant, DRI-EAF unit, Wheel & Axle Plants
- Create a high performance and safe work culture by nurturing talent and developing leaders
- To grow in harmony with the environment and communities around us



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)

CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant
Visakhapatnam, Andhra Pradesh



Skill Development in Rehabilitation Colonies



Bal Swachhta Jagruti - Awareness on sanitation



Swachh Bharat Oath

ISO 9001
ISO 14001
ISO 27001
ISO 50001
OHSAS 18001



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)

CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant
Visakhapatnam, Andhra Pradesh