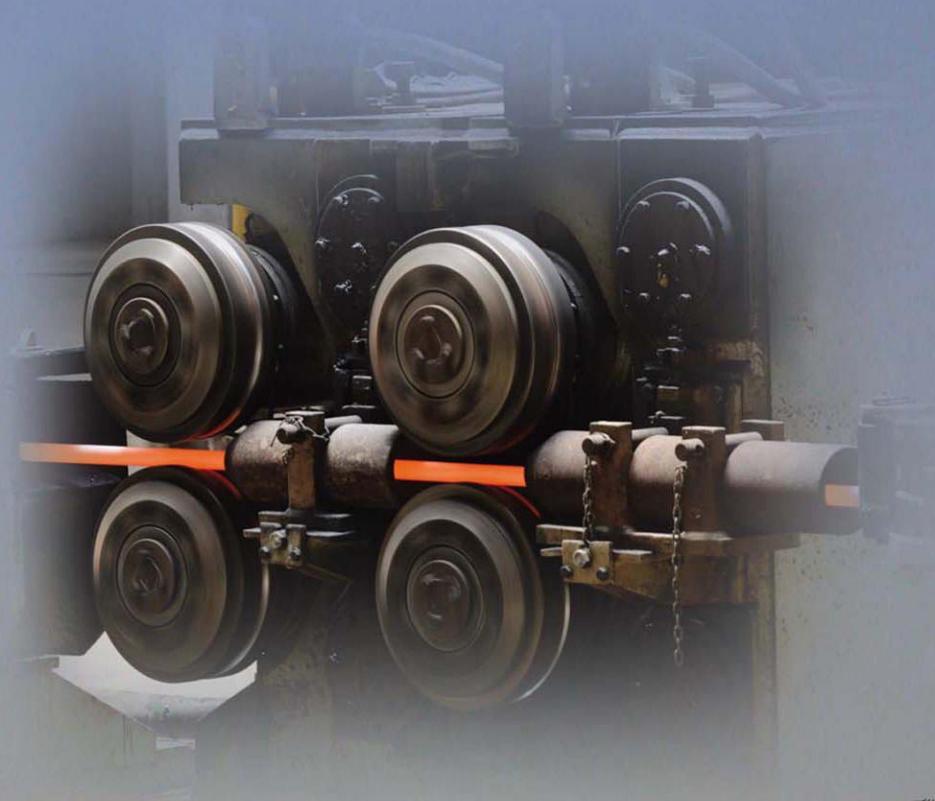


36th ANNUAL REPORT 2017-18



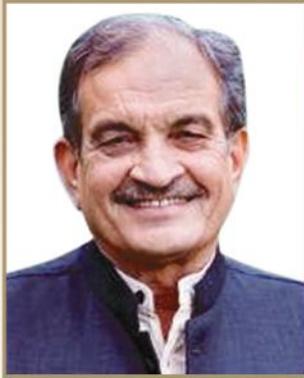
HARNESSING RENEWABLE ENERGY



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)
CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant
Visakhapatnam, Andhra Pradesh



Shri Chaudhary Birender Singh
Hon'ble Union Minister of Steel, Govt. of India

Shri Vishnu Deo Sai
Hon'ble Union Minister of State for Steel, Govt. of India



Shri Binoy Kumar
Secretary to Government of India, Ministry of Steel



Hon'ble President of India presents Rashtriya Khel Protsahan Puraskar to RINL



VISAKHAPATNAM STEEL PLANT

BOARD OF DIRECTORS



Shri Pradosh Kumar Rath
Chairman - cum - Managing Director



Shri Saraswati Prasad, IAS
SS & FA, MOS & Govt. Director



Ms. Ruchika Chaudhry Govil, IRS
Jt. Secretary, MOS & Govt. Director



Shri P C Mohapatra
Director (Projects)



Shri P Raychaudhury
Director (Commercial)



Shri Kishore Chandra Das
Director (Personnel)



Shri V V Venu Gopal Rao
Director (Finance)



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



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



Shri K M Padmanabhan
Independent Director



Shri Sunil Gupta
Independent Director



Shri Ashwini Mehra
Independent Director



Shri M Jagadeeshwara Rao
Company Secretary



RASHTRIYA ISPAT NIGAM LIMITED

BOARD OF DIRECTORS

Shri P K Rath (w.e.f. 22.09.2018)
Shri P.C.Mohapatra
Shri P Raychaudhury
Shri K. C. Das
Shri V V Venu Gopal Rao (w.e.f. 06.07.2017)
Shri Saraswati Prasad
Ms. Ruchika Chaudhry Govil (w.e.f. 11.10.2017)
Shri S K Srivastava
Shri S K Mishra
Shri K M Padmanabhan
Shri Sunil Gupta
Shri Ashwini Mehra (w.e.f.06.09.2017)
Shri P Raychaudhury (w.e.f. 01.06.2018 to 21.09.2018)
Shri P K Rath (w.e.f. 10.10.2017 to 21.09.2018)
Shri P Madhusudan (upto 31.05.2018)
Smt. Urvilla Khati (upto 11.10.2017)
Shri D.N. Rao (upto 31.07.2017)

Chairman cum Managing Director
Director (Projects)
Director(Commercial)
Director (Personnel)
Director (Finance)
Govt. Nominee Director
Govt. Nominee Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
CMD (Addl. Charge)
Director (Operations)
Chairman cum Managing Director
Govt. Nominee Director
Director (Operations)

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri M. Jagadeeshwara Rao (Late) **Shri Deepak Acharya**
(w.e.f. 26.05.2018) (upto 23.04.2018)

STATUTORY AUDITORS

M/s. M. Bhaskara Rao & Co.
Chartered Accountants, Visakhapatnam

COST AUDITORS

M/s. SKG & Co.,
Cost Accountants, New Delhi

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

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
Email:jagadeeshm@vizagsteel.com
Website:www.vizagsteel.com

BANKERS

State Bank of India
Bank of Baroda
Canara Bank
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
Andhra Bank
Vijaya Bank
Kotak Mahindra Bank
Yes Bank
EXIM Bank

CONTENTS

Chairman's Address	1
A Glance of Financial Results since Inception	3
Financial Highlights (FY 2017-18)	7
Directors' Report	8
Management Discussion and Analysis Report (<i>Annexure-I</i>)	27
Corporate Governance Report (<i>Annexure-II</i>)	33
CEO & CFO Certificate (<i>Annexure-III</i>)	45
Corporate Governance Certificate (<i>Annexure-IV</i>)	46
Annual Report on Corporate Social Responsibility (<i>Annexure-V</i>)	47
Extract of Annual Return (MGT-9) (<i>Annexure-VI</i>)	54
Conservation of Energy, Technology Absorption, R&D, Foreign Exchange Earnings & Outgo (<i>Annexure-VII</i>)	63
Secretarial Audit Report (<i>Annexure-VIII</i>)	68
AUDITED ANNUAL ACCOUNTS	
Standalone Financial Statements	
Auditor's Report (<i>Annexure-IX</i>)	71
CAG 'Nil' Comments Report (<i>Annexure-X</i>)	78
Balance Sheet	82
Statement of Profit & Loss	83
Statement of Changes in Equity	84
Statement of Cash Flows	85
Notes to Standalone Financial Statements	86
Consolidated Financial Statements (CFS)	
Notes on Subsidiaries & Joint Ventures	124
Statement on Financial Statements of Subsidiaries & JVs (Form AOC-1)	126
Auditor's Report (<i>Annexure- XI</i>)	127
CAG 'Nil' Comments Report (<i>Annexure- XII</i>)	137
Consolidated Balance Sheet	139
Consolidated Statement of Profit & Loss	140
Statement of Changes in Equity	141
Consolidated Statement of Cash Flows	142
Notes to Consolidated Financial Statements	143
NOTICE	197

CHAIRMAN'S ADDRESS

Dear Shareholders

On behalf of RINL/VSP and the Board, I take great pleasure in welcoming you all for the 36th 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. It is indeed an honour and a privilege to share my thoughts and apprise you about the achievements of your Company. The Directors' Report, the Audited Financial Statements for the year 2017-18 and the notices to the shareholders have already been circulated and with your permission, I take them as read.

External Environment:

World Steel Association (WSA), in its April'2018 outlook projected that Global steel demand will reach 1,616 Million Tonnes (MT) in 2018, an increase of 1.8% over 2017 and will further grow by 0.7% to reach 1,627 MT in 2019. The steel demand in both developed and developing economies (excl China) is expected to show sustained growth as Global economic situation is expected to remain favourable with high confidence and strengthening recovery of investment levels in advanced economies and recovery in commodity prices.

In terms of economic performance in the year under consideration, India stood tall amongst its global peers with GDP growth of 8.2% in Q1 of 2018-19. The constant increasing trend of quarterly GDP numbers in the last five quarters at 5.6%, 6.3%, 7%, 7.7% and 8.2% indicates that the several structural reforms implemented by government including Goods and Services Tax (GST) are bringing dividends in the form of higher GDP growth rate and enhancing the country's future competitiveness.

Your Company's performance

The Company registered Sales Turnover of ₹ 16,618 Crores (including sale of trial run production of ₹ 2158.73 Crores) registering a growth of 31% in value over the previous year. The saleable steel sales volume was higher by 21% and the Net Sales Realisation was higher by 22% compared to the previous year. With this, the company could achieve an EBITDA of ₹ 346.19 Cr against a negative EBITDA of ₹ 263.89 Cr in the previous year.

However, the company incurred a Net Loss of ₹ 1369.01 Crs compared to a Net Loss of ₹ 1263.16 Crs in the previous year. The loss increased mainly on account of a provision of ₹ 541.05 Crores towards the Gratuity Liability, subsequent to the amendment to the Gratuity Act, 1972 increasing the ceiling amount.



Your Company recorded growth in all major areas of production during the year, such as Hot Metal, Liquid Steel, Saleable Steel and Finished Steel with a growth of 17%, 19%, 17% and 21% respectively. The Value Added Steel production grew by 16% and Captive Power of 316 MW was generated during the year with a growth rate of 28%.

BF Coke Rate, PCI Rate, Labour Productivity and Specific Energy Consumption achieved during the year are the best for any year since inception. Further, the Productivity, Fuel Rate, BF Coke Rate and PCI Rate in Blast Furnace-3 improved further to register best performance so far.

The market share of the company in Bars & Rods increased to 9.6% from 8.4% in the previous year. Sales in Andhra and South Regions, where the realisations are higher, was given focus and the share improved to 32.7% from 29.8% in the previous year. The company ventured into new export markets and exported about 35,900 MT WRCs to USA. Similarly, for the first time, the company has exported about 11,400 MT of Rounds and 2700 MT of Flats to Philippines.

Sustainability Initiatives

The company has been putting all efforts to explore internal drivers for cost reduction in the areas pertaining to raw material, generation of green energy and improvement in operational efficiency, etc. Your company won National Sustainability Award 2017 - 2nd prize in the integrated steel plants category in recognition of Quality Control aspects in the Steel Sector.

Corporate Social Responsibility (CSR)

Taking your Company's commitment to socio-economic transformation of people in and around the Plant and Mines forward, your Company has undertaken a number of projects/



VISAKHAPATNAM STEEL PLANT

activities and programs as part of its CSR initiatives. Pursuant to the enactment of the new Companies Act, 2013, your Company has formulated a CSR & Sustainability Policy in line with the applicable provisions of the said statute and DPE Guidelines and has been according due emphasis on 'Inclusive Growth and Sustainability'. 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

The philosophy of your 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. A separate Report on Corporate Governance along with Certificate on Compliance of CG guidelines issued by DPE and Secretarial Audit report forms part of the Directors' Report.

Environment Management

Environmental Management System ISO 14001 has been implemented throughout the plant covering 49 departments.

During the year, Revamp of Converter- B of Steel Melting Shop-1 with a provision of Dog House to eliminate roof top emissions & secondary emissions and Revamp of Stock House Dust Extraction and Cast House Fume Extraction systems of Blast Furnace-2 and ESPs of ACP & GCP of Sinter Machine-1 to reduce the stack emissions were completed. Pulverized Coal injection system was completed in Blast Furnace-2 also, completing the provision for all the 3 Blast Furnaces.

Waste management was given thrust and utilisation rate of 142.11% was achieved in case of BF Slag.

In addition to the above, large-scale afforestation has been done and about 53.03 lakh trees have been planted in an area of 2720 Ha so far. Under the Green Visakha Program, the company has completed plantation of 3,50,400 trees so far against the plan of total 4,50,000 trees in 5 years.

Dividend for the year 2017-18

Considering the current financial position of the company, the company is not in a position to declare any dividend for the financial year.

Contribution to the Exchequer

The Company contributed ₹ 2394.98 Crs to the National Exchequer in the form of taxes and duties to various government agencies as against ₹ 1501.43 Crs during the previous year.

Looking ahead

As per WSA, India became the 2nd largest crude steel producer globally during 2017-18 Q4 (Jan-Mar 2018), edging past Japan. India is projected to register highest growth rates of 5.5% and 6.0% among top 10 steel using countries, in 2018 and 2019 respectively.

National Steel Policy (NSP) 2017 introduced by the government which focuses on enhancing domestic consumption, high quality steel production and making the sector globally competitive. The policy aspires to achieve 300 MT of steel-making capacity by 2030 and seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 62 Kg.

RINL is set to take advantage of the growth prospects by increasing the volume of production from new units. 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. 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 and I also look forward for their continuous support in future.

Thanking you,
Jai Hind,

Sd/-

(P K Rath)
Chairman

Dated 29th September, 2018
Visakhapatnam

A Glance of Financial Results since inception

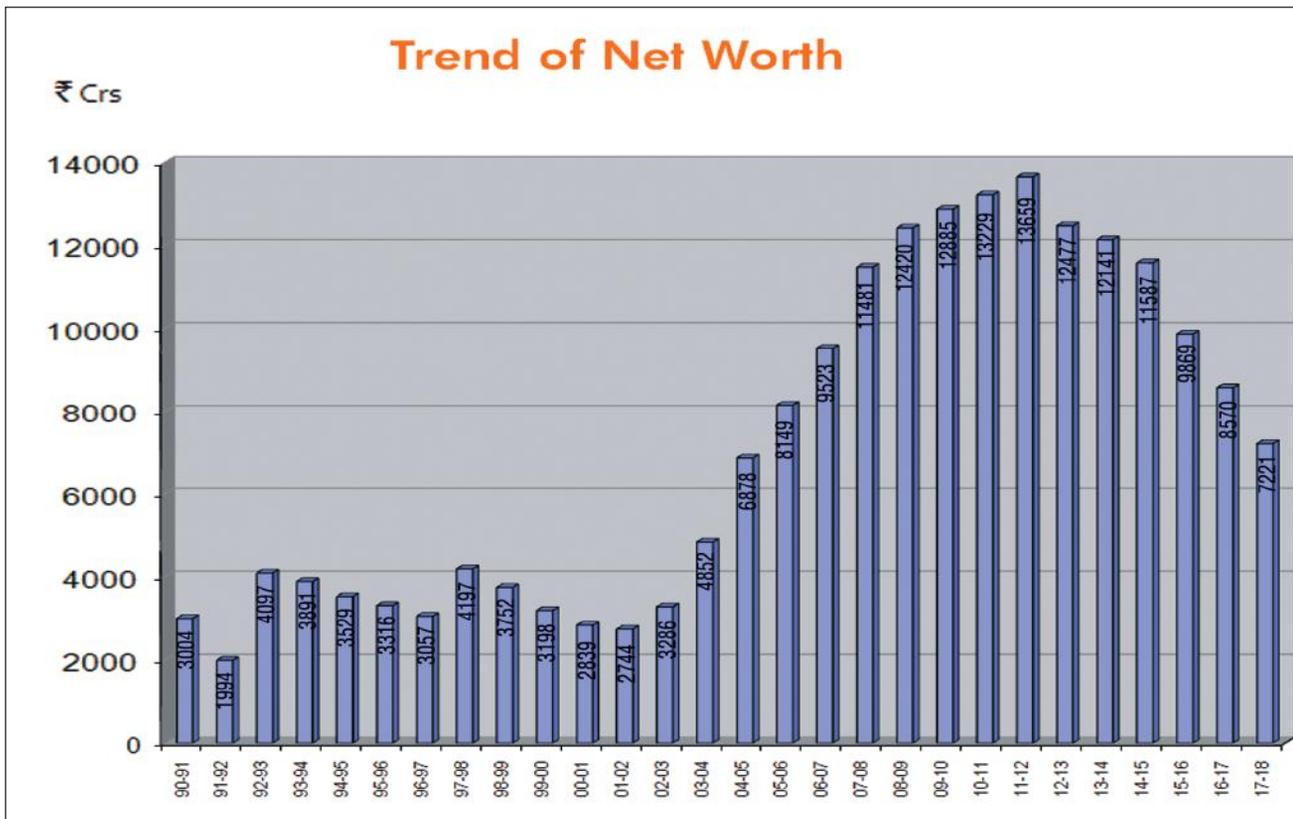
Year	Turnover	Other Revenue	Gross Income	Raw Materials consumed	Stock(Accretion) / Decretion	Employee Benefits	Depreciation & Amortisation	Interest & Wealth Tax	Stores, R&M, Power & Other Expenses	Profit / (Loss) before tax	Profit / (Loss) after tax	Capital	Reserves & Surplus	Loans / Buyers Credit	Fixed Assets Gross Block	Total Depreciation	Fixed Assets Net Block	Nos
90-91	243	36	279	175	(27)	29	197	192	191	(480)	(480)	3506	(480)	3924	3720	248	3472	14433
91-92	772	22	794	402	(70)	54	449	437	509	(988)	(988)	3506	(1468)	5476	5031	704	4327	16656
92-93	1185	148	1333	680	(152)	77	340	198	758	(567)	(567)	3706	(2035)	3495	6157	1026	5131	17454
93-94	1751	156	1907	875	160	103	340	347	655	(573)	(573)	6494	(2608)	3474	7326	1365	5961	17483
94-95	2209	50	2259	1059	(200)	128	415	366	855	(364)	(364)	6494	(2972)	3735	8289	1747	6542	17369
95-96	3040	116	3156	1311	(50)	155	430	407	1107	(202)	(202)	6494	(3174)	3831	8392	2177	6215	17642
96-97	3135	78	3213	1385	(115)	174	422	430	1163	(247)	(247)	6494	(3421)	3735	8548	2819	5729	17478
97-98	3071	97	3168	1405	(118)	210	439	198	1211	(177)	(177)	6494	(3598)	2205	8592	3037	5555	17354
98-99	2762	197	2959	1220	318	255	111	361	1151	(456)	(456)	6494	(4054)	2243	8615	3148	5467	17400
99-00	2972	154	3126	1394	(95)	272	432	382	1303	(563)	(563)	7827	(4617)	2343	8635	3580	5055	17254
00-01	3437	181	3618	1444	(103)	408	445	351	1364	(289)	(289)	7827	(4906)	2293	8643	4012	4630	17131
01-02	4081	153	4234	1602	62	375	475	291	1504	(75)	(75)	7827	(4981)	1989	8703	4468	4235	17026
02-03	5059	231	5290	1806	281	406	455	186	1635	522	522	7827	(4459)	1186	8731	4903	3828	16894
03-04	6168	209	6377	2050	26	481	476	49	1748	1546	1546	7827	(2913)	37	8710	5338	3372	16755
04-05	8182	286	8468	3020	(310)	490	1006	11	1997	2254	2008	7827	(905)	531	8763	6322	2441	16613
05-06	8491	447	8938	3585	66	572	448	31	2346	1890	1252	7827	347	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	2026	1335	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	1109	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	548	366	5740	6401	4943	13616	9083	4533	18371
14-15	11676 *	288	10689	5128	(820)	1918	271	435	3654	104	62	5190	6404	7511	14608	9251	5357	18137
15-16	12271 *	453	10512	4142	1150	1882	366	677	3998	(1702)	(1604)	4890	4979	10391	21273	9318	11955	17873
16-17	12706 *	362	12679	6945	(398)	2164	659	768	4231	(1690)	(1263)	4890	3680	14206	22935	10007	12928	17838
17-18	16618 *	413	14872	8601	(186)	2885	778	938	3768	(1911)	(1369)	4890	2331	16675	27110	10327	16783	17617

* 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, ₹ 2211.24 Crs in 2015-16, ₹ 388.99 Crs in 2016-17 and in 2017-18 ₹ 2158.73 Crs

Note : Amounts upto FY 14-15 are as per IGAAP and from FY 15-16 onwards are as per IND AS.

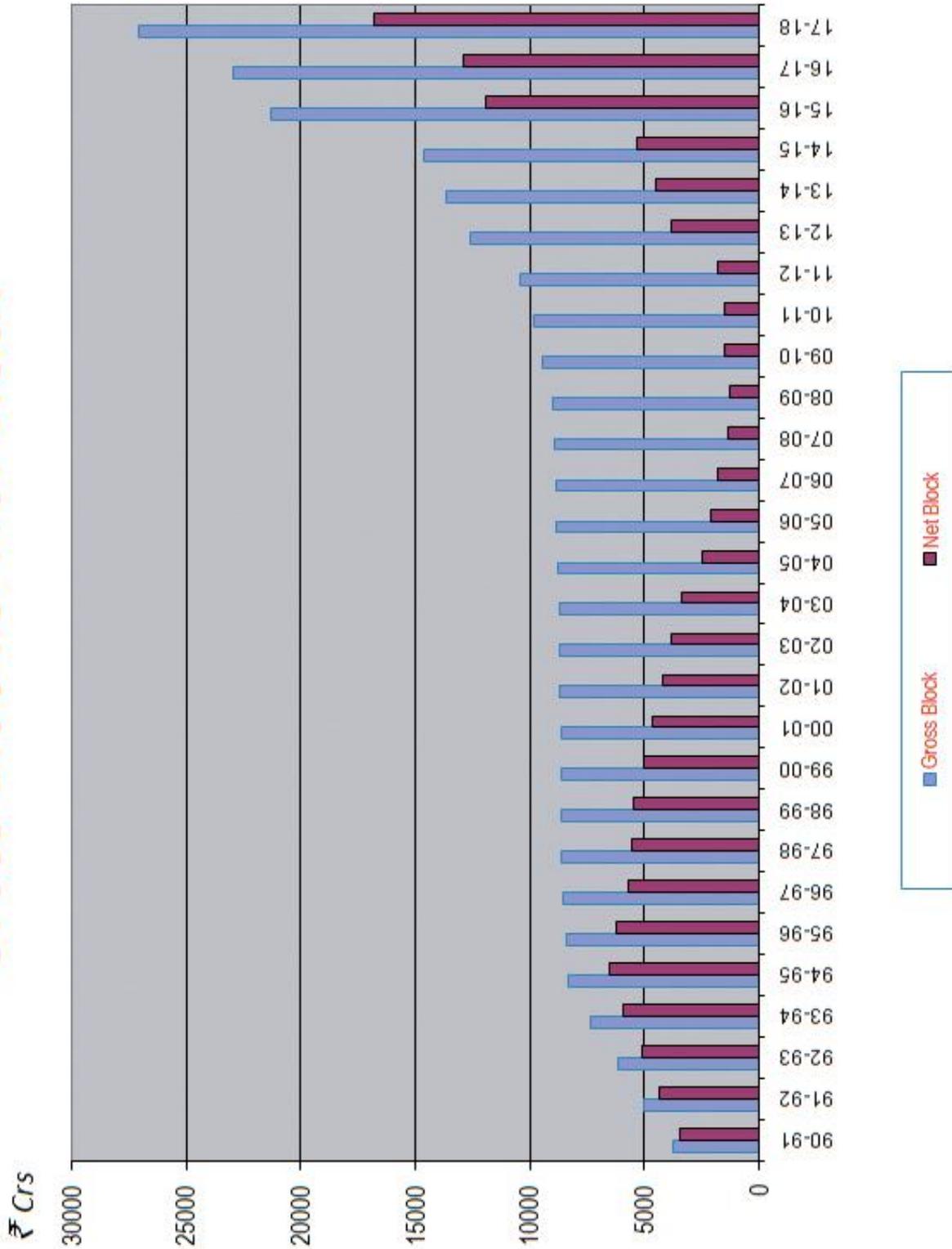


Note: Figures upto FY 14-15 are as per IGAAP and from FY 15-16 onwards are as per IND AS.



Note: Figures upto FY 14-15 are as per IGAAP and from FY 15-16 onwards are as per IND AS.

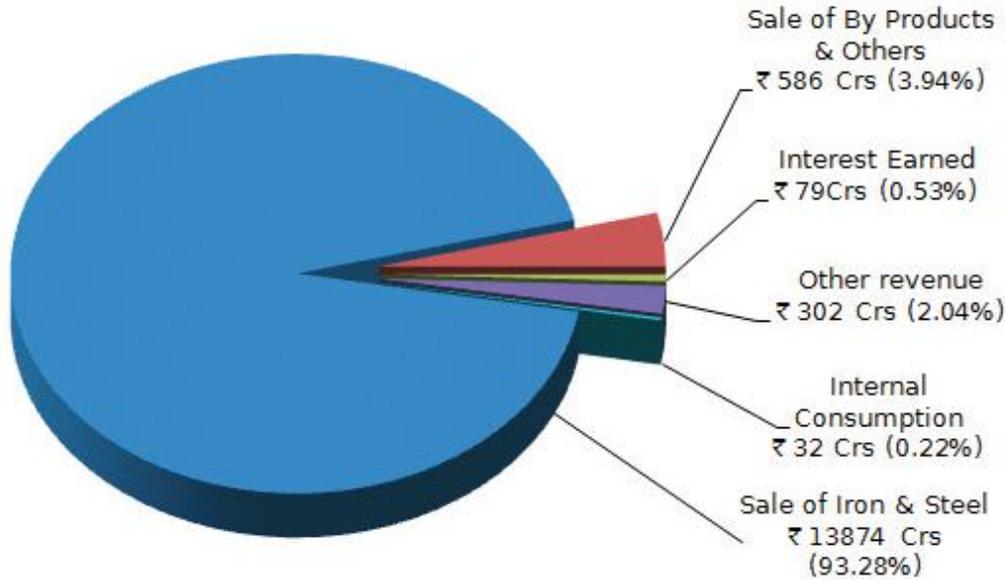
Gross Block & Net Block



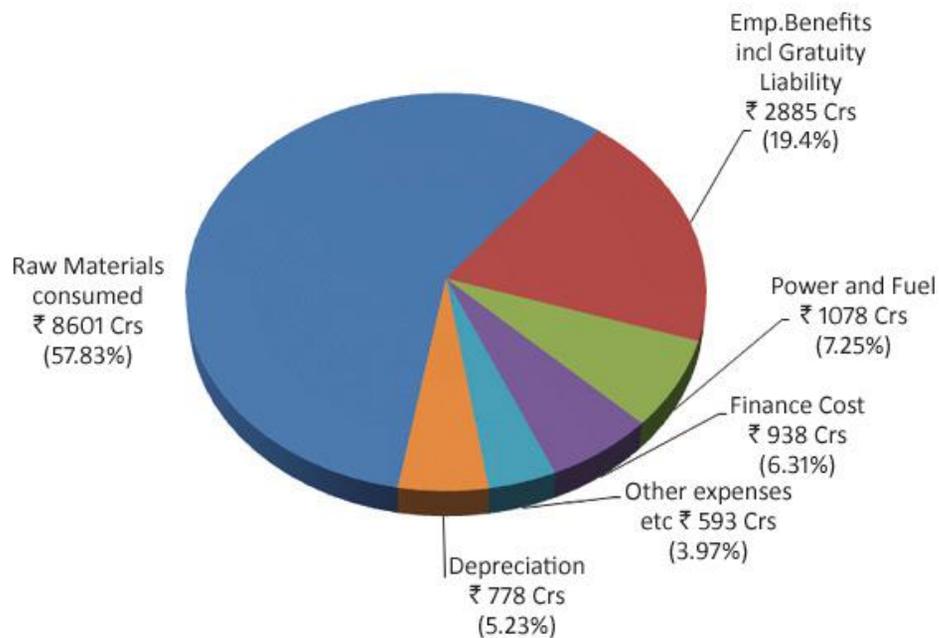


VISAKHAPATNAM STEEL PLANT

BREAK UP OF GROSS INCOME : 2017-18



DISTRIBUTION OF GROSS INCOME : 2017-18



FINANCIAL HIGHLIGHTS

		2017-18	2016-17
A	OPERATING RESULTS (₹ Crs)		
	Turnover	16618	12706
	Turnover (Excl. Trial Run)	14460	12317
	Gross Income	14872	12679
	Gross Expenditure excl Finance cost	15846	13602
	Gross Profit (PBIT)	(973)	(923)
	Profit before Tax	(1911)	(1690)
	Net Profit After Tax	(1369)	(1263)
B	YEAR END FINANCIAL POSITION (₹ Crs)		
	Share Capital	4890	4890
	Reserves and Surplus	2331	3680
	Capital Employed	8687	6620
	Net Worth	7221	8570
	Gross Block	27110	22935
	Cumulative Depreciation	10327	10007
	Net Block	16783	12928
	Inventory-Semi-finished/finished goods	2411	2344
C	PROFITABILITY AND OTHER RATIOS		
	(i) Percentage of		
	Gross Profit to Sales	(6.7)	(7.5)
	Net Profit to Sales	(9.5)	(10.3)
	Gross Profit to Net Worth	(13.5)	(10.8)
	Net Profit to Net Worth	(19.0)	(14.7)
	Gross Profit to Capital Employed	(11.2)	(13.9)
	Net Profit to Capital Employed	(15.8)	(19.1)
	Gross Profit to Share Capital	(19.9)	(18.9)
	Semi/finished goods Inventory to Sales	16.7	19.0
	(ii) Ratio of		
	Current Assets to Current Liabilities	0.5	0.5
	Quick Assets to Current Liabilities	0.1	0.2
	Sales to Capital Employed	1.7	1.9

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 36th Annual Report of the Company for the financial year ended 31st March 2018, together with the Audited Financial Statements, the Statutory Auditors' Report, the Secretarial Audit Report and the Comments on the Accounts by the Comptroller and Auditor General of India.

BUSINESS PERFORMANCE

The Company registered Sales Turnover of ₹ 16,618 Crores (including sale of trial run production of ₹ 2158.73 Crores) registering a growth of 31% in value over the previous year. The saleable steel sales volume was higher by 21% and the Net Sales Realisation was higher by 22% compared to the previous year. With this, the company could achieve an EBITDA of ₹ 346.19 Cr against a negative EBITDA of ₹ 263.89 Cr in the previous year.

However, the company incurred a Net Loss of ₹ 1369.01 Crs compared to a net loss of ₹ 1263.16 Crs in the previous year. The loss increased mainly on account of a provision of ₹ 541.05 Crores towards the Gratuity Liability, subsequent to the amendment to the Gratuity Act, 1972 increasing the ceiling amount.

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

Particulars	₹ in Crores	
	2017-18	2016-17
Turnover including trial run sales	16618.40	12706.31
Earnings before finance charges, Tax, Depreciation/ Amortisation (EBITDA)	346.19	(263.89)
Less: Finance Charges	938.33	767.74
Profit before Tax & Depreciation/ Amortisation (PBTDA)	(592.14)	(1031.63)
Less: Depreciation	778.26	658.86
Profit before exceptional items	(1370.40)	(1690.49)
Less: Exceptional items	541.05	0.00
Net Profit before Taxation (PBT)	(1911.45)	(1690.49)
Provision for taxation	(542.44)	(427.33)
Profit/(Loss) after Taxation (PAT)	(1369.01)	(1263.16)

DIVIDEND

No dividend has been proposed during the year 2017-18.

SHARE CAPITAL

During the year under review, there were no changes in the Equity Share Capital and Authorized Capital.

PRODUCTION

Your Company achieved remarkable growth in all the major areas of production, as per details below:

(Unit: '000t)

Item	2017-18	2016-17	% growth
Hot metal	5132	4386	17
Liquid Steel	4972	4176	19
Finished Steel	3884	3214	21
Saleable Steel	4500	3847	17
Value Added Steel	3595	3095	16
Captive Power Generation (MW)	316	248	28

BF-3 production crossed its Annual rated capacity of 2.5 Mt, for the first time, in the year. WRM-2 production surpassed its Monthly rated capacity, for the first time, in Mar'18.

Technical Parameters :

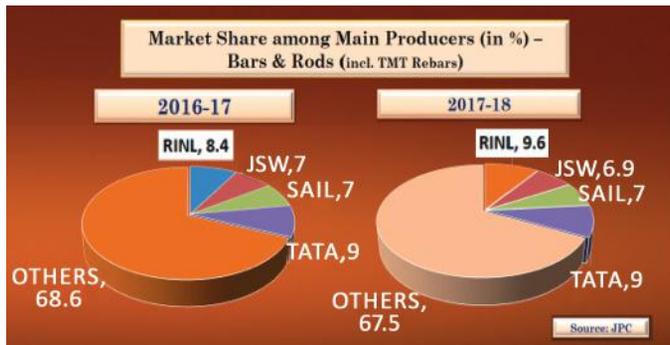
Improvement was achieved in major technical parameters, as below:

Item	Unit	2017-18	2016-17	Imp.(%)
BF Coke Rate	Kg/tHM	459.2	490.4	6
PCI Rate	Kg/tHM	53.6	23.4	>100
Labour Productivity	tCS/man-year	451	375	20
Specific Energy Consumption	Gcal/tCS	6.05	6.39	5
Specific Water Consumption	Cum/tCS	2.41	2.50	4
Gross Power Consumption	Kwh/tCS	633	654	3

BF Coke Rate, PCI Rate, Labour Productivity and Specific Energy Consumption achieved during the year are the best for any year since inception. Further, the Productivity, Fuel Rate, BF Coke Rate and PCI Rate in Blast Furnace-3 improved further to register best performance so far.

MARKETING

With the increase in production and increase in demand RINL could achieve a Sales Turnover of ₹ 16,618.40 Crs, with a growth of 31% over previous year. The sales volume of Saleable Steel increased to ₹ 44.89 lakh tonnes with a growth of 21% over previous year. The market share of the company in Bars & Rods increased to 9.6% from 8.4% in the previous year.



Major Projects

The company continued to supply to various major projects in India. The projects include Kaleswaram Project in Telangana, Durgam Cheruvu Project in Telangana, Kudankulam Nuclear Project of IGCAR in Tamilnadu, Visakha Refinery project of HPCL in AP, Nabinagar Thermal Power Project of NTPC in Bihar, Yadadri Thermal Power Project in Telangana, Water and Utility works of Dholera SIR in Gujarat, Tunnel of Singoli Bhatwari Hydroelectric Project in Uttarakhand, Sambalpur NH55 Road Project in Odisha, Housing Projects in AP, Telangana, UP.

Market Mix

Sales in Andhra and South Regions, where the realisations are higher, was given focus and the share improved to 32.7% from 29.8% in the previous year. The company ventured into new export markets and exported about 35,900 MT WRCs to USA. Similarly, for the first time, the company has exported about 11,400 MT of Rounds and 2700 MT of Flats to Philippines.

Product Development

RINL is focusing on widening the range of products and enriching the product mix in line with the requirement of customers. Presently, RINL is catering to various segments like Forging, Wire Drawing, Rolling, Power Transmission, Boiler & Spring Steels with an aim to improve value for the customers. The sales of High End Value Added Steel

(VAS) Products increased by 35 % to 7.84 lakh tonnes from 5.75 lakh tonnes in the previous year. New products developed included Sup 11A (Spring Steel) grade Flat for Leaf Springs for Automobile sector, CK45Cr grade semis for Axles for Automobile sector and C20HMn grade semis for TLT segment by replacing Vanadium with Titanium.

Logistics

Considering the additional volumes from expansion units, the company has been giving thrust for developing end-to-end logistics infrastructure. RINL has identified Coastal Shipping to greatly relieve the pressure on the rail and road transport system. Accordingly, the company commenced Coastal Shipment to its branches located at Kochi, Ahmedabad and Mumbai, with flagging off of first shipment on 1st Nov' 2017. During the year, a total of 56,000 MT was dispatched under this mode.

With a view to extend the outreach in the proposed capital region development of Andhra Pradesh (Amaravati), the company has opened a stockyard at Vijayawada. Further, direct despatches to the desirous customers was given thrust.

e-commerce:

In order to leverage the potential of on-line sales, the company has appointed e-retailers at Visakhapatnam to service the steel requirements in the interiors and in the distant locations as well. The company has tied up with M/s MSTC for utilizing their e-commerce platform i.e. Metal Mandi, for marketing its products in the North-Eastern states.



Flagging off a full rake load of 2,622 tonne of TMT Rebar from Plant to Agartala, for usage in construction of Tripura Cricket Stadium.



All India Special Steel Customers meet at Visakhapatnam



VISAKHAPATNAM STEEL PLANT



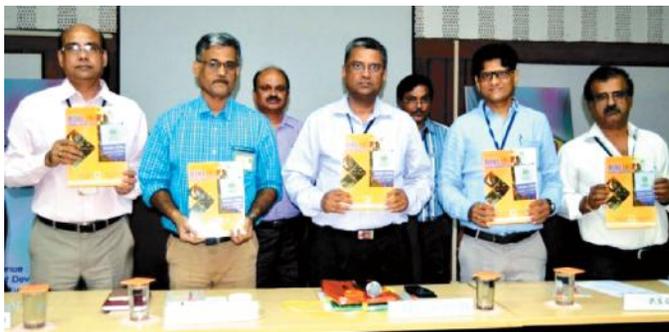
Architects, Builders & Construction Engineers (ABC) Meet at Visakhapatnam



Hon'ble Union Minister, Chaudhury Birender Singh flagging – off maiden coastal shipment on 1st Nov,2017.

Product Promotion

For promotion of steel usage in semi-urban & rural areas, promotion campaigns are being carried out in a structured manner. Meet of Architects, Builders & Construction Engineers (ABC Meets) was conducted at six places, viz., Jammu, Bhubaneswar, Coimbatore, Visakhapatnam, Dehradun & Jaipur. Workshops on Good Construction Practices (Mason Meet) was conducted at Kanpur. Special Steel Customers Meet & Meeting of Original Equipment manufacturers (OEMs) was conducted at Visakhapatnam. Further, All India Rural Dealers Meet was conducted at Visakhapatnam. Rural Area advertisements are made through State Transport Corporation buses and DD Kisan TV Channel.



All India Rural Dealers' Meet at Visakhapatnam



Masons Meet at Kanpur

MATERIAL MANAGEMENT

Purchase

Purchase Department has taken various initiatives in the direction of input cost reduction and maintaining the inventory at optimum levels. In order to reduce the uncertainties of supplies on account of force majeure conditions and to reduce the costs, continuous efforts are made to widen the vendor base. The initiatives in case of major raw materials are as below:

Coking Coal and PCI Coal: New Long Term Agreements were entered into for 3 new Coking Coals and 2 new PCI Coals, industrial shipment was taken for 1 new Coking Coal brands.

Boiler Coal: Fuel Supply Agreement for supply of 3 lakh tonne of Boiler Coal per annum was secured in the auction conducted by M/s Singareni Collieries Co.Ltd. The FSA is for a period of 4 years extendable by 5 more years. Further, a Long Term Agreement is under finalisation with M/s Minas De Benga, a subsidiary of International Coal Ventures Pvt. Limited for supply of Thermal Coal.

Iron Ore: Iron Ore Fines was sourced from Orissa Mining Corporation, by participating in the auctions conducted. With this initiative and the initiative to procure Iron Ore Fines through sea route, the company could reduce the impact of disruption in KK Line, which affected the receipts from NMDC.

The company has processed more than 98.58 % of its tenders through SAP/ERP. Reverse auction is being conducted in all the cases above the threshold PR estimated value of ₹ 2 Lakhs.

Implementation of Integrity Pact:

The Company is one of the first organizations to implement Integrity Pact (IP) w.e.f April'2007, in procurement activities. During the year, 97.43% of contracts by value were covered with IP, which is in line with Standard Operating Procedure (SOP) of Central Vigilance Commission.

Vendor Development

Continuous efforts were made to identify new potential vendors and a total of 110 vendors were registered during the year. The vendor base, at the end of the year, increased to 3,516 of which 1,634 were MSEs and 204 were Local MSEs. Further, the Company had organized 3 vendor meets at Visakhapatnam, Bhilai & Kolkata for prospective and regular vendors and one special vendor meet for SC/ST entrepreneurs at Visakhapatnam for widening the vendor base.

Procurement of Goods & Services from MSEs:

During the year, the total procurement of goods and services made by the company from MSEs (including MSEs owned by SC/ST entrepreneurs) was ₹ 553.25 Crores, which works out to 27.5% 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 has been granted).

FINANCE

During the year, your company continued its thrust on better Fund Management by raising Commercial papers for higher values, availing Short term fully hedged Foreign Currency borrowings (Buyers Credit), Working Capital Demand Loans (WC DL) at competitive interest rates.

The financial accounts for the year were certified by Statutory Auditors as well as C & AG auditors with 'NIL' comments. Cost Accounts for the year were audited and Cost Audit Report was issued without any adverse remarks.

During the year, your company received Income Tax refunds of ₹ 101.45 Crs relating to AY 2008-09, 2009-10 and 2014-15.

Your company ensured smooth transition to GST and raised first tax invoice in the Southern part of the country.

PROJECTS

Modernization & Up-gradation to 7.3 Mtpa:

The major units of modernization and upgradation programme have been commissioned, with the commissioning of Blast Furnace-2 in Oct'17 and Continuous Casting Machine-4 in SMS-2 in Dec'17. The revamp of 3rd Converter in SMS-1 was completed in May'17 and that of Sinter Machine-1 was completed in Aug'17.



1st heat taken during commissioning of 4th Caster on 28th Dec'2017



1st tapping at Cast house during commissioning of BF2 on 22.10.2017



VISAKHAPATNAM STEEL PLANT



Overall view of BF2

Additional Water Storage Reservoir (KBR-2) and Central Dispatch Yard.



Coke Oven Battery No.5 under construction



Revamp of Sinter Machine-1 completed on 31st July'2017



120 meter Chimney of COB-5



Turbo Blower-5 was commissioned on 01st Nov'2017.



Coke Dry Cooling Plant (CDCP) under construction

Other major projects:

Kiln-2 in CRMP and Turbo Blower-5 in TPP were commissioned during the year. Order for Coal Chemical Plant of COB-5 was placed. COB-5 is planned to be commissioned after completing the minimum facility for interlinking with the existing By-Product Plant of COB-1. Works are in progress for



Kanithi Balancing Reservoir-II

For the **Forged Wheel** being set up in Lalganj, UP, imported equipment supplies have started and the civil & structural works are in progress.



RHF Stack Foundation



Forging unit foundation



Furnace Foundation

Capex fulfilment:

The capital expenditure during the year was ₹ 1583.84 Crores against the plan of ₹ 1550.00 Crores, a fulfillment of 102%.

MINES:

Exploration work was completed during the year over the entire lease area in Jaggayyapeta Limestone mines, Madharam Dolomite mines and Garbham Manganese ore mines for establishing the reserves.

STRATEGIC INITIATIVES:

The company signed a Memorandum of Understanding with M/s KIOCL Limited on 06th January, 2018 to work together to set up a Pellet Plant project at Visakhapatnam.

KNOWLEDGE MANAGEMENT INITIATIVES:

Knowledge Management (KM) is designed to capture individual experiential knowledge through the web based KM portal and group knowledge through platforms such as community of practices (CoP), knowledge groups at shop floor, case studies, etc.

During the year 2017-18 the efforts towards KM include obtaining one copyright, development of 15 case studies and conducting 30 CoP sessions involving experts among executives and 22 knowledge groups at shop floor sessions involving non-executive work force to make use of their skills and experience in the respective shop floors.





VISAKHAPATNAM STEEL PLANT



Further, to recognize & motivate the employees for their contribution under various tools of KM and to sensitize and improve the visibility of KM in the company, 3 reward & recognition functions were organized during the year where 157 employees from different departments received Certificates of Appreciation.

RESEARCH & DEVELOPMENT

Research & Development in the company is directed towards innovation, improvement of processes, development of products and reduction and recycle of energy and waste. Programs taken up internally as well as with external research organizations under collaborative research are at various stages of completion. Two new research projects were taken up in the year and fifteen previous projects were continued.

Six technical papers were presented at four different national and international seminars and three journal papers were published in three international journals. The R&D Investment during the year was ₹ 20.06 Cr.

SAFETY

RINL 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.

The company achieved reduction in Accident Frequency Rate to 0.13, which is the lowest since inception of the plant and achieved zero fatal accident for the first time since inception. The company bagged four prestigious Ispat Suraksha Puraskar Awards-2018, from Joint Committee on Safety in Steel Industry (JCSSI) at Ranchi on 16th Feb 2018.

ENVIRONMENT MANAGEMENT

Extensive environmental facilities were planned and implemented while setting up the plant and also during its expansion and modernisation. During the year, Revamp of Converter- B of Steel Melting Shop-1 with a provision of Dog House to eliminate roof top emissions & secondary emissions and Revamp of Stock House Dust Extraction and Cast House Fume Extraction systems of Blast Furnace-2 and ESPs of ACP & GCP of Sinter Machine-1 to reduce the stack emissions were completed. Pulverized Coal injection system was completed in Blast Furnace-2 also, completing the provision for all the 3 Blast Furnaces.

Environmental Management System ISO 14001 has been implemented throughout the plant covering 49 departments. To ensure that Continual Improvement is propagated through EMS, 71 Environmental Management Programmes were taken up in different departments during the year. Training was imparted to 942 employees on environment related topics, Environment Management at VSP, Management of Waste, System Orientation for Audities and Operation & Maintenance of Pollution Control Equipment

Waste management was given thrust and utilisation rate of 142.11% was achieved in case of BF Slag. Tender is under process for setting up of Auto Claved Aerated Concrete Block unit in the land to be given on lease by the company, with a target for off-take of 200,000 tonnes per year.

A new initiative for Environment Quality MOU in On-line was introduced in quality MOUs of QMS(ISO

9001:2015) with the concerned departments of the Plant for improving compliance of statutory norms with respect to stack emissions and effluent quality. The on-line data is made available through ENVISION in EnMD portal to take appropriate actions by the concerned departments in time.

During the year, while complying with all environment related statutory requirements, significant improvement was achieved in Specific SPM Load and Specific Effluent Discharge to 0.24 kg/tCS and 0.55 cum/tCS from 0.34 kg/tCS and 0.58 cum/tCS respectively in the previous year.

In addition to the above, large-scale afforestation has been done and about 53.03 lakh trees have been planted in an area of 2720 Ha so far. Under the Green Visakha Program, the company has completed plantation of 3,50,400 trees so far against the plan of total 4,50,000 trees in 5 years.

INFORMATION TECHNOLOGY

Digital transformation initiative of eOffice was launched during the year, ushering in a new mode of administration in line with the National e-governance programme of Govt of India.

Several other applications were launched during the year which include Swachhta Portal, Sports Portal, RINL Mobile App, Employee Information Kiosk and Enterprise E-mail, Archival & Retrieval solution, Touch screen system for Vizag Steel Museum and Performance Appraisal system (APAR) for E-8 & E9 executives. 7th Operating Committee meeting on “Automation & Information Technology” was hosted by the company.



VSP Marketing Sales Mobile App launched



Information Kiosk Launched by CMD



7th Operating Committee meeting Inaugurated by Director (Projects)



eOffice Launched by CMD RINL

SAP Support Pack was upgraded for operations under the GST regime. SAP was enhanced in several fronts which include deployment of Monthly Sales Planning system. Level-2 process control systems were commissioned in new and modernized units. All



VISAKHAPATNAM STEEL PLANT

servers were updated with OS (MS17-010) Fix to mitigate Wannacry Malware.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Industrial Relations scenario was by and large peaceful. Support was extended for peaceful conduct of Union Elections and for Elections for Executive Committee of VSP SC & ST Employees Welfare Associations. The 25 registered trade unions of the regular work force and 22 registered unions representing contract labour and the Association representing Executives of the organization, have contributed significantly for nurturing employee friendly work culture thereby resulting in maintenance of harmonious IR climate. The company adopted proactive approach on each and every people related issue and redressed the grievances of the employees through a robust Grievance Redressal Mechanism.

In so far as manpower status is concerned, the total work force was at 17,617 as on 31.03.2018. Out of which 2,918 (16.56%) belongs to Scheduled Caste and 1,310 (7.44%) belongs to Scheduled Tribes. Labour Productivity during the year was at 345 tpm which is an increase of 31% over FY 2016-17.

Capacity Building through Learning and Development:

During the year, thrust was given for updating our employees' knowledge and skills by conducting various Technology related courses as well as in Safety, Health and Computer related courses. Around 34,592 employees were trained which accounts for 12.92 man days /employee / year.

As part of Skill India initiative of GOI, RINL entered in to MOU with National Skill Development Corporation (NSDC) and Indian Iron & Steel Sector Skill Council (IIS SSC) for organizing skill training to employees. Various Recognition of Prior Learning (RPL) skill modules were conducted. Assessors from IIS SSC have undertaken assessment. During the FY 2017-18, around 179 employees were trained and certified.

As a part of Academia and Industry Interface, total of 5716 students from various engineering colleges have under gone industry familiarization training. During the year, 7955 people including students from various schools, engineering colleges, and employees' of other organizations visited the Steel Museum, which was set

up to educate general public and students about Iron & Steel technologies.

Through "Gyanera" an e learning Management System developed, 55 courses on Technology, Skill, Computer, Safety and Health were developed and up loaded facilitating the employees to enhance their knowledge from their work place at their convenience.

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

In pursuance to the enforcement of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013, a Policy has been in place and an Internal Complaint Committee (ICC) has also been constituted. During the year, one (01) programme covering 39 women employees was organized to sensitize them about the various provisions of the statute and the role of ICC in handling the grievances pertaining to sexual harassment.

Women Empowerment:

Your Company firmly believes in gender equity and is also an Equal Opportunity Employer. With a view to enhance the strength of women employees which, at present, constitutes around 3% of the total workforce and to ensure reasonable presence in the Company, several steps have been attempted by your Company like adding a few additional streams where female employees can work in both 'A' and 'B' shifts.



The Best Enterprise Award' (1st prize) under 'Navratna' category for the Calendar Year 2017

Development/Welfare of Women employees of the Company is channelized through Forum of Women in Public Sector (WIPS) under the aegis of SCOPE. This Cell has been associating in a number of activities for the development of women employees besides conducting a number of Gender Sensitivity

programmes, Net-working and Social skills and various other training programmes including Communication and Leadership skills. During the year, 853 women employees were nominated for various Technical & Managerial training programmes and also for various competitions, seminars, conferences including WIPS Annual Meet.

It is a matter of pride that your Company has been conferred with 'The Best Enterprise Award' (1st prize) under 'Navratna' category for the Calendar Year 2017 which is a record tenth time at the National level. This is a testimony to the Company's commitment towards development of its women employees on personal as well as on professional front.

Grievance Redressal Mechanism:

Your Company has a robust Grievance Handling System comprising both Formal & Informal Grievance Redressal Mechanism separately for Executives and Non-executives. By and large, the functioning of the existing Grievance Redressal Mechanism is satisfactory. Most of the grievances are redressed at the first stage only within the specified time lines / schedules.

Priority is being given to Public Grievance Redressal System also. A senior officer at the level of General Manager is designated as 'Public Grievance Officer' to deal with the Public Grievances. Wide publicity has been given across the Company through internal circular to sensitize all concerned so that Public Grievances are disposed of within the time-limit prescribed under Citizen / Client Charter (CCC).

On-line Public Grievance Portal of Department of Administrative Reforms and Public Grievances (CPGRAMS) of Govt. of India is being monitored on continuous basis to redress the grievances in a time bound manner. A link to the Gol's Portal for Public Grievances has also been provided in the RINL website so that status of pending public grievances can be monitored at least on weekly basis. Public Grievances are being redressed within the stipulated time-frame.

The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995:

Ever since the statute came into force, your Company has employed 176 persons of different disabilities. This

includes 09 (Nine) such persons, who were selected on merit. 'Accessibility Audit' in public buildings has been conducted to improve the facilities such as provision of Ramp Ways, Customised Toilets, Auditory Signals inside elevators and provision of Wheel Chair at the Reception for the convenience of the differently-abled persons.

Legal Affairs:

Utmost care has been taken to deal with all legal matters including Arbitrations, Court Cases, Coordination with Standing Counsels, dealing with legal notices including notices from different statutory and other authorities, Legal Advices etc. A total number of 74 cases have been disposed off during the year.

Welfare

Besides fulfilling all the statutory welfare measures, your Company has been implementing various non-statutory Schemes for its employees to take care of the social security requirement. Employees' Family Benefit Scheme, Superannuation Benefit Scheme and Group Medi-claim Insurance Scheme are in place as a part of Social Security net for the employees and their families.

An amount of ₹ 7.02 Crores was spent towards Group Medi-claim Insurance Scheme for the benefit of separated employees and their spouses and amount of ₹ 21 Crores was disbursed under Employee Family Benefit Scheme during the year.

As a step forward, in fulfilling the housing needs, employees belonging to Displaced Persons Category were allotted quarters in the Township. Further, quarters in townships were offered to separated employees/ family members also. This initiative derived multiple benefits to your Company by way of monetary saving on account of non-payment of HRA and optimum utilization of quarters many of which are lying vacant for a long time.

5 Information KIOSKs were installed for better employee services. To improve hygiene, maintenance of 5 toilet blocks was entrusted to M/s Sulabh International.

Implementation of Official Language Policy:

Your Company has always given utmost importance towards implementation of Official Language Policy



VISAKHAPATNAM STEEL PLANT



and strict compliance of the Rules. The progress of implementation was reviewed by senior management on quarterly basis.

During the year, 166 employees were trained under 'Hindi Prabodh/Praveen/Pragya courses', 327 employees were trained in 'Hindi Workshops' conducted at various places. About 376 employees were trained to work on computers in Hindi through 'Unicode'.

The efforts of the company were recognized and awards were conferred, which include First Prize of Rajbhasha Keerti Puraskhar for the year 2016-17 by Department of Official Language, MoH, GOI, First Prize of Ispat Rajbhasha Samman, Rajbhasha Karyanyan Samman by Ministry of Steel and Second prize for the year 2016-17 by Town Official Language Implementation Committee(TOLIC), Visakhapatnam.

Sports:

Your company has provided adequate infrastructure to encourage sports for overall health & development of employees and their family members. To educate employees about sports and health well being, Sports Portal was launched.

This year, Col. C.K. Nayudu's Stadium of the company for cricket was utilized for holding Inter-District Cricket tournament for Physically challenged. Annual Summer Coaching Camp was organized where around 1500 children participated under 40 coaches. All India Inter Steel (SPSB) Hockey Championship was also organized, where 6 teams participated. For the first time, VSP won the Inter-Steel (SPSB) Cricket championship, held at TATA Steel and Inter-Steel(PSB) Chess Championship held at RSP.

In November, 2017, Badminton Coaching Camp for school children was inaugurated by Union Minister of Steel Sri Chaudhury Birender Singh in the presence of Olympic Silver Medalist and RINL Brand Ambassador Ms. PV Sindu

The Right to Information Act, 2005:

Your Company is one of the first CPSEs to launch online RTI platform, a leap forward in promoting transparency and accountability. This has immensely facilitated the citizens to file their application within a fraction of second. All out efforts have been made to provide information to citizens under the statute. All

total of 515 requests and 70 appeals were disposed of during this period.

Medical & Health Services:

Your Company has been providing specialized medical care to its employees through a modern 160 bedded Hospital and 03 (Three) Primary Health Centres (PHCs) located at various places including at Rehabilitation Colonies and Captive Mines. In addition, a full-fledged Occupational Health & Safety Research Centre and 02 (Two) First Aid Centres are located inside the Plant premises. An OPD exclusively meant for 'Superannuated Employees and Spouses' has been functional for extending improved medical services.

During the year, 5,65,284 Patients were treated under 'Out-Patient' category and 4,980 surgeries were performed at Company's Hospital. In addition to the Medical/Hospital facilities extended, to take care of the critical ailments for the employees and its dependent family members, the company has entered into MOU with Corporate hospitals at Visakhapatnam and across the country.

Improved Medical & Health services through "On-line Medical Referral" system & extended OPD & Blood sample collection timings, Auto registration etc., led to drastic reduction of cycle time and greater employee satisfaction.

Awards & Accolades:

Three(3) QC teams participated in International Convention on Quality Control(ICQC) held at Manila, Philippines, won Gold Awards. 28 teams from RINL participated in 31st National Convention on Quality Concept(NCQC). 20 Teams were awarded with Par Excellent Awards, 7 teams won Excellent Awards and 1 team was recognised with Distinguished award.

Your Company bagged the INSAAN Award for Excellence in Suggestion Scheme organized by Indian national Suggestion Schemes' Association. Besides, two of our employees have won Prime Ministers Shram Vir and Shram Sri Award.

Corporate Social Responsibility:

Taking your Company's commitment to socio-economic transformation of people in and around the Plant and Mines forward, your Company has undertaken a number of projects / activities and

programs as part of its CSR initiatives. Pursuant to the enactment of the Companies Act, 2013, your Company has formulated a CSR & Sustainability Policy in line with the applicable provision of the said statute and DPE Guidelines and has been according due emphasis on 'Inclusive Growth and Sustainability'. Board Sub Committee on CSR, headed by an Independent Director in terms of the Section 135 of the Companies Act, 2013, has been regularly monitoring the implementation of these CSR activities. The Annual Report on Corporate Social Responsibility (CSR) Activities pursuant to the Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is forming part of this Annual Report.

Swachha Bharat – Swachha Vidyalaya Abhiyan:-

The concept of “Swachh Bharat” has been institutionalized across the organization. “Safai Pakhwada” was organized throughout the year covering all Departments in a sustained manner. The Swachh Bharat Activities were undertaken inside the Plant premises as well as in the surrounding communities. The primary objective is to strengthen the existing infrastructure and maintain it through cleanliness drives.

Your company contributed ₹ 50.00 Lakhs towards Swachh Bharat Kosh during the year. Further, under “Swachh Gram” –52 household Toilets were provided in the tribal village ‘Nadumveedhi’ to promote Open Defecation Free (ODF) villages in the tribal area of Visakhapatnam District. Further, it has installed porta-cabin Toilets and Waste-Recycling Machine at Simhachalam Devasthanam for effective solid waste management to improve facilities in view of large number of devotees visit to pay their respects.



Bala Swachhata Jagruti

Awareness programme at “Mandal Upper Primary School” in Avarajam, a surrounding village

Under Swachh Vidyalaya, your company had undertaken “Bala Swachhta Jagruthi” and “Parivarthana” initiatives for creating awareness on importance of cleanliness & menstrual hygiene to the school children. In addition, your company is also providing financial assistance for maintenance of toilets constructed by RINL under Swachh Vidyalaya.

Mega Cleaning campaigns were conducted with the active involvement of Top Management inside the plant and township.



Mega Cleaning Campaign during Swachhta Hi Sewa



EDs, GMs, and HoDs and employees participating in the Mega Cleaning Campaign at RINL



VISAKHAPATNAM STEEL PLANT



Bala Swachhata Jagruti at Z.P.H.School, Gangavaram, a Surrounding Village of the Plant



Mega Cleaning Campaign during “Swachh Bharat Pakhwada” by School children in Township

Special Swachhta campaigns viz. “Swachhata Hi Sewa”, “Special Cleanliness Drive” in Offices, “Swachh Bharat Pakhwada etc. were observed with great enthusiasm and participation. To show case the contribution of RINL towards Swachhta, an exclusive intranet portal christened as “Swachh Bharat @ RINL” was developed during the year with a view to creating greater awareness and inspiration on Swachhta across the organization.



CMD and Directors of RINL administering Swachhata Pledge during “Swachhata Hi Sewa”



CMD, RINL inaugurating the “Swachh Bharat @ RINL” Intranet Portal

Swachhta Puraskar awards were instituted to instill competition in implementing Swachh Bharat Abhiyan in their departments and to encourage the innovative work during the Swachhta Campaigns.



CMD, RINL awarding “Swachhta Puraskar” to the Best Performing Departments

CITIZEN CHARTER:

Your 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

Your company 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.

In its endeavor to thrust upon preventive and proactive vigilance, various activities were carried out like conducting System Studies on the Procedures being followed in the Company, Intensive examination of High Value Contracts and Purchase Orders, Examination of Audit Paras generated through Internal Audits, keeping Surveillance and conducting Surprise Checks in vulnerable areas, Random scrutiny of bills etc. Quarterly Newsletters were published, to bring about awareness and share information amongst the employees and other stake holders w.r.t potential areas of malpractices and cases of corruption where intentions were proved to be male-fide. The Department was instrumental in identifying new areas/sections where potential of IT can be leveraged to improve Transparency and Fairness.

Vigilance Department conducted 302 surprise checks in various vulnerable areas including 45 quality checks, 41 Rail /Road re-weighments, 216 regular/surprise inspections in vulnerable areas. Vigilance observations were brought to the notice of the concerned for taking corrective actions/improvement in the existing procedures/ systems, wherever required.

To enhance awareness amongst employees, Vigilance Awareness Sessions and Workshops on Contract Management, Transparency in Public Procurement etc. were held. A total of 14 Sessions involving 714 Employees including MTTs of VSP were conducted during the year.

To inculcate ethics and morals amongst the children at their formative stage, initiative was taken by RINL-Vigilance for nurturing ethics amongst the School Children and College Students. Accordingly, 11 Sessions covering around 2,230 students of nearby colleges and schools were conducted.

VIGIL MECHANISM:

Your Company has put in place a Vigil Mechanism comprising of Whistle Blower Policy and is available on the Company's website at following web link: <https://www.vizagsteel.com/insiderin/Vigil%20mechanism%20Policy.pdf>.

AWARDS & ACCOLADES:

The company was recognized with a "Certification of Appreciation" for maximum incremental improvement in performance among integrated steel plants in the competition for Prime Minister's Trophy 2015-16. The award was presented by Secretary, Ministry of Steel, during the Prime Ministers Trophy Award function held at Hyderabad on 8th Dec 2017.



"Certificate of Appreciation" for PM's Trophy 2015-16

National Sustainability Award :

RINL won the National Sustainability Award 2017 - 2nd prize in the integrated steel plants category in recognition of Quality Control aspects in the Steel Sector. The award was presented by Shri Chaudhury Birender Singh, Hon'ble Union Minister of Steel, during the 55th National Metallurgists Day function held at BITS Pilani, Goa Campus on 14th Nov, 2017.



National Sustainability Award 2017



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

Your 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 2017-18 given by a practicing Company Secretary is annexed herewith and forms part of the Directors' Report vide **Annexure-IV**.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Your Company has a 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, 2018, which has been duly reviewed and certified by a Practicing Company Secretary, is enclosed at **Annexure – VI**.

NUMBER OF BOARD MEETINGS

During the year, Seven (7) 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 Director's 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- 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

Your 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

Your 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 disclosed in the note 5, 6, 7, 9 & 14 of the notes to accounts annexed to the Financial Statements.

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

The transactions with related parties are disclosed in note no. 40 of notes to accounts annexed to the Financial Statements.

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.

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

Your 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 & G.S.R. 584 (E) dated 5th July, 2017 have 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:

Directors:

Appointments:

Name of the Director (S/Shri)	Appointed w.e.f
Shri V.V.Venu Gopa Rao	06.07.2017
Shri Ashwini Mehra	06.09.2017
Shri Pradosh Kumar Rath	10.10.2017
Ms. Ruchika Chaudhry Govil	11.10.2017

Cessation:

Name of the Director (S/Shri)	Up to
Shri D.N.Rao	31.07.2017
Ms. Urvilla Khati	11.10.2017
Shri P Madhusudan	31.05.2018



VISAKHAPATNAM STEEL PLANT

The Board of directors wishes to place on record their appreciation of the valuable services rendered and contribution made by the outgoing Directors during their tenure on the Board of RINL.

Key Managerial Personnel (KMP):

Chief Financial Officer (CFO):

Shri J Srinivasa Rao, General Manager (F&A) l/c, RINL designated as Chief Financial Officer (CFO) of the Company with effect from 31st August, 2016 till 05.07.2017. On appointment of Shri V.V.Venu Gopal Rao, Director (Finance) w.e.f. 06.07.2017 he has been designated as CFO in place of Shri J.Srinivasa Rao, GM(F&A) w.e.f.06.07.2017.

Company Secretary:

Shri M.Jagadeeshwara Rao, Manager(Company Affairs) & Dy.Company Secretary, RINL redesignated as Manager (Company Affairs) & Company Secretary & Key Managerial Personnel (KMP) of the Company with effect from 26th May, 2018 upon sudden sad demise of Late Shri Deepak Acharya, the then Company Secretary, RINL.

CMD (Additional charge):

In pursuance of Order No. 2(2)/2018-BLA, Dated 31st May, 2018, 25th June, 2018 & 31st August 2018 received from Ministry of Steel (Board Level Appointments Cell), Government of India, the additional charge of the post of the Chairman-cum-Managing Director, RINL is assigned to Shri P.Raychaudhury, Director (Commercial), RINL. Accordingly, Shri P.Raychaudhury, Director (Commercial) has assumed the additional charge of the post of the Chairman-cum-Managing Director, RINL, w.e.f 01st June, 2018 till a regular incumbent join the post, or until further orders whichever is earlier.

OTHER DISCLOSURE:

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

ESOPS/Sweat Equity Shares:Your 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:Your 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 2018) 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:Your 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

Your 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. 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.

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 2017-18. The Secretarial Audit Report, confirming compliance to the provisions of Companies Act, 2013 and Rules made there-under 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 M. Bhaskara Rao & Co, Chartered Accountants, Visakhapatnam were appointed as Statutory Auditors of the Company for the year 2017-18 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, 2018 is enclosed to the Directors' Report at **Annexure-IX**.

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. Your 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 Statutory Auditors' Report on the consolidated financial statements is enclosed at **Annexure - XI**. The Statement containing salient features of the financial statement 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**.

M/s The Orissa Minerals Development Company Limited (OMDC) became a subsidiary of the Company in 2011. Government of Odisha issued Demand Notices for the mines of OMDC and BP MEL for payment of compensation under Section 21(5) of MMDR Act, 1957 for production during 2000-01 to 2010-2011 without / in excess of Environment Clearance, Forest Clearance and Mining Plan & Consent to Operate, in pursuance to the judgment dated 02/08/2017 of Hon'ble Supreme Court in the matter of W.P.(C) No.114/2014 Common Cause Vs. Union of India and Others. As per the notices dated 02/09/2017, the compensation for production without / in excess of Environmental Clearance was of ₹ 1,481.02 Cr and was to be paid by 31/12/2017. As per the notices dated 23/10/2017 & 23/12/2017, the demand for production without / in excess of Forest Clearance was of ₹ 1.92 Cr. As per the notices dated 23/10/2017, the demand for production without / in excess of Mining Plan & Consent to Operate was ₹ 80.79 Cr.

As per legal advice, OMDC deposited ₹ 39.95 Crores by 29/12/2017 against the demand related to Environment Clearance. On 04/04/2018 & 05/04/2018, Govt. of Odisha issued Notices under Rule 12(10) of the Minerals (Other than Atomic and Hydrocarbon Energy Minerals) Rules, 2016 directing to make payment of compensation u/s 21(5) of the MMDR Act, 1957 along with applicable interest within 60 days from the date of receipt of the notice, failing which, the State Government will without prejudice to the other proceedings that may be taken against the company, terminate the lease and forfeit the performance security. OMDC represented before Govt. of Odisha for recalculation of compensation. As reply from Govt. of Odisha was not forthcoming OMDC moved Hon'ble High Court of Odisha for legal redressal. As per the order of Hon'ble High Court, Cuttack, Govt. of Odisha filed rejoinder on 07/08/2018. The matter is subjudice.



VISAKHAPATNAM STEEL PLANT



In the meantime, Certificate Cases under Section 6 of OPDR Act, 1962 were registered by Govt of Odisha for recovery of dues. The matter is under hearing.

In case of M/s Bisra Stone Lime Company (BSLC), which also became a subsidiary of the Company in 2011, Govt. of Odisha issued a notice dated 15/11/2017 to show cause as to why BSLC should not be directed to pay an amount of Rs.40.90 Cr towards compensation for production in excess of limits under Environment Clearance, Mining Plan and Consent to Operate during the period 2000-01 to 2010-11. BSLC submitted reply to the show cause notice on 15/12/2017.

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

There are no qualifications on the standalone accounts of the Company. However, the observations of Statutory Auditors on consolidation of accounts of the Company is enclosed at **Annexure - XI** Further there are no observations of Secretarial Auditors in their report.

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.

Your Company has also formed Joint Ventures, M/s RINLMOIL Ferro Alloys Private Limited, a 50:50 Joint Venture Company with MOIL for the purpose of setting up of a Ferro Alloys Unit at Bobbili in Andhra Pradesh and RINL Powergrid TLT Private Limited (RPTPL), a 50:50 Joint Venture company with Power Grid Corporation of India Limited (POWERGRID).

C&AG AUDIT

The Comptroller and Auditor General of India (C&AG) has issued 'Nil' comments on the financial statements of the Company for the Eleventh (11) year in succession. The copies of the letters of C&AG on Standalone & Consolidated Financial Statements (CFS) are enclosed at **Annexure-X & Annexure-XII** 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 and G.S.R 695(E) Dated 14th July, 2016 has notified the Companies (Cost Records and Audit) Rules, 2014 applicable to certain companies which are engaged in the production of good 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. SKG & Co, Cost Accountants, Delhi have been appointed as Cost Auditor, under the Companies Act, 2013 for the year 2017-18. The Cost Audit Report for the year 2017-18 is under finalization and will be 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 Raychaudhury)

Director(Comml.) and CMD(Addl.Charge)

Visakhapatnam

Dated:06th September,2018.

Management Discussion and Analysis Report

1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1. Developments in World Steel:

As per WSA Short Range Outlook April 2018, apparent steel consumption improved by 4.7% during 2017 with China registering a growth of 8.3%. The growth is projected to reduce to 1.8% and 0.7% in 2018 and 2019 respectively, with expected deceleration in Chinese consumption to 0.0% and -2.0%.

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

Region	Million Tonnes			Y-o-Y Growth Rate (%)		
	2017	2018(F)	2019(F)	2017	2018(F)	2019(F)
EU 28	162.3	165.6	166.9	2.5	2.0	0.8
Other Europe	42.3	44.2	46.1	4.1	4.5	4.4
CIS	52.8	54.0	55.0	6.1	2.3	1.8
NAFTA	140.7	145.0	147.3	6.4	3.0	1.6
Central & South America	40.9	43.5	45.6	3.8	6.2	4.9
Africa	35.1	36.6	38.3	-6.8	4.5	4.6
Middle East	53.3	55.7	57.8	0.4	4.6	3.7
Asia & Oceania	1060.1	1071.4	1069.7	5.5	1.1	-0.2
World	1587.4	1616.1	1626.7	4.7	1.8	0.7
China	736.8	736.8	722.1	8.3	0.0	-2.0
United States	97.7	100.3	102.3	6.4	2.7	2.0
India	87.2	92.0	97.5	4.3	5.5	6.0
Emerging and Developing economies excl. China	439.9	461.4	481.9	0.8	4.9	4.5
Developed economies	410.7	417.9	422.7	2.9	1.8	1.1

F - Forecast

Source: WSA SRO - Apr '18

The steel demand in both developed and developing economies (excl China) is expected to show sustained growth as Global economic situation is expected to remain favourable with high confidence and strengthening recovery of investment levels in advanced economies and recovery in commodity prices. India is projected to register highest growth rates of 5.5% and 6.0% among top 10 steel using countries, in 2018 and 2019 respectively.

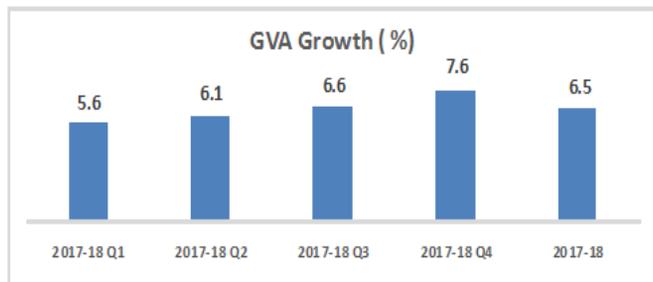
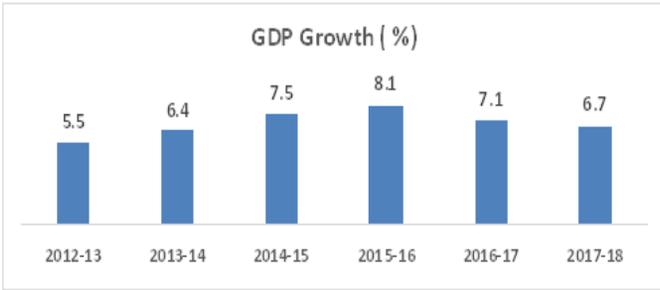
1.2 Indian Economy:

GDP growth in the financial year 2017-18 was 6.7% compared to 7.1% growth registered in 2016-17. However, the constant increasing trend of quarterly GDP numbers in the four quarters of 2017-18 at 5.6%, 6.3%, 7% and 7.7% indicates that the structural measures of reforms undertaken by government is bringing dividends in the form of higher GDP growth rate.

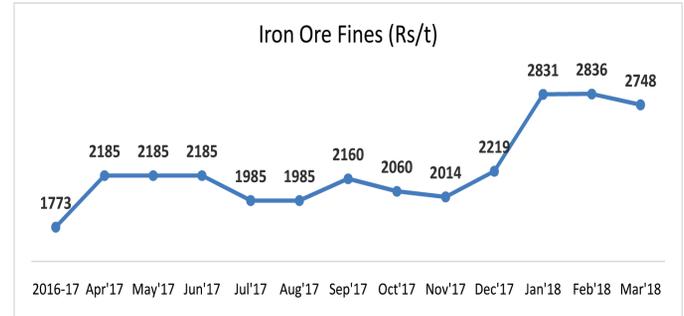
Gross value added (GVA) growth increased to 7.6% in the fourth quarter of 2017-18 from 6.0% in the fourth quarter of 2016-17.



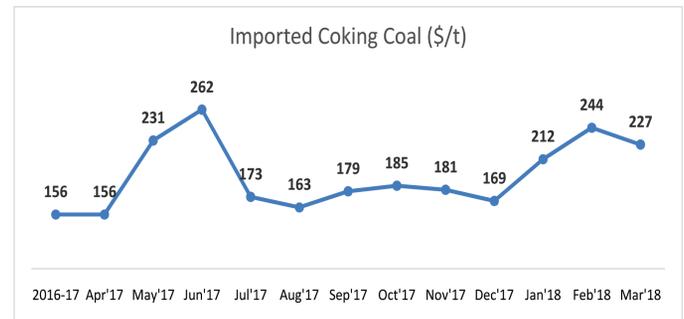
VISAKHAPATNAM STEEL PLANT



Iron Ore Fines price remained almost stable during Apr-17 to Dec'17 and raised steeply during the period Jan-Mar'18, apparently due to the impact of Supreme Court order on excess mining in Odisha. There was an average increase of 34% during the year 2017-18 over CPLY.



ICC prices surged during the periods Apr-Jun'17 and Jan-Mar'18 due to supply constraints from Australia. There was an average increase of 28% during the year 2017-18 over CPLY.



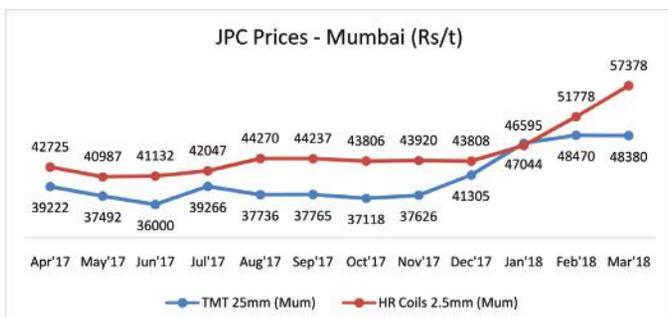
Indian Steel Scenario:

As per WSA, India became the 2nd largest crude steel producer globally during 2017-18 Q4 (Jan-Mar 2018), edging past Japan.

Finished steel production in India grew at 6.80% in 2017-18. After returning to the net exporter status in 2016-17, India consolidated on the same, with net export increasing from 1.016 Mt in 2016-17 to 2.183 Mt in 2017-18. Apparent consumption of finished steel recorded a growth of 7.70% in 2017-18 compared to 3.09% growth in 2016-17.

The Indian economy appears to have recovered from the impact of currency reform and GST implementation. The demand for Long products improved from the Dec'17 and the prices finally showed signs of firming up after trailing the prices of Flat products for almost 2 years.

TMT Rebar prices increased by an average of 21% in the year over CPLY. The prices in Mar'18 were higher by 29% compared to CPLY levels.



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 Well established marketing and customer network in India Availability of Land Image as quality producer. Committed and experienced manpower / managerial skills Strong environmental and Social commitments 	<ul style="list-style-type: none"> Lack of Captive Mines for Iron Ore and Coal Single Location Company and only Long Products, exposed to cyclic markets. High leveraged balance sheet Lack of investible surplus

3.0 OPPORTUNITIES AND THREATS

Opportunities	Threats
<ul style="list-style-type: none"> Export of products to developing Economies Availability of new facilities Enhanced production potential Secondary metallurgy for High End Value Added Steels Robust domestic economy 	<ul style="list-style-type: none"> Increased competition and Predominant secondary sector in long products. Volatility in supply and prices of coking coal Excessive dependence Single Iron ore supplier

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 2018-19

With the buoyant global prices and recovering domestic demand, positive growth is expected in the steel sector in 2018-19.

Focus areas for RINL for 2018-19 are:

- Ramping up of production from new and revamped units
- Enhancing production of high end Value Added Steel
- Improving sales in high NSR region
- Maximizing conversion of semis
- Optimization of logistics costs

6.0 RISKS & CONCERNS :

Volatility in raw material prices, increased competition, inbound and outbound logistic issues with higher volumes of production and sales, higher volumes of semis are some of the risks that the company faces during next year.

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 ₹ 16,618 crores during the year. The Saleable Steel sales volume of 4.488 Mt was achieved in the year with a growth of 21% over CPLY.

8.2 Financial Performance

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc. over previous year
Revenue from operations	14607.18	12418.74	18
PBDIT	346.19	(263.89)	231
Profit before Tax (PBT) before exceptional items	(1370.40)	(1690.49)	19
Exceptional items	541.05	0.00	
Profit before Tax (PBT)	(1911.45)	(1690.49)	(13)
Profit After Tax (PAT)	(1369.01)	(1263.16)	(8)

8.3 ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

8.3.1 Revenue from Operations

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc. over previous year
Total Sales Turnover*	16618.40	12706.31	31
Sale of trial run production included above	2158.73	388.99	
Sales Turnover excluding Trial Run production	14459.67	12317.32	17
Other operating revenues	147.51	101.42	44
Revenue from operations	14607.18	12418.74	18

* Sales Turnover for the period up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18- 'Revenue', GST is not included in the Sales Turnover.

8.3.2 Other income

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Dec. over previous year
Interest Eamed	79.20	66.09	20
Other Non-operating Income	185.95	194.05	(4)
Dividend	0.09	0.15	(40)
Other income	265.24	260.29	2

8.3.3 Expenditure (excluding trial run)

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc. over previous year
Cost of materials consumed	8601.05	6945.20	24
Changes in Inventory of Semi-finished/ Finished goods	(186.34)	(397.54)	(53)
Excise duty	262.80	1,277.56	(79)
Employees' benefits expense	2343.60	2163.83	8
Finance Costs	938.33	767.74	22
Depreciation & Amortisation	778.26	658.86	18
Other Expenses	3505.12	2953.87	19
Total expenditure	16242.82	14369.52	13

Higher Finance Costs and Depreciation are mainly on account of capitalization of new units like Special Bar Mill, Captive Power Plant – 2, Revamped BF 2, Converters B and F during the year.

8.3.4 Contribution to Exchequer

The Company contributed ₹ 2394.98 Crs to the National Exchequer in the form of taxes and duties to various government agencies as against ₹ 1501.43 Crs during the previous year.

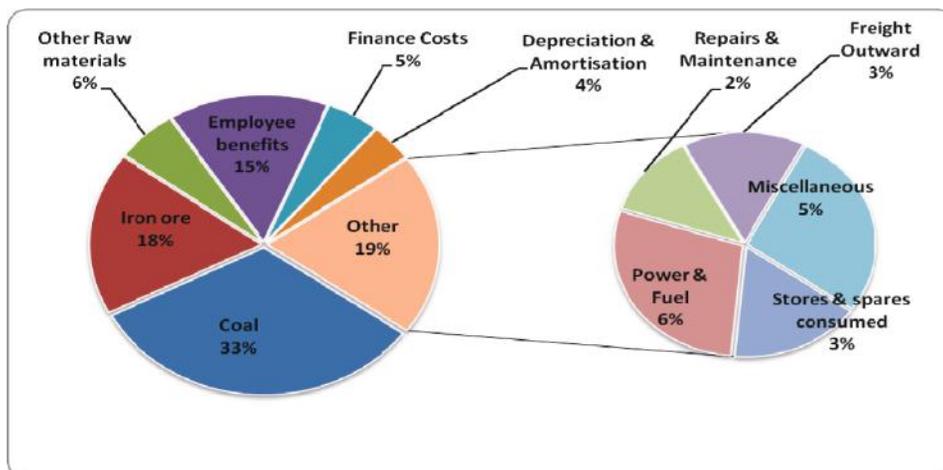
8.3.5 Borrowings

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc. over previous year
Secured Loans	10156.28	7370.45	38
Unsecured Loans	6519.20	6835.10	(5)
Total Loans (Long & Short Term)	16675.48	14205.55	17

8.3.6 Property, Plant and Equipment

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc/(Dec) over previous year
Net Block			
Tangible	16772.14	12902.88	30
Intangible	10.49	25.21	(58)
Capital Work-in-Progress	5224.66	7768.96	(33)

Analysis of Expenditure for the F.Y 2017-18 (incl. Trial Run)



8.3.7 Non-Current Asset & Non-Current Liabilities

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc/(Dec) over previous year
Non-Current Liabilities			
Financial Liabilities			
Borrowings	6545.16	5841.71	12
Other Financial Liabilities	25.90	13.53	91
Provisions	1012.97	964.06	5
Other non current liabilities	82.39	76.75	7
Non-Current Assets			
Financial Assets			
Investments	741.48	740.88	0
Loans	222.29	228.99	(3)
Other financial assets	23.28	21.67	7
Deferred Tax Assets (Net)	778.14	242.41	221
Other Non-Current Assets	119.34	158.02	(24)

8.3.8 Current Assets & Current Liabilities

Particulars	F.Y 2017-18 (₹Cr)	F.Y 2016-17 (₹Cr)	% Inc/Dec over previous year
CURRENT ASSETS			
Inventories			
Semi Finished/ Finished goods	2410.77	2343.94	3
Raw materials	2139.81	1734.96	23
Stores & Spares	1078.09	687.95	57
Total Inventories	5628.67	4766.85	18
Financial Assets			
Trade Receivables			
Gross receivables	1016.81	899.78	13
Less: Provision for Trade receivables	20.83	20.98	(1)
Net Receivables	995.98	878.80	13
Cash & Bank balances	51.9	53.9	(4)
Other Financial assets	471.29	440.84	7
Other tax assets (net)	0.01	0.01	0
Other Current Assets	684.53	636.48	8
Total Current Assets	7832.38	6776.88	16
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	9221.27	8048.84	15
Trade payables	1197.57	1037.85	15
Other financial liabilities	5253.14	3525.07	49
Derivatives	0.60	138.38	(100)
Provisions	668.32	137.59	386
Other current liabilities	495.92	512.47	(3)
Total Current Liabilities & Provisions	16836.82	13400.20	26

8.3.9 Initiatives taken by the Company:

RINL has completed modernisation of major units with the commissioning of Blast Furnace-2 in Oct'17 and achieved 17% growth in saleable steel production. Further, the company pursued various cost reduction initiatives and the achievements include :

- **Improvement in Labour Productivity:** The Labour Productivity improved to 451 tCS/man/year with a growth of 20% over previous year.
- **Leveraging Technology:** Pulverised Coal Injection improved to 53.6 kg/tHM from 23.4 kg/tHM in the previous year.
- **Benchmarking:** In the direction of achieving global benchmarks, improvement of 5% and 4% was achieved Specific Energy Consumption and Specific Water Consumption respectively over previous year.
- **Maximization of power generation from waste energy:** Power generation from Power Plant-2 utilising waste gases of BF increased to an average of 76.39 MW in the year from 17.35 MW in the previous year.
- **Cost reduction initiatives:** Cost Reduction measures have been given further thrust resulting in the improvements as below:



VISAKHAPATNAM STEEL PLANT



The major areas where improvement was achieved are as below:

Sl. No.	Parameter	Unit	2017-18	2016-17	% Improvement
1	Power Consumption for Coke production	Kwh/t	46.51	49.29	6%
2	LD Slag utilisation in Sinter Plant	t/day	148	98	51%
3	Calcined Flux Screenings utilisation in Sinter Plant	kg/t	19.8	13.0	34%
4	Metallurgical wastes utilisation in Sinter Machine-3	kg/t	28.3	23.5	20%
5	Air Blast consumption in Blast Furnaces	Cum/tHM	1263	1296	3%
6	Total Metallic Charge in SMS-1	kg/tCS	1133.8	1145.6	1%
7	Sinter & Oxides consumption in SMS-2	kg/tCS	26.2	39.5	34%
8	Average Ladle Life in SMS-2	Heats	79.3	68.4	16%
9	Power Consumption in SMS-2	kwh/tCS	105.74	112.78	6%
10	Power Consumption in WRM-2	kwh/t	217.06	287.50	25%
11	Heat Consumption for Steam	Mcal/t	750	759	1%
12	Power Consumption in ASP	kwh/Thcum	410	426	4%

- Substitution with cheaper raw materials:** Continuous efforts are being taken for introducing new coals, which have the potential to increase the flexibility and reduce the cost. During the year, one new coal from Australia was introduced.
- Improvement of realisations through Value Added steel:** The component of High End Value Added heats increased to 16.8% during the year from 14.6% during the previous year.
- Improvement of realisations through optimum market mix:** The component of sales in Andhra Region, with relatively higher realisations increased to 32.7% in the year from 29.8% in the previous year.
- Optimisation of borrowings:** The various options available for borrowings were optimized constantly to reduce the interest burden. About ₹ 8000 Crs commercial paper loans raised at an average interest rate of 7.68%.
- Tax incentives:** Claimed an amount of ₹ 820.52 Crores against various tax incentives like Higher Rate of depreciation / Additional depreciation on Pollution control equipment, energy saving equipment, Investment allowance u/s 32AC, Weighted deduction on R&D expenditures etc.

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 believed that a strong reputation for Integrity and Ethical conduct is an important Corporate Asset. It assures the Employees, Customers, Vendors, Regulators, Community neighbors and Shareholders that the Company will deal with them honestly and fairly. Everyone would benefit from being a part of the Company, which has built reputation for honorable and principled actions. 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 believes in conforming to the highest standards of corporate

governance in the country. It recognizes that each member of the Board owes his/her first duty for protecting and furthering the interests of the Company.

2.0 BOARD OF DIRECTORS

2.1 Composition of Board

RINL follows DPE Guidelines relating to the compliance with the conditions of Corporate Governance. As on 31st March, 2018, the total number of Board of directors was Thirteen (13) comprising of Chairman-cum-Managing Director (CMD), Five (5) Whole time Functional Directors, Two (2) Part-time official Directors (i.e Government Nominee Directors) and Five (5) Part-time Non-official Independent Directors (i.e Independent Directors).

The details of the Board of Directors as on 31st March, 2018 were as follows:

Functional Directors		
1)	Shri P.Madhusudan	Chairman - cum - Managing Director
2)	Shri P.C.Mohapatra	Director (Projects)
3)	Shri P. Raychaudhury	Director (Commercial)
4)	Shri K. C. Das	Director (Personnel)
5)	Shri V V Venu Gopal Rao	Director(Finance)
6)	Shri P K Rath	Director(Operations)
Part-time official Directors (i.e Government Nominee Directors)		
7)	Shri Saraswati Prasad	Addl. Secretary & Financial Advisor, MoS, Govt. of India.
8)	Smt. Ruchika Chaudhry Govil,	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	
13)	Shri Ashwini Mehra	

2.2 Board Meetings

During the financial year ended 31st March, 2018, Seven (7) Board Meetings were held on following dates:

Board Meeting No.	Date	Board Meeting No.	Date
305	28.04.2017	309	25.09.2017
306	08.06.2017	310	19.12.2017
307	20.07.2017	311	23.01.2018
308	01.09.2017		

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 RINL/VSP etc., during the year 2017-18 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 27.09.2017	No. of other Directorships held as on 31.03.2018	No. of RINL Board Sub-Committee Chairman/Member as on 31.03.2018 ***		No. of Board Sub-Committees Chairman / Member/ in other companies as on 31.03.2018***	
						Chairman	Member	Chairman	Member
Functional Directors									
1)	Shri P.Madhusudan \$ CMD(upto 31.05.2018)	7	7	Yes	8	-	-	-	-
2)	Shri P.C.Mohapatra Director (Projects)	7	7	Yes	5	-	1	-	-
3)	Shri P Raychaudhury Director (Commercial)	7	7	Yes	2	-	-	-	-
4)	Shri K C Das Director (Personnel)	7	7	Yes	1	-	1	-	-
5)	Shri V V Venu Gopal Rao Director (Finance) (w.e.f.06.07.2017)	5	5	Yes	2	-	1	-	-
6)	Shri P K Rath Director (Operations)(w.e.f. 10.10.2017)	2	2	**	2	-	-	-	-
7)	Shri D N Rao \$ Director (Operations)(Upto 31.07.2017)	3	3	**	-	-	-	-	-
Part-time official Directors (i.e Government Nominee Directors)									
8)	Shri Saraswati Prasad AS&FA (MoS)	7	7	No	4	-	-	-	-
9)	Smt. Ruchika Chaudhry Govil Jt .Secretary (Steel) (w.e.f 11.10.2017)	2	2	**	2	-	-	-	-
10)	Smt. Urvilla Khati # Jt .Secretary (Steel) (Upto 11.10.2017)	5	5	No	-	-	-	-	-
Part-time Non-official Directors (i.e Independent Directors)									
11)	Shri S K Srivastava IAS (Retd.)	7	7	No	1	1	1	-	1
12)	Shri S K Mishra IRS(Retd)	7	7	No	-	1	1	-	-
13)	Shri K M Padmanabhan	7	6	No	2	-	2	1	-
14)	Shri Sunil Gupta	7	6	Yes	2	1	2	-	-
15)	Shri Ashwini Mehra (w.e.f 06.09.2017)	3	3	No	1	1	2	-	-

\$ Cessation of directors on superannuation. # ceased to be director on withdrawal of nomination by Govt.of India.

*** Position of membership of Directors as on 31.03.2018 in Corporate Governance related committees viz., Audit Committee, CSR & Sustainability Committee, Nomination, Remuneration & Ethics / HR Committee, Shareholders Investors Grievance Committee are only considered and reflected above.

** The respective persons were not a Director / ceased to be a director of the Company as on the date of last AGM.

Note: The particulars of memberships in Board Sub-Committees in RINL and in other Companies are not given in respect of Directors namely Shri D. N. Rao and Smt. Urvilla Khati who ceased to be directors during the year.

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 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.
- ❖ Quarterly report on Statutory Compliance.
- ❖ 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 Committee to deal with various



VISAKHAPATNAM STEEL PLANT



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 2017-18, 1(One) such meeting was held on 23rd March, 2018. All the Five (5) Independent Directors are attended the meeting.

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 as per the requirement under the 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 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 President 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

Additional Secretary & Financial Advisor, Ministry of Steel are nominated by the Government of India on the Board of RINL 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 No.G.S.R. 463(E) dated 05.06.2015.

The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII of Schedule IV of the Companies Act, 2013 in respect performance evolution of directors and Board shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 vide Gazette notification No. G.S.R 584(E) dated 05.07.2017

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 2017-18.

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 2017-18 are as follows:

(Value in ₹)

S. No.	Name	Basic Salary	Allowances and Perquisites & other retirement benefits	Sitting Fees	Total
1.	Shri P.Madhusudan	11,48,940	25,60,127	NIL	37,09,067
2.	Shri P.C.Mohapatra	10,91,100	23,80,993	NIL	34,72,093
3.	Shri D.N.Rao(upto. 31.07.2017)	3,45,280	37,51,526	NIL	40,96,806
4.	Shri P Raychaudhury	10,21,110	22,18,575	NIL	32,39,685
5.	Shri Kishore Chandra Das	9,06,750	15,32,745	NIL	24,39,495
6.	Shri V V Venu Gopal Rao (w.e.f 06.07.2017)	7,24,420	12,14,419	NIL	19,38,839
7.	Shi P K Rath (w.e.f. 10.10.2017)	4,89,078	9,23,627	NIL	14,12,705

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 @ ₹ 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 (i.e. Independent Directors) are as follows:

(Value in ₹)

S. No.	Name	Basic Salary	Allowances and Perquisites & other retirement benefits	Sitting Fees	Total
1.	Shri S K Srivastava	Except Sitting fees, no other remuneration is paid by the Company to the part-time non-official directors.		8,60,000	8,60,000
2.	Shri S K Mishra			5,80,000	5,80,000
3.	Shri K M Padmanabhan			6,80,000	6,80,000
4.	Shri Sunil Gupta			5,20,000	5,20,000
5.	Shri Ashwini Mehra			2,00,000	2,00,000

Part-time official Directors/ Govt. Directors

Smt. Urvilla Kathi, Shri Saraswati Prasad and Ms. Ruchika Chaudhry Govil are the Part-time official Directors/ Government Directors nominated by Government of India as Directors of RINL. During the year 2017-18, 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 at par with normal employees.



VISAKHAPATNAM STEEL PLANT



3.0 Board Sub Committees (BSC)

The Board has constituted the following Committees:

A. Corporate Governance

- i) Audit Committee
- ii) Nomination, 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
- 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.



VISAKHAPATNAM STEEL PLANT

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.

Note: The Company is not a listed company. The requirements vide para (c) above has been approved by the Board of Directors as part of terms of reference to Audit Committee. Accordingly the above are being complied with by the company voluntarily.

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 31.03.2018. The details of meetings attended by the members of the above Committee are as follows:

Members of the Committee	Position	Meetings held during the year	Meetings Attended
Shri Sunil Gupta	Chairman	10	8
Shri S K Srivastava	Member	10	10
Shri S K Mishra	Member	10	9
Shri K.M.Padmanabhan	Member	10	8

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, 2018, 10 (Ten) Audit Committee Meetings were held on following dates;

Sl.No.	Meeting No.	Date
1	71	12.04.2017
2	72	09.05.2017
3	73	07.06.2017
4	74	29.07.2017
5	75	31.08.2017
6	76	24.09.2017
7	77	18.12.2017
8	78	22.01.2018
9	79	09.02.2018
10	80	23.03.2018

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

Composition :

Nomination, Remuneration & Ethics/HR Committee comprised of three (3) Independent directors as on 31.03.2018.

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 Director 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. During the financial year 2017-18, 6 (Six) meetings were held on 29.08.2017, 13.09.2017, 24.09.2017, 14.10.2017, 06.11.2017 & 22.01.2018. The details of the members and their attendance are as follows:

Name of the Director	Position	Meetings held during the year	Meetings Attended during
Shri S K Srivastava	Chairman	6	6
Shri Sunil Gupta	Member	6	5
Shri K.M.Padmanabhan (upto 22.01.2018)	Member	6	4
Shri Ashwini Mehra (w.e.f. 23.01.2018)	Member	-	-

3.3 CSR & Sustainability Committee

Composition:

CSR & Sustainability Committee comprised of three (3) Independent directors as on 31.03.2018. During the financial year 2017-18, 4(Four) meetings were held on 12.04.2017, 29.07.2017, 18.12.2017 & 23.03.2018. The details of members and their attendance are as follows:



VISAKHAPATNAM STEEL PLANT



Name of the Director	Position	Meetings held during the year	Meetings Attended
Shri K M Padmanabhan	Chairman*	3	3
	Member**	1	1
Shri S K Srivastava	Member*	3	3
Shri Sunil Gupta	Member	4	4
Shri Ashwini Mehra	Chairman**	1	1
*(upto 22.01.2018)		**(w.e.f 23.01.2018)	

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

3.4 Stakeholders/Investors Grievance Committee

Composition :

The Stakeholders/Investors Grievance Committee comprised of Six (6) members with two Independent Directors of One Independent Director is the Chairman of the Committee and four whole time directors as members. The details are as follows:

Name of the Director	Position
Shri S K Mishra	Chairman
Shri Ashwini Mehra (w.e.f. 23.01.2018)	Member
Director(Projects)	Member
Director (Personnel)	Member
Director(Finance)	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
2014-15	29.09.2015	11.00hrs	Admn. Building, RINL/VSP, Visakhapatnam- 31.
2015-16	29.09.2016	11.00hrs	
2016-17	27.09.2017	11.00hrs	

(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

Note: Two Special Resolutions regarding (i) borrowing in excess of the paid up share capital and free reserves of the company and (ii) creation of mortgage and/or charge over the movable & immovable properties of the company, both present & future in respect of the borrowings, mentioned in the 34th & 35th AGM Notice for the AGM held on dt.29.09.2016 & dt.27.09.2017 were withdrawn.

(iii) AGM of the current year;

Financial Year	Day & Date	Time	Venue
2017-18	Saturday 29 th September, 2018	11:00 Hrs	Admn. Building, RINL/VSP, Visakhapatnam.

(iv) EGM and Special Resolution passed;

During the year, No EGM has been conducted.

5. 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 of RINL:

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

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

(₹ in Crores)

	Details	2017-18	2016-17	Increase / Decrease over 2016-17 Reasons
1	Administrative and Office expenses	98.07	89.78	Increase (due to increase in security expenses)
2	Financial expenses	938.33	767.74	Increase (due to increase in borrowings)
3	Total expenses (as per P&L A/c)	16429.06	14767.07	
4	Administrative expenses as a % of Total expenses (1÷3)	0.60%	0.61%	Decrease (due to increase in total expenses)
5	Financial expenses as a % of Total expenses (%) (2÷3)	5.71%	5.20%	Increase (due to increase in borrowings)

6. 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).

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.

7. Shareholder's information:

(i) Company Registration Details

The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U27109AP1982 GOI003404.

(ii) Annual General Meeting

Date: Saturday, 29th September, 2018

Time: 11:00 Hrs

Venue: Admn. Building, RINL, Visakhapatnam Steel Plant (VSP), Visakhapatnam.

(iii) Financial Year:

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

(iv) Payment of Dividend:

During the year, No dividend was declared.

(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



VISAKHAPATNAM STEEL PLANT



Phone: +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 31.03.2018

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	Shri P Raychaudhury	100
5	Shri K C Das	100
6	Shri Saraswati Prasad	100
7	Ms. Ruchika Chaudhry Govil	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, 2018

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

(x) Joint Venture Companies as on 31st March, 2018

- (a) RINMOIL Ferro Alloys Private Limited
- (b) International Coal Ventures Private Limited
- (c) RINL Powergrid TLT Private Limited
- (d) 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:

M. Jagadeeshwara Rao
 Manager (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.
 E mail: jagadeeshm@vizagsteel.com,
 Website: www.vizagsteel.com

8. Audit Qualifications

The Company has secured 'NIL' Comments from Comptroller & Auditor General (CAG) for the last Eleven (11) consecutive years since 2007-08.

9. Training of Board Members

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

10. 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 2017-18, as reviewed by Audit Committee is annexed herewith and forms part of the Directors' Report vide **(Annexure -III)**.

11. Corporate Governance Certificate

A Certificate on Compliance of Guidelines on Corporate Governance issued by DPE in May 2010, for the year 2017-18 given by a practicing Company Secretary is annexed herewith and forms part of the Directors' Report vide **(Annexure-IV)**



RASHTRIYA ISPAT NIGAM LIMITED

Annexure-III to Directors' Report



राष्ट्रीय इस्पात निगम लिमिटेड
(भारत सरकार का उपक्रम)
Rashtriya Ispat Nigam Limited
(A Government of India Undertaking)
CIN No. U27109AP1982GOI003404



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

We, **P.Raychaudhury**, Chief Executive Officer & Chairman-Cum-Managing Director and **V.V.Venu Gopal Rao**, Chief Financial Officer & Director (Finance) of RINL, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit & Loss and Statement of Changes in Equity, significant accounting policies and Notes to Accounts, as well as the statement of Cash Flows for the year ended March 31, 2018;
2. These statements do not contain any materially untrue statement or omission of any material fact or contain statements that might be misleading in light of the circumstances under which such statements were made;
3. These 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. 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 the Audit committee
 - (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 31.03.2018.

Sd/-
V.V.Venu Gopal Rao
CFO & Director (Finance)

Sd/-
P Raychaudhury
CEO & Chairman-Cum-Managing Director

Place: Visakhapatnam
Date : 16/08/2018.



Please send your reply to :

Room No.D-12
Main Administration Building,

विशाखपट्टणम इस्पात संयंत्र, विशाखपट्टणम-530031

Visakhapatnam Steel Plant, Visakhapatnam - 530 031

Regd. Office : Visakhapatnam Steel Project, Administrative Building, Visakhapatnam - 530 031, INDIA.
पंजीकृत कार्यालय : विशाखपट्टणम इस्पात परियोजना, प्रशासनिक भवन, विशाखपट्टणम-530031, भारत

Phones : +91 891 -2518249
TelFax : +91 891 -2518249
E-mail : jagadeeshm@vizagsteel.com



VISAKHAPATNAM STEEL PLANT



Annexure - IV to Directors' Report

PS P.N. Rao & Co.
Company Secretaries

Flat No. 206, 2nd Floor, VIP Towers,
C.B.M. Compound, Visakhapatnam-530 003
Phone No. : 90300 22803, 90300 22804
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, 2018 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: 27.08.2018



For P.N. Rao & Co.
Company Secretaries

P. Narasinga Rao
27.08.2018
(P. NARASINGA RAO)
Proprietor
CP No.2552

Annual Report on Corporate Social Responsibility
for the financial year 2017-18

(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 has formulated its CSR Policy in 2006 well before the enactment of the Companies Act 2013. The CSR Policy has been revisited and reviewed keeping in mind the specific provisions of the Companies Act, 2013 and the DPE Guidelines on CSR issued from time to time. The CSR Policy of the Company was rechristened as RINL CSR & Sustainability Policy and notified in March, 2015. RINL has been a member of United Nations Global Compact (UNGC) Forum since 2006 and has been complying with the membership obligations by adhering to universally accepted 10 (ten) Global Compact Principles and also uploading the Communication on Progress every year on the

UNGC Website. An exclusive Department has been created in 2007 to look after the implementation CSR projects / programmes / activities.

While the initial part of the CSR & Sustainability Policy elucidates alignment of CSR with the Company's Vision & Objectives and incorporation of Sustainability in its strategy, the subsequent part details the Annual CSR activities, in line with the activities laid down under Schedule-VII of the Companies Act, 2013. A clear definition of 'Local' and 'Non-Local' area and ratio of the spend between these two areas has been specified.

Identification, Implementation and Monitoring (IIM) of projects, implementation Strategy, Delegation of Powers, criteria for execution agencies i.e. NGOs etc. are elaborated in the Policy document.

- 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, Skill Development, Environment, Promotion of Sports & Rural Development* is as follows:

Sl.No.	CSR Projects/Programmes/Activities
Education	
1	Providing free & quality education to children in BPL families of surrounding villages of Plant & Mines.
2	Construction of a hostel building at Visakhapatnam for the 'Girijan' students pursuing higher education.
3	Providing 570 nos. of Dual desk benches to Govt. Schools in and around Visakhapatnam to address their infrastructural deficit
4	Adult literacy program for 625 beneficiaries from peripheral villages of Plant, its mining areas at Jaggayyapeta & Garbham and tribal villages of Visakhapatnam District.
5	Support to Arunodaya Special school for providing free education to differently abled children in and around Plant.
Health	
6	Cochlear implant surgeries to four poor children with hearing impairment has been taken up through M/s. ALIMCO



VISAKHAPATNAM STEEL PLANT



Sl.No.	CSR Projects/Programmes/Activities
7	Providing a TATA Winger Van to DESIRE Society which provides Institutionalized Care Home (ICH) services for the HIV/AIDS affected/ infected children of Visakhapatnam
8	Providing two ambulances to District Hospital at Sidhi and Sub- health centre, Bahari of Sidhi District, one of the tribal districts of Madhya Pradesh
Sanitation	
9	Supply of drinking water to Rehabilitation colonies & peripheral villages of Plant during summer months.
10	Installation of R.O drinking Plants in the surrounding villages of Plant.
11	Swachh Bharat projects like, maintenance of toilets constructed under Swachh Vidyalaya, contribution to Swachh Bharat Kosh, providing toilet block & compost machine at Simhachalam temple, construction & renovation of toilets in Rangaraya medical College, Construction of individual house hold toilets at tribal village etc.
Skill Development	
12	Providing skill development training for persons with Disabilities (Divyangans)
13	Vocational training programs in RH colonies and peripheral villages of Plant & Mines
Environment	
14	Block & Avenue Tree Plantation in the identified areas of Greater Visakha Municipal Corporation of Visakhapatnam under "Green Visakha" project.
15	Installation of Solar street lights in Kheri Saffa and Kharak Bhura villages of Jind District of Haryana
Rural Development	
16	Support for construction of Community halls at Sitanagaram Village of Visakhapatnam Dt. and Shajadpur, of Kaushambi Dt. UP
17	Providing Under Ground Drainage (UGD) and BT Road at Chepulapada village, Bheemili of Visakhapatnam district
Sports	
18	Support to Sports for Special Children & for training to para athlete.

2. Composition of the committee:

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

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

1. Shri.Ashwini Mehra - Chairman (from 23.01.2018)
2. Shri. K.M. Padmanabhan- Chairman(up to 22.01.2018) and continuing as a Member
3. Shri S. K. Srivastava- Member(up to 22.01.2018)
4. 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.

b) The Board Sub-Committee on CSR & S has met four times during the FY 2017-18 and reviewed the status of CSR projects/programmes/activities and has suggested measures to be taken to expedite the completion of various CSR projects/programmes/activities in time bound manner. In addition to this, CMD and Directors have reviewed all these projects/programmes/activities every month.

3. Average Net profit of the company for the last three financial years : ₹ (-) 1151.67 Cr

4. Prescribed CSR Expenditure (2%) of the amount : Nil

5. Details of CSR Spent during the financial year 2017-18:

a) Total Amount to be spent during the financial year : ₹13.00 Cr
(Including carry forward amount of ₹ 5.22 Cr from previous year.)

b) Amount unspent if any : ₹ 3.40 Cr

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.

In view of the losses sustained in the last three years, the company is not statutorily obligated to spend any amount towards CSR projects/programmes/activities i.e. to earmark 2% of the average net profit in the immediately preceding three years. However, to sustain the momentum of undertaken CSR projects/programmes/activities, which have significant social & economic impact in respect of the beneficiaries and to continue to build a positive corporate image, an allocation of ₹ 13.00 Cr (including the carry forward amount) was made for the FY 2017-18 by the Board of RINL.

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.

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/-

(Shri P Rayachaudhury)

Director (Commercial) and CMD (Additional Charge)

Sd/-

(Shri Ashwini Mehra)

(Chairman, CSR Committee)

CSR- DETAILS OF AMOUNT SPENT DURING FINANCIAL YEAR 2017-18

S. No	CSR project or Activity identified	Sector in which the project is covered	Project or Programs (1) Local Area or other Area (2) Specify State, District where Project undertaken	Amount Outlay (Budget) Project or program wise (₹ in Lakhs)	Amount spent on the Projects or programs Sub-Heads : (1) Direct expenditure on projects or programs. (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto Reporting period (₹ in Lakhs)	Amount spent Direct or through Implementing Agency
Sector: Education							
1	Providing free & quality education to children belong to BPL families of surrounding villages of Plant & Mines.	Education	1. Local Area 2. (i) Visakhapatnam Dt. Andhra Pradesh (ii) Krishna Dt., Andhra Pradesh (iii) Khammam Dt. Telangana	485.00	484.67	484.67	Directly by RINL
2	Promoting education through providing dual desk benches construction & renovation of class rooms, hostel buildings to Govt. Schools & polytechnic colleges, conducting adult literacy programmes etc	Education	1. Local Area 2. (i) Visakhapatnam Dt. Andhra Pradesh (ii) Srikakulam Dt., Andhra Pradesh (iii) Vizianagaram Dt. Andhra Pradesh (iv) Krishna Dt., Andhra Pradesh	152.00	65.45	65.45	1. Andhra Vanvasi Kalyan Ashram, Visakhapatnam, 2. Govt. ITI Gajuwaka 3. Sarva Siksha Abhiyan(SSA) Visakhapatnam 4. Pratham Education Foundation
3	Support to Arunodaya Special school for providing free education to differently abled children & Providing a School Bus	Education	1. Local Area 2. Visakhapatnam Dt. Andhra Pradesh	47.00	47.00	47.00	Arunodaya Special School Educational Society, Ukkunagaram, Visakhapatnam

Sector: Health							
4	Rehabilitating children with hearing impairment by Cochlear implantation, Support for procurement of 4 wheeler for Institutional Care Home for HIV affected/infected children, Providing artificial limbs and calipers to persons with disabilities, organizing medical Camps, providing relief to victims of calamities etc.	Health	1. Local Area 2. i) Visakhapatnam Dt. Andhra Pradesh (ii) Vizianagaram Dt. Andhra Pradesh	41.30	41.20	41.20	1. ALIMCO, Hyderabad 2. Desire Society, Visakhapatnam 3. Directly by RINL
5	Providing ambulances to District Hospital Sidhi and Sub-Health centre, Bahari of Sidhi District, Madhya Pradesh	Health	1. Non-local area 2. Sidhi Dt. Madhya Pradesh	14.50	14.02	14.02	Zilla Rogi Kalyan Samithi, Sidhi
Sector: Sanitation							
6	Drinking water Supply in RH Colonies, Mining areas of plant, Tribal villages, Installation of RO Water plants etc.	Sanitation	1. Local Area 2. i) Visakhapatnam Dt. Andhra Pradesh ii) Krishna Dt., Andhra Pradesh iii) Khammam Dt., Telangana	99.72	10.87	10.87	1. Greater Visakhapatnam Municipal Corporation, 2. D.Sarada Trust, Visakhapatnam 3. AGS Tirupathi 4. Directly by RINL
7	Swachh Bharat projects like, maintenance of Toilets in schools under 'Swachh Vidyalaya', Contribution to Swachh Bharat Kosh, Installing toilet	Sanitation	1. Local Area & Pan India 2. i) Visakhapatnam Dt. Andhra Pradesh ii) East Godavari Dt., Andhra Pradesh	98.01	87.56	87.56	1. Greater Visakhapatnam Municipal Corporation. 2. Sarva Shiksha Abhiyan Govt. of A.P. 3. Rural water Supply &



VISAKHAPATNAM STEEL PLANT

	blocks, individual toilets, compost machines etc.						Sanitation Govt. of A.P 4. Simhachalam Devasthanam 5. Swachh Bharat Kosh, Govt. of India, New Delhi 6. Andhra Pradesh Medical Services Infrastructure development Corporation, Govt. of A.P.
Sector: Skill Development							
8	Vocational training programs in RH colonies and peripheral villages of Plant & Mines, Skill Development Program for People with Disabilities (Divyang jan) & youth (women) belonging to SC communities	Skill Development	1. Local Area 2. (i) Visakhapatnam Dt., Andhra Pradesh (ii) Vizianagaram Dt, Andhra Pradesh	42.99	38.49	38.49	1. Jan Shiksha Sansthan, Visakhapatnam 2. NSFDC, New Delhi 3. NHFDC, New Delhi
Sector: Environment							
9	Block & Avenue Plantation in the identified areas of Greater Visakha Municipal Corporation of Visakhapatnam under "Green Visakha" project.	Environment	1. Local Area 2. Visakhapatnam Dt. Andhra Pradesh	145.48	90.02	90.02	Directly by RINL
10	Providing Solar street lights at Kheri Saffa & Kharak Bhura of Jind Dist, Haryana	Environment	1. Non-local area 2. Jind Dt. Haryana	17.13	17.10	17.10	Rajasthan Electronics and Instruments Ltd, Jaipur

Sector: Sports							
11	Support to Sports for Special Children & differently abled sports person for undergoing training	Sports	1. Local Area 2. i) Visakhapatnam Dt. Andhra Pradesh ii) New Delhi.	5.75	4.68	4.68	Directly by RINL
Sector: Rural Development							
12	Construction of Community Hall, Laying of Under Ground drainage, Roads and other developmental activities	Rural Development	1. Local Area 2. i) Visakhapatnam Dt., Andhra Pradesh ii) Khammam Dt. Telangana	117.15	46.74	46.74	1. Panchayati Raj, Govt of AP 2. Directly by RINL
13	Construction of Community hall	Rural Development	1. Non-local Area 2. Kaushambi Dt., Uttar Pradesh	15.00	9.00	9.00	Rural Engg. Dept. Govt. of UP
Sector: Others							
14	Impact assessment of Projects & Need assessment surveys etc.	Others	1. Local Area 2. Visakhapatnam Dt., Andhra Pradesh	18.97	3.51	3.51	Andhra University Visakhapatnam
Total				1300	960.31		

Note: There are no 'Overheads' on the 'Amount spent' (col. (6) above)

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2018

[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: jagadeeshm@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
Tel : 040-44655000; Fax: 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	95.95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section 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	L65993WB1927GOI005532	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	L14100WB1910GOI001996	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	L51430WB1918GOI003026	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), 20th 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 & Exports Limited(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 (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	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	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0	0	0
individual shareholders holding nominal share capital												
(i) up to Rs 1 Lakh	0	0	0	0	0	0	0	0	0	0	0	0
(ii) excess of Rs. 1 lakh.	0	0	0	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	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	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4889845400	800	4889846200	100	4889845400	800	4889846200	100	4889845400	800	4889846200	100

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% 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.	P.C.Mohapatra	100	0.000002	-	100	0.000002	-	-
4.	D.N.Rao	100	0.000002	-	-	-	-	(0.000002)
5.	P.Raychaudhury	100	0.000002	-	100	0.000002	-	-
6.	Shri Saraswati Prasad	100	0.000002	-	100	0.000002	-	-
7.	Smt. Urvilla Khathi	100	0.000002	-	-	-	-	(0.000002)
8.	Shri K C Das	-	-	-	100	0.000002	-	0.000002
9.	Ms. Ruchika Chaudhry Govil	-	-	-	100	0.000002	-	0.000002
	Total	4889846200	100.00	-	4889846200	100.00	-	-



VISAKHAPATNAM STEEL PLANT

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
	At the beginning of the year	President of India is holding 100% shareholding and other individuals is holding shares for and on behalf of President of India only.			
	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
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):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)	300	0.000006	300	0.000006

2.	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
3.	P. RAYCHAUDHURY				
	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
4.	K C DAS				
	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): Shares received from Shri D N Rao on 30.08.2017	100	0.000002	100	0.000002
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	100	0.000002
5.	D N RAO				
	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 Shri K C Das on 30.08.2017	100	0.000002	-	-
	At the End of the year (or on the date of separation, if separated during the year)	0	-	-	-

Shareholding of Directors

1.	SARASWATI PRASAD				
	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
2.	RUCHIKA CHAUDHRY GOVIL				
	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 Urvilla Khati on 25.11.2017	100	0.000002	100	0.000002
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000002	100	0.000002
3.	URVILLA KHATI				
	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.Ruchika Chaudhry Govil on 25.11.2017	100	0.000002	-	-
	At the End of the year (or on the date of separation, if separated during the year)	0	-	-	-

Note : 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	7370.45	6835.10	NIL	14205.55
ii) Interest due but not paid	0	0	NIL	0
iii) interest accrued but not due	40.44	11.34	NIL	51.78
Total (i+ii+iii)	7410.89	6846.44	NIL	14257.33
Change in indebtedness during the financial year				
• Addition	2756.09	(312.11)	NIL	2443.98
• Reduction	0	0	NIL	
Net Change	2756.09	(312.11)	NIL	2443.98
Indebtedness at the end of the financial year				
i) Principal Amount	10156.28	6519.20	NIL	16675.48
ii) Interest due but not paid	0	0	NIL	0
iii) interest accrued but not due	10.70	15.13	NIL	25.83
Total (i+ii+iii)	10166.98	6534.33	NIL	16701.31

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:

No	Remuneration	Name of MD / WTD/ Manager (Shri) (Amount in Rupees)							Total (in Rs)
		P.Madhu-sudan	P.C. Mohapatra	D.N. Rao	P.Ray-Chaudhury	V V Venu Gopal Rao	Kishore ChandraDas	P K Rath	
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3307979	2856183	3918572	2878352	1874232	2351803	1305172	18492295
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	401088	615909	178234	361333	64607	87692	107533	1816397
	(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)	3709067	3472093	*4096806	3239685	1938838	2439495	1412705	20308689
	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 D N Rao is from 01.04.2017 to 31.07.2017 & Shri V V Venu Gopal Rao is from 06.07.2017 to 31.03.2018 & Shri P K Rath is from 10.10.2017 to 31.03.2018. . * includes taxable retirement benefits.

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	Ashwini Mehra	
1	Independent Directors						
	(a) Fee for attending Board/ Committee meetings	860000	580000	680000	520000	200000	2840000
	(b) Commission	0	0	0	0	0	0
	(c) Others,	0	0	0	0	0	0
	Total (B) (1)	860000	580000	680000	520000	200000	2840000
2	Other Non-Executive Directors						
	(a) Fee for attending Board/ Committee meetings	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0
	(c) Others,	0	0	0	0	0	0
	Total (B) (2)	0	0	0	0	0	0
	Total (B) (1) + (B)(2)	0	0	0	0	0	0
	Total Managerial Remuneration	860000	580000	680000	520000	200000	2840000
	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 (₹)
		CEO	Company Secretary Shri Deepak Acharya	CFO* Shri J.Srinivasa Rao	
1	Gross salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0	1552300	225300	1777600
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	187267	402737	590004
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0			0
4	Commission: - As % of profit	0	0	0	0
	- Others, specify.....	0	0	0	0
	TOTAL	0	1739567	628037	2367604

Note: *Shri J Srinivasa Rao, General Manager (F&A) RINL designated as Chief Financial Officer (CFO) of the Company with effect from 31st August, 2016 and ceased to be CFO of the company from 06th July, 2017 upon designating Shri V V Venu Gopal Rao, Director (Finance) as Director (Finance) & CFO of the Company w.e.f 06th July, 2017. Hence, Gross Salary of Shri J Srinivasa Rao is from 01.04.2017 to 05.07.2017.

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					

Annexure -VII to Directors' Report

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, R&D, FOREIGN EXCHANGE EARNINGS & OUTGO

(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:

a) Specific Energy Consumption (Gcal/tCS) & CO₂ Emissions (Tons/tCS):

Year	SEC (Gcal/tCS)	CO ₂ emissions (Tons/tCS)
2016-17	6.39*	2.79
2017-18	6.05*	2.62

* SEC as per PM's Trophy

b) Energy Conservation measures taken up at RINL during the years 2017-18.

- Increase in total Pulverized Coal Injection rate (PCI) at Blast Furnaces from 23.4 kg/tHM to 54 kg/tHM. BF-3 achieved Pulverized Coal Injection rate of 75.9 kg/tHM.
- Increase in LD gas recovery from SMS-2 from 80 Ncum/t CS to 88.8 Ncum/ t CS.
- Reduction of BF gas bleeding from 7.5% to 1.9% by proactive gas distribution through SCADA and increase in off take of BF gas to Power plants
- Increasing Power generation at BF gas based power plant (CPP-2) from 17.35 MW to 76.39 MW.
- Improvement in Gross Coke Yield at Coke Ovens from 71.98% to 72.34%
- Stabilization of Solar Power Generation and generated 0.84 MW of Solar Energy

c) Energy conservation plans under stabilization:

- Pulverized coal injection in BF-2

d) (i) Waste Heat Recovery Systems (2017-18)

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	MN Cum	436.57	251609.27	395026.5
Total power generated at Back Pressure Turbine Station (BPTS) & COB-4 Turbine	MWH	188513	150810.4	236772.3
Total power generated at Top Recovery Turbine (TRT) & Gas Expansion Turbine Station (GETs)	MWH	68564	54854	86116
Total power generated from Waste heat recovery of Sinter plant straight line cooler(NEDO project)	MWH	4446	3556.8	5584.2

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

(ii) Usage of By-product gases in Thermal Power Plant (2017-18)

Name of Fuel used in TPP	Units	Value	Boiler Coal Saved (tons)	Reduction of CO ₂ emission (tons)
Coke Oven Gas	MNCum	471.38	659132	1034837
BF gas	MNCum	3889.28	1022880	1605924



VISAKHAPATNAM STEEL PLANT



e) Awards

RINL has been awarded "Excellent Energy Efficient Unit" Award by CII Godrej Green Business center during National Competition for Excellence in Energy Management held at Hyderabad from 30th Aug to 1st Sep' 2017.

f) Clean Development Mechanism(CDM) :

The Progress of CDM projects is as given below:

1. Status of registration of the projects

- (a) The CDM project titled "Top pressure Recovery Turbine (TRT) of BF-3" was registered with UNFCCC with effect from 23rd April 2014.
- (b) The CDM project titled "Power Generation from Cooling of Coke in Coke Dry Cooling Plant of CO Battery-4" was registered with UNFCCC with effect from 13th August 2014.
- (c) The CDM project titled "Waste heat recovery from flue gases of BF 3 stoves for pre heating of Air & Gas" was registered with UNFCCC with effect from 26th Jan' 2015.

2. Status of Validation of the projects

The CDM project titled "Electricity Generation of 120 MW by using waste BF gas" is positively validated and recommended for registration. Processing for registration fee is deferred due to depressed market conditions of CER markets

3 Status of verification of the projects

- UNFCCC issued 70516 CERs for Verification of CDM project titled "Power Generation from Cooling of Coke in Coke Dry Cooling Plant of CO Battery-4 for the Period: 13th Aug' 2014 to 12th Aug' 2015.
- Verification of CDM project titled "Top pressure Recovery Turbine (TRT) of BF-3" is under progress.

- g) RINL observed Energy Conservation Week from 7th Dec' 2017 to 14th Dec' 2017 and organized various competitions(Quiz, Slogan, Poster competition and best Departmental Energy Team, Innovative Energy Conservation Project) were conducted to increase awareness on Energy Conservation. Energy Management Department (EMD) employees organized Energy Conservation Road Show at Technical Training Institute on 14-12-2017 to commemorate National Energy Conservation Day. Employees of EMD displayed placards depicting Energy Conservation and Energy Saving themes.

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

1. RINL has installed 5MW ground mounted solar power PV plant in December'2016.
2. Stabilization of 5 MW Solar Power PV Plant and it has generated 7319 MWH of Solar Energy during year 2017-18.

Unit	Units	Value	Reduction of CO ₂ emission (tons)
Solar Power Plant Generation	MWH	7319	9192

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

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

B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

In RINL projects are implemented with the latest technology as on that date. The effort put in implementing the latest technologies has put RINL in eminent position in Indian Steel Industry. The absorption of the technology is done in the following ways:

- a. The equipment and systems already existing are being modified for improving quality of product, efficiency and the equipment availability.
- b. The technological units are revamped for upgrading by major capital repairs with improving technologies.
- c. Plant Expansion is being extended to increase the production volume and also to improve the quality of products and to meet market requirements.

In order to achieve the objective of absorption of technology, the following are being incorporated by RINL.

- Holding of workshops for exchange of knowledge.
- Undertaking study tours to other Steel Plants in India as well as abroad.
- Inviting Consultants for technology suppliers for imparting in site of latest technologies available.
- Attending Seminars and Conferences.
- Going through the articles etc. published.
- Collaboration with the professional organizations.

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

In recent times, the major units listed below are implemented as part of Expansion and modernization of the existing units.

Area	Major Unit	Technology	Benefits
1. Units implemented as part of Expansion:			
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.
		Oxygen enrichment	
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 & improved Productivity.
		Electro Magnetic Stirrer	Cleaner and homogeneous steel
		100% billet casting	Energy saving
	Steel Melt Shop - Secondary Metallurgy	RH Degasser	Low Hydrogen Steel
		Twin Ladle Furnace.	Increase in productivity, Lesser investment/ space compared to two single ladle furnaces.



Area	Major Unit	Technology	Benefits
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
CRMP	CRMP- 2	Vertical shaft kiln	More Productivity, Low maintenance cost and better environmental controls

2. Units revamped

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.
		Oxygen enrichment	
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)

i. 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.

ii. Benefits derived as a result of the above R&D

a) 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 like 10B21 and 15B24.

b) Analysis and prevention of frequent occurrence of Hood Jam in Ladle Furnace of SMS-2

Objective of this project is to minimize frequent occurrences of hood jam and increase in Ladle Furnace availability by 6-8 hours per month/LF. Recommendations of this project incorporate optimised synthetic slag addition, argon flow rate, arcing profiles and issues regarding application of castable coating on hood. Implementation of the recommendations will decrease the formation of hood jam and may lead to production of extra 12-15 heats per month/LF.

c) Re-design of emergency containers for slag/steel dumping to eliminate refractory lining

The objective of the project is to decrease

the specific refractory consumption by about 2 kg/T per ton of liquid steel which in turn helps in cost savings and increasing the availability of cranes for production. Design and material (Cast Iron/ SG Iron) of containers are suggested, four such containers were manufactured from Foundry and they are put in use in SMS. After full scale implementation, we can completely eliminate the usage of refractory lining in emergency containers.

d) *Feasibility study on Utilization of fly ash pellets as Ladle & Tundish covering compound*

The objective of this internal project is to utilize pellets / granules made from fly ash as ladle covering compound and tundish covering compound at Steel Melting Shop. This project helps in valorization of fly ash, an industrial solid waste generated during combustion of coal and improve the working conditions as the granules do not fly off as rice husk ash which is presently in use. This project has a potential of saving about ₹ 5 Crores/year

e) *Optimizing slag splashing technique to provide a sacrificial coating on the refractory lining and improvement of BOF campaign life*

Slag splashing is a process in which leftover BOF slag is being splashed on the Converter refractory lining with supersonic nitrogen gas jet. The objective of this internal project is to optimize the slag splashing technique by methodical quantification of splashing variables to increase converter lining life by approx. 500 heats.

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

a) **Details of Technology imported**

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.

CONTINUOUS CASTING MACHINE NO.4 (CCM):

Continuous Casting Machine No.4 is implemented with high radius of casting for the first time in India. The high radius of casting allows bigger size rounds and blooms to be cast in the machine. Rounds of upto 510mm dia can be cast in CCM.

FORGED WHEEL PLANT (FWP):

The state of the art Forged Wheel Plant with high degree of Automation is being installed by RINL at the Modern Coach Factory premises of Railways at Lalganj, Raibareli, UP. This facility will meet the requirement of forged rail wheels for loco motives and high speed trains substituting wheels being imported by Railways hitherto. The facility will be commissioned in 2018-19.

b) **The year of import** – PCI in the year 2015-16 and CCM-4 is completed in 2016-17.

c) **Whether the technology being fully absorbed** – Installed and commissioned. Being used as per requirement and feasibility.

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	₹ 0.99 Cr
b) Revenue/recurring	₹ 19.07 Cr
c) Total	₹ 20.06 Cr
d) Total R&D expenditure as a percentage of total turnover	0.12%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange Earnings during the year was ₹ 1742.32 Crores and the Foreign Exchange Outgo during the year was ₹ 6107.97 Crores (Includes ₹ 174.75 Crores on Expansion activities / Capital Goods).



Annexure -VIII to Directors' Report

VINOD KOTHARI & COMPANY

Practising Company Secretaries

1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India

Phone: +91 – 33 – 2281 7715 | 1276 | 3742

email: vinod@vinodkothari.com

Web: www.vinodkothari.com

www.india-financing.com

Unique Code – P1996WB042300

PAN No -AAMFV6726E

Service Tax Registration No. - AAMFV6726ESD001

Udyog Aadhaar Number – WB10D0000448

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Rashtriya Ispat Nigam Limited
Administrative Building,
Vishakhapatnam Steel Plant
Visakhapatnam – 530 031
Andhra Pradesh.

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, 2017 to March 31, 2018 (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. The Mines Act, 1952
2. Legal Metrology Act, 2009
3. Environment Protection Act, 1986
4. The Water (Prevention & Control of Pollution) Act, 1974
5. The Air (Prevention & Control of Pollution) Act, 1981
6. Indian Explosives Act, 1884
7. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

Management's Responsibility

5. 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.
6. 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.
7. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company or examined any books, information or statements other than Books and Papers.
8. We have not examined any other specific laws except as mentioned above.
9. Wherever required, we have obtained the Management Representation about the compliance of aforesaid Laws, Rules, Regulations, Standards,

Guidelines and happening of events etc.

10. The compliance of the provisions of corporate laws and other applicable Rules, Regulations, Guidelines, Standards etc. is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
11. 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. mentioned above subject to the following observations:

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices, separately placed before the Board, for its consideration by the Company. The said recommendations form part of this report.

We report that subject to the aforesaid recommendations, the Company has complied with the conditions of Corporate Governance Guidelines issued by Department of Public Enterprises.

We further report that as on 31st March, 2018, the Board of Directors of the Company is duly constituted in terms of the Act and the Corporate Governance Guidelines issued by Department of Public Enterprises. The Board is comprised of a total of 13 directors with 2 (two) Non-Executive Govt. Nominee Directors, 6 (six) Executive Directors (i. Functional Directors), 5 (five) Non-Executive Independent Directors as on the said date. 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.

We further report that 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



VISAKHAPATNAM STEEL PLANT

agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board were carried out with unanimous consent of all the Directors present during the meeting.

We further report that based on the information provided by the Company during the Audit Period and also on the review of quarterly compliance reports by the Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that during the Audit Period, the

Company has not incurred any 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.

Place: Kolkata

Date: 27.08.2018

**For Vinod Kothari & Company
Practising Company Secretaries**

Sd/-
**Arun Kumar Maitra
(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 in original
 - 1.1.1 Board Meeting;
 - 1.1.2 Audit Committee;
 - 1.1.3 Nomination and Remuneration Committee;
 - 1.1.4 Stakeholders Relationship Committee;
 - 1.1.5 Corporate Social Responsibility Committee;
 - 1.1.6 General Meeting;
 - 1.2 Agenda papers for Board Meeting along with Notice;
 - 1.3 Annual Report for the Financial Year 2016-2017 and Accounts for the period 1st April, 2017 to 31st March, 2018;
 - 1.4 Disclosures under Act
 - 1.5 Policies framed under Act
 - 1.6 Registers maintained under Act;
 - 1.7 Forms and Returns filed with the ROC



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS

M/s. RASHTRIYA ISPAT NIGAM LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Rashtriya Ispat Nigam Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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 there under.

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

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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, of the state of



VISAKHAPATNAM STEEL PLANT



affairs (financial position) of the Company as at 31st March, 2018, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity 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 25 to the Ind AS financial statements, regarding accounting of expenditure incurred due to the damages caused on account of HUD-HUD cyclone.
2. Note 28 (ii) to the Ind AS financial statements regarding presentation as 'Exceptional item' of incremental gratuity liability for past services provided during the year due to increase in the limit of gratuity amount for the reasons stated in said note.

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, the Cash Flow Statement and Statement of Changes in Equity 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.R.463[E] dated 5th June, 2015 of Ministry of Corporate Affairs.
 - 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 Ind AS financial statements - Refer Note 39 to the Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 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 **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number 000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

New Delhi, 16 Aug 2018



M. Bhaskara Rao & Co.

Chartered Accountants

Annexure - A to the Independent Auditors' Report:

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Rashtriya Ispat Nigam Limited)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - (c) According to the information and explanations furnished to us, and based on our review, title deeds of its immovable properties are held in the name of the Company except in respect of land to the extent as stated in Note No.3 to standalone financial statements.
- (ii) According to the information and explanations furnished to us, in respect of the Company's inventories, physical verification of inventories at plants and marketing offices has been conducted by the management at reasonable intervals during the year. In our opinion, having regard to the nature of its business and location of its stocks, the frequency of verification is reasonable. Further, the discrepancies noticed on such verification, between the physical stocks and the respective records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not 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. Accordingly, reporting under clauses (a), (b) and (c) of paragraph 3(iii) of the Order does not arise.
- (iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in Sections 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, reporting under provisions of paragraph 3(v) of the Order does not arise.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules in force made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally 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, Cess and other material statutory dues applicable to it with the appropriate authorities, and there were no amounts payable in respect of the aforesaid undisputed statutory dues in arrears, as at March 31, 2018, for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax which have not been deposited as on March 31, 2018 on account of dispute are as below:

Name of the Statute	Nature of dues	Amount (₹ in Crs.)	Forum where dispute is pending
Finance Act, Customs & Excise Act, Income Tax, VAT	Excise duty, Service Tax and Cenvat	2.88 104.37	Commissioner (Appeals) CESTAT
	Customs	25.30	CESTAT
The Andhra Pradesh General Sales Tax Act & C S T Act	Sales Tax	2.45	STAT
		911.66	Honourable High Court of Andhra Pradesh
Bihar VAT Act	VAT	0.05	Joint Commissioner Taxes (JCT)
Odisha Sales Tax Act	Sales Tax	0.01	Appellate Authority
West Bengal VAT Act	Sales Tax	0.39	WBCTA
Maharashtra VAT Act	Sales Tax	0.14	JCIT, Mumbai
TNGST Act	Tax on Credit Note	0.10	Appellate Deputy Commissioner of Commercial Taxes, Chennai.
WB Entry Tax	Entry Tax	8.02	Kolkata High Court
Madharam, Telangana	Entry Tax	1.53	Appellate Authority
UP Entry Tax	Entry Tax	0.60	Asst. Commissioner Gr-II, Appeals
Andhra Pradesh	Entry Tax	0.48	ADC

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or from debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion the provisions of section 197 read with Schedule V to the Companies Act, 2013 doesn't apply to Government Companies vide notification no. G.S.R 463(E) dated 05th June, 2015 issued by Ministry of Corporate Affairs.

(xii) The Company is not a Nidhi Company and hence

reporting under clause (xii) of the CARO 2016 is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash

transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number 000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

New Delhi, 16 Aug 2018

Annexure B to the Independent Auditors' report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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



VISAKHAPATNAM STEEL PLANT

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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 31 March, 2018 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 **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number 000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

New Delhi, 16 Aug 2018

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 31 March 2018. We report that:

1	Whether the Company has clear title/lease deeds for free hold and leasehold land respectively? If not please state area of freehold and leasehold land for which title/lease deeds are not available.	Except those cases disclosed vide note no. 3 to Ind AS 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.	<p>During the year there are cases of write off of bad debts amounting to ₹ 8.11 Lakhs which, according to the management are irrecoverable.</p> <p>During the year there are no instances of waiver of loans/interests.</p>
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.	<p>Company is maintaining proper records for inventories lying with third parties.</p> <p>According to information and explanations given to us, there are no assets received as gifts/grants from Government or other Authorities during the year.</p>

For **M Bhaskara Rao & Co.**,
Chartered Accountants
Firm Registration Number 000459S

sd/-
V.RAGHUNANDAN
(Partner)
Membership No: 26255

New Delhi, 16 Aug 2018



VISAKHAPATNAM STEEL PLANT



Annexure -X to Directors' Report



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

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

DGCA/A/c/Desk/2017-18/RINL/1.01/200

31 August 2018

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 2018

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 2018.

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 2017-18 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,

(L. Tochhawng)
Director General

महालेखाकार का कार्यालय परिसर, सैफाबाद, हैदराबाद - 500 004.
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004
e-mail : mabhyderabad@cag.gov.in

Grams : 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 FINANCIAL STATEMENTS OF RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2018 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 the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

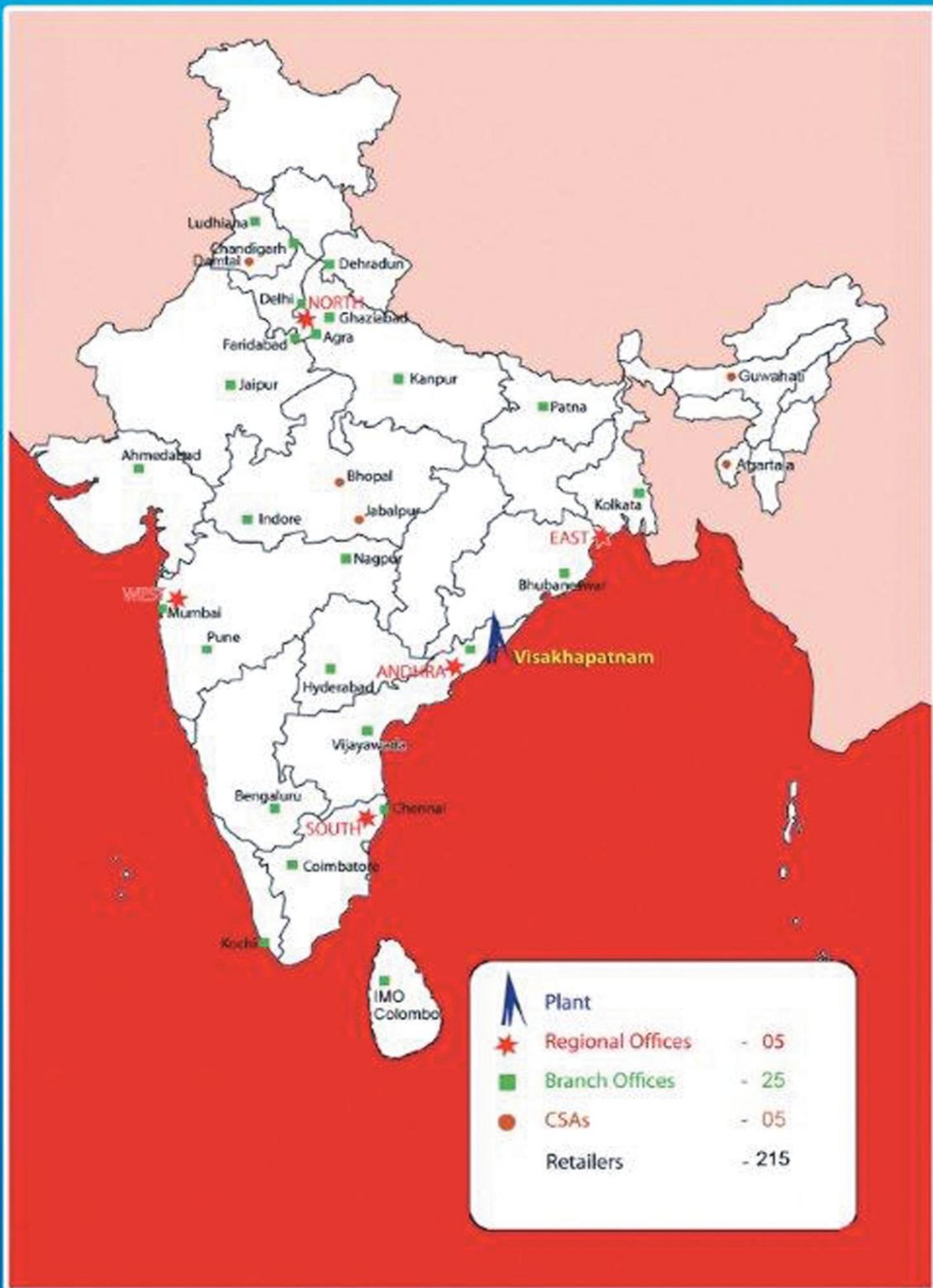
On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(L. Tochhawng)

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

Place: Hyderabad
Date: 31 August 2018





RASHTRIYA ISPAT NIGAM LIMITED



AUDITED ANNUAL ACCOUNTS 2017-18



BALANCE SHEET AS AT 31st MARCH 2018

(₹ in Crores)

Particulars	Notes	31 st March 2018	31 st March 2017
I Assets			
Non-current assets			
(a) Property, plant and equipment	3	16,772.14	12,902.88
(b) Capital work-in-progress	3	5,224.66	7,768.96
(c) Other intangible assets	4	10.49	25.21
(d) Intangible assets under development	4	-	-
(e) Financial assets			
(i) Investments	5	741.48	740.88
(ii) Loans	6	222.29	228.99
(iii) Other financial assets	7	23.28	21.67
(f) Deferred tax asset (net)	8	778.14	242.41
(g) Other non-current assets	9	119.34	158.02
Total non-current assets		23,891.82	22,089.03
Current assets			
(a) Inventories	10	5,628.67	4,766.85
(b) Financial assets			
(i) Trade receivables	11	995.98	878.80
(ii) Cash and cash equivalents	12	51.90	53.90
(iii) Loans	6	-	-
(iv) Other financial assets	7	471.29	440.84
(c) Other tax assets (net)	13	0.01	0.01
(d) Other current assets	14	684.53	636.48
Total current assets		7,832.38	6,776.88
Total assets		31,724.20	28,865.91
II Equity and liabilities			
Equity			
(a) Equity share capital	15	4,889.85	4,889.85
(b) Other equity	16		
(i) Reserves and surplus	16 A	2,331.11	3,679.81
(ii) Other comprehensive income	16 B	-	-
Total equity		7,220.96	8,569.66
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	6,545.16	5,841.71
(ii) Other financial liabilities	18	25.90	13.53
(b) Provisions	19	1,012.97	964.06
(c) Deferred tax liabilities (net)	8	-	-
(d) Other non-current liabilities	20	82.39	76.75
Total non-current liabilities		7,666.42	6,896.05
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	9,221.27	8,048.84
(ii) Trade payables	21	1,197.57	1,037.85
(iii) Other financial liabilities	18	5,253.14	3,525.07
(iv) Derivatives	22	0.60	138.38
(b) Provisions	19	668.32	137.59
(c) Other current liabilities	23	495.92	512.47
Total current liabilities		16,836.82	13,400.20
Total liabilities		24,503.24	20,296.25
Total Equity and liabilities		31,724.20	28,865.91

The notes 1 to 41 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-
(P. Raychaudhury)
Director (Commercial)
and CMD (Additional Charge)

Sd/-
(V.V. Venu Gopal Rao)
Director (Finance)
and Chief Financial Officer

Sd/-
(M Jagadeeshwara Rao)
Company Secretary

As per our report of even date
For M/s M. Bhaskara Rao & Co

Chartered Accountants
Firm Regn No: 000459S

Sd/-
(CA V. Raghunandan)
Partner
Membership No: 26255

Place : New Delhi
Date : 16-08-2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018 (₹ in Crores)

Particulars	Notes	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Income			
I Revenue from operations	24	14,607.18	12,418.74
II Other income	25	265.24	260.29
III Total income (I+II)		14,872.42	12,679.03
IV Expense			
Cost of materials consumed	26	8,601.05	6,945.20
Changes in inventory of finished goods and work-in-progress	27	(186.34)	(397.54)
Excise duty		262.80	1,277.56
Employee benefits expense	28	2,343.60	2,163.83
Finance costs	29	938.33	767.74
Depreciation and amortisation expense	30	778.26	658.86
Other expenses	31	3,505.12	2,953.87
Total expenses (IV)		16,242.82	14,369.53
V Profit/ (Loss) before exceptional items and tax (III-IV)		(1,370.40)	(1,690.49)
VI Exceptional items		541.05	-
VII Profit/ (Loss) before tax (V-VI)		(1,911.45)	(1,690.49)
VIII Tax expense/ (credit):			
Current tax		-	-
Deferred tax	8	(542.44)	(428.68)
Earlier year adjustments		-	1.34
Total Tax expense/ (credit) (VIII)	8	(542.44)	(427.34)
IX Profit/ (Loss) for the year from continuing operations (VII-VIII)		(1,369.01)	(1,263.16)
X Profit/ (Loss) for the year from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) for the year from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/ (Loss) for the period (IX+XII)		(1,369.01)	(1,263.16)
XIV Other comprehensive income			
(i) Items that will not be re classified to profit or loss			
Re-measurements of defined benefit liability /asset		27.03	(52.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.72)	16.10
Other comprehensive income for the year, net of income tax		20.31	(36.00)
XV Total comprehensive income for the year (XIII+XIV)		(1,348.70)	(1,299.16)
XVI Earnings/ (loss) per each equity share of ₹ 10 each	36		
1. Basic (₹)		(2.80)	(2.58)
2. Diluted (₹)		(2.80)	(2.58)

The notes 1 to 41 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-
(P. Raychaudhury)
Director (Commercial)
and CMD (Additional Charge)

Sd/-
(M Jagadeeshwara Rao)
Company Secretary

Sd/-
(V.V. Venu Gopal Rao)
Director (Finance)
and Chief Financial Officer

As per our report of even date
For M/s M. Bhaskara Rao & Co
Chartered Accountants
Firm Regn No: 000459S

Sd/-
(CA V. Raghunandan)
Partner
Membership No: 26255

Place : New Delhi
Date : 16-08-2018

STATEMENT OF CHANGES IN EQUITY
(FOR THE YEAR ENDED 31st MARCH 2018)

a. Equity share capital

(₹ in Crores)

Particulars	Amount
Balance as at 1 st April 2016	4,889.85
Changes in equity share capital during 2016-17	-
Balance as at the 31st March 2017	4,889.85
Changes in equity share capital during 2017-18	-
Balance as at the 31st March 2018	4,889.85

b. Other equity

(₹ in Crores)

Particulars	Reserves and surplus				Total
	Retained earnings	Capital redemption reserve	Reserves for redeeming preference shares	Other items of OCI	
Balance at 1st April 2016	2,041.50	2,937.47	-	-	4,978.97
Total comprehensive income for the year ended 31st March 2017					
Profit or loss	(1,263.16)	-	-	-	(1,263.16)
Other comprehensive income (net of tax)	(36.00)			-	(36.00)
Total comprehensive income	(1,299.16)	-	-	-	(1,299.16)
Balance at 31st March 2017	742.34	2,937.47	-	-	3,679.81
Balance at 1st April 2017	742.34	2,937.47	-	-	3,679.81
Total comprehensive income for the year ended 31st March 2018					
Profit or loss	(1,369.01)	-	-	-	(1,369.01)
Other comprehensive income (net of tax)	20.31	-	-	-	20.31
Total comprehensive income	(1,348.70)	-	-	-	(1,348.70)
Balance at 31st March 2018	(606.36)	2,937.47	-	-	2,331.11

The notes 1 to 41 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-
(P. Raychaudhury)
Director (Commercial)
and CMD (Additional Charge)

Sd/-
(M Jagadeeshwara Rao)
Company Secretary

Sd/-
(V.V. Venu Gopal Rao)
Director (Finance)
and Chief Financial Officer

As per our report of even date
For M/s M. Bhaskara Rao & Co
Chartered Accountants
Firm Regn No: 000459S

Sd/-
(CA V. Raghunandan)
Partner
Membership No: 26255

Place : New Delhi
Date : 16-08-2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Crores)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Cash flows from operating activities		
Profit/ (loss) for the year (before tax)	(1,911.45)	(1,690.49)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	778.26	658.86
Finance costs	938.33	767.74
Interest income from banks	(0.17)	(0.28)
Dividend income	(0.09)	(0.15)
(Gain) loss on sale of Property, plant and equipment	(0.42)	(0.52)
Unrealised Net (Gain)/ Loss arising on Financial instruments designated as FVTPL	0.60	84.21
Operating profit before changes in assets and liabilities	(194.94)	(180.64)
Changes in assets and liabilities :		
(Increase) decrease in inventories	(861.82)	(956.25)
(Increase) decrease in trade receivables and loans	(110.47)	86.08
(Increase) decrease in other financial assets	(32.07)	(105.56)
(Increase) decrease in other non current assets	15.01	6.36
(Increase) decrease in other current assets	(129.02)	(5.12)
Increase (decrease) in trade payables	159.72	304.29
Increase (decrease) in other financial liabilities	673.53	295.92
Increase (decrease) in provisions	606.67	93.45
Increase (decrease) in non-current liabilities	74.68	69.60
Increase (decrease) in other current liabilities	(48.92)	23.82
Cash generated from operating activities	152.36	(368.05)
Income tax paid (net of refund)	80.96	44.57
Net cash from (used in) operating activities (A)	233.32	(323.48)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,521.34)	(2,439.85)
Proceeds from sale of property, plant and equipment	0.70	0.65
Interest received from banks	0.17	0.28
Investment in fixed deposits	(0.97)	(0.80)
Dividend income	0.09	0.15
Acquisition of investments	(0.60)	(43.29)
Net cash flow from (used in) investing activities (B)	(1,521.95)	(2,482.86)
Cash flows from financing activities		
Proceeds from (Repayment of) long term borrowings	1,297.50	2,351.19
Proceeds from (Repayment of) short term borrowings	1,172.43	1,463.20
Interest paid	(1,184.27)	(1,000.51)
Net cash flow from (used in) financing activities (C)	1,285.66	2,813.88
Net increase (decrease) in cash and cash equivalents (A+B+C)	(2.97)	7.54
Cash and cash equivalents at 1 st April	42.23	34.69
Cash and cash equivalents at 31st March	39.26	42.23
Reconciliation of cash and cash equivalent as per the balance sheet	31st March 2018	31st March 2017
Cash and cash equivalent as per the cash flow statement	39.26	42.23
Other bank balances not considered above:		
- Bank deposits with maturity more than 3 months	4.12	3.96
- Prime Minister's Trophy Award Fund	8.52	7.71
Cash and cash equivalent as per balance sheet	51.90	53.90

The Cash flow statement has been prepared under indirect method in accordance with Ind AS 7.

The notes 1 to 41 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-
(P. Raychaudhury)
Director (Commercial)
and CMD (Additional Charge)

Sd/-
(M Jagadeeshwara Rao)
Company Secretary

Sd/-
(V.V. Venu Gopal Rao)
Director (Finance)
and Chief Financial Officer

As per our report of even date
For M/s M. Bhaskara Rao & Co

Chartered Accountants
Firm Regn No: 000459S

Sd/-
(CA V. Raghunandan)
Partner
Membership No: 26255

Place : New Delhi
Date : 16-08-2018



VISAKHAPATNAM STEEL PLANT



NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT 31st MARCH 2018

1. Company overview

Rashtriya Ispat Nigam Limited is a company domiciled in India. The Company's registered office is Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam, Andhra Pradesh. The Company is primarily involved in the manufacture of steel and related products.

2. Significant accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and provisions of Companies Act, 2013 under the historical cost convention on accrual basis except for certain material financial instruments which are measured at fair value.

2.2 Functional and Presentation Currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crores except share and per share data.

2.3 Use of Estimates and Judgment

The preparation of financial statements 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 recognized in the periods in which the results are known/ materialized.

2.4 Inventories

2.4.1 Inventories are valued at lower of cost and net realizable value.

2.4.2 The basis of determining cost is:

- a) Finished / Semi-finished goods, Raw materials – Periodic Weighted Average cost.
- b) Minor Raw materials, Stores and spares (which do not meet PPE definition), Loose tools - Dynamic Moving Weighted Average cost.
- c) All Materials in- transit at cost.

2.4.3 Necessary provisions are made for obsolete / Surplus / Non-moving inventory.

2.5 Property, Plant and Equipment (PPE)

2.5.1(a) The company has adopted the previous

GAAP value as the 'deemed cost' in preparing its opening balance sheet as on 01 April 2015.

(b) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

2.5.2 The cost of property, plant and equipment comprises:

- (i) Its purchase price;
- (ii) Any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- (iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either at the time of acquisition of asset or as a consequence of having used the asset during a particular period for purposes other than to produce inventory during that period;
- (iv) Expenditure attributable /relating to construction to the extent directly identifiable to any specific plant unit, Trial run expenditure net of revenue.

2.5.3 The cost of replacing a part of an item of PPE is recognized in the carrying amount of the item of property, plant and equipment if the recognition criteria are met. Consequently, the carrying amount of the replaced part is derecognized.

2.5.4 Expenditure attributable /relating to construction to the extent not directly identifiable to any specific Plant Unit is kept under 'Expenditure During Construction' for allocation to PPE and is grouped under 'Capital Work-in- Progress'.

2.5.5 All major spares, stand-by equipment, and servicing equipment that meet the criteria of property, plant and equipment are capitalized.

2.5.6 Depreciation:
Depreciation is recognized on straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date and where expectations differ from previous estimates, the changes are accounted for as change in accounting estimate.

2.6 Intangible Assets

- 2.6.1 Intangible assets are estimated at cost less accumulated amortization and impairment. Intangible assets are amortized on straight line method over their estimated useful life.
- 2.6.2 Residual values and useful lives of all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

2.7 Exploration and Evaluation Assets (E&E Assets)

- 2.7.1 Exploration and evaluation expenditure comprises costs incurred after obtaining legal right to explore the area and before establishing technical feasibility and commercial viability of extracting a mineral resource that are directly attributable to:
- researching and analyzing existing exploration data;
 - conducting geological studies, exploratory drilling and sampling;
 - examining and testing extraction and treatment methods; and/or
 - compiling pre-feasibility and feasibility studies.
- 2.7.2 Exploration and evaluation expenditure is recognized as an expense, unless the expenditure is expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, in which case it is recognized as an asset.
- 2.7.3 Exploration and evaluation assets are classified as tangible (as part of property, plant and equipment) or intangible according to the nature of the assets. These assets are not depreciated till they are recognized as an E & E asset. These assets continue in CWIP and are depreciated once they are recognized as E&E assets.
- 2.7.4 The carrying values of capitalized evaluation expenditure are reviewed for impairment once a year by management.

2.8 Investment in Subsidiaries and Joint Ventures

Investments in subsidiaries and joint ventures are measured at cost. Diminution in value, other than temporary, is provided for.

2.9 Financial Instruments (Financial Assets and Financial Liabilities):

All financial instruments are recognized initially at fair value. The classification of financial instruments

depends on the objective of the business model for which it is held. For the purpose of subsequent measurement, financial instruments of the Company are classified into (a) Non-Derivative Financial Instruments and (b) Derivative Financial Instruments.

- a) Non Derivative Financial Instruments
- (i) Security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as Financial assets under this clause.
 - (ii) Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
 - (iii) Financial instruments are subsequently carried at amortized cost wherever applicable using effective interest method (EIR) less impairment loss.
 - (iv) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.
- (b) Derivative Financial Instruments
- (i) Derivative Financial Assets and liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date.
 - (ii) Changes in the fair value of any derivative Asset or liability are recognized immediately in the Income Statement and are included in other income or expenses.
 - (iii) Cash flow hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.



VISAKHAPATNAM STEEL PLANT



2.10 Impairment

2.10.1 Financial assets

- (i) The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
 - Financial assets that are debt instruments, and are measured at amortized cost wherever applicable e.g., loans, debt securities, deposits, and bank balance.
 - Trade receivables.
- (ii) The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2.10.2 Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

2.11 Stripping Cost:

Stripping cost in the nature of expense incurred for removing overburden and waste materials is accounted for as follows:

- (a) To the extent that the benefit from the stripping activity is realized in the form of inventory produced, the same is accounted for in accordance with the principles of Ind AS 2, Inventories.
- (b) To the extent the benefit is improved access to ore, stripping cost shall be recognized as a non-current asset.

2.12 Income Taxes:

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

2.13 Revenue Recognition

2.13.1 Revenue is recognized at fair value when significant risks and rewards of ownership and effective control on goods have been

transferred to the buyer. Sales revenue is measured net of returns, discounts and rebates.

- 2.13.2 Claims against outside agencies are accounted for on certainty of realization.
- 2.13.3 Revenue arising from the rendering of service is recognized to the extent the service is provided and could be estimated reliably.
- 2.13.4 Interest income is recognized basing on the effective interest method.
- 2.13.5 Dividends, are recognized at the time the right to receive is established.
- 2.13.6 Export Incentives are recognized on certainty of realization.

2.14 Employee Benefits

Provisions/Liabilities towards gratuity, post-retirement medical benefits, retirement settlement benefits, Employees' Family Benefit Scheme, encashment of leave and long term service award are made based on the actuarial valuation at the reporting date.

- (i) Consequential actuarial gain/loss are charged to Statement of Profit and Loss;
- (ii) Actuarial gain/loss relating to Post Retirement Benefits (Defined Benefit Plan) are recognized in other comprehensive income.

2.15 Foreign Currency Transactions

- 2.15.1 Foreign currency monetary items are disclosed at the closing rate of the reporting period at reporting date. Exchange differences arising on settlement/conversion of foreign currency monetary items are recognized in the statement of profit and loss account.
- 2.15.2 Non-monetary assets and liabilities are recognized at the exchange rate prevailing at the date of transaction.

2.16 Borrowing Costs

- 2.16.1 Borrowing costs incurred for obtaining qualifying assets are capitalized 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.
- 2.16.2 Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.
- 2.16.3 Other borrowing costs are treated as expense for the year.

3 Property, plant and equipment

A. Reconciliation of carrying amount

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Railway lines and sidings	Roads, bridges and culverts	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Electrical installations	Water supply and sewerage systems	Miscellaneous assets	Total
Cost or deemed cost (gross carrying amount)												
Balance at 1 st April 2016	59.80	1.65	236.27	236.20	1,412.61	17,428.64	26.53	21.88	792.85	751.45	235.28	21,203.16
Additions and adjustments	0.12	-	53.08	22.36	57.28	1,352.44	0.51	9.94	104.65	35.10	37.60	1,673.08
Sales and adjustments	-	-	(0.18)	-	-	(11.79)	(0.07)	(0.09)	(0.12)	-	(0.82)	(13.07)
Balance at 31st March 2017	59.92	1.65	289.17	258.56	1,469.89	18,769.29	26.97	31.73	897.38	786.55	272.06	22,863.17
Balance at 1 st April 2017	59.92	1.65	289.17	258.56	1,469.89	18,769.29	26.97	31.73	897.38	786.55	272.06	22,863.17
Additions and adjustments	-	-	30.08	0.66	115.87	4,270.98	1.13	0.20	33.44	163.83	82.85	4,699.04
Sales and adjustments	-	-	-	-	-	(524.03)	(0.16)	-	(0.07)	-	(0.66)	(524.92)
Balance at 31st March 2018	59.92	1.65	319.25	259.22	1,585.76	22,516.24	27.94	31.93	930.75	950.38	354.25	27,037.29
Accumulated depreciation												
Balance at 1 st April 2016	-	0.79	139.23	123.11	694.34	7,421.57	18.89	13.62	421.61	301.43	150.91	9,285.50
Depreciation for the year	-	0.03	9.27	20.97	30.64	500.33	1.41	2.45	61.25	34.06	25.35	685.76
Sales and adjustments	-	-	(0.17)	-	-	(9.87)	(0.04)	(0.08)	(0.08)	-	(0.73)	(10.97)
Balance at 31st March 2017	-	0.82	148.33	144.08	724.98	7,912.03	20.26	15.99	482.78	335.49	175.53	9,960.29
Balance at 1 st April 2017	-	0.82	148.33	144.08	724.98	7,912.03	20.26	15.99	482.78	335.49	175.53	9,960.29
Depreciation for the year	-	0.01	12.17	15.80	32.58	605.84	1.27	2.42	65.49	38.06	27.77	801.41
Sales and adjustments	-	-	-	-	-	(495.77)	(0.13)	-	(0.07)	-	(0.58)	(496.55)
Balance at 31st March 2018	-	0.83	160.50	159.88	757.56	8,022.10	21.40	18.41	548.20	373.55	202.72	10,265.15
Carrying amounts (net)												
At 31 st March 2017	59.92	0.83	140.84	114.48	744.91	10,857.26	6.71	15.74	414.60	451.06	96.53	12,902.88
At 31 st March 2018	59.92	0.82	158.75	99.34	828.20	14,494.14	6.54	13.52	382.55	576.83	151.53	16,772.14

Gross Block

Accumulated Depreciation

Net Block

B. Land held under finance leases

The Company has acquired land at Mumbai under finance lease agreements. The leased land secures related lease obligations. The gross and net carrying amounts of land acquired under finance leases and included in above are as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Cost or deemed cost	1.65	1.65
Accumulated depreciation	(0.83)	(0.82)
Net carrying amount	0.82	0.83

C. Freehold land

- Land includes 363.28 acres (31st March 2017 363.28 acres) allotted to various agencies on lease basis.
- Land at a cost of ₹ 39.99 crores (31st March 2017 : ₹ 39.99 crores) is being held in the name of President of India. The Company is holding Power of Attorney issued by Government of India for utilisation of the land acquired for the project and related purposes incidental thereto.
- Land includes 14.5 acres whose title is under dispute.
- Land measuring 62.05 acres (Private Land : Makavaram: 19.78, Maturu: 20.45 and Rebaka: 6 and State Land; Makavaram: 13.86, Maturu: 1.96) acquired for RINL is not free from encumbrance and physical possession is yet to be taken.

D. Sale deed in respect of the following land has not yet been executed

(₹ in crores)

Particulars	31 st March 2018	31 st March 2017
Stockyard at Chennai	2.37	2.37
Office building at New Delhi	25.53	25.53
Office buildings at Ahmedabad	0.18	0.18
Residential buildings at Kolkata	0.95	0.95
Site for Liaison Office at Hyderabad	1.30	1.30
	30.33	30.33

E. Depreciation methods and useful lives

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Particulars	31 st March 2018	31 st March 2017
Railway lines and sidings	10-15 years	15 years
Roads, bridges and culverts	3-30 years	3-30 years
Buildings	5-60 years	5-60 years
Plant and equipment	2-40 years	4-40 years
Fixtures and fittings	10 years	10 years
Vehicles	6-8 years	6-8 years
Electrical installations	10 years	10 years
Water supply and sewerage systems	15 years	15 years
Miscellaneous assets	3-15 years	3-15 years

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Allocation of depreciation :		
Expenditure During Construction	38.05	41.88
Current year (Profit or loss)	763.36	643.88
	801.41	685.76

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

F. Capital work-in-progress

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital work-in-progress (including material issued to contractors)		
6.3 MT Expansion	2,340.13	4,792.69
Others	2,608.01	2,552.28
Less: Provision for dropped SLTM project & others	19.84	18.90
	4,928.30	7,326.07
Expenditure during construction awaiting allocation (Note G)	296.36	442.89
Total	5,224.66	7,768.96

G. Expenditure during construction awaiting allocation

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Opening Balance (A)	442.89	365.75
Expenditure during the year:		
Employee remuneration and benefits	64.29	37.42
Other expenses and provisions	28.52	26.94
Interest expense	7.88	7.70
Depreciation	38.05	41.88
Less :		
Other revenue	0.01	(0.93)
Net expenditure during the year (B)	138.73	114.87
Total (A+B)	581.62	480.62
Less: Amount allocated to PPE	285.26	37.73
Total	296.36	442.89

4 Intangible assets

A. Reconciliation of carrying amount

(₹ in Crores)

	Particulars	Computer software	Mining rights	Total (i)	Intangible assets under development (ii)	Total (i)+(ii)
Gross Block	Cost or deemed cost (gross carrying amount)					
	Balance at 1 st April 2016	63.79	5.83	69.62	2.70	72.32
	Additions and adjustments	2.70	-	2.70	-	2.70
	Sales and adjustments	(0.04)	-	(0.04)	(2.70)	(2.74)
	Balance at 31st March 2017	66.45	5.83	72.28	-	72.28
	Balance at 1 st April 2017	66.45	5.83	72.28	-	72.28
	Additions and adjustments	0.18	-	0.18	-	0.18
	Sales and adjustments	(0.04)	-	(0.04)	-	(0.04)
Balance at 31st March 2018	66.59	5.83	72.42	-	72.42	
Accumulated Depreciation	Accumulated amortisation					
	Balance at 1 st April 2016	27.50	4.63	32.13	-	32.13
	Amortisation for the year	14.70	0.28	14.98	-	14.98
	Sales and adjustments	(0.04)	-	(0.04)	-	(0.04)
	Balance at 31st March 2017	42.16	4.91	47.07	-	47.07
	Balance at 1 st April 2017	42.16	4.91	47.07	-	47.07
	Amortisation for the year	14.63	0.27	14.90	-	14.90
	Sales and adjustments	(0.04)	-	(0.04)	-	(0.04)
Balance at 31st March 2018	56.75	5.18	61.93	-	61.93	
Net Block	Carrying amounts (net)					
	At 31st March 2017 / 1st April 2017	24.29	0.92	25.21	-	25.21
	At 31st March 2018	9.84	0.65	10.49	-	10.49

B. Amortisation methods and useful lives

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Particulars	31 st March 2018	31 st March 2017
Computer Software	4 years	4 years
Mining Rights	20 years	20 years

5 Investments

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
A. Non-current investments		
Quoted equity shares		
Equity shares at cost- Subsidiary		
736,638 (31 st March 2017: 736,638) equity shares of ₹ 10 each in Eastern Investments Limited [^]	361.03	361.03
182,927 (31 st March 2017: 182,927) equity shares of ₹ 10 each in The Bisra Stone Lime Company Limited*	-	-
Total	361.03	361.03
Unquoted equity shares		
Equity shares at cost - Associates		
376,357,143 (31 st March 2017: 336,367,143) equity shares of ₹ 10 each in International Coal Ventures Private Limited	376.35	336.35
Equity shares at cost - Joint ventures		
100,000 (31 st March 2017: 100,000) equity shares of ₹ 10 each in Rinmoil Ferro Alloys Private Limited	0.10	0.10
3,400,000 (31 st March 2017: 3,400,000) equity shares of ₹ 10 each in RINL Powergrid TLT Private Limited	3.40	3.40
Equity shares at cost- Others		
2,280 (31 st March 2017: 2,280) equity shares of ₹ 1 each in Free Press House Limited**	0.00	0.00
1 (31 st March 2017: 1) equity shares of ₹ 100 each in Anakapalli Rural Elec. Co-operative Society***	0.00	0.00
Total	379.85	339.85
Total investment in equity instruments (A)	740.88	700.88
B. Other investments		
Advance for investment in equity shares of International Coal Ventures Private Limited	-	40.00
Advance for investment in equity shares of RINL Powergrid TLT Private Limited	0.60	-
Total Other investments (B)	0.60	40.00
C. Provision for diminution in value of investments	-	-
Total Investments (A+B-C)	741.48	740.88
Aggregate book value of quoted investments	361.03	361.03
Aggregate market value of quoted investments #	NA	NA
Aggregate value of unquoted investments	379.85	339.85
Aggregate amount of impairment in value of investments	-	-

Note:

o In accordance with Ind AS, the Company has availed the option to measure its investments in subsidiary and joint ventures at cost.

*Investment in The Bisra Stone Lime Company Limited amounted to ₹1000, hence rounded off to zero

**Investments in Free Press House Limited amounted to ₹ 2280, hence rounded off to zero.

***Investments in Anakapalli Rural Elec. Co-operative Society amounted to ₹100, hence rounded off to zero.

The market value of quoted investment not ascertainable due to non availability of quotes in stock exchange.

[^] M/s. Eastern Investments Limited (EIL) is a subsidiary of RINL and RINL holds 51% stake in EIL. M/s OMDC is a subsidiary of EIL and EIL holds a little over 50% stake in OMDC. M/s. OMDC was served with demand notices of ₹ 1418.56 Crore as compensation for excess mining by Dy. Director Mines, Govt of Odhisa pursuant to the Judgement of Hon'ble Supreme Court dated 02.08.2017. M/s OMDC contested the demand and took up the issue with Govt of Odhisa and also filed a writ petition in Odhisa High Court for recalculating the compensation as ₹ 235.28 Crore as per calculation of OMDC. Accordingly, the High Court asked para wise reply from the State Govt. As the matter is sub-judice, OMDC created a provision of ₹ 235 crores and the remaining amount as contingent liability in the stand alone Financial Statements of OMDC for the year 2017-18. Further as the market value of the investment of EIL in M/s. OMDC is higher than that of its net assets value, no provision towards impairment has been made in the financial statements of EIL towards its investment in M/s. OMDC. Hence, there is no impairment of investment of RINL in EIL.

Interest in subsidiary

Name of entity	Place of business	% of ownership interest	Relationship
Eastern Investment Limited ("EIL")	Kolkata, India	51%	Subsidiary
The Orissa Minerals Development Company Limited ("OMDC")	Kolkata, India	50%	Subsidiary of EIL
The Bisra Stone Lime Company Limited ("BSLC")	Kolkata, India	50%	Subsidiary of EIL

Interest in associates and joint ventures

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method under consolidation
International Coal Ventures Private Limited	New Delhi, India	26%	Associate	Equity method
Rinmoil Ferro Alloys Private Limited	Visakhapatnam, India	50%	Joint Venture	Equity method
RINL Powergrid TLT Private Limited	Visakhapatnam, India	50%	Joint Venture	Equity method

6 Loans

(Unsecured and considered good unless otherwise stated)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current loans		
Loans to employees	48.52	40.95
Loan to Andhra Pradesh Industrial Infrastructure Corporation (APIIC) (including Accrued interest)	173.77	188.04
	222.29	228.99
Loss allowance	-	-
Total long-term loans	222.29	228.99
Current loans		
Material issued on loan	-	-
	-	-
Loss allowance	-	-
Total short-term loans	-	-

(i) Loans due by Directors/officers

Nil

Nil

(ii) Loans due by private companies in which director of the Company is a director

Nil

Nil

The loss allowance on loans has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low.

7 Other financial assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Security deposits	1.13	1.10
Accrued interest		
- Employee loans	22.00	20.42
Other advances	0.15	0.15
Total non-current other financial assets	23.28	21.67
Current maturities of long term loans:		
- Employee loans	22.13	19.65
- Loan to APIIC	31.18	31.18
Accrued interest		
- Employee loans	2.26	2.29
- Others	19.17	19.80
Security deposits	301.39	282.23
Advances to related parties		
- International Coal Ventures Private Limited*	-	0.10
- Rinmoil Ferro Alloys Private Limited*	1.21	1.21
Claims recoverable (net of Provision: 2018: ₹ 51.60 Crs, 2017: ₹ 51.97 Crs)	91.55	81.21
Other receivables	2.40	3.17
Total current other financial assets	471.29	440.84
(i) Advances due by Directors/ officers	-	-
(ii) *Advances due by private companies in which director of the Company is a director	1.21	1.31

8 Income tax

A. Reconciliation of effective tax rate

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Profit before tax	(1,911.45)	(1,690.49)
Tax using the Company's domestic tax rate (Current year 31.2% and Previous Year 30.9%)	(596.37)	(522.36)
Reduction in tax rate	0.00	(47.38)
Tax effect of:		
Non-deductible tax expenses	12.29	3.77
Income not credited to SOPL	9.11	0.17
Scientific research deduction	(0.09)	(0.06)
Income exempt/Expenses deductible from income taxes	(78.18)	(0.05)
Recognition/Derecognition of Tax losses	135.90	142.01
Others	(25.10)	(3.45)
	(542.44)	(427.34)

The current year losses for which deferred tax asset has been recognised in the books shall expire on 31st March, 2026 (Previous Year: 31st March, 2025).

B. Recognised deferred tax assets and liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	2,158.46	1,734.58
Total deferred tax liabilities (A)	2,158.46	1,734.58
Deferred tax assets		
Provision for Gratuity	170.31	4.32
Provision for Doubtful Debts, Advances, Claims, interest, others	26.25	26.10
MAT Credit Entitlement	242.41	242.41
Losses available for offsetting future Taxable income	2,446.21	1,659.99
Others	51.42	44.17
Total deferred tax assets (B)	2,936.60	1,976.99
Net Deferred Tax Liability/ (Asset) (A-B)	(778.14)	(242.41)

9 Other non-current assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital advances	72.15	95.82
Others		
Prepaid expenses		
Loan to APIIC	38.91	43.12
Employee loan	8.28	19.09
Total	119.34	158.02

(i) Advances due by Directors/ officers - -

(ii) Advances due by private companies in which director of the Company is a director - -

10 Inventories : (As taken and certified by the management)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Raw materials	1,559.13	1,258.80
Add: In-transit/ Under inspection	1,093.33	895.23
Less: Provision for shortages	512.65	419.07
	2,139.81	1,734.96
Semi-finished/finished goods	2,354.16	2,340.33
Add: In-transit/ Under inspection	56.61	3.61
	2,410.77	2,343.94
Stores and spares	1,052.16	664.65
Add: In-transit/ Under inspection	65.71	63.24
Less: Provision for obsolescence & Non-moving items	39.78	39.94
	1,078.09	687.95
Total	5,628.67	4,766.85

Note: Valuation of inventories (Valued as per accounting policy 2.4)

- (i) Quantities of closing Stock of finished / semi-finished goods/Raw materials have been adopted as per book balances after duly adjusting for shortages/ excesses identified on physical verification at anytime during the year.
- (ii) No credit is taken in the accounts for the stock of run of mines ore and rejects at Mines.
- (iii) Since the Coke Breeze is used for internal consumption, the same has been valued at 60% of the production cost of BF coke.
- (iv) 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 at dump yard (Quantity of 5694535 tonnes) for which no value is assigned other than dump slag identified for sale.
- (v) 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.
- (vi) Nut Coke cost is valued at 90% of Production cost of BF Coke

11 Trade receivables

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Unsecured, considered good	995.98	878.80
Doubtful	20.83	20.98
	1,016.81	899.78
Less: Loss allowance		
Doubtful	20.83	20.98
Total*	995.98	878.80

*This includes ₹ 115.39 Crores towards trial run trade receivables as on 31st March 2018

Note:

- (i) Debts due by Directors/officers - -
- (ii) Debts due by private companies in which director of the Company is a director - -
- (iii) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 38.

12 Cash and cash equivalents

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Cheques in hand	34.58	32.88
Cash on hand	0.02	0.06
Balance with banks :		
- Current account	4.66	9.29
- Deposit accounts	4.12	3.96
- Prime Minister's Trophy Award Fund	8.52	7.71
Total	51.90	53.90

13 Other tax assets (net)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Advance income tax [net of provision for tax of Rs NIL crores] (31 st March 2017: ₹ Nil crores)	0.01	0.01
Total	0.01	0.01

14 Other current assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Advances to related parties		
- Bisra Stone Lime Company Limited	29.45	15.79
- Orissa Mineral Development Corporation	0.02	0.13
Advances other than capital advances		
- Government departments	460.51	498.06
- Contractors (net of Provision: 2018: ₹ 0.29 Crs, 2017: ₹ 0.29 Crs)	11.44	7.19
- Suppliers (net of Provision: 2018: ₹ 4.61 Crs, 2017: ₹ 4.46 Crs)	60.94	31.78
- Employees (net of Provision: 2018: ₹ 0.04 Crs, 2017: ₹ 0.04 Crs)	17.92	17.06
- Others (net of Provision: 2018: ₹ 7.53 Crs, 2017: ₹ 7.47 Crs)	8.53	9.15
Others		
- Prepaid expenses		
'Employee loan	4.65	3.28
'Loan to APIIC	4.20	4.20
'Others	9.97	10.35
- Assets held for sale (net of provision for loss)	0.12	0.12
- Export benefits receivable	76.78	39.37
Total	684.53	636.48

- (i) Advances due by Directors/ officers - -
- (ii) Advances due by private companies in which director of the Company is a director - -

15 Share capital

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Authorised		
4,890,000,000 (31 st March 2017: 4,890,000,000) equity shares of ₹ 10 each	4,890.00	4,890.00
3,110,000,000 (31 st March 2017: 3,110,000,000) 7% non-cumulative redeemable preference shares of ₹10 each	3,110.00	3,110.00
Issued, subscribed and paid-up capital		
4,889,846,200 (31 st March 2017: 4,889,846,200) Equity Shares of ₹ 10 each.	4,889.85	4,889.85
Total	4,889.85	4,889.85

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	Amount) (₹ in crores)	No. of shares	Amount (₹ in crores)
Shares outstanding at the beginning of the year	4,889,846,200	4,889.85	4,889,846,200	4,889.85
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,889,846,200	4,889.85	4,889,846,200	4,889.85

Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The Company declares and pays dividends in Indian rupees. The Company may declare dividend in the Annual General Meeting as recommended by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Particulars of shareholders holding more than 5% of total number of equity shares

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 10 each, fully paid up held				
President of India	4,889,846,200	100%	4,889,846,200	100%

(iii) Company does not have any holding company as at 31st March 2018/ 31st March 2017

(iv) For the period of five years immediately preceding the reporting date -

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

16 Other equity

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
(A) Reserves and surplus		
Retained earnings		
Balance at the commencement of the year	742.34	2,041.50
Add: Surplus as per Statement of Profit and Loss	(1,369.01)	(1,263.16)
Add: Other comprehensive income (net of tax)	20.31	(36.00)
Balance at the end of the period	(606.36)	742.34
Other reserves		
Capital Redemption Reserve		
Balance at the commencement of the year	2,937.47	2,937.47
Movement during the period	-	-
Balance at the end of the period	2,937.47	2,937.47
Total reserves and surplus (A)	2,331.11	3,679.81
Total other equity	2,331.11	3,679.81

17 Borrowings

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current borrowings		
Term loan from banks		
- Secured bank loans	6,545.16	5,365.10
- Unsecured bank loans	-	476.61
Current maturities of term loans	909.05	315.00
	7,454.21	6,156.71
Less: Amount included in other financial liabilities-Current	909.05	315.00
Total non-current borrowings	6,545.16	5,841.71
Current borrowings		
Loans from Banks		
- Secured working capital borrowings (by hypothecation of current assets)	3,181.06	1,690.35
- Unsecured working capital borrowings	1,880.88	2,280.21
- Unsecured foreign currency facilities	2,178.31	2,101.15
Commercial papers (Unsecured)	1,981.02	1,977.13
Total current borrowings	9,221.27	8,048.84

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 38.

A. Terms of repayment and Nature of Security of Term Loans

- Indian rupee loan amounting to ₹ 900.00 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 movable plant and machinery and all other movable assets except current assets of the company . The loan is repayable in structured consecutive quarterly instalments started from first quarter of FY 2017-18 and the last instalment is due on 31st March 2022.
- Indian rupee loan amounting to ₹ 3657.00 Crores from SBI secured by pari passu first charge on movable plant and machinery and all other movable assets except current assets of the company. The loan is repayable in structured consecutive quarterly instalments started from last quarter of FY 2016-17 and the last instalment is due on 31st March 2031.
- Indian rupee loan amounting to ₹ 712.01 Crores from SBI secured by pari passu first charge on movable plant and machinery and all other movable assets except current assets of the company. The loan is repayable in structured consecutive quarterly instalments starting from first quarter of FY 2018-19 and the last instalment is due on 31st March 2031.
- Indian rupee loan amounting to ₹ 912.23 Crores from Canara Bank secured by hypothecation of movable fixed assets including Plant& machinery out of proceeds of the term loan. The loan is repayable in structured consecutive quarterly instalments starting from 30th Sep 2022 and the last instalment is due in 30th June 2027.
- Indian rupee loan amounting to ₹ 200.00 Crores from Vijaya Bank secured by hypothecation of movable fixed assets . The loan is repayable in structured consecutive quarterly instalments starting from 30th June 2022 and the last instalement is due in 31st March 2027.

- Indian rupee loan amounting to ₹ 163.92 Crores from IDBI secured by primary security as pari passu mortgage and charge in favour of IDBI, of all moveable fixed assets and immovable assets excluding Project land at Forged Wheel Plant, Lalganj, Uttar Pradesh both present and future. Collateral security as pari passu charge on Plant and Machinery of Company's Visakhapatnam Plant to the extent of loan amount. The loan is repayable in structured consecutive quarterly instalments starting from 31st March 2023 and the last instalment is due in 31st December 2030.

B. Loans guaranteed by Directors and others	Nil	Nil	Nil
C. Default in repayment of loans and interest	Nil	Nil	Nil

D. Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	For the year ended 31 st March 2017	Cash Flows: Inflow/ (outflow)	Non-Cash Changes		For the year ended 31 st March 2018
			Foreign Exchange Movement	Fair Value Change	
Long-Term Borrowings (including Current Maturities)	6156.71	1295.11	2.39	-	7454.21
Short Term Borrowings	8048.84	1146.03	26.40	-	9221.27

18 Other financial liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current other financial liabilities		
Security deposits	25.90	13.51
Other liabilities	-	0.02
Total non-current other financial liabilities	25.90	13.53
Current other financial liabilities		
Current maturities of long-term debt:		
- Term loans	909.05	315.00
Interest accrued but not due on borrowings	25.83	51.79
Earnest money, security & other deposits	265.11	271.89
Capital creditors	171.18	101.79
Other financial liabilities*	3,881.97	2,784.60
Total current other financial liabilities	5,253.14	3,525.07

* Other financial liabilities includes ₹ 678.08 Crs (Previous year ₹ 499.43 Crs) provision on account of pay revision in respect of Executive employees and Non-Executive employees .

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 38.

19 Provisions

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current provisions		
Provision for employee benefits		
Liability for compensated absences	311.15	302.00
Liability for retirement benefits	455.02	428.74
Liability for employee family benefit scheme	189.62	190.03
Liability for service awards	41.55	39.81
Liability for leave travel concession	12.02	-
Total provisions for employee benefits (A)	1,009.36	960.58
Other provision		
Provision for mines closure obligation	3.61	3.48
Total other provision (B)	3.61	3.48
Total non-current provisions (A+B)	1,012.97	964.06
Current provisions		
Provision for employee benefits		
Liability for gratuity*	545.87	13.99
Liability for compensated absences	27.86	50.94
Liability for retirement benefits	42.15	30.95
Liability for employee family benefit scheme	35.83	33.64
Liability for service awards	2.77	3.80
Liability for leave travel concession	13.84	4.27
Total provisions for employee benefits (A)	668.32	137.59
Other provisions		
Provision for wealth tax	-	-
Total other provisions (B)	-	-
Total current provisions (A+B)	668.32	137.59

*Subsequent to the amendment to the Gratuity Act, 1972 increasing the ceiling amount, an amount of ₹ 541.05 Crores has been provided towards the Gratuity Liability and same has been shown as exceptional item.

Movement in other provision

(₹ in Crores)

Particulars	Mine closure obligation
Balance at 1 st April 2016	3.36
Provisions made during the year	0.12
Balance at 31st March 2017	3.48
Balance at 1 st April 2017	3.48
Provisions made during the year	0.13
Balance at 31st March 2018	3.61

Mine closure obligation

A provision for mine closure obligation is recognised considering the future obligation on the company for the restoration of mines.

Name of the Mine	Lease expiry
Jaggayyapeta	8-Jul-2020
Madharam	13-Jul-2020
Garbham	7-Oct-2022

20 Other non current liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Others		
Deferred income	82.39	76.75
Total	82.39	76.75

A. Deferred income

- The amount received is on account of Prime Minister Trophy, Steel Minister Trophy and Steel Minister Development fund amounting to ₹ 4.25 Crores (31st March 2017: ₹ 4 Crores) and has to be spent for specific purposes and hence the same is currently recognised as deferred income. Subsequently, the amount will be amortised over the period in which the cost incurred shall be recognised.
- Customs duty liability of ₹ 69.04 Crores (31st March 2017 ₹ 69.04 Crores) being the duty saved on import of Capital goods and spares under the EPCG scheme for which export obligations are yet to be discharged is currently recognised as deferred income. Subsequently, the amount will be recognised in the statement of Profit & Loss as other income in the period in which the export obligations are discharged. Such export obligations yet to discharged at year end aggregate to ₹ 426.92 Crores (31st March 2017 ₹ 426.92 Crores)
- Amount of ₹ 5 Crores received as Subsidy from Government towards establishment of 5MW Solar Power Plant has been recognised as deferred Income. This is amortised over the life of the asset.

21 Trade payables

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Trade payables		
- MSME	74.67	35.31
- Others	1,122.90	1,002.54
Total	1,197.57	1,037.85

All trade payables are 'current'.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38

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

Particulars	31 st March 2018	31 st March 2017
(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	Nil	Nil

22 Derivatives - Liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Foreign exchange contracts	0.60	138.38
Total	0.60	138.38

23 Other current liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Income Received in advance	1.92	2.09
Advances from customers	215.39	181.67
Statutory Liabilities	278.60	328.70
Other advances	0.01	0.01
Total	495.92	512.47

24 Revenue from operations

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
A. Sale of products (including excise duty)		
Domestic sales	14,893.39	11,655.49
Less: Sale of trial run production (transferred to CWIP)*	2,127.62	388.27
	12,765.77	11,267.22
Export sales	1,725.01	1,050.82
Less: Sale of trial run production (transferred to CWIP)	31.11	0.72
	1,693.90	1,050.10
Total Sale of Products (A)	14,459.67	12,317.32
B. Other operating revenues		
Internal consumption	31.50	29.68
Export benefits	84.10	38.66
Others	31.91	33.08
Total other operating revenues (B)	147.51	101.42
Total revenue from operations (A+B)	14,607.18	12,418.74

*includes Excise Duty of ₹ 31.25 Crores (Previous Year: ₹ 44.68 Crores)

Revenue from operations for the periods up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18-'Revenue', GST is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the period ended on 31st March, 2018 is not comparable with the previous periods.

A. Stock and sales

31st March 2018

Particulars	Opening stock		Sales		Closing stock	
	Quantity (in Tonnes)	Value (₹in Cr)	Quantity (in Tonnes)	Value (₹in Cr)	Quantity (in Tonnes)	Value (₹in Cr)
Pig iron	6,310	15.73	99,930	237.16	9,458	25.50
Blooms	138,018	405.93	552,888	1,686.81	210,578	621.42
Billets	7,924	24.75	16,944	54.49	11,285	34.47
Finished products	142,215	479.77	3,300,606	11,895.29	144,199	516.14
Sundries*						
- Coke and coke products	618,790	906.88	143,203	198.30	427,073	699.28
- Others	1,662,748	510.88	2,592,990	387.62	2,135,642	513.97
Total		2,343.94		14,459.67		2,410.77

31st March 2017

Particulars	Opening stock		Sales		Closing stock	
	Quantity (in Tonnes)	Value (₹in Cr)	Quantity (in Tonnes)	Value (₹in Cr)	Quantity (in Tonnes)	Value (₹in Cr)
Pig iron	5,607	10.40	146,970	311.25	6,310	15.73
Blooms	141,128	369.23	591,279	1,473.12	138,018	405.93
Billets	13,401	36.51	22,187	65.86	7,924	24.75
Finished products	158,358	454.59	2,970,070	9,995.44	142,215	479.77
Sundries*						
- Coke and coke products	719,263	667.83	172,239	182.21	618,790	906.87
- Others	1,117,558	334.90	1,392,160	289.43	1,662,748	510.89
Total		1,873.47		12,317.32		2,343.94

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

Sub Note:

- Closing stock includes stock in custody of Consignment/ Handling Agents & GIT which is 19146.44 tonnes of value ₹ 70.75 Crores (Previous year 53018.88 tonnes of value ₹ 197.72 Crores).
- Figures of closing stock are after adjustment for internal consumption, transfers to capital works, shortages / excesses.
- Others include By-products, Aux Shop, Iron & Steel Scrap, Defectives, Hot Metal, Sized Iron Ore, Gross Sinter & Base Mix.



VISAKHAPATNAM STEEL PLANT

25 Other income

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Interest income :		
Banks	0.17	0.28
Loans to employees	8.13	8.87
Others	70.90	56.94
Dividend income on equity instruments	0.09	0.15
Rent recoveries	32.12	30.99
Liquidated damages	110.84	104.19
Net gain on sale of property, plant and equipment	0.42	0.52
Write back of provisions no longer required	4.68	9.14
Sundry receipts	37.89	49.21
Total	265.24	260.29

Note:

As against our revised claim of ₹ 318.68 Crores towards damages caused by Hudhud cyclone, an amount of ₹ 140.25 Crores is paid by the insurance company as "on account payment" up to 2015-16 which has been accounted in earlier years. The expenditure on account of damages caused by 'Hudhud cyclone is accounted under several primary heads of accounts as it is difficult to reliably identify the said expenditure for its separate disclosure.

26 Cost of material consumed

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Raw materials		
Coal	6,112.90	4,593.87
Coke and Coke breeze	75.84	33.42
Iron ore	3,378.98	2,402.69
Limestone	193.07	162.52
Dolomite	143.09	125.60
Silico manganese	488.51	333.24
Ferro silicon	74.57	51.98
Aluminium	112.43	82.93
Manganese ore	3.40	2.38
Petroleum coke	28.39	19.02
Sea Water magnesite	16.15	15.70
Others	44.96	30.38
Total	10,672.29	7,853.73
Add: Output from trial run production	216.75	244.01
Less: Material Consumed for trial run production	2,222.66	1,088.58
Less: Inter account adjustments - raw material mining cost	65.33	63.96
Total	8,601.05	6,945.20

27 Changes in inventory of finished goods and work-in-progress (₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Opening stock	2,343.94	1,873.47
Less: Closing stock	2,410.77	2,343.94
	(66.83)	(470.47)
Less: Excise duty on accretion / depletion to stock (including IGST Credit)	119.51	(72.93)
Total	(186.34)	(397.54)

Note : (₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Cost of inventories valued at net realisable value	203.88	241.23
Inventories valued at net realisable value	198.53	229.37
Write down of inventories charged as expense	5.35	11.86

28 Employee benefits expense (₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Salaries and wages	2,020.68	1,835.73
Contribution to provident fund and other funds	166.90	160.68
Staff welfare expenses	156.02	167.41
Total	2,343.60	2,163.83

Note :

(i) Expenditure on Employee benefits not included above and charged to: (₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Salaries and wages	90.21	89.46
Company's contribution - provident fund & other funds	26.64	8.06
Staff Welfare expenses	6.12	8.14
Total	122.97	105.66

(ii) Exceptional items:

Govt of India enhanced the ceiling on payment of Gratuity to employees, from the earlier limit of ₹10 lakh to ₹ 20 lakh per employee with effect from 29th March, 2018. Accordingly, the additional liability towards enhanced Gratuity has been fully recognized in the statement of Profit and Loss for the year ended 31.03.2018, complying with the IndAS-19 standard dealing with "Employee Benefits". Keeping in view the disclosure requirements under IndAS-1 dealing with "Presentation of Financial Statements", it is disclosed in the financial statements separately as Exceptional item, to enable the users of the financial statements to assess the relative financial performance of the company appropriately.

29 Finance costs

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Interest expense on financial liabilities :		
Foreign currency facilities	81.23	157.70
Bank loans and commercial papers	848.12	602.01
Others	5.09	5.60
Other borrowing costs	3.89	2.43
Total	938.33	767.74

Note:

(i) Expenditure on finance cost not included above and charged to:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Interest - Banks	219.98	252.80
Total	219.98	252.80

(ii) In case of general borrowings, the weighted average rate of borrowing cost for the year 2017-18 is 9.30% (FY 2016-17 : 10.40%)

30 Depreciation and amortisation expense

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Depreciation of property, plant and equipment	763.36	643.88
Amortisation of intangible assets	14.90	14.98
Total	778.26	658.86

31 Other expenses

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Consumption of stores and spare parts	624.24	484.55
Power and fuel (Refer note 31.1)	1,078.22	1,062.49
Repairs and maintenance (Refer note 31.2)	456.28	353.81
Remuneration to auditors (Refer note 31.3)	0.18	0.24
Rent	2.42	2.50
Rates and taxes	5.58	14.23
Insurance	27.74	22.78
Handling and scrap recovery	195.50	154.29
Freight outward	577.36	531.00
Research and development expense	1.04	0.41
Provisions		
Shortage/damaged material/obsolescence/non-moving items of stores	3.24	2.24
Doubtful advances and claims	1.13	1.70
Doubtful Debts	-	0.08
Others	0.95	0.63
Write-offs		
Property, plant and equipment written off	28.30	1.97
Shortage/damaged material /obsolescence/non-moving items of stores	-	0.19
Doubtful advances and claims	0.01	0.05
Unviable mines expenditure- written off	0.23	7.88
Sundries	52.92	75.82
Net (Gain) /Loss arising on Financial instruments designated as FVTPL	42.82	84.21
Donation	3.57	1.75
Miscellaneous expenses (Refer note 31.4)	403.39	151.07
Total	3,505.12	2,953.87

31.1 Power and fuel

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Purchased power	436.00	475.05
Coal	640.24	584.79
Furnace oil/ LSHS/ LDO	1.98	2.65
Total	1,078.22	1,062.49

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.

31.2 Repairs and maintenance

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Plant and Equipment	275.42	193.55
Buildings	45.81	30.11
Others	135.05	130.15
Total	456.28	353.81

31.3 Remuneration to Auditors

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
As auditor - statutory audit	0.16	0.18
In other capacity	-	0.02
Taxation matters	-	0.02
Other services	0.01	0.01
Reimbursement of expenses	0.01	0.03
Total	0.18	0.24

31.4 Miscellaneous expenses

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Technical services	6.12	10.20
Travelling expenses	65.69	62.18
Printing and stationery	2.07	1.99
Postage and telephone	4.09	4.24
Water Charges	81.26	68.38
Legal expenses	1.97	1.93
Bank charges	6.00	3.16
Community development welfare	6.03	6.78
Security expenses	89.49	81.05
Entertainment expenses	2.38	1.78
Advertisement	17.91	13.20
Demurrages and wharfages	4.57	0.97
ISO Audit Expenses	0.19	0.04
Selling expenses	15.93	11.81
Exchange differences (Net)	99.69	(116.63)
Total	403.39	151.07

31.5 Details of Corporate Social Responsibility expenditure

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Interest expense on financial liabilities :		
(a) Amount required to be spent by the Company during the year	Nil	Nil
(b) Amount spent during the year		
- Construction/ acquisition of any asset	0.00	0.03
- On purpose other than above	9.60	8.53
Total	9.60	8.56

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

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Power and fuel	2.80	2.52
Repairs and maintenance - Plant and equipment and others	0.14	-
Security expenses	0.87	2.96
Travelling expenses	2.32	4.75
Postage and telephone	0.16	0.22
Water charges	22.91	16.98
Advertisement	0.24	0.64
Technical consultants	-	0.14
Total	29.44	28.21

32 Statement of Compliance

These are the Company's separate financial statements prepared in accordance with IND AS.

The financial statements were authorized for issue by the Board of Directors on 16th August 2018.

33 Use of estimates and judgement

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 8 – utilization of tax losses

Note 34 – measurement of defined benefit obligations

Notes 19 and 39 – provisions and contingencies

34 Employee benefits
(i) Contribution to Superannuation Benefit Scheme

An amount of ₹ 6.53 Crores (31st March 2017: ₹ 6.48 Crores) recognised in the Statement of Profit and Loss Account and ₹ 0.34 Crores (31st March 2017: ₹ 0.35 Crores) in Capital Work in Progress towards Superannuation Benefit Scheme (Post Employment Benefit - Defined Contribution Plan).

(ii) General description of the post employment benefits
a) Provident fund

The Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate Trust, which invests the funds in permitted securities. On the contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Government 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.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

b) Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The Gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement/ exit. The defined benefit plan for gratuity is administered by a Gratuity is fully funded by the company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. Employees do not contribute to the plan.

c) 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.

d) Retirement medical benefits

Medical benefits are available to retired employees at the Company's hospital/ under the health insurance policy.

e) Farewell scheme

Employees superannuating from the service of the company shall be given 10 Gms of gold each. The scheme shall cover all regular employees of the company.

(iii) Other disclosures, as required under IND AS 19 on "Employee Benefits", in respect of post employment defined benefit obligations are

- Gratuity

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	826.26	779.01
Benefits paid	(44.32)	(46.58)
Current service cost	7.18	7.51
Past service cost	559.70	-
Interest cost	59.50	59.70
Actuarial loss/ (gain) on obligation	(12.80)	26.62
Balance at the end of the year	1,395.52	826.26
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	812.27	790.86
Contributions paid into the plan	13.99	1.60
Benefits paid	(44.32)	(46.58)
Expected return	58.99	60.70
Actuarial gain/ (loss) on plan assets	8.72	5.68
Balance at the end of the year	849.65	812.27
Net defined benefit liability (asset)	545.87	13.99
<i>Expense recognised in profit and loss</i>		
Current service cost	7.18	7.51
Interest cost	0.52	(1.00)
Past service cost		-
Charged to P & L	541.05	-
Charged to Capital Work in Progress / Expenditure During Construction	18.65	-
Interest income	-	-
	567.40	6.51
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(12.80)	26.62
Difference between actual return and interest income on plan assets - (gain)/loss	(8.72)	(5.68)
	(21.52)	20.94
<i>Plan assets</i>		
Cash and cash equivalents	0.71	1.82
Funds managed by Insurer	848.94	810.45



VISAKHAPATNAM STEEL PLANT

- Retirement medical benefits

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	414.22	348.26
Benefits paid	(7.07)	(5.70)
Current service cost	16.95	14.25
Interest cost	30.39	27.29
Actuarial loss/(gain) on obligation	(4.75)	30.12
Balance at the end of the year	449.74	414.22
<i>Expense recognised in profit and loss</i>		
Current service cost	16.95	14.25
Interest cost	30.39	27.29
	47.34	41.54
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(4.75)	30.12
	(4.75)	30.12

- Retirement medical benefits

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	45.46	42.35
Benefits paid	(2.80)	(3.23)
Current service cost	2.18	2.03
Interest cost	3.26	3.22
Actuarial loss/(gain) on obligation	(0.69)	1.10
Balance at the end of the year	47.41	45.46
<i>Expense recognised in profit and loss</i>		
Current service cost	2.18	2.03
Interest cost	3.26	3.22
	5.44	5.25
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(0.69)	1.10
	(0.69)	1.10

- Farewell scheme

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	37.85	35.48
Benefits paid	(1.17)	(1.21)
Current service cost	0.94	0.88
Interest cost	2.76	2.75
Actuarial loss/(gain) on obligation	(0.06)	(0.06)
Balance at the end of the year	40.32	37.85
<i>Expense recognised in profit and loss</i>		
Current service cost	0.94	0.88
Interest cost	2.76	2.75
Past service gain	-	-
	3.70	3.64
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(0.06)	(0.06)
	(0.06)	(0.06)

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(₹ in Crores)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate		7.68%		7.40%
Rate of increase in compensation levels		7.00%		7.00%
Expected return on plan assets		7.00%		7.40%
Medical Inflation Rate		5.00%		5.00%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

- Gratuity

(₹ in Crores)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
1. Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(48.01)	50.73	(29.42)	31.16
- Current service cost	23.95	26.79	(0.85)	0.24
2. Effect of 0.5% Change in the assumed salary escalation rate				
- Defined benefit obligation	23.70	(26.48)	3.18	(3.30)
- Current service cost	24.16	27.03	(0.28)	(0.34)

- Retirement medical benefits

(₹ in Crores)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
1. Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(34.43)	38.66	(32.17)	36.17
- Current service cost	0.04	3.04	1.38	4.18
2. Effect of 0.5% Change in the assumed medical inflation rate				
- Defined benefit obligation	40.17	(35.94)	37.76	(33.73)
- Current service cost	3.10	(0.02)	4.25	1.32

- Retirement settlement benefits

(₹ in Crores)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(1.64)	1.74	(1.71)	1.82
- Current service cost	0.02	0.18	0.07	0.24

- Farewell scheme

(₹ in Crores)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(1.77)	1.92	(1.78)	1.93
- Current service cost	0.02	0.11	0.01	0.11

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(iv) **Provident fund :**

The 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 34 (ii) (a).

35 **Capital management**

The Company aims to maintain a strong capital base so as to maintain the confidence of investor, creditor and market and to sustain future development of the business.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the effective portion of cash flow hedges and cost of hedging, if any.

The Company's adjusted net debt to equity ratio at the reporting dates were as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Total net debt	16,675.48	14,205.55
Less: cash and cash equivalents	51.90	53.90
Adjusted net debt	16,623.58	14,151.65
Total equity	7,220.96	8,569.66
Less: Cost of hedging	-	-
Adjusted equity	7,220.96	8,569.66
Adjusted net debt to adjusted equity ratio	2.30	1.65

36 **Earnings per share (not annualised)**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year:

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars	31 st March 2018	31 st March 2017
i. Profit/ (loss) attributable to equity shareholders (₹ in Crores)	(1,369.01)	(1,263.16)
ii. Weighted average number of Equity Shares outstanding during the year	4,889,846,200	4,889,846,200
iii. Face value per share (₹)	10	10
Basic and Diluted EPS (₹)	(2.80)	(2.58)

The Company does not have any potentially dilutive equity shares outstanding during the year.

37 **Leases**

A. Operating lease in the capacity of lessor

The Company has leased out facility under cancellable operating lease agreements. Hence, the Company is not required to disclose the future lease income as per the provisions of Ind AS 17.

B. Operating lease in the capacity of lessee

The Company has taken on lease various offices under cancellable operating lease agreements. Hence, the Company is not required to disclose the future lease payments as per the provisions of Ind AS 17.

38 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31st March 2018 (₹ in Crores)

Particulars	Carrying Amount				Fair Value				
	Fair value hedging instruments	Mandatorily at FVTPL others	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in others*	-	0.00	-	-	0.00	-	-	-	-
		0.00	-	-	0.00	-	-	-	-
Financial assets not measured at fair value									
Security deposits*			302.52		302.52				-
Employee loans			70.65		70.65				-
Loans and advances			206.31		206.31				-
Trade receivables*			995.98		995.98				-
Accrued interest*			43.43		43.43				-
Cash and cash equivalents*			51.90		51.90				-
Other receivables*			93.95		93.95				-
			1,764.74		1,764.74				-
Financial liabilities measured at fair value									
Interest rate swaps									-
Forward exchange contracts									-
									0.60
									0.60
Financial liabilities not measured at fair value*									
Secured bank loans				10,156.27	10,156.27				-
Unsecured bank loans				4,538.19	4,538.19				-
Commercial papers				1,981.02	1,981.02				-
Accrued interest				25.83	25.83				-
Accrued income				-	-				-
Trade payables				1,197.57	1,197.57				-
Security deposits received				25.90	25.90				-
Earnest money deposits				265.11	265.11				-
Claims payable				-	-				-
Capital creditors				171.18	171.18				-
Other liabilities				3,881.97	3,881.97				-
				22,243.04	22,243.04				-

* The carrying amounts of these financial instruments recognized in the financial statements are a reasonable approximation of their fair values.

Particulars	Carrying Amount				Fair Value				
	Fair value hedging instruments	Mandatorily at FVTPL others	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in others*	-	0.00	-	-	0.00	-	-	-	-
Financial assets not measured at fair value									
Security deposits*			283.33		283.33				
Employee loans			60.60		60.60				
Loans and advances			220.68		220.68				
Trade receivables*			878.80		878.80				
Accrued interest*			42.51		42.51				
Cash and cash equivalents*			53.90		53.90				
Other receivables*			84.38		84.38				
	-	-	1,624.20	-	1,624.20	-	-	-	-
Financial liabilities measured at fair value									
Interest rate swaps		-			-				
Forward exchange contracts		138.38			138.38		138.38		138.38
	-	138.38	-	-	138.38	-	138.38	-	138.38
Financial liabilities not measured at fair value*									
Secured bank loans				7,370.45	7,370.45				
Unsecured bank loans				4,857.97	4,857.97				
Commercial papers				1,977.13	1,977.13				
Accrued interest				51.79	51.79				
Accrued income				-	-				
Trade payables				1,037.85	1,037.85				
Security deposits received				13.51	13.51				
Earnest money deposits				271.89	271.89				
Claims payable				-	-				
Capital creditors				101.79	101.79				
Other liabilities				2,784.62	2,784.62				
	-	-	-	18,467.00	18,467.00				

* The carrying amounts of these financial instruments recognized in the financial statements are a reasonable approximation of their fair values.



B. Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable	Inter-relationship input between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Interest rate swaps	Swap models: The fair value is determined using quoted swap rates at the reporting date.	Not applicable	Not applicable
Financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

C. Financial risk management

Risk management framework

The Company is exposed to various risk in relation to financial instruments. The company's financial asset and liabilities by category are summarised in note 38A. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

The Company has exposure to the following risks arising from financial instruments:

- i) credit risk
- ii) liquidity risk
- iii) market risk

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Balance at 1 st April	20.98	21.03
Net measurement of loss allowance	(0.15)	(0.05)
Balance at 31st March	20.83	20.98

Cash and cash equivalents

The Company holds cash and cash equivalents of ₹ 51.90 crores at 31st March 2018 (31st March 2017: ₹ 53.90 crores). The cash and cash equivalents are only held with highly rated banks.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties

Derivatives

The derivatives are only entered into with highly rated scheduled banks.

ii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of long term financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31st March 2018

(₹ in Crores)

Particulars	Contractual Cashflows					
	Carrying Amount	Total	12 months or less	1-2 Years	2-5 Years	More than 5years
Non-derivative financial liabilities						
Secured bank loans	6,545.16	6,545.16	-	448.80	1,907.23	4,189.13
Unsecured bank loan	-	-	-	-	-	-
	6,545.16	6,545.16	-	448.80	1,907.23	4,189.13
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
Other forward exchange contracts	0.60	0.60	0.60	-	-	-
	0.60	0.60	0.60	-	-	-

31st March 2017

(₹ in Crores)

Particulars	Contractual Cashflows					
	Carrying Amount	Total	12 months or less	1-2 Years	2-5 Years	More than 5years
Non-derivative financial liabilities						
Secured bank loans	5,365.10	5,365.10	-	430.05	1,550.40	3,384.65
Unsecured bank loan	476.61	476.61	-	476.61	-	-
	5,841.71	5,841.71	-	906.66	1,550.40	3,384.65
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
Other forward exchange contracts	138.38	138.38	138.38	-	-	-
	138.38	138.38	138.38	-	-	-

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii) Market risk

Market risk is the risk that results from changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Company is Rs. The currencies in which these transactions are primarily denominated is \$, which is also the company's functional and presentation currency.

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Currency risks related to the principal amounts of the US dollar bank loan, which have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment. These contracts are designated as derivative contracts.

Interest rate risk

The Company aims to minimise its interest rate risk exposure by maintaining a balance of fixed/ floating rate of interest.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Fixed rate instruments		
Financial assets	222.29	228.99
Financial liabilities	6,456.02	5,947.69
	6,678.31	6,176.68
Variable rate instruments		
Financial assets	-	-
Financial liabilities	10,219.45	8,257.86
	10,219.45	8,257.86

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Crores)

Particulars	Profit or loss		Equity, pre tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2018				
Variable-rate instruments	(102.19)	102.19	(102.19)	102.19
31st March 2017				
Variable-rate instruments	(82.57)	82.57	(82.57)	82.57

39 Contingent liabilities and commitments

Contingent liabilities

A. Claims against company not acknowledged as debts

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Contractors / suppliers / customers		
CPSE	1.51	5.68
Other than CPSE	628.44	650.37
Local Authorities - state govt.	510.15	426.81
Sales tax matters*	1,014.36	1,012.86
Income tax	173.28	191.42
Customs / excise duty	255.82	246.85
Others		
CPSE	-	-
Other than CPSE	439.31	433.68
Total	3,022.87	2,967.66

*No liability is expected to arise as the movement of goods were on stock transfer and sales tax is paid on eventual sales.

**Contingent Liabilities as on 31.03.2018 are after considering a reduction of ₹ 116.72 Crores from the balance as on 31.03.2017

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

Commitments

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided	2,786.55	5,715.52
Total	2,786.55	5,715.52

Others

“Rashtriya Ispat Nigam Limited (“RINL”) and Air Liquide India Holding Private Limited (“ALIH”) entered into a Contract dated 26 November 2010 for supply of Oxygen and Nitrogen gases and liquids for captive consumption of RINL on a build, own and operate basis (“BOO”) with an option to transfer. The production facility envisaged to be installed and commissioned by ALIH consisted of two air separation units, each of 850 TPD capacity. The contractual time for completion of the entire scope of work was 28 months for the first ASU along with common facility and 30 months for second ASU from the date of the receipt of the letter of acceptance i.e. 6 July 2010.

Vide letter dated 16 December 2014, ALIH terminated the contract and proposed to transfer the ownership of ASU plant to RINL subject to payment of around ₹ 445 Crores. Thereafter, RINL vide its letter dated 6 January 2015, rejected the termination of the Contract by ALIH and called upon ALIH to perform its obligations under the BOO Contract. However, since ALIH did not withdraw the termination notice, RINL was compelled to agree for in principle takeover of ASP from ALIH subject to inter alia, technical audit of the ASP.

Post the termination of the BOO Contract, several meetings and exchange of correspondences between RINL and ALIH took place in relation to the modalities for the takeover of the ASP by RINL. However, the parties could not agree on the final terms of the takeover. Because of the failure of the negotiations, RINL was compelled to invoke arbitration under Clause No. 32 of the Contract dated 26 November 2010 and appointed its nominee Arbitrator, Dr Arijit Pasayat, Retired Judge, Supreme Court of India. Thereafter, ALIH appointed its nominee Arbitrator, Mr Harish Salve, Senior Advocate and the two appointed nominees nominated the Presiding Arbitrator, Mr Michael Black QC.

Vide the Procedural Order No.1 dated 26 February 2018, the Arbitral Tribunal has provided the time schedule for

the arbitration and the final hearing is set to take place from 21 January 2019 to 1 February 2019.

Pursuant to the Procedural Order No.1, RINL has filed its Statement of Claim before the Arbitral Tribunal on 6 April 2018. RINL has sought three reliefs, in alternative to each other:

1. Specific Performance of the entire BOO Contract for the period of 15 years in accordance with the terms and conditions of the BOO Contract and damages to the tune of ₹ 1935.64 Crores plus accrued interest.
2. Takeover of the BOO plant subject to reasonable and fair valuation and damages to the tune of ₹ 1935.64 Crores plus accrued interest.
3. Damages to the tune of ₹ 3,276.638 Crores.

ALIH filed its Statement of Defence and Counter Claim on 18 May 2018. ALIH has claimed the following reliefs in alternative to each other. The Counter Claim made by ALIH inter alia are as under:

- (i) Claim for actual cost of the Production Facility upon takeover by RINL - ₹ 764,88,86,347 + To Be Assessed (TBA)
- (ii) Claim for Loss of Revenue upon Takeover of the ASP BOO Plant by RINL- ₹ 1426,84,36,079 + TBA.
- (iii) Claim for actual cost of the Production Facility in case there is no takeover - ₹ 734,02,17,548 + TBA;
- (iv) Loss of Revenue in case there is no Takeover of the Production Facility- ₹ 1426,84,36,079 + TBA

Thereafter, on 18 June 2018 RINL has filed its Rejoinder to the Statement of Defence and Defence to the Counter Claims of ALIH.

Meanwhile, ALIH has also moved an application under Section 17 of the Arbitration and Conciliation Act, 1996. In the Application, ALIH is seeking directions from the Arbitral Tribunal enabling ALIH to carry out commissioning activities and upon stabilization, effectuating interim handover of the Production Facility to RINL, subject to payment of a sum of ₹ 250 crores.

The matter is presently pending before the Hon'ble Arbitral Tribunal."

40 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country
Eastern Investments Limited (EIL)	Subsidiary	India
Orissa Mineral Development Corporation	Subsidiary of EIL	India
The Bisra Stone Lime Company Limited	Subsidiary of EIL	India
The Borrea Coal Co. Ltd. (In Liquidation)	Subsidiary of EIL	India
RINMOIL Ferro Alloys Pvt Ltd	Joint ventures	India
RINL Powergrid TLT Pvt Ltd	Joint ventures	India
International Coal Ventures Pvt Ltd (ICVL)	Associate	India
MINAS DE BENGA LIMITADA	ICVL's Joint Venture	Mozambique

B-I. Key Management personnel as on 31st March 2018

Name of the related party	Nature of relationship
Shri P Madhusudan	Chairman-cum-Managing Director
Shri P C Mohapatra	Director (Projects)
Shri P K Rath	Director (Operations)
Shri P Raychaudhury	Director (Commercial)
Shri Kishore Chandra Das	Director (Personnel)
Shri V V Venugopal Rao	Director (Finance) & CFO

B-II. Independent Directors as on 31st March 2018

Name of the related party	Nature of relationship
Shri S K Srivastava	Independent Director
Shri S K Mishra	Independent Director
Shri K M Padmanabhan	Independent Director
Shri Sunil Gupta	Independent Director
Shri Ashwini Mehra	Independent Director



VISAKHAPATNAM STEEL PLANT

C. Post employment plans of Rashtriya Ispat Nigam Limited

Name of the related party	Country
RINL Employees' Group Gratuity Fund Trust	India
Vishakhapatnam Steel Project Employees' Provident Fund Trust	India
RINL Employees' Superannuation Benefit Fund Trust	India

D. Transactions with related parties during the year ended

(₹ in Crores)

Name of the related party	Nature of transactions	31 st March 2018	31 st March 2017
International Coal Ventures Pvt Ltd (ICVL)	Receipt of equity shares	40.00	55.00
RINL Powergrid TLT Pvt Ltd	Receipt of equity shares	-	3.30
Eastern Investments Limited (EIL)	Dividend income	0.09	0.15
RINL Powergrid TLT Pvt Ltd	Advance Share Capital Paid	0.60	3.30
International Coal Ventures Pvt Ltd (ICVL)	Advance Share Capital Paid	-	40.00
The Bisra Stone Lime Company Limited	Purchases	16.21	5.56
MINAS DE BENGA LIMITADA	Purchases	54.90	20.74
MINAS DE BENGA LIMITADA	Demurrages/ Despatches	-	0.04
The Bisra Stone Lime Company Limited	Advances to Supplier	13.66	7.02
The Bisra Stone Lime Company Limited	Interest earned from Supplier - Advances	1.65	0.92
International Coal Ventures Pvt Ltd (ICVL)	Salaries Recoverable	0.43	0.40
International Coal Ventures Pvt Ltd (ICVL)	Salaries Reimbursed	-	0.87
Eastern Investments Limited (EIL)	Settlement of financial liability	-	0.05
Eastern Investments Limited (EIL)	Refund of Advance	-	0.19
RINMOIL Ferro Alloys Pvt Ltd	Refund of Advance	-	0.25
RINL Employees' Group Gratuity Fund Trust	Contribution towards trust	13.99	1.60
Vishakhapatnam Steel Project Employees' Provident Fund Trust	Contribution towards trust	140.60	135.17
RINL Employees' Superannuation Benefit Fund Trust	Contribution towards trust	6.87	6.83

E. Balances outstanding (unsecured & considered good)

(₹ in Crores)

Name of the related party	Nature of transactions	31 st March 2018	31 st March 2017
Eastern Investments Limited	Investment in Subsidiary	361.03	361.03
International Coal Ventures (p) Ltd	Investment in Associate	376.36	336.36
RINL Powergrid TLT Pvt Ltd	Investment in Joint Venture	3.40	3.40
RINMOIL Ferro Alloys Pvt Ltd	Investment in Joint Venture	0.10	0.10
International Coal Ventures (p) Ltd	Advance against Shares	-	40.00
RINMOIL Ferro Alloys Pvt Ltd	Other financial assets	1.21	1.21
International Coal Ventures (p) Ltd	Other financial assets	0.55	0.10
Eastern Investments Limited	Other financial assets	0.02	-
The Bisra Stone Lime Company Limited	Advances recoverable	29.45	15.79
Orissa Mineral Development Corporation	Advances recoverable	0.02	0.13
Orissa Mineral Development Corporation	Other financial assets	0.03	-
The Bisra Stone Lime Company Limited	Other financial assets	0.18	-
International Coal Ventures (p) Ltd	Other financial liability	-	0.07
MINAS DE BENGA LIMITADA	Amounts payable	0.04	3.23
The Bisra Stone Lime Company Limited	Amounts payable	0.82	0.10
Orissa Mineral Development Corporation	Other financial liability	0.07	-
RINL Employees' Group Gratuity Fund Trust	Other financial liability/(asset)	545.87	13.99
Vishakhapatnam Steel Project Employees' Provident Fund Trust	Other financial liability	11.62	11.57
RINL Employees' Superannuation Benefit Fund Trust	Other financial liability	0.57	0.57

Note :

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Provision for doubtful debts related to the amount of outstanding balances	Nil	Nil

F. Key management personnel compensation & Sitting Fee paid

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Short-term employee benefits	1.55	1.44
Post-employment benefits	0.46	0.24
Other long-term benefits	0.45	0.26
Sitting fee paid to Independent Directors	0.29	0.21
	2.75	2.15

41 a) 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.

b) Recent Accounting Pronouncements :

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, 'Foreign Currency Transaction and advance consideration and amendment to certain other standards. These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

(i) Ind AS 115, Revenue from contracts with Customers.

Ind AS 115 combines, enhances and replaces guidances on recognising the revenue with a single standard. This Ind AS requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The Company is in the process of evaluating the impact on the Financial statements.

(ii) Appendix B to Ind AS 21, 'Foreign currency transaction and advance consideration':

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, that an entity must determine transaction date for each payment or receipts of advance consideration. The Company is in the process of evaluating the impact on the Financial statements.

c) 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.

d) 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 Investment Limited: (EIL)

The income of the company is derived mainly from dividends and interest on term deposits. The dividend income received from its subsidiary M/s. The Orissa Minerals Development Company Ltd (OMDC) during the year was ₹ 43.98 lakhs compared to ₹ 79.82 lakhs received during the previous year. The company earned profit before tax of ₹ 0.07 Crores as against profit before tax of ₹ 2.36 Crores in previous year.

2. Orissa Minerals Development Company Limited; (OMDC)

The major income of the company is interest from term deposits which has come down on account of lower interest rates. As a result, the total income reduced to ₹ 55.22 Crores compared to ₹ 63.18 Crores in the previous financial year. On 02.08.2017 Govt of Odisha served a demand notice on the company towards compensation for excess mining pursuant to judgement of Hon'ble Supreme Court. The company has created provision for ₹ 235 Crores towards this liability. Subsequent to non-renewal of mining leases, the company amortised mining leases during the current year. As a result of all these factors, the company incurred a loss of ₹ 258.17 Crores compared to profit of ₹ 12.36 Crores in the previous year.

3. Bisra Stone Lime Company Limited:(BSLC)

Total Income increased from ₹ 36.53 Cr in 2016-17 to ₹ 46.29 Cr in the current fiscal registering a growth of 27%. The Loss stood at ₹ 10.71 Crs as against a loss of ₹ 17.73 in the year 2016-17 registering an improvement of 40%.

Joint Ventures

1. RINL POWERGRID TLT Private Limited:

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 phase of project work shortly to set up a Transmission Line Tower manufacturing unit strategically located at Visakhapatnam, Andhra Pradesh. Initially the plant will be installed with an annual production capacity of

1,20,000 tonnes of fabricated and galvanized transmission line towers and Tower parts.

The Authorized share capital and the Paid up capital of the JV Company stands at ₹ 50.0 Crores and ₹ 6.80 Crores respectively as on 31.03.2018.

In view of changed business scenario of transmission sector, low market demand in future and excess capacity available in the Market, POWERGRID sought to hold the Project and no further capital expenditure to be incurred on the project till a final decision is taken regarding the continuation of the project by POWERGRID Board.

The POWERGRID Board decision shall be taken up to RINL Board for further discussion and deliberation.

2. RINMOIL:

The Company is in the process of setting up of Ferro Alloys plant. To make the project viable, the company has been taking up with the Govt. of Andhra Pradesh for supply of power at reduced tariffs. Ministry of Steel, Govt of India has also taken up with Govt. of Andhra Pradesh for reduced power tariff at least for the initial five years. Due to high power tariffs in the state of Andhra Pradesh, the project is not yet started. The company has been exploring the possibility of locating the plant in Visakhapatnam instead of Bobbili, considering the present market scenario, expansion requirements of RINL and to avail advantage of logistics.

The company desired to go initially for capacity of 2x18 MVA furnaces for producing Silico Manganese keeping in view the increased requirements by RINL after its expansion. Accordingly, it is decided to engage MECON to rework the financials of TEFR for taking appropriate decision.

Associate

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). Post-acquisition, ICVL continued its mining operations and dispatched coking coal to its Promoter Companies viz. SAIL and RINL. However, continued plummet of coking coal price in international market and completion of mining contract forced ICVL to suspend the mining operations for over one & half year. On 2nd November, 2017, ICVL appointed BGR PvtLimitada as mining contractor for Benga Mine. On 6th February, 2018 the mining operations have been resumed with first blasting.

The total income of the company increased from ₹ 13.91 Crores in 2016-17 to ₹ 43.46 Crores in the current financial year registering a growth of 284%. During the year 2017-18 the company made a profit (PBT) of ₹ 21.28 Crores as against the loss of ₹ 66.92 Crores in the previous year registering a growth of 132%.

₹ Crores

Financial Highlights

The financial performance of Subsidiary/Joint Venture/ associate companies & RINL Group(Consolidated)	Subsidiaries(Standalone)*						RINL Group		RINL
	EIL		OMDC		BSLC		ICVL (Consolidated)		SFS
	(₹ in crores)		(₹ in crores)		(₹ in crores)		(₹ in crores)		(₹ in crores)
Particulars	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2016-17
Total Income	0.59	2.85	55.22	63.18	46.29	36.53	14956.49	12772.76	12679.03
Profit before finance charges, Tax, Depreciation/ Amortisation (PBITDA)	0.07	2.37	(242.20)	17.21	(9.51)	(16.35)	99.49	(279.45)	(263.90)
Less: Finance Charges	0.00	0.01	0.96	0.00	0.98	1.16	940.27	768.91	767.74
Profit before Depreciation/ Amortisation (PBTDA)	0.07	2.36	(243.17)	17.21	(10.48)	(17.51)	(840.78)	(1048.36)	(1031.63)
Less: Depreciation	0.00	0.00	15.00	4.85	0.22	0.22	0.11	0.13	658.86
Profit before exceptional items	0.07	2.36	(258.17)	12.36	(10.71)	(17.73)	(1634.26)	(1712.29)	(1690.49)
Less: Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit before Taxation (PBT)	0.07	2.36	(258.17)	12.36	(10.71)	(17.73)	(2175.31)	(1712.29)	(1690.49)
Provision for taxation	0.17	0.74	(5.21)	5.80	0.00	0.00	(547.49)	(420.80)	(427.33)
Profit/(Loss) after Taxation (PAT) before Non-controlling interests	(0.10)	1.62	(252.96)	6.56	(10.71)	(17.73)	(1627.82)	(1291.49)	(1263.16)
Total comprehensive income for the year before Non-controlling interests	(0.10)	1.60	(252.77)	5.86	(10.52)	(17.74)	(1606.13)	(1327.37)	(1299.16)
Payment of dividend incl Dividend Tax	0.20	0.35	1.06	1.92	0.00	0.00	0.73	1.32	0.00
Transfer to General Reserve	0.03	0.08	0.00	0.59	0.00	0.00	0.01	0.00	0.00

*Subsidiaries Stand alone Financials without inter company eliminations.



VISAKHAPATNAM STEEL PLANT



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	SI.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 2018		
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	269.86	(203.68)	586.38
7	Total assets	272.88	23.9	1004.01
8	Total Liabilities	1.58	140.29	417.03
9	Investments	260.59	0.00	0.02
10	Turnover	1.19	42.38	0.00
11	Profit Before Taxation	0.07	(10.71)	(258.17)
12	Provision for Taxation	0.17	0.00	(5.21)
13	Profit After Taxation	(0.10)	(10.71)	(252.96)
14	Proposed dividend	0.00	0.00	0.00
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

SI 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 reporting period i.e.31st March 2018		
2	Shares of Associate/ Joint Ventures held by the company on the year end No.	100000	376357143	3400000
	Amount of Investment in Associates/ Joint Venture (₹ in Crores)	0.10	376.35	3.40
	Extend of Holding %	50.00%	25.94%	50.00%
3	Description of how there is significant influence	Joint Venture	Associate	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)	0.07	536.43	3.39
6	Profit/Loss (-) for the year			
	i. Considered in Consolidation	(0.01)	5.52	(0.01)
	ii. Not Considered in Consolidation	(0.01)	15.76	(0.01)

1 Name of associates/Joint Ventures which are yet to commence operations-

(i) RINMOIL Ferro alloys Private Limited (ii) RINL Powergrid TLT (P) Ltd

2 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. Raychaudhury)

Director (Commercial) and CMD (Additional Charge)

Place : Visakhapatnam

Date : 06-09-2018

Sd/-

(V V Venugopal Rao)

Director (Finance) and Chief Financial Officer

Sd/-

(M Jagadeeshwara Rao)

Company Secretary



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS

M/s. RASHTRIYA ISPAT NIGAM LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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. The Orissa Minerals Development Company Limited (OMDC), (M/s. The Bisra Stone Lime Company Limited (BSLC) & (M/s. Borra Coal Company Limited), and its associate companies of (M/s. The Burrakur Coal Company Limited) & M/s The Karanpura Development Company Limited) and Joint Ventures of the Holding Company, (M/s. RINMOIL Ferro Alloys Pvt Ltd) & (M/s. RINL Powergrid TLT Private Limited), and its associate company of M/s. International Coal Ventures Private Limited comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of

the consolidated financial position, consolidated financial performance including other comprehensive income, the statement of changes in equity 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply



VISAKHAPATNAM STEEL PLANT

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion:

In respect of M/s Eastern Investment Limited (subsidiary company of M/s Rashtriya Ispat Nigam Limited)

- a) As per section 177 of the Companies Act 2013 and Rule 6 & 7 of the Companies (Meeting of Board and its Powers) Rule, 2014, every listed company shall constitute an Audit Committee, but company has not formed an Audit Committee in compliance with the provisions of the Act.
- b) The Government of West Bengal has acquired a land measuring an approximate area of 27.58 acres out of the total land area of 76.77 acres of land at Lawrence Property, Bauria, Howrah and

notice has also been received for the acquisition of balance portion of land, Company's appeal for reward of compensation towards such acquisition has been upheld by District Judge and for acquisition of balance portion of land in terms of notice received under Urban Land(Ceiling & Regulation) Act, has also been contested by the Company. The land is presently under unauthorised occupation of local inhabitants and account effect thereon has not been given. Hence the land has neither been transferred in the name of the Company nor the land is under the possession of the company, however the Company continues to carry that land in its books. Due to this the assets is overstated to the extent of ₹ 3.40 Lakhs.

- c) The Company has certain disputes and it is not possible to determine, with reasonable accuracy, the effect of settlement as and when reached and loss likely to be incurred in respect of the following:
 - i) The dispute regarding ownership of the fixed assets included under Block & Development.
 - ii) The Physical existence of Railway Siding and Control thereon has been stated to be doubtful.

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 of Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group (as referred to below in the Other Matter Paragraph) as at 31st March 2018, and their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following in the Notes to the consolidated Ind AS financial statements:

1. In respect of Holding Company:

- a) Note 26 to the Ind AS financial statements, regarding accounting of expenditure incurred due to the damages caused on account of HUD-HUD cyclone.
- b) Note 29 (ii) to the Ind AS financial statements regarding presentation as 'Exceptional item' of incremental gratuity liability for past services provided during the year due to increase in the limit of gratuity amount for the reasons stated in said note.

2. In respect of Subsidiary Company:

- a) In respect of one of the subsidiary company of M/s Eastern Investments Limited, The Orissa Minerals Development Company Limited, mining operation of the Company is continued to be remained suspended due to non-renewal of the leases and non-receipt of requisite clearances from the Government of Odisha and the Central Government. These conditions indicate the existence of a material uncertainty to resume the mining operations. These 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.
- b) We draw attention to the fact, wherein it has been disclosed that an amount of ₹ 1306.89 Lakhs is shown under contingent liability in the case of M/s Orissa Stevedores Ltd. as per the order of NCLT under Insolvency & Bankruptcy Code, 2016. Also in note 6 of Segment Reporting, it has been disclosed that the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor, M/s Orissa Stevedores Ltd. of The Orissa Minerals Development Co. Ltd. ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the code") to manage the affairs of the company vide order dated 20th February, 2018 passed in C.P. No.729/KB/2017.

No impact in the Financial Statements was given in the earlier Financial Years due to non admission of the whole claim. Further no impact of same has been given in the Financial Statement for the Financial Year 2017-18 in view of pendency of the CIRP, suspension of the powers of Board of Directors, the Powers of adoption of this financial results vested with the IRP. Reference is drawn to Schedule of NCLT Admission in the financial statement.

- c) Pursuant to the Judgement of Hon'ble Supreme Court dated 02.08.2017, Dy. Director of Mines, Odisha had issued different demand notices dated 02.09.2017, 23.10.2017 & 13.12.2017 to OMDC for OMDC Leases and to BPMEL for BPMEL Leases towards compensation against excess mining amounting ₹ 141856.07 Lakhs. The amount of Demand for OMDC Leases based on the recalculation made by OMDC is ₹ 23,528 Lakhs after the payment made earlier and interest upto 31.03.2018 which has been provided on the books of accounts. Balance amount of OMDC Mines and total amount of BPMEL Leases are disclosed in Contingent Liability as the matter with BPMEL is subjudice.
- d) In case of subsidiary, M/s The Orissa Minerals Development Company Limited, out of total demand by Odisha Government of ₹ 141,856.07 Lakhs, an amount of ₹ 1,479.68 Lakhs, stands paid and further amounts of ₹ 23,528 Lakhs stands provided in these accounts as per the revised calculation towards mining leases. The balance amount including interest ₹ 1,20,999 Lakhs has been shown under contingent liabilities.
- e) We draw attention in respect of non consolidation of financial results of one of its subsidiary namely M/s The Borrea Coal Company Limited, as the company 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 Accounts.



VISAKHAPATNAM STEEL PLANT

- f) The Burrakur Coal Company Limited and The Karanpura Development Company Limited being associated Companies of Eastern Investments Limited are under liquidation, however the accounts of these Companies have not been consolidated in Consolidated Financial Statements as per Accounting Standard -23 on Accounting for Investments in Associates. Hence we are not in a position to offer our comments upon the same.

Our Opinion is not modified in respect of above matter.

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. Borra 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 Associate 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, ICVL Zambeze LDA, (Mozambique) and joint venture of ICVL namely, Menas DeBenga Mauritius Limited and its subsidiary Menas De Benga Lda (Mozambique) and other joint venture companies of holding company namely M/s. RINMOIL Ferro Alloys Pvt Ltd) & M/s. RINL Powergrid TLT Private Limited whose financial statements / financial information reflect total assets of ₹ 1041.38 Crores as at 31st March, 2018, total revenues of ₹ 101.42 Crores, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 62.02 Crores for the year ended 31st March, 2018, as considered in the consolidated Ind AS 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 Ind AS 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 our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS 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. Except for matters described in "Basis of Qualified Opinion" in the paragraph above, in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - d. In our opinion, the aforesaid Consolidated Ind AS 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.R.463[E] dated 5th June, 2015 of Ministry of Corporate Affairs.

- 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the group as stated in Note No. 40 to the consolidated Ind AS financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

Instance of Delay	Rs. In Lakhs	Due Date for Transfer	Actual Date of Transfer
Unpaid/ unclaimed dividend for 2009-10 (Eastern Investment Limited)	13.52	05.11.2017	24.01.2018
Unpaid/ unclaimed dividend for 2009-10 (The Orissa Minerals Development Company Limited)	16.87	05.11.2017	13.02.2018

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 Group.

for **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

Date: 06-09-2018

Place: Visakhapatnam



M. Bhaskara Rao & Co.

Chartered Accountants

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 2018. We report that:

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, 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 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Holding Company, its subsidiary companies jointly controlled companies and associate company 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to One (1) subsidiary company, and Two (2) jointly controlled companies and one (1) Associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number 000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

Date: 06-09-2018

Place: Visakhapatnam



M. Bhaskara Rao & Co.

Chartered Accountants

Annexure B - to the independent Auditor's Report:

The Annexure referred to in our report to the members of the Holding Company for the year ended on 31 March 2018. We report under section 143(5) of the Companies Act, 2013 as under:

DESCRIPTION:

- 1) Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.

AUDITORS RESPONSE:

RASHTRYA ISPAT NIGAM LIMITED:

Except those cases disclosed vide note no. 3 to Ind AS Financial Statements, the Company has clear title/lease deed for freehold and leasehold lands.

EASTERN INVESTMENTS LIMITED:

	AUDIT REMARKS	ACTION PLAN
A	As per the information provided by the management, the land of the Company is under dispute and occupied by unauthorized persons. No title deed relating to land has been made available to us for verification by the Company. Value of Land being ₹ 3.40 lakhs (net block) included in fixed assets	A two member committee visited the Lawrence Property at Bauria, Uluberia on 27-02-2017. The land measuring about 49.19 acres at Chackasi, Mouza-Bauria, J.L. No.4, p. S.Bauria, Dist-Howrah is owned by Lawrence Investments and Property Co. Ltd. Upon amalgamation vide order dated Sep 4, 1984 by CLB u/s 396 of Companies Act 1956, ownership of this plot of land was vested in EIL, but mutation of the property in the name of EIL is yet to be effected. A two-member sub-committee has been formed to meet the Land Record Authority and Municipal Authority of Bauria to finalise Land Tax and Municipal Tax to be paid upon the property and submit report for further course of action.
B	As per the information and explanation provided by the management, the land under the head Block in fixed assets is under dispute. No title deed relating to said land has been made available to us for verification by the Company. Value of block being ₹ 0.29 lakhs(net block) included in fixed assets	A two member committee visited the offices of BCCL & ECL on 29-03-2017 & 30-03-2017 for the Block & Development Sonopore Property, including Building and Railway siding. The title deeds of the above properties are not available with EIL. The Sonopore property under Kenda, now known as Sonopore Bazari is said to have vested in ECL on 29-08-1985 vide S.O634 East and under Section 11 of Coal Bearing (Acquisition & Development) Act. The Railway siding known as Chora Mangalpore is now with M/s.ECL, serving Sonopore Bazari. The properties as shown in EIL Books are said to have taken over and allocated to M/s.BCCL & M/s.ECL under Coal Nationalization Act 1972 and 1973. However documentary evidence is yet to be obtained from M/s.BCCL & M/s.ECL. A two-member sub-committee has been formed to collect relevant documents from the office of the M/s.BCCL, M/s.ECL and Coal Controller near Asansol and Dhanbad.
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.	

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED:

The title deeds of the freehold land of 207.135 acres having a book value of ₹ 28,020 and lease deeds for leasehold land of 56.372 acres having a book value of ₹ 1,71,91,000 were made available.

THE BISRA STONE LIME COMPANY LIMITED

Total sanctioned mining lease area of the company (BSLC) was 1099.303 hectares spanning over 6 blocks i.e. Block-I, Block-II, Block-III, Block-IV, Block-VI & Block XI which was expired on 29.02.2000. Subsequently, Government of Odisha vide letter no III(LD)/SM-77/2013/3861 dated 01.05.2015 & subsequent letter no III(LD)/SM-77/2013/7033 dated 29.07.2015 directed to execute lease deed over an area of 793.043 hectare covering only one block i.e. Block-XI because the company has kept idle all other Blocks. Out of 793.043 hectare surface right for mining operation has been obtained from Collector, Sundargarh for Mining & Allied activities over an area of 571.121 hectares in Block XI. The freehold land within the surface right area of 571.121 hectares is of 104.925 hectares. BSLC has got the title deed (Sales Deed) over the freehold land. Mutation (Record of Right or ROR) has been obtained from Tahsildar, Birmitrapur in case of 95.277 hectares and the balance free hold land of 9.648 hectares is under process for mutation. Encroached and disputed area is of 25.523 hectares & 4.722 hectares respectively within the surface right area of 571.121 hectares. Eviction case is pending in different courts. The survey & demarcation work of the leasehold area has been done by Director of Mines office, Government of Odisha, Bhubaneswar during execution of the lease deed. The scheme of mining of BSLC for the period 2013-18 has been approved by IBM, Bhubaneswar.

Another freehold land of 1.522 hectares is available in expired Mining Lease of Jagda which is in possession of BSLC.

INTERNATIONAL COAL VENTURES PRIVATE LIMITED

The Company does not own any freehold or leasehold land and hence there is nothing to be reported in this regard.

RINMOIL FERRO ALLOYS PRIVATE LIMITED

The Company does not own any freehold or leasehold land and hence there is nothing to be reported in this regard.

RINL POWERGRID TLT PRIVATE LIMITED

Not applicable as the company does not possess any land as on the date of Balance Sheet.

- 2) Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.

AUDITORS RESPONSE:

RASHTRYA ISPAT NIGAM LIMITED

During the year there are cases of write off of bad debts amounting to Rs.8.11Lakhs which, according to the management are irrecoverable.

During the year there are no instances of waiver of loans/ interests.

EASTERN INVESTMENTS LIMITED

No debts/loans/interest have been written off/waived during the year.

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

No debts/ loans/ interest have been written off/ waived. Provisions have been created for long outstanding balances considered doubtful of recovery.

THE BISRA STONE LIME COMPANY LIMITED

There is no case of waiver/write off of debts/loans/interest etc, during the year.

INTERNATIONAL COAL VENTURES PRIVATE LIMITED

There are no cases of waiver/write off of any debts/interest etc and hence there is nothing to be reported.

RINMOIL FERRO ALLOYS PRIVATE LIMITED

There is no case of waiver/write off of debts/loans/interest etc, during the financial year.

RINL POWERGRID TLT PRIVATE LIMITED

There is no case of waiver/write off of debts/loans/interest etc, during the financial year.

- 3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.



VISAKHAPATNAM STEEL PLANT



AUDITORS RESPONSE:

RASHTRIA ISPAT NIGAM LIMITED:

Company is maintaining proper records for inventories lying with third parties.

According to information and explanations given to us, there are no assets received as gifts/grants from Government or other Authorities during the year.

EASTERN INVESTMENTS LIMITED:

The company does not hold any inventory, hence not commented upon.

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

As per the records and information made available to us, no inventory is being held/lying with third Parties and any assets has not been received as gift/grant from Government or other authorities in the period under audit.

THE BISRA STONE LIME COMPANY LIMITED

There is no inventory lying with the third parties. No asset is received as gift from Government or other authorities during the year.

INTERNATIONAL COAL VENTURES PRIVATE LIMITED

There are no inventories lying with third parties nor any gifts received, hence there is nothing to be reported.

RINMOIL FERRO ALLOYS PRIVATE LIMITED

The company does not hold any inventory, hence not commented upon.

RINL POWERGRID TLT PRIVATE LIMITED

There are no inventories lying with the third parties. No assets were received as gift from government or other authorities.

SUB-DIRECTION under Section 143(5) of the Companies Act, 2013.

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 Actuaries for actuarial valuation were correct, complete and valid.

EASTERN INVESTMENTS LIMITED:

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 benefits are found to be reasonable. And source data provided by the company to the actuarial valuation were correct, complete and valid.

THE BISRA STONE LIME COMPANY LIMITED

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 such assumption appears to be reasonable. Source data provided by the Company to the actuaries for actuarial valuation are obtained from employee database of the Company and appears to be correct, complete and valid.

for **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration
Number 000459S

Sd/-

V. Raghunandan
(Partner)

Membership No: 26255

Date: 06-09-2018

Place: Visakhapatnam

Annexure -XII to Directors' Report



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

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

DGCA/A/c/Desk/2017-18/RINL CFS/1.01(A) / 233

20 September 2018

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 2018

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 2018.

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 2017-18 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,



(L. Tochhawng)
Director General

महालेखाकार का कार्यालय परिसर, सािफाबाद, हैदराबाद - 500 004.
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004
e-mail : mabhyderabad@cag.gov.in

Grams : DIRCOMIT Fax : 040-23231318
Phone : 23233315, 23230415

Scanned by CamScanner



VISAKHAPATNAM STEEL PLANT

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2018 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 the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 September 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Rashtriya Ispat Nigam Limited, Visakhapatnam for the year ended 31 March 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Rashtriya Ispat Nigam Limited, subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

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


(L. Tochhawng)

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

Place: Hyderabad
Date: 20 September 2018

Annexure

Subsidiaries

1. Eastern Investment Limited, Kolkatta and its subsidiaries (a) Orissa Mineral Development Corporation, Kolkatta (b) Bisra Limestone Company Limited, Kolkatta

Jointly controlled Entities

1. RINMOIL Ferro Alloys Private Limited
2. RINL Powergrid TLT Pvt. Limited

Associates

1. International Coal Venture Private Limited, New Delhi

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(₹ in Crores)

Particulars	Notes	31 st March 2018	31 st March 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	16789.55	12,919.74
(b) Capital work-in-progress	3	5225.45	7,770.19
(c) Investment Property	4	0.07	0.07
(d) Goodwill	5	149.49	149.49
(e) Other intangible assets	5	38.15	66.47
(f) Intangible assets under development	5	0.00	0.00
(g) Equity Accounted Investees	41	539.88	480.04
(h) Financial assets			
(i) Investments	6	2.55	45.36
(ii) Loans	7	222.93	229.86
(iii) Other financial assets	8	36.45	23.26
(i) Deferred tax asset (net)	9	775.49	233.76
(j) Other non-current assets	10	120.37	161.09
Total non-current assets		23,900.40	22,079.34
Current assets			
(a) Inventories	11	5,657.98	4,790.86
(b) Financial assets			
(i) Investments	6	0.00	0.00
(ii) Trade receivables	12	999.16	881.19
(iii) Cash and cash equivalents	13	879.28	866.76
(iv) Loans	7	0.30	0.29
(v) Other financial assets	8	493.88	471.69
(c) Other tax assets (net)	14	65.26	59.69
(d) Other current assets	15	684.89	623.17
Total current assets		8,780.75	7,693.66
Total assets		32,681.14	29,773.00
II Equity and liabilities			
Equity			
(a) Equity share capital	16	4,889.85	4,889.85
(b) Other equity	17		
(i) Reserves and surplus	17 A	2,363.74	3,761.45
(ii) Other comprehensive income	17 B	30.68	29.69
(i) Equity attributable to the owners of the company		7,284.27	8,680.99
(ii) Non Controlling Interests	42	384.63	581.44
Total equity		7,668.91	9,262.43
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	6,545.16	5,841.71
(ii) Other financial liabilities	19	25.90	13.53
(b) Provisions	20	1,034.45	985.45
(c) Deferred tax liabilities (net)	9	0.00	0.00
(d) Other non-current liabilities	21	82.39	76.75
Total non-current liabilities		7,687.90	6,917.44
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	9,261.41	8,048.84
(ii) Trade payables	22	1,227.96	1,061.76
(iii) Other financial liabilities	19	5,569.35	3,600.84
(iv) Derivatives	23	0.60	138.38
(b) Provisions	20	703.80	168.91
(c) Other tax liabilities	14	33.02	32.28
(d) Other current liabilities	24	528.19	542.13
Total current liabilities		17,324.33	13,593.13
Total liabilities		25,012.23	20,510.57
Total Equity and liabilities		32,681.14	29,773.00

The notes 1 to 46 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-

(P. Raychaudhury)

Director (Commercial)

and CMD (Additional Charge)

Sd/-

(M Jagadeeshwara Rao)

Company Secretary

Place : Visakhapatnam

Date : 06-09-2018

Sd/-

(V.V. Venu Gopal Rao)

Director (Finance)

and Chief Financial Officer

As per our report of even date

For M/s M. Bhaskara Rao & Co

Chartered Accountants

Firm Regn No: 000459S

Sd/-

(CA V. Raghunandan)

Partner

Membership No: 26255

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018 (₹ in Crores)

	Particulars	Notes	For the year ended 31 st March 2018	For the year ended 31 st March 2017
	Income			
I	Revenue from operations	25	14,687.93	12,511.07
II	Other income	26	268.56	261.70
III	Total income (I+II)		14,956.49	12,772.76
IV	Expenses			
	Cost of materials consumed	27	8,584.84	6,939.64
	Changes in inventory of finished goods and work-in-progress	28	(191.67)	(398.05)
	Excise duty		262.80	1,277.56
	Employee benefits expense	29	2,387.13	2,207.30
	Finance costs	30	940.27	768.91
	Depreciation and amortisation expense	31	793.48	663.93
	Other expenses	32	3,819.40	3,007.91
	Total expenses (IV)		16,596.24	14,467.22
V	Profit/ (Loss) before exceptional items, share of profit/ (loss) of equity accounted investees and tax (III-IV)		(1,639.75)	(1,694.44)
VI	Share of profit/ (loss) of equity accounted investees	41	5.50	(17.85)
VII	Profit/ (Loss) before exceptional items and tax (V+VI)		(1,634.25)	(1,712.29)
VIII	Exceptional items		541.05	-
IX	Profit/ (Loss) before tax (VII-VIII)		(2,175.30)	(1,712.29)
X	Tax expense/ (credit):			
	Current tax		0.85	5.78
	Deferred tax		(548.55)	(427.99)
	Earlier year adjustments		0.21	1.41
	Total Tax expense/ (credit) (X)	9	(547.49)	(420.80)
XI	Profit/ (Loss) for the year from continuing operations (IX-X)		(1,627.82)	(1,291.49)
XII	Profit/ (Loss) for the year from discontinued operations		-	-
XIII	Tax expense of discontinued operations		-	-
XIV	Profit / (Loss) for the year from discontinued operations (after tax) (XII-XIII)		-	-
XV	Profit/ (Loss) for the period (XI+XIV)		(1,627.82)	(1,291.49)
XVI	Other comprehensive income			
	(i) Items that will not be re classified to profit or loss			
	(a) Re-measurements of defined benefit liability /asset		27.60	(53.22)
	(b) Income tax relating to items that will not be reclassified to profit or loss		(6.90)	16.49
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Share of Other comprehensive income of equity accounted investees		0.99	0.86
	(b) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of income tax		21.69	(35.88)
XVII	Total comprehensive income for the year (XV+XVI)		(1,606.13)	(1,327.37)
	Profit attributable to:			
	(i) Owners of the company		(1,431.12)	(1,283.58)
	(ii) Non-controlling interests		(196.70)	(7.91)
	Profit for the year		(1,627.82)	(1,291.49)
	Other comprehensive income attributable to:			
	(i) Owners of the company		21.40	(35.34)
	(ii) Non-controlling interests		0.29	(0.54)
	Other comprehensive income for the year		21.69	(35.88)
	Total comprehensive income attributable to:			
	(i) Owners of the company		(1,409.73)	(1,318.92)
	(ii) Non-controlling interests		(196.41)	(8.45)
	Total comprehensive income for the year		(1,606.13)	(1,327.37)
XVIII	Earnings/ (loss) per each equity share of ₹10 each	37		
	1. Basic (₹)		(2.93)	(2.62)
	2. Diluted (₹)		(2.93)	(2.62)
	Weighted average number of shares used in computing earnings per share			
	Basic		4,889,846,200	4,889,846,200
	Diluted		4,889,846,200	4,889,846,200

The notes 1 to 46 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-
(P. Raychaudhury)
Director (Commercial)
and CMD (Additional Charge)

Sd/-
(M Jagadeeshwara Rao)
Company Secretary

Place : Visakhapatnam
Date : 06-09-2018

Sd/-
(V.V. Venu Gopal Rao)
Director (Finance)
and Chief Financial Officer

As per our report of even date
For M/s M. Bhaskara Rao & Co

Chartered Accountants
Firm Regn No: 000459S

Sd/-
(CA V. Raghunandan)
Partner
Membership No: 26255

Consolidated Statements of Changes in Equity For the year ended 31st March 2018

a. Equity share capital (₹ in Crores)

Particulars	Amount
Balance as at 1 st April 2016	4,889.85
Changes in equity share capital during 2016-17	-
Balance as at the 31st March 2017	4,889.85
Changes in equity share capital during 2017-18	-
Balance as at the 31st March 2018	4,889.85

b. Other equity

(₹ in Crores)

Particulars	Reserves and surplus						Items of OCI	Total attributable to owners of the Company	Attributable to NCI	Total	
	Retained earnings	Capital redemption reserve	Reserves for redeeming preference shares	Capital reserve	Investment reserve	Reserve fund as per RBI act (Special reserve)					General reserve
Balance as at 1 st April 2016	2140.70	2937.47	0.00	(0.46)	0.00	0.63	3.48	28.83	5110.66	590.62	5701.27
Total comprehensive income for the year ended 31st March 2017											
Profit or loss	(1283.58)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1283.58)	(7.91)	(1291.49)
Other comprehensive income (net of tax)	(36.20)	0.00	0.00	0.00	0.00	0.00	0.00	0.86	(35.34)	(0.54)	(35.88)
Total comprehensive income	(1319.78)	0.00	0.00	0.00	0.00	0.00	0.00	0.86	(1318.92)	(8.45)	(1327.38)
Dividend including dividend distribution tax	(0.60)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.60)	(0.72)	(1.32)
Amounts transferred within the reserves	(0.43)	0.00	0.00	0.00	0.00	0.09	0.34	0.00	0.00	0.00	0.00
Balance at 31st March 2017	819.89	2937.47	0.00	(0.46)	0.00	0.72	3.82	29.69	3791.14	581.44	4372.58
Total comprehensive income for the year ended 31st March 2018											
Profit or loss	(1431.12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1431.12)	(196.70)	(1627.82)
Other comprehensive income (net of tax)	20.41	0.00	0.00	0.00	0.00	0.00	0.00	0.99	21.40	0.29	21.69
Total comprehensive income	(1410.72)	0.00	0.00	0.00	0.00	0.00	0.00	0.99	(1409.73)	(196.41)	(1606.13)
Dividend including dividend distribution tax	(0.33)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.33)	(0.40)	(0.73)
Amounts transferred within the reserves	(0.05)	0.00	0.00	0.00	0.00	0.03	0.02	0.00	0.00	0.00	0.00
Additions*	13.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.35	0.00	13.35
Balance at 31st March 2018	(577.86)	2937.47	0.00	(0.46)	0.00	0.75	3.84	30.68	2394.42	384.63	2779.05

*Represents change in the share of net assets of equity accounted investees upto 31st March, 2018 due to change in ownership interests in associate, ICVL.

The notes 1 to 46 are an integral part of the financial statements.

For and on behalf of the Board of Directors

Sd/-

(P. Raychaudhury)

Director (Commercial)

Place : Visakhapatnam and CMD (Additional Charge)

Date : 06-09-2018

Sd/-

(V. V. Venu Gopal Rao)

Director (Finance)

and Chief Financial Officer

(M Jagadeeshwara Rao)

Company Secretary

As per our report of even date

For M/s M. Bhaskara Rao & Co

Chartered Accountants

Firm Regn No: 000459S

Sd/-

(CA V. Raghunandan)

Partner

Membership No: 26255

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2018 (₹ in Crores)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Cash flows from operating activities		
Profit/ (loss) for the year (before tax)	(2,175.30)	(1,712.29)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	793.48	663.93
Finance costs	940.27	768.91
Share of (profit)/ loss of equity accounted investees	(5.50)	17.85
Interest income from banks	(0.17)	(0.28)
(Gain) loss on sale of Property, plant and equipment	(0.42)	(0.52)
Unrealised Net (Gain)/ Loss arising on Financial instruments designated as FVTPL	0.60	84.21
Operating profit before changes in assets and liabilities	(447.04)	(178.20)
Changes in assets and liabilities :		
(Increase) decrease in inventories	(867.12)	(956.70)
(Increase) decrease in trade receivables and loans	(111.05)	8.17
(Increase) decrease in other financial assets	(35.38)	(27.83)
(Increase) decrease in other non current assets	17.05	(41.22)
(Increase) decrease in other current assets	(142.69)	40.52
Increase (decrease) in trade payables	166.20	308.79
Increase (decrease) in other financial liabilities	949.56	139.89
Increase (decrease) in provisions	611.48	72.99
Increase (decrease) in non-current liabilities	5.64	69.60
Increase (decrease) in other current liabilities	(13.94)	17.32
Cash generated from operating activities	132.72	(546.68)
Income tax paid (net of refund)	75.08	(4.48)
Net cash from (used in) operating activities (A)	207.80	(551.16)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,523.07)	(2,202.95)
Proceeds from sale of property, plant and equipment	0.70	0.65
Interest received from banks	0.17	0.28
Investment in fixed deposits	(16.21)	(13.26)
Acquisition of investments	2.81	(41.03)
Net cash flow from (used in) investing activities (B)	(1,535.60)	(2,256.31)
Cash flows from financing activities		
Proceeds from (Repayment of) long term borrowings	1,297.50	2,352.13
Proceeds from (Repayment of) short term borrowings	1,212.57	1,463.20
Interim Dividend paid	(0.73)	(1.32)
Interest paid	(1,185.24)	(1,000.52)
Net cash flow from (used in) financing activities (C)	1,324.11	2,813.49
Net increase (decrease) in cash and cash equivalents (A+B+C)	(3.69)	6.02
Cash and cash equivalents at 1 st April	45.64	39.62
Cash and cash equivalents at 31st March	41.94	45.64
Reconciliation of cash and cash equivalent as per the balance sheet	31st March 2018	31st March 2017
Cash and cash equivalent as per the cash flow statement	41.94	45.64
Other bank balances not considered above:		
- Bank deposits with maturity more than 3 months	822.01	807.61
- Restricted Balances	15.33	13.51
Cash and cash equivalent as per balance sheet	879.28	866.76

The Cash flow statement has been prepared under indirect method in accordance with Ind AS 7.

The notes 1 to 46 are an integral part of the financial statements.

For and on behalf of the Board of Directors

**As per our report of even date
For M/s M. Bhaskara Rao & Co**

Sd/-

(P. Raychaudhury)

Director (Commercial)

and CMD (Additional Charge)

Place : Visakhapatnam

Date : 06-09-2018

Sd/-

(M Jagadeeshwara Rao)

Company Secretary

Sd/-

(V.V. Venu Gopal Rao)

Director (Finance)

and Chief Financial Officer

Chartered Accountants

Firm Regn No: 000459S

Sd/-

(CA V. Raghunandan)

Partner

Membership No: 26255

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH 2018

1. Company overview

Rashtriya Ispat Nigam Limited is a company domiciled in India. The Company's registered office is Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam, Andhra Pradesh. These consolidated financial statements comprises of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures. The Group is primarily involved in the manufacture of steel and related products.

2. Significant accounting policies

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and provisions of Companies Act, 2013 under the historical cost convention on accrual basis except for certain material financial instruments which are measured at fair value.

2.2 Functional and Presentation Currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest crores except share and per share data.

2.3 Use of Estimates and Judgment

The preparation of consolidated financial statements 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 recognized in the periods in which the results are known/materialized.

2.4 Basis of consolidation

- a) Business combinations (other than common control business combinations) on or after 1 April 2014.

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz.

Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2014. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognized directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations prior 1st April 2014

In respect of such business combinations, goodwill represents the amount recognized under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.



VISAKHAPATNAM STEEL PLANT



b. Subsidiaries:

RINL consolidates entities which it owns and controls. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

c. Non-controlling interest

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

d. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

e. Equity accounted investees

The Group's interest in equity accounted investees comprises interests in associates and joint ventures. Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

f. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.5 Inventories

- 2.5.1 Inventories are valued at lower of cost and net realizable value.
- 2.5.2 The basis of determining cost is:

- a) Finished / Semi-finished goods, Raw materials – Periodic Weighted Average cost.
- b) Minor Raw materials, Stores and spares (which do not meet PPE definition), Loose tools - Dynamic Moving Weighted Average cost.
- c) All Materials in- transit at cost.

2.5.3 Necessary provisions are made for obsolete / Surplus / Non-moving inventory.

2.6 Property, Plant and Equipment (PPE)

2.6.1

- (a) The Group has adopted the previous GAAP value as the 'deemed cost' in preparing its opening balance sheet as on 01 April 2015.
- (b) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

2.6.2 The cost of property, plant and equipment comprises:

- (i) Its purchase price;
- (ii) Any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- (iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either at the time of acquisition of asset or as a consequence of having used the asset during a particular period for purposes other than to produce inventory during that period;
- (iv) Expenditure attributable /relating to construction to the extent directly identifiable to any specific plant unit, Trial run expenditure net of revenue.

2.6.3 The cost of replacing a part of an item of PPE is recognized in the carrying amount of the item of property, plant and equipment if the recognition criteria are met. Consequently, the carrying amount of the replaced part is derecognized.

2.6.4 Expenditure attributable /relating to construction to the extent not directly identifiable to any specific Plant Unit is kept under 'Expenditure During Construction' for allocation to PPE and is grouped under 'Capital Work-in- Progress'.

2.6.5 All major spares, stand-by equipment, and servicing equipment that meet the criteria of property, plant and equipment are capitalized.

2.6.6 Depreciation:

Depreciation is recognized on straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date and where expectations differ from previous estimates, the changes are accounted for as change in accounting estimate.

2.7 Intangible Assets

2.7.1 Intangible assets are estimated at cost less accumulated amortization and impairment. Intangible assets are amortized on straight line method over their estimated useful life.

2.7.2 Residual values and useful lives of all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

2.7.3 Goodwill that arises on business combination is not amortised and tested for impairment annually. Subsequently measured at cost less accumulated impairment loss.

2.8 Exploration and Evaluation Assets (E&E Assets)

2.8.1 Exploration and evaluation expenditure comprises costs incurred after obtaining legal right to explore the area and before establishing technical feasibility and commercial viability of extracting a mineral resource that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

2.8.2 Exploration and evaluation expenditure is recognized as an expense, unless the expenditure is expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, in which case it is recognized as an asset.

2.8.3 Exploration and evaluation assets are classified as tangible (as part of property, plant and equipment) or intangible according to the nature of the assets. These assets are not depreciated till they are recognized as an E & E asset. These assets continue in CWIP and are depreciated once they are recognized as E&E assets.

2.8.4 The carrying values of capitalized evaluation expenditure are reviewed for impairment once a year by management.

2.9 Investment in Subsidiaries and Joint Ventures

Investments in subsidiaries and joint ventures are measured at cost. Diminution in value, other than temporary, is provided for.

2.10 Financial Instruments (Financial Assets and Financial Liabilities):

All financial instruments are recognized initially at fair value. The classification of financial instruments depends on the objective of the business model for which it is held. For the purpose of subsequent measurement, financial instruments of the Group are classified into (a) Non-Derivative Financial Instruments and (b) Derivative Financial Instruments.

a) Non Derivative Financial Instruments

- (i) Security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as Financial assets under this clause.
- (ii) Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
- (iii) Financial instruments are subsequently carried at amortized cost wherever applicable using effective interest method (EIR) less impairment loss.
- (iv) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.

(b) Derivative Financial Instruments

- (i) Derivative Financial Assets and liabilities are initially recognized at fair value on the date a derivative



VISAKHAPATNAM STEEL PLANT

contract is entered into and are subsequently re-measured to their fair value at each reporting date.

- (ii) Changes in the fair value of any derivative Asset or liability are recognized immediately in the Income Statement and are included in other income or expenses.
- (iii) Cash flow hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

2.11 Impairment

2.11.1 Financial assets

- (i) The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
 - Financial assets that are debt instruments, and are measured at amortized cost wherever applicable e.g., loans, debt securities, deposits, and bank balance.
 - Trade receivables.
- (ii) The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2.11.2 Non-financial assets

The Group assesses at each reporting date whether

there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.

2.12 Stripping Cost:

Stripping cost in the nature of expense incurred for removing overburden and waste materials is accounted for as follows:

- (a) To the extent that the benefit from the stripping activity is realized in the form of inventory produced, the same is accounted for in accordance with the principles of Ind AS 2, Inventories.
- (b) To the extent the benefit is improved access to ore, stripping cost shall be recognized as a non-current asset.

2.13 Income Taxes:

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

2.14 Revenue Recognition

- 2.14.1 Revenue is recognized at fair value when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Sales revenue is measured net of returns, discounts and rebates.
- 2.14.2 Claims against outside agencies are accounted for on certainty of realization.
- 2.14.3 Revenue arising from the rendering of service is recognized to the extent the service is provided and could be estimated reliably.
- 2.14.4 Interest income is recognized basing on the effective interest method.
- 2.14.5 Dividends are recognized at the time the right to receive is established.
- 2.14.6 Export Incentives are recognized on certainty of realization.

2.15 Employee Benefits

Provisions/Liabilities towards gratuity, post-retirement medical benefits, retirement settlement benefits, Employees' Family Benefit Scheme, encashment of leave and long term service award

are made based on the actuarial valuation at the reporting date.

- (i) Consequential actuarial gain/loss are charged to Statement of Profit and Loss;
- (ii) Actuarial gain/loss relating to Post Retirement Benefits (Defined Benefit Plan) are recognized in other comprehensive income.

2.16 Foreign Currency Transactions

- 2.16.1 Foreign currency monetary items are disclosed at the closing rate of the reporting period at reporting date. Exchange differences arising on settlement/conversion of foreign currency monetary items are recognized in the statement of profit and loss account.
- 2.16.2 Non-monetary assets and liabilities are recognized at the exchange rate prevailing at the date of transaction.

2.17 Borrowing Costs

- 2.17.1 Borrowing costs incurred for obtaining qualifying assets are capitalized 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.

2.17.2 Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

2.17.3 Other borrowing costs are treated as expense for the year.

2.18 Investment Property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3 Property, plant and equipment

A. Reconciliation of carrying amount

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Railway lines and sidings	Roads, bridges and culverts	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Electrical installations	Water supply and sewerage systems	Miscellaneous assets	Total
Cost or deemed cost (gross carrying amount)												
Balance at 1 st April 2016	59.92	1.93	238.94	238.49	1423.53	17431.35	27.72	21.89	794.11	751.45	235.44	21224.76
Additions and adjustments	0.12	-	53.08	22.36	57.28	1352.44	0.53	9.94	104.66	35.10	37.62	1673.14
Sales and adjustments	-	-	(0.18)	0.00	(0.15)	(11.81)	(0.07)	(0.09)	(0.12)	-	(0.82)	(13.24)
Balance at 31st March 2017	60.04	1.93	291.84	260.85	1480.66	18771.97	28.17	31.74	898.65	786.55	272.25	22884.66
Balance at 1 st April 2017	60.04	1.93	291.84	260.85	1480.66	18771.97	28.17	31.74	898.65	786.55	272.25	22884.65
Additions and adjustments	-	1.83	30.08	0.66	115.87	4270.98	1.14	0.20	33.44	163.83	82.94	4700.98
Sales and adjustments	-	-	-	-	-	(524.03)	(0.16)	-	(0.07)	-	(0.66)	(524.92)
Balance at 31st March 2018	60.04	3.76	321.92	261.51	1596.53	22518.92	29.15	31.94	932.03	950.38	354.53	27060.71
Accumulated depreciation												
Balance at 1 st April 2016	0.00	0.83	139.65	124.68	694.59	7421.88	19.07	13.62	421.97	301.43	151.02	9288.75
Depreciation for the year	0.00	0.07	9.62	21.07	30.89	500.57	1.59	2.45	61.43	34.06	25.38	687.13
Sales and adjustments	-	-	(0.17)	-	-	9.87	(0.04)	(0.08)	(0.08)	-	(0.73)	(10.97)
Balance at 31st March 2017	0.00	0.90	149.10	145.76	725.48	7912.58	20.63	15.99	483.33	335.49	175.67	9964.91
Balance at 1 st April 2017	0.00	0.90	149.10	145.76	725.48	7912.58	20.63	15.99	483.33	335.49	175.67	9964.91
Depreciation for the year	0.00	0.09	12.50	15.90	32.83	606.08	1.45	2.42	65.66	38.06	27.80	802.80
Sales and adjustments	-	-	-	-	-	(495.77)	(0.13)	-	(0.07)	-	(0.58)	(496.55)
Balance at 31st March 2018	0.00	0.99	161.60	161.66	758.30	8022.88	21.95	18.41	548.92	373.55	202.89	10271.16
Carrying amounts (net)												
At 31 st March 2017	60.04	1.03	142.74	115.09	755.19	10859.39	7.55	15.75	415.33	451.06	96.58	12919.74
At 31 st March 2018	60.04	2.77	160.31	99.85	838.23	14496.04	7.20	13.53	383.10	576.83	151.64	16789.55

Gross Block

Accumulated Depreciation

Net Block

B. Land held under finance leases

The Group has acquired land at Mumbai under finance lease agreements. The leased land secures related lease obligations. The gross and net carrying amounts of land acquired under finance leases and included in above are as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Cost or deemed cost	3.76	1.93
Accumulated depreciation	(0.99)	(0.90)
Net carrying amount	2.77	1.03

C. Freehold land

- Land includes 363.28 acres (31st March 2017 363.28 acres) allotted to various agencies on lease basis.
- Land at a cost of ₹ 39.99 crores (31st March 2017 : ₹ 39.99 Crores) is being held in the name of President of India. The Holding Company is holding Power of Attorney issued by Government of India for utilisation of the land acquired for the project and related purposes incidental thereto.
- Land includes 14.5 acres whose title is under dispute.
- Land measuring 62.05 acres (Private Land : Makavaram: 19.78, Maturu: 20.45 and Rebaka: 6 and State Land; Makavaram: 13.86, Maturu: 1.96) acquired for RINL is not free from encumbrance and physical possession is yet to be taken.
- The Lawrence Investments and Property Co. Ltd. had a landed property of 76.77 Acres of land at Chackasi, Bauria, Howrah, housing its Jute Mills (demolished and disposed of in 1980). The Government of West Bengal had acquired land measuring an approximate area of 27.58 Acres on 25.08.76. Company's appeal for award of compensation towards such acquisition has been upheld by District Judge, Howrah on 07.03.83. No effect of such acquisition has been given in the books of account.
- Another notice for acquisition of the balance portion of land in terms of a notice received under Urban Land (Ceiling & Regulation) Act, has also been contested by Eastern Investment Limited. This portion of the land however is under unauthorized occupation of local inhabitants which includes construction of permanent nature as well. Necessary legal steps have already been initiated together with lodgment of complaint with the concerned police station for eviction of unauthorized occupants.
- In 2016-17, Leasehold Land and Leasehold Properties were considered as operating lease and for that reason these had been shown under other non - current assets and the depreciation on these assets was included in other assets as amortised cost. Based on the qualification of the Statutory Auditors and the decision of the management of subsidiary OMDC, these assets have been shown as financial lease in the current financial year. This has given rise to the difference in closing current year carrying cost amount .

D. Sale deed in respect of the following land has not yet been executed (₹ in crores)

Particulars	31 st March 2018	31 st March 2017
Stockyard at Chennai	2.37	2.37
Office building at New Delhi	25.53	25.53
Office buildings at Ahmedabad	0.18	0.18
Residential buildings at Kolkata	0.95	0.95
Site for Liaison Office at Hyderabad	1.30	1.30
	30.33	30.33

E. Certain fixed assets of subsidiary comprising of Land, Building, Railway sliding etc are under the subject matter of litigation/dispute and ultimate impact of the same on the consolidated financial statements is unascertained

F. Depreciation methods and useful lives

"Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Particulars	31 st March 2018	31 st March 2017
Railway lines and sidings	10-15 years	15 years
Roads, bridges and culverts	3-30 years	3-30 years
Buildings	5-60 years	5-60 years
Plant and equipment	2-40 years	4-40 years
Fixtures and fittings	10 years	10 years
Vehicles	6-8 years	6-8 years
Electrical installations	10 years	10 years
Water supply and sewerage systems	5-15 years	15 years
Miscellaneous assets	3-15 years	3-15 years

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Allocation of depreciation :		
Expenditure During Construction	38.05	41.88
Current year (Charged to P & L)	764.75	645.24
	802.80	687.12

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

G. Capital work-in-progress

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital work-in-progress (including material issued to contractors)		
6.3 MT Expansion	2,340.13	4,792.69
Others	2,609.56	2,554.05
Less: Provision for dropped SLTM project & others	19.84	18.90
Less: Impairment loss on capital work-in-progress recognised in profit and loss	0.75	0.55
	4,929.09	7,327.30
Expenditure during construction awaiting allocation (Note H)	296.36	442.89
Total	5,225.45	7,770.19

H. Expenditure during construction awaiting allocation

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Opening Balance (A)	442.89	365.75
Expenditure during the year:		
Employee remuneration and benefits	64.29	37.42
Other expenses and provisions	28.52	26.94
Interest expense	7.88	7.70
Depreciation	38.05	41.88
Less :		
Other revenue	0.01	(0.93)
Net expenditure during the year (B)	138.73	114.87
Total (A+B)	581.62	480.62
Less: Amount allocated to PPE	285.26	37.73
Total	296.36	442.89

4 Investment property

Reconciliation of carrying amount

(₹ in Crores)

Particulars	Investment property
Cost or deemed cost (gross carrying amount)	
Balance at 1 st April 2016	0.08
Additions and adjustments	
Balance at 31st March 2017	0.08
Balance at 1 st April 2017	0.08
Additions and adjustments	-
Balance at 31st March 2018	0.08
Accumulated depreciation	
Balance at 1 st April 2016	0.00
Depreciation for the year	0.00
Balance at 31st March 2017	0.00
Balance at 1 st April 2017	0.00
Depreciation for the year	0.01
Balance at 31st March 2018	0.01
Carrying amounts	
At 31st March 2017	0.07
At 31st March 2018	0.07

Investment property held by Subsidiary, The Bisra Stone Lime Company Limited have the following :-

- Under Indian GAAP this investment property had been classified Under the building block of tangible asset.
- The building which is in the name of the BSLC, is let out to one of the subsidiary in lieu of rent. BSLC is not using the building for its business purpose and neither intends to sell it in near future.
- The investment property represents the carrying amount as per previous GAAP of the guest house given on rent to the Orissa Minerals Development Company Limited, a related party, there has not been any fair valuation of such investment property has been carried out during the year by any independent valuation expert. Therefore, the disclosure relating to fair value of investment property is not required.

5 Intangible assets

A. Reconciliation of carrying amount

(₹ in Crores)

	Particulars	Goodwill	Computer software (i)	Mining rights (ii)	Total [(i)+(ii)]	Intangible assets under development (iii)	Total [(i)+(ii)+(iii)]
Gross Block	Cost or deemed cost (gross carrying amount)						
	Balance at 1 st April 2016	149.49	63.79	54.50	118.30	2.70	121.00
	Additions and adjustments	-	2.70	0.11	2.81	-	2.81
	Sales and adjustments	-	(0.04)	-	(0.04)	(2.70)	(2.74)
	Balance at 31st March 2017	149.49	66.45	54.61	121.06	-	121.06
	Balance at 1 st April 2017	149.49	66.45	54.61	121.06	-	121.06
	Additions and adjustments	-	0.18	0.23	0.41	-	0.41
	Sales and adjustments	-	(0.04)	-	(0.04)	-	(0.04)
	Balance at 31st March 2018	149.49	66.59	54.84	121.43	-	121.43
Accumulated Depreciation	Accumulated amortisation						
	Balance at 1 st April 2016	-	27.50	8.44	35.94	-	35.94
	Amortisation for the year	-	14.70	3.99	18.69	-	18.69
	Sales and adjustments	-	(0.04)	-	(0.04)	-	(0.04)
	Balance at 31st March 2017	-	42.16	12.43	54.59	-	54.59
	Balance at 1 st April 2017	-	42.16	12.43	54.59	-	54.59
	Amortisation for the year	-	14.63	14.10	28.73	-	28.73
	Sales and adjustments	-	(0.04)	-	(0.04)	-	(0.04)
Balance at 31st March 2018	-	56.75	26.53	83.28	-	83.28	
Net Block	Carrying amounts (net)						
	At 31st March 2017 / 1st April 2017	149.49	24.29	42.18	66.47	-	66.47
	At 31st March 2018	149.49	9.84	28.31	38.15	-	38.15

With respect to the carrying amount of intangible asset held by The Bisra Stone Lime Company Limited:-

- Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets.

With respect to the carrying amount of intangible asset held by The Orissa Minerals Development Company Limited:

- 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.
- Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets under the heads mining rights on deemed extension basis. Intangible Assets has been amortised taking the validity of mining lease upto 31.03.2020 as per MMDR Amendment Act, 2015.

B. Amortisation methods and useful lives

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Particulars	31 st March 2018	31 st March 2017
Computer Software	4 years	4 years
Mining Rights	20 years	20 years

6 Investments

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
A. Non-current investments		
Equity shares at cost - others		
2,280 (31 st March 2018: 2,280; 31 st March 2017: 2,280) equity shares of ₹ 1 each in Free Press House Limited*	-	-
1 (31 st March 2018: 1; 31 st March 2017: 1) equity shares of ₹ 100 each in Anapakalli Rural Elec. Co-operative Society*	-	-
84,640 equity shares of ₹ 1 each in The Borrea Coal Company Limited (In Liquidation)**	0.07	0.07
Aggregate amount of impairment in value of investments	(0.07)	(0.07)
Total	-	-
Total investment in equity instruments at cost (A)	-	-
B. Other investments		
(i) Quoted investments		
a) Investments in equity instruments (all fully paid)		
Titagarh Wagon Limited (Formerly Titagarh Industries Limited)*** (March 31, 2018 and March 31, 2017 615 shares of ₹ 10 each)	0.17	0.17
I.T.C. Limited (Ordinary Shares of ₹ 1 each) (March 31, 2018 and March 31, 2017 15,000 shares of ₹ 10 each)	0.57	0.63
DPSC Ltd (Formally Dishergarh Power Supply Co. Ltd.) (March 31, 2018 and March 31, 2017: 344,770 shares of ₹ 10 each)	0.94	1.54
Steel Authority of India Limited (March 31, 2018 and March 31, 2017: 1000 shares of ₹ 10 each)	0.01	0.01
Reliance Industries Limited (March 31, 2018 and March 31, 2017: 86 shares of ₹ 10 each)	0.02	0.01
Bharat Earth Movers Limited (March 31, 2018 and March 31, 2017: 200 shares of ₹ 10 each)	0.03	0.03
The Associated Cement Company Limited. (March 31, 2018 and March 31, 2017: 400 shares of ₹ 10 each)	0.06	0.06
J S W Limited (formerly, Jindal Vijaynagar Steel) (March 31, 2018 and March 31, 2017: 30 shares of ₹ 10 each)	0.00	0.00
Ispat Profiles Limited *** (March 31, 2018 and March 31, 2017: 500 shares of ₹ 10 each)	0.00	0.00
H.D.F.C. Bank (March 31, 2018 and March 31, 2017: 1,500 shares of ₹ 10 each)	0.28	0.22
Total - quoted investments in equity instruments (a)	2.07	2.65

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
b) Investments in mutual funds		
Master Share - Unit Trust of India(March 31, 2018 and March 31, 2017: 2,800 units of ₹ 10 each)	0.01	0.03
Capital Growth Unit Scheme 1992 (Master Gain 1992) (March 31, 2018 and March 31, 2017: 3,000 unit of ₹ 10 each)	0.04	0.03
Total - quoted investments in mutual funds (b)	0.05	0.06
(ii) Unquoted investments		
a) Investments in equity instruments (all fully paid)		
The Burrakur Coal Company Limited (In Liquidation) *** (March 31, 2018 and March 31, 2017: 475,300 shares of ₹ 10 each)	0.41	0.41
The Kinnison Jute Mills Company Limited *** (March 31, 2018 and March 31, 2017: 25,645 shares of ₹ 100 each)	0.27	0.27
Union Jute Company Limited *** (March 31, 2018 and March 31, 2017: 18,028 shares of ₹ 100 each)	0.25	0.25
Kumardhubi Fireclay & Silica Works Limited *** (March 31, 2018 and March 31, 2017: 146,764 shares of ₹ 10 each)	0.20	0.20
Eastern News Paper (Formaly Chora Investment Co. Ltd.) (March 31, 2018 and March 31, 2017: 83 shares of ₹ 10 each)	0.00	0.00
Holman Climax Manufacturing Limited *** (March 31, 2018 and March 31, 2017: 123,598 shares of ₹ 10 each)	0.10	0.10
The Karanpura Development Company Limited *** (March 31, 2018 and March 31, 2017: 79,850 shares of ₹ 10 each)	0.06	0.06
Birds Jute & Exports Limited *** (March 31, 2018 and March 31, 2017: 4,650 shares of ₹ 100 each)	0.05	0.05
Sijua (Jherriah) Electric Supply Company Limited *** (March 31, 2018 and March 31, 2017: 73,232 shares of ₹ 10 each)	0.05	0.05
Woodland Multispeciality Hospital Limited (March 31, 2018 and March 31, 2017: 1950 shares of ₹ 10 each)	0.00	0.00
Sri Aurobindra Sahayog Samity Limited (March 31, 2018 and March 31, 2017: 1 share of ₹ 100 each fully paid up)	-	-
Kalinga Cement Limited *** (March 31, 2018 and March 31, 2017: 6000 shares of ₹ 100 each fully paid up)	0.00	0.00
2,811,010 equity shares of ₹ 10 each in East India Minerals Limited #	2.81	2.81
Total un-quoted investments in equity shares (a)	4.20	4.20
b) Investments in preference shares		
7% Birds Jute & Exports Limited *** (March 31, 2018 and March 31,	0.00	0.00

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
2017: 263 shares of ₹ 100 each fully paid up)		
5.5% Kumardhubi Fireclay & Silica Works Limited (2nd Preference) *** (March 31, 2018 and March 31, 2017: 1,260 shares of ₹ 100 each fully paid up)	0.01	0.01
9.5% Kumardhubi Engineering Works Limited *** (March 31, 2018 and March 31, 2017: 50 shares of ₹ 100 each fully paid up)	0.00	0.00
Total un-quoted investments in preference shares (b)	0.01	0.01
c) Investments in debentures		
8% Kumardhubi Engineering Works Limited *** (March 31, 2018 and March 31, 2017: 58 units of ₹ 500 each)	0.00	0.00
Total un-quoted investments in debentures (c)	0.00	0.00
Advance for investment in equity shares of International Coal Ventures Private Limited	-	40.00
Advance for investment in equity shares of RINL Powergrid TLT Private Limited	0.60	-
Aggregate amount of quoted investments and market value thereof	2.12	2.72
Aggregate amount of unquoted investments	4.81	44.21
Aggregate amount of impairment in value of investments	(4.38)	(1.57)
Total other investments (B)	2.55	45.36
Total non-current investments [(A)+(B)]	2.55	45.36
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

Note:

*Investments in Free Press House Limited amounted to ₹2280, hence rounded off to zero.

*Investments in Anapalli Rural Elec. Co-operative Society amounted to ₹100, hence rounded off to zero.

** The Borrea Coal Company Limited is under liquidation and accordingly has not been considered for consolidation of financial statements.

*** Mark represents investments which have been provided for impairment.

The Orissa Minerals Development Company Limited had entered into a joint venture with M/s Usha (India) Ltd. for managing the assets of M/s East India Minerals Ltd. (EIML). The matter is under dispute and present status of the company and loss if any on account of diminution in value has been provided for. As the JV agreement expired on 04.10.2013, investment in JV has been shown as Other Investment. Investment in Woodland Multi-speciality Hospital Limited and The Sijua (Jheriah) Electric Supply Company Ltd. has also been provided for.

Name of the joint venture	Principal Activity	31 st March 2018	31 st March 2017
East India Minerals Limited	Mining, Manufacturing and Trading	26%	26%

A. The undertakings of the following companies have been taken over by the Government:- (a) Bird & Company Limited (b) Dishergarh Power Supply Company Limited (Bihar Unit). (c) Kinnison Jute Mills Company Limited. (d) Kumardhubi Engineering Works Limited. (e) Sijua (Jherriah) Electric Supply Company Limited. (f) Union Jute Company Limited.

B. Compensation receivable by the Group in respect of its investments in shares and debentures, as the case may be, in the above companies has not yet been determined. However, investments in Bird & Co. Ltd. in debentures, preference shares and ordinary shares have already been written off. Investment in other companies are fully provided for.

C. Category-wise other investments - as per Ind AS 109 classification

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Financial assets mandatorily carried at fair value through profit or loss (FVTPL)	6.32	4.10
Less: Impairment in the value of investment classified as FVTPL	(4.36)	(1.55)
Net financial assets mandatorily carried at fair value through profit or loss (FVTPL)	1.95	2.55
Amortised cost	0.01	0.01
Less: Impairment classified as amortised cost	(0.01)	(0.01)
Net amortised cost	-	-
Total	1.95	2.55

7 Loans

(Unsecured and considered good unless otherwise stated)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current loans		
Loans to employees	49.16	41.82
Loan to Andhra Pradesh Industrial Infrastructure Corporation (APIIC) (including Accrued interest)	173.77	188.04
Loans to others	0.07	0.25
	223.00	230.10
Loss allowance	(0.07)	(0.25)
Total long-term loans	222.93	229.86
Current loans		
Material issued on loan	-	-
Loans to employees	0.30	0.29
	0.30	0.29
Loss allowance	-	-
Total short-term loans	0.30	0.29

(i) Loans due by Directors/officers

- -

(ii) Loans due by private companies in which director of the Group is a director

- -

The loss allowance on loans has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low.

8 Other financial assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Security deposits	1.71	1.69
Accrued interest		
Employee loans	22.00	20.42
Term deposits with banks with maturity of more than 1 year	12.59	1.00
Other advances (net of Provision: 2018: ₹ 0.01 Crs, 2017: ₹ 0.01 Crs)	0.15	0.15
Total non-current other financial assets	36.45	23.26
Current maturities of long term loans:		
- Employee loans	22.13	19.65
- Loan to APIIC	31.18	31.18
Accrued interest		
- Term Deposits	19.67	27.52
- Employee loans	2.26	2.29
- Others	19.17	19.80
Security deposits	303.43	284.27
Advances to related parties		
-International Coal Ventures Private Limited*	-	0.10
-Rinmoil Ferro Alloys Private Limited*	1.21	1.21
Claims recoverable (net of Provision: 2018: ₹ 51.60 Crs, 2017: ₹ 51.97 Crs)	91.55	81.21
Other receivables(net of Provision: 2018: ₹ 1.33 Crs, 2017: ₹ 0.51 Crs)	3.28	4.47
Total current other financial assets	493.88	471.69
(i) Advances due by Directors/ officers	-	-
(ii) *Advances due by private companies in which director of the Group is a director	1.21	1.31

9 A. Reconciliation of effective tax rate

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Profit before tax	(2,175.30)	(1,712.29)
Tax using the Group's domestic tax rate (Current year 31.2%(Subsidiary 25.75%) and Previous Year 30.9%)	(684.99)	(529.10)
Reduction in tax rate	0.00	(47.38)
Tax effect of:		
Non-deductible tax expenses	96.62	3.77
Income not credited to SOPL	9.11	0.17
Scientific research deduction	(0.09)	(0.06)
Income exempt/Expenses deductible from income taxes	(78.18)	(4.70)
Recognition/Derecognition of Tax losses	135.90	147.52
Others	(25.86)	8.97
	(547.49)	(420.80)

The current year losses for which deferred tax asset has been recognised in the books shall expire on 31st March, 2026 (Previous Year: 31st March 2025).

B. Recognised deferred tax assets and liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	2,164.98	1,744.48
Others	0.70	0.86
Total deferred tax liabilities (A)	2,165.68	1,745.34
Deferred tax assets		
Provision for Gratuity	170.31	4.62
Provision for Doubtful Debts, Advances, Claims, interest, others	28.55	26.10
MAT Credit Entitlement	242.41	242.41
Losses available for offsetting future Taxable income	2,446.21	1,659.99
Tax impact on remeasurement gain/(loss) arising from defined benefit obligation	0.01	0.55
Others	53.68	45.43
Total deferred tax assets (B)	2,941.17	1,979.10
Net Deferred Tax Liability/ (Asset) (A-B)	(775.49)	(233.76)

10 Other non-current assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital advances	72.63	96.30
Advances with public bodies	0.58	0.58
Others		
Prepaid expenses		
Loan to APIIC	38.91	43.12
Employee loan	8.30	19.13
Others	0.43	2.45
Total	120.85	161.57
Less: Allowance for bad and doubtful non financial assets		
Capital advances	(0.48)	(0.48)
Total	120.37	161.09

(i) Advances due by Directors/ officers

-

-

(ii) Advances due by private companies in which director of the Group is a director

-

-

11 Inventories : (As taken and certified by the management)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Raw materials	1,559.60	1,259.27
Add: In-transit/ Under inspection	1,093.33	895.23
Less: Provision for shortages	512.65	419.07
	2,140.28	1,735.43
Semi-finished/finished goods	2,381.59	2,362.43
Add: In-transit/ Under inspection	56.61	3.61
	2,438.20	2,366.04
Stores and spares	1,053.57	666.08
Add: In-transit/ Under inspection	65.71	63.24
Less: Provision for obsolescence & Non-moving items	39.78	39.94
	1,079.50	689.38
Total	5,657.98	4,790.86

Note: Valuation of inventories (Valued as per accounting policy 2.4)

- Quantities of closing Stock of finished / semi-finished goods/Raw materials have been adopted as per book balances after duly adjusting for shortages/ excesses identified on physical verification at anytime during the year.
- No credit is taken in the accounts for the stock of run of mines ore and rejects at Mines.
- Since the Coke Breeze is used for internal consumption, the same has been valued at 60% of the production cost of BF coke.
- 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 at dump yard (Quantity of 5694535 tonnes) for which no value is assigned other than dump slag identified for sale.
- 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.
- Nut Coke cost is valued at 90% of Production cost of BF Coke

12 Trade receivables

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Unsecured, considered good	999.16	881.19
Doubtful	23.31	23.46
	1,022.47	904.65
Less: Loss allowance		
Doubtful	23.31	23.46
Total*	999.16	881.19

*This includes ₹ 115.39 Crores towards trial run trade receivables as on 31st March 2018 of Holding Co.

Note:

- Debts due by Directors/officers - -
- Debts due by private companies in which director of the Group is a director - -
- The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 39.

13 Cash and cash equivalents

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Cheques in hand	34.58	32.88
Cash on hand	0.03	0.07
Balance with banks :		
- Current account	7.33	12.69
- Deposit accounts	815.02	140.83
- Prime Minister's Trophy Award Fund	8.52	7.71
- Earmarked Balance with scheduled banks	6.81	5.80
(includes deposits of unpaid dividend)		
- In deposit account (having maturity between 3-12 months)	7.00	666.78
Total	879.28	866.76

14 Other tax assets (net)

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Advance income tax	65.26	59.69
Total	65.26	59.69
Other tax liabilities		
Income tax payable	33.02	32.28
Total	33.02	32.28

*Pending reconciliation and adjustment with respect to The Orissa Minerals Development Company Limited of Income Tax payment against liability, both the figures have been shown as gross.

15 Other current assets

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Advances to related parties		
-Bisra Stone Lime Company Limited	-	-
- Orissa Mineral Development Corporation	-	0.13
Advances other than capital advances		
- Government departments	460.51	498.06
- Contractors	11.44	7.19
(net of Provision: 2018: ₹ 0.29 Crs, 2017: ₹ 0.29 Crs)		
- Suppliers	61.01	31.90
(net of Provision: 2018: ₹ 5.44 Crs, 2017: ₹ 5.06 Crs)		
- Employees	18.30	17.60
(net of Provision: 2018: ₹ 0.04 Crs, 2017: ₹ 0.04 Crs)		
- Others	34.18	9.50
(net of Provision: 2018: ₹ 9.64 Crs, 2017: ₹ 9.74 Crs)		
Others		
- Prepaid expenses		
Employee loan	4.69	3.32
Loan to APIIC	4.20	4.20
Lease payments*	0.43	0.67
Others	10.15	10.51
- Assets held for sale (net of provision for loss)	0.12	0.12
- Export benefits receivable	76.78	39.37
Others	3.08	0.61
Total	684.89	623.17

(i) Advances due by Directors/ officers - -

(ii) Advances due by private companies in which director of the Group is a director - -

* Prepaid lease prepayments for leasehold land includes prepayments towards 4,365.282 and 793.043 hector acres of land in respect of which lease deeds are yet to be renewed and The Orissa Minerals Development Company Limited and The Bisra Stone Lime Company Limited have not been permitted to carry on the operations by the Government on the said respective lands.

16 Share capital

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Authorised		
4,890,000,000 (31 st March 2017: 4,890,000,000) equity shares of ₹ 10 each	4,890.00	4,890.00
3,110,000,000 (31 st March 2017: 3,110,000,000) 7% non-cumulative redeemable preference shares of ₹ 10 each	3,110.00	3,110.00
	8,000.00	8,000.00
Issued, subscribed and paid-up capital		
4,889,846,200 (31 st March 2017: 4,889,846,200) Equity Shares of ₹ 10 each.	4,889.85	4,889.85
Total	4,889.85	4,889.85

(i) **Reconciliation of the number of equity shares outstanding at the beginning and at end of the reporting period:**

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	Amount (₹ in Crores)	No. of shares	Amount (₹ in Crores)
Shares outstanding at the beginning of the year	4,889,846,200	4,889.85	4,889,846,200	4,889.85
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,889,846,200	4,889.85	4,889,846,200	4,889.85

Terms and rights attached to equity shares

The Holding Company has only one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of the equity share, as reflected in the records of the Holding Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The Holding Company declares and pays dividends in Indian rupees. The Holding Company may declare dividend in the Annual General Meeting as recommended by the Board of Directors.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) **Particulars of shareholders holding more than 5% of total number of equity shares**

Particulars	31 st March 2018		31 st March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each, fully paid up held President of India	4,889,846,200	100%	4,889,846,200	100%

(iii) Holding Company does not have any holding company as at 31st March 2018/ 31st March 2017

(iv) For the period of five years immediately preceding the reporting date -

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

17 Other equity

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
(A) Reserves and surplus		
Retained earnings		
Balance at the commencement of the year	819.89	2,140.70
Add: Surplus as per Statement of Profit and Loss	(1,431.12)	(1,283.58)
Add: Other comprehensive income (net of tax)	20.41	(36.20)
Add: Additions*	13.35	-
Less: Appropriations:		
- Dividend including dividend distribution tax	(0.33)	(0.60)
- Appropriations of reserves	(0.05)	(0.43)
Balance at the end of the year	(577.86)	819.89
Other reserves		
Capital Redemption Reserve		
Balance at the commencement of the year	2,937.47	2,937.47
Movement during the period	0.00	0.00
Balance at the end of the year	2,937.47	2,937.47
Capital reserve		
Balance at the commencement of the year	(0.46)	(0.46)
Addition during the year	0.00	0.00
Balance at the end of the year	(0.46)	(0.46)
Reserve fund as per RBI Act (Special reserve)		
Balance at the commencement of the year	0.72	0.63
Addition during the year	0.00	0.00
Appropriation to reserves	0.03	0.09
Balance at the end of the year	0.75	0.72
General reserve		
Balance at the commencement of the year	3.82	3.48
Addition during the year	0.02	0.34
Balance at the end of the year	3.84	3.82
Total reserves and surplus (A)	2,363.74	3,761.45
(B) Other comprehensive income		
Share of other comprehensive income of equity accounted investees		
Balance at the commencement of the year	29.69	28.83
Addition during the period	0.99	0.86
Balance at the end of the year	30.68	29.69
Total other comprehensive income (B)	30.68	29.69
Total other equity (A+B)	2,394.42	3,791.14

*Represents change in the share of net assets of equity accounted investees upto 31st March, 2018 due to change in ownership interests in associate, ICVL.

18 Borrowings

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current borrowings		
Term loan from banks		
- Secured bank loans	6,545.16	5,365.10
- Unsecured bank loans	-	476.61
Current maturities of term loans	909.05	315.00
	7,454.21	6,156.71
Less: Amount included in other financial liabilities-Current	909.05	315.00
Total non-current borrowings	6,545.16	5,841.71
Current borrowings		
Loans from Banks		
- Secured working capital borrowings (by hypothecation of current assets)	3,181.06	1,690.35
- Loan from IDBI Bank including accrued interest against Fixed Deposit	40.14	-
- Unsecured working capital borrowings	1,880.88	2,280.21
- Unsecured foreign currency facilities	2,178.31	2,101.15
Commercial papers (Unsecured)	1,981.02	1,977.13
Total current borrowings	9,261.41	8,048.84

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 39.

A. Terms of Repayment and Nature of Security of Non-Current Borrowings(Holding Co.)

- Indian rupee loan amounting to ₹ 900.00 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 movable plant and machinery and all other movable assets except current assets. The loan is repayable in structured consecutive quarterly instalments started from first quarter of FY 2017-18 and the last instalment is due on 31st March 2022.
- Indian rupee loan amounting to ₹ 3657.00 Crores from SBI secured by pari passu first charge on movable plant and machinery and all other movable assets except current assets. The loan is repayable in structured consecutive quarterly instalments started from last quarter of FY 2016-17 and the last instalment is due on 31st March 2031.
- Indian rupee loan amounting to ₹ 712.01 Crores from SBI secured by pari passu first charge on movable plant and machinery and all other movable assets except current assets. The loan is repayable in structured consecutive quarterly instalments starting from first quarter of FY 2018-19 and the last instalment is due on 31st March 2031.
- Indian rupee loan amounting to ₹ 912.23 Crores from Canara Bank secured by hypothecation of movable fixed assets including Plant & machinery out of proceeds of the term loan. The loan is repayable in structured consecutive quarterly instalments starting from 30th Sep 2022 and the last instalment is due in 30th June 2027.
- Indian rupee loan amounting to ₹ 200.00 Crores from Vijaya Bank secured by hypothecation of movable fixed assets. The loan is repayable in structured consecutive quarterly instalments starting from 30th June 2022 and the last instalment is due in 31st March 2027.
- Indian rupee loan amounting to ₹ 163.92 Crores from IDBI secured by primary security as pari passu mortgage and charge in favour of IDBI, of all moveable fixed assets and immovable assets excluding Project land at Forged Wheel Plant, Lalganj, Uttar Pradesh both present and future. Collateral security as pari passu charge on Plant and Machinery of Holding Company's Visakhapatnam Plant to the extent of loan amount. The loan is repayable in structured consecutive quarterly instalments starting from 31st March 2023 and the last instalment is due in 31st December 2030.

B. Loans guaranteed by Directors and others

Nil Nil

C. Default in repayment of loans and interest

Nil Nil

D.Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	For the year ended 31 st March 2017	Cash Flows : Inflow / (Outflow)	Non-Cash Changes		For the year ended 31 st March 2018
			Foreign Exchange Movement	Fair Value Change	
Long-Term Borrowings (including current maturity)	6156.71	1295.11	2.39	-	7454.21
Short Term Borrowings	8048.84	1186.17	26.40	-	9261.41

19 Other financial liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current other financial liabilities		
Security deposits	25.90	13.51
Other liabilities	-	0.02
Total non-current other financial liabilities	25.90	13.53
Current other financial liabilities		
Current maturities of long-term debt:		
- Term loans	909.05	315.00
Interest accrued but not due on borrowings	25.83	51.79
Interest accrued and due on borrowings	5.57	4.60
Earnest money, security & other deposits	291.52	297.11
Capital creditors	171.18	101.79
Employee related payables and recoveries	3.59	1.42
Royalty payable	1.17	1.77
Unpaid dividends**	0.92	1.19
Unclaimed amount on redemption of preference shares	0.02	0.02
Amount payable to related party	-	-
Other financial liabilities*	4,160.49	2,826.15
Total current other financial liabilities	5,569.35	3,600.84

* Other financial liabilities includes ₹ 678.08 Crs (Previous year ₹ 499.43 Crs) provision on account of pay revision in respect of Executive employees and Non-Executive employees of Holding Co and includes demand of State Govt.of Odisha including interest against excess mining of ₹ 235.28 Crs in respect of OMDC.,

**Unpaid dividend with respect to the Eastern Investment Limited includes ₹ 0.16 Crores for March 31, 2018 with respect to dividend lying unpaid and held in abeyance.Unpaid dividend with respect to The Orissa Minerals Development Company Limited includes ₹ 0.52 Crores for disputed dividend as on March 31, 2018.

The Group's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 39.

20 Provisions

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Non-current provisions		
Provision for employee benefits		
Liability for Gratuity	16.02	15.45
Liability for Compensated Absences	316.07	307.42
Liability for Retirement Benefits	455.02	428.74
Liability for Employee Family Benefit Scheme	189.62	190.03
Liability for Service Awards	41.55	39.81
Liability for Leave Travel Concession	12.02	-
Liability for Super annuation Fund	0.05	0.04
Total provisions for employee benefits (A)	1,030.35	981.49
Other provision		
Provision for rates and taxes	0.49	0.49
Provision for mines closure obligation	3.61	3.48
Total other provision (B)	4.10	3.97
Total non-current provisions (A+B)	1,034.45	985.45
Current provisions		
Provision for employee benefits		
Liability for gratuity*	545.87	13.99
Liability for compensated absences	29.44	51.99
Liability for retirement benefits	42.15	30.95
Liability for employee family benefit scheme	35.83	33.64
Liability for service awards	2.77	3.80
Liability for leave travel concession	13.84	4.27
Total provisions for employee benefits (A)	669.90	138.64
Other provisions		
Provision for Site Reclamation	8.32	4.01
Provision for wildlife conservation plan	4.82	3.78
Provision for lease renewal fees	-	3.32
Provision for other legal obligations	19.13	19.13
Other Provisions	1.63	0.04
Total other provisions (B)	33.90	30.27
Total current provisions (A+B)	703.80	168.91

*Subsequent to the amendment to the Gratuity Act, 1972 increasing the ceiling amount, an amount of ₹ 541.05 Crores has been provided towards the Gratuity Liability and same has been shown as exceptional item of Holding Co.

Movement in provision for Mine closure obligation / Site Reclamation

(₹ in Crores)

Particulars	Mine closure obligation/Site Reclamation
Balance at 1 st April 2016	7.24
Provisions made during the year	0.25
Balance at 31 st March 2017	7.49
Balance at 1 st April 2017	7.49
Provisions made during the year	4.44
Balance at 31 st March 2018	11.93

Mine closure obligation

A provision for mine closure obligation is recognised considering the future obligation on the Group for the restoration of mines.

Name of the Mine of Holding Co.	Lease expiry
Jaggayyapeta	8-Jul-2020
Madharam	13-Jul-2020
Garbham	7-Oct-2022

21 Other non current liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Others		
Deferred income	82.39	76.75
Total	82.39	76.75

A. Deferred income (Holding Co.)

- The amount received is on account of Prime Minister Trophy, Steel Minister Trophy and Steel Minister Development fund amounting to ₹ 4.25 Crores (31st March 2017: ₹ 4 Crores) and has to be spent for specific purposes and hence the same is currently recognised as deferred income. Subsequently, the amount will be amortised over the period in which the cost incurred shall be recognised.
- Customs duty liability of ₹ 69.04 Crores (31st March 2017 ₹ 69.04 Crores) being the duty saved on import of Capital goods and spares under the EPCG scheme for which export obligations are yet to be discharged is currently recognised as deferred income. Subsequently, the amount will be recognised in the statement of Profit & Loss as other income in the period in which the export obligations are discharged. Such export obligations yet to be discharged at year end aggregate to ₹ 426.92 Crores (31st March 2017 ₹ 426.92 Crores)
- Amount of ₹ 5 Crores received as Subsidy from Government towards establishment of 5MW Solar Power Plant has been recognised as deferred Income. This is amortised over the life of the asset.

22 Trade and Other payables

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Trade payables		
-MSME	74.67	35.31
-Others	1,153.29	1,026.45
Total	1,227.96	1,061.76

All trade payables are 'current'.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 39

23 Derivatives - Liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Foreign exchange contracts	0.60	138.38
Total	0.60	138.38

24 Other current liabilities

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Income Received in advance	1.92	2.09
Advances from customers	221.55	190.68
Statutory Liabilities	298.15	336.74
Other advances/liabilities*	6.57	12.62
Total	528.19	542.13

*Other liabilities of The Orissa Minerals Development Company Limited include the amount of liabilities towards liabilities for surface rent and royalty ₹ 5.31 Crores

25 Revenue from operations

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
A. Sale of products (including excise duty)		
Domestic sales	14,919.56	11,686.04
Less: Sale of trial run production (transferred to CWIP)*	2,127.62	388.27
	12,791.94	11,297.77
Export sales	1,725.01	1,050.82
Less: Sale of trial run production (transferred to CWIP)	31.11	0.72
	1,693.90	1,050.10
Total Sale of Products (A)	14,485.84	12,347.87
B. Other operating revenues		
Internal consumption	31.50	29.68
Export benefits	84.10	38.66
Dividend Income	0.02	0.02
Interest Income	54.56	61.76
Others	31.91	33.08
Total other operating revenues (B)	202.09	163.20
Total revenue from operations (A+B)	14,687.93	12,511.07

*includes Excise Duty of ₹ 31.25 Crores (Previous Year: ₹ 44.68 Crores)

Revenue from operations for the periods up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18-'Revenue', GST is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the period ended on 31st March, 2018 is not comparable with the previous periods.

26 Other income

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Interest income under the effective interest method on:		
Banks	0.17	0.28
Loans to employees	8.15	8.89
Others	69.25	56.02
Dividend income on equity instruments	-	-
Claims for finished goods (shortages and missing wagons)		-
Rent income from property subleases	32.12	30.99
Liquidated damages	110.84	104.19
Net gain on sale of property, plant and equipment	0.42	0.52
Write back of provisions no longer required	8.00	11.45
Sundry receipts	39.62	49.36
Total	268.56	261.70

Note:In case of Holding Co., As against our revised claim of ₹ 318.68 Crores towards damages caused by Hudhud cyclone, an amount of ₹ 140.25 Crores is paid by the insurance company as "on account payment" up to 2015-16 which has been accounted in earlier years. The expenditure on account of damages caused by 'Hudhud cyclone is accounted under several primary heads of accounts as it is difficult to reliably identify the said expenditure for its separate disclosure.

27 Cost of material consumed

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Raw materials		
Coal	6,112.90	4,593.87
Coke and Coke breeze	75.84	33.42
Iron ore	3,378.98	2,402.69
Limestone*	176.86	156.96
Dolomite	143.09	125.60
Silico manganese	488.51	333.24
Ferro silicon	74.57	51.98
Aluminium	112.43	82.93
Manganese ore	3.40	2.38
Petroleum coke	28.39	19.02
Sea Water magnesite	16.15	15.70
Others	44.96	30.38
Total	10,656.08	7,848.17
Add: Output from trial run production	216.75	244.01
Less: Material Consumed for trial run production	2,222.66	1,088.58
Less: Inter account adjustments - raw material mining cost	65.33	63.96
Total	8,584.84	6,939.64

*Excluding intercompany transactions

28 Changes in inventory of finished goods and work-in-progress

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Opening stock	2,366.04	1,895.57
Less: Closing stock	2,438.20	2,366.04
	(72.16)	(470.47)
Less: Excise duty on accretion / depletion to stock (including IGST Credit)	119.51	(72.93)
Total	(191.67)	(398.05)

Note : In case of Holding Co:

Particulars	31 st March 2018	31 st March 2017
Cost of inventories valued at net realisable value	203.88	241.23
Inventories valued at net realisable value	198.53	229.37
Write down of inventories charged as expense	5.35	11.86

29 Employee benefits expense

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Salaries and wages	2,054.66	1,869.48
Contribution to provident fund and other funds	174.11	167.06
Expenses related to compensated absences	-	-
Staff welfare expenses	158.36	170.74
Total	2,387.13	2,207.30

Note:

(i) In the case of Holding Co, Expenditure on Employee benefits not included above and charged to :

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Salaries and wages	90.21	89.46
Company's contribution - provident fund & other funds	26.64	8.06
Staff Welfare expenses	6.12	8.14
Total	122.97	105.66

(ii) Exceptional items:

In case of Holding Co., Govt of India enhanced the ceiling on payment of Gratuity to employees, from the earlier limit of ₹ 10 lakh to ₹ 20 lakh per employee with effect from 29th March, 2018. Accordingly, the additional liability towards enhanced Gratuity has been fully recognized in the statement of Profit and Loss for the year ended 31.03.2018, complying with the IndAS-19 standard dealing with "Employee Benefits". Keeping in view the disclosure requirements under IndAS-1 dealing with "Presentation of Financial Statements", it is disclosed in the financial statements separately as Exceptional item, to enable the users of the financial statements to assess the relative financial performance of the company appropriately.

30 Finance costs

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Interest expense on financial liabilities :		
Foreign currency facilities	81.23	157.70
Bank loans and commercial papers	850.06	603.18
Others	5.09	5.60
Other borrowing costs	3.89	2.43
Total	940.27	768.91

Note:

(i) In the case of Holding Co, Expenditure on finance cost not included above and charged to :

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Interest - Banks	219.98	252.80
Total	219.98	252.80

(ii) In case of general borrowings of Holding Co., the weighted average rate of borrowing cost for the year 2017-18 is 9.30% (FY 2016-17 : 10.40%)

31 Depreciation and amortisation expense

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Depreciation of property, plant and equipment	764.75	645.24
Amortisation of intangible assets	28.73	18.69
Total	793.48	663.93

32 Other expenses

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Consumption of stores and spare parts	625.32	485.46
Power and fuel (Refer note 32.1)	1,082.29	1,066.77
Repairs and maintenance (Refer note 32.2)	458.95	355.87
Remuneration to auditors	0.45	0.43
Rent	2.95	3.02
Rates and taxes	6.94	15.31
Insurance	27.78	22.82
Handling and scrap recovery	195.50	154.29
Freight outward	577.36	531.00
Research and development expense	1.04	0.41
Provisions		
Shortage/damaged material/obsolescence/non-moving items of stores	3.24	2.24
Doubtful advances and claims	1.13	1.70
Doubtful Debts	0.66	0.08
Others	0.95	0.63
Write-offs		
Property, plant and equipment written off	28.30	1.97
Shortage /damaged material /obsolescence /non-moving items of stores	-	0.19
Doubtful advances and claims	0.01	0.05
Unviable mines expenditure- written off	0.23	7.88
Bad debts	-	-
Sundries	352.54	118.91
Net (Gain) /Loss arising on Financial instruments designated as FVTPL	43.42	83.06
Donation	3.92	1.89
Miscellaneous expenses (Refer note 32.3)	406.43	153.96
Total	3,819.40	3,007.91

Note:-

In respect of The Orissa Minerals Development Company Limited:-

(a) Compensation against Excess Mining:-Pursuant to the Judgement of Hon'ble Supreme Court dated 02.08.2017, Dy. Director of Mines, Odisha had issued different demand notices dated 02.09.2017, 23.10.2017 & 13.12.2017 to OMDC for OMDC Leases and to BPMEL for BPMEL Leases towards compensation. The amount of Demand for OMDcLeases is ₹ 556.99 Crores and for BPMEL Lease is ₹ 861.57 Crores, totalling ₹ 1418.56 Crores, excluding the value of un-disposed stock.

OMDC had been operating BPMEL Leases backed by Power of Attorney to sign and execute all mining leases and other mineral concessions from time to time. As the Mining Rights of BPMEL Leases are subjudice, the consequence of legal outcome is not known as on 31.03.2018.

The writ petition before Odisha High Court with revised calculation of compensation was submitted contesting the original claim of ₹ 1418.56 Crores. Letters dated 24.04.2018 were issued to "The Principal Secretary to Govt.", Govt. of Odisha with revised calculation of compensation requesting to revise the original claim. The Compensation of OMDc Leases as per the revised calculation is ₹ 235.28 Crores (including 12% interest upto 31.03.2018 and net of payment made), which has been provided in books of accounts. The Balance amount of compensation against OMDc leases and the total amount of compensation against BPMEL Leases with interest are shown under Contingent Liabilities.

(b) Restoration cost of Plant & Machinery:- An additional amount of ₹ 4.18 Crores has been provided for restoring the asset in running condition based on technical evaluation.

(c) Provision on Investment: The Company had an Investment in M/s EIML and the Joint Venture Agreement with the party had expired on 04.10.2013. An amount of ₹ 2.81Crores has been provided for dimunition in the value of Investment as the recoverability of the same from the party is doubtful. Investment on Woodland Multi-speciality Hospital of ₹ 0.05 Lacs and The Sijua (Jherriah) Electric Supply Co. Ltd. of ₹ 0.01 Lacs has been provided for.

32.1 Power and fuel

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Purchased power	438.67	477.82
Coal	640.24	584.79
Furnace oil/ LSHS/ LDO	3.38	4.16
Total	1,082.29	1,066.77

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

32.2 Repairs and maintenance

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Plant and Equipment	275.51	193.88
Buildings	45.99	30.50
Others	137.45	131.49
Total	458.95	355.87

32.3 Miscellaneous expenses

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Technical services	6.12	10.20
Travelling expenses	65.88	62.57
Printing and stationery	2.26	2.18
Postage and telephone	4.09	4.24
Water Charges	81.26	68.38
Legal expenses	2.14	2.12
Bank charges	6.00	3.16
Community development welfare	6.03	6.78
Security expenses	91.89	83.09
Entertainment expenses	2.38	1.78
Advertisement	17.99	13.28
Demurrages and wharfages	4.57	0.97
ISO Audit Expenses	0.19	0.04
Selling expenses	15.93	11.81
Exchange differences (Net)	99.69	(116.63)
Total	406.43	153.96

32.4 Details of Corporate Social Responsibility expenditure

(₹ in Crores)

Particulars	Holding Co		Subsidiary	
	For the year ended		For the year ended	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
(a) Amount required to be spent by the Company during the year	Nil	Nil	0.71	0.46
(b) Amount spent during the year				
- Construction/ acquisition of any asset	0.00	0.00	0.00	0.00
- On purpose other than above	9.60	8.53	0.20	0.14
Total	9.60	8.56	0.20	0.14

32.5 In the case of Holding Co, Expenditure on Other expenses not included above and charged to :

(₹ in Crores)

Particulars	For the year ended	
	31 st March 2018	31 st March 2017
Capital Work in Progress / Expenditure During Construction		
Power and fuel	2.80	2.52
Repairs and maintenance - Plant and equipment and others	0.14	-
Security expenses	0.87	2.96
Travelling expenses	2.32	4.75
Postage and telephone	0.16	0.22
Water charges	22.91	16.98
Advertisement	0.24	0.64
Technical consultants	-	0.14
Sundries	-	-
Total	29.44	28.21

33 (a) Statement of Compliance

These are the Group's consolidated financial statements prepared in accordance with IND AS.

The financial statements were authorized for issue by the Board of Directors on 06th September 2018.

(b) The Subsidiary Companies, Joint Ventures and Associate Companies considered in the Consolidated Financial Statements are as Follows:

Name of the Company	Ownership in % either directly or through Subsidiaries@ 2017-18	Ownership in % either directly or through Subsidiaries@ 2016-17	Country of Incorporation
---------------------	---	---	--------------------------

A. Subsidiaries:

Eastern Investments Limited (EIL)	51.00	51.00	India
-----------------------------------	-------	-------	-------

Subsidiaries of EIL:

1 The Orissa Minerals Development Company Limited (OMDC)	50.01	50.01	India
2 The Bisra Stone Lime Company Limited (BSLC)	50.22	50.22	India

The accounts of The Borra 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
RINL POWERGRID TLT Pvt Ltd	50.00	50.00	India

C. Associate

International Coal Ventures Pvt Ltd (ICVL)	25.94	26.47	India
--	-------	-------	-------

34 Use of estimates and judgement

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 9 – utilization of tax losses

Note 35 – measurement of defined benefit obligations

Notes 20 and 40 – provisions and contingencies

35 Employee benefits

(i) Contribution to Superannuation Benefit Scheme

An amount of ₹ 6.53 Crores (31st March 2017: ₹ 6.48 Crores) recognised in the Statement of Profit and Loss Account and ₹ 0.34 Crores (31st March 2017: ₹ 0.35 Crores) in Capital Work in Progress towards Superannuation Benefit Scheme (Post Employment Benefit - Defined Contribution Plan).

(ii) General description of the post employment benefits

a) Provident fund

The Group pays fixed contribution to Provident Fund, at predetermined rates, to a separate Trust, which invests the funds in permitted securities. On the contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Government of India. The obligation of the Group 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.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

b) Gratuity

The Group has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The Gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement/ exit. The defined benefit plan for gratuity is administered by a Gratuity is fully funded by the Group. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. Employees do not contribute to the plan.

c) 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.

d) Retirement medical benefits

Medical benefits are available to retired employees at the Holding Company's hospital/ under the health insurance policy.

e) Farewell scheme

Employees superannuating from the service of the Holding company shall be given 10 Gms of gold each. The scheme shall cover all regular employees of the Holding company.

(iii) Other disclosures, as required under IND AS 19 on "Employee Benefits", in respect of post employment defined benefit obligations are
- Gratuity

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	854.41	805.56
Benefits paid	(46.38)	(49.34)
Current service cost	8.39	8.67
Past service cost	559.98	-
Interest cost	61.31	61.63
Actuarial loss/ (gain) on obligation	(13.19)	27.89
Balance at the end of the year	1,424.52	854.41
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	824.97	804.27
Contributions paid into the plan	15.66	2.64
Benefits paid	(46.55)	(49.30)
Expected return	59.17	60.84
Interest income	0.77	0.84
Actuarial gain/ (loss) on plan assets	8.72	5.68
Balance at the end of the year	862.74	824.97
Net defined benefit liability (asset)	561.78	29.44
<i>Expense recognised in profit and loss</i>		
Current service cost	8.39	8.67
Interest cost	2.08	0.10
Past service cost	-	-
Charged to P & L	541.50	-
Charged to Capital Work in Progress / Expenditure During Construction	18.65	-
Interest income	-	-
Total	570.62	8.77
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(13.19)	27.89
Difference between actual return and interest income on plan assets - (gain)/loss	(8.90)	(5.82)
Total	(22.09)	22.06
<i>Plan assets</i>		
Cash and cash equivalents	0.71	1.82
Funds managed by Insurer	862.03	823.15

- Retirement medical benefits

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	414.22	348.26
Benefits paid	(7.07)	(5.70)
Current service cost	16.95	14.25
Interest cost	30.39	27.29
Actuarial loss/(gain) on obligation	(4.75)	30.12
Balance at the end of the year	449.74	414.22
<i>Expense recognised in profit and loss</i>		
Current service cost	16.95	14.25
Interest cost	30.39	27.29
Total	47.34	41.54
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(4.75)	30.12
Total	(4.75)	30.12

- Retirement settlement benefits

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	45.46	42.35
Benefits paid	(2.80)	(3.23)
Current service cost	2.18	2.03
Interest cost	3.26	3.22
Actuarial loss/(gain) on obligation	(0.69)	1.10
Balance at the end of the year	47.41	45.46
<i>Expense recognised in profit and loss</i>		
Current service cost	2.18	2.03
Interest cost	3.26	3.22
Total	5.44	5.25
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(0.69)	1.10
Total	(0.69)	1.10

- Farewell scheme

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	37.85	35.48
Benefits paid	(1.17)	(1.21)
Current service cost	0.94	0.88
Interest cost	2.76	2.75
Actuarial loss/(gain) on obligation	(0.06)	(0.06)
Balance at the end of the year	40.32	37.85
<i>Expense recognised in profit and loss</i>		
Current service cost	0.94	0.88
Interest cost	2.76	2.75
Past service gain	-	-
Total	3.70	3.64
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(0.06)	(0.06)
Total	(0.06)	(0.06)

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages): (₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Discount rate	7.68%	7.40%
Rate of increase in compensation levels	7.00%	7.00%
Expected return on plan assets	7.00%	7.40%
Medical Inflation Rate	5.00%	5.00%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

- Gratuity

(₹ in Crore)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
1. Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(47.86)	51.04	(28.60)	30.38
- Current service cost	23.95	26.79	(0.85)	0.24
2. Effect of 0.5% Change in the assumed salary escalation rate				
- Defined benefit obligation	23.58	(27.24)	2.42	(2.53)
- Current service cost	24.16	27.03	(0.28)	(0.34)

- Retirement medical benefits

(₹ in Crore)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
1. Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(34.43)	38.66	(32.17)	36.17
- Current service cost	0.04	3.04	1.38	4.18
2. Effect of 0.5% Change in the assumed medical inflation rate				
- Defined benefit obligation	40.17	(35.94)	37.76	(33.73)
- Current service cost	3.10	(0.02)	4.25	1.32

- Retirement settlement benefits

(₹ in Crore)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
1 Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(1.64)	1.74	(1.71)	1.82
- Current service cost	0.02	0.18	0.07	0.24

- Farewell scheme

(₹ in Crore)

Particulars	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% Change in the assumed discount rate				
- Defined benefit obligation	(1.77)	1.92	(1.78)	1.93
- Current service cost	0.02	0.11	0.01	0.11

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(iv) Provident fund :

The Group'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 35 (ii) (a).

36 Capital management

The Group aims to maintain a strong capital base so as to maintain the confidence of investor, creditor and market and to sustain future development of the business.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the effective portion of cash flow hedges and cost of hedging, if any.

The Group's adjusted net debt to equity ratio at the reporting dates were as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Total net debt	16,715.62	14,205.55
Less: cash and cash equivalents	879.28	866.76
Adjusted net debt	15,836.34	13,338.79
Total equity	7,668.91	9,262.43
Less: Cost of hedging	-	-
Adjusted equity	7,668.91	9,262.43
Adjusted net debt to adjusted equity ratio	2.07	1.44

37 Earnings per share (not annualised)

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year:

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
i. Profit/ (loss) attributable to equity shareholders (₹ in Crores)	(1,431.12)	(1,283.58)
ii. Weighted average number of Equity Shares outstanding during the year	4,889,846,200	4,889,846,200
iii. Face value per share (₹)	10	10
Basic and Diluted EPS (₹)	(2.93)	(2.62)

The Holding Company does not have any potentially dilutive equity shares outstanding during the year.

38 Leases

A. Operating lease in the capacity of lessor

The Group has leased out facility under cancellable operating lease agreements. Hence, the Group is not required to disclose the future lease income as per the provisions of Ind AS 17.

B. Operating lease in the capacity of lessee

The Group has taken on lease various offices under cancellable operating lease agreements. Hence, the Group is not required to disclose the future lease payments as per the provisions of Ind AS 17.

39 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31st March 2018 (₹ in Crores)

Particulars	Carrying Amount				Fair Value				
	Fair value hedging instruments	Mandatorily at FVTPL others	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in others*	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Security deposits*			305.14		305.14				-
Employee loans			71.29		71.29				-
Loans and advances			206.61		206.61				-
Trade receivables*			999.16		999.16				-
Accrued interest*			75.69		75.69				-
Cash and cash equivalents*			879.28		879.28				-
Other receivables*			94.83		94.83				-
			2,632.00		2,632.00				-
Financial liabilities measured at fair value									
Interest rate swaps									-
Forward exchange contracts		0.60			0.60		0.60		0.60
		0.60			0.60		0.60		0.60
Financial liabilities not measured at fair value*									
Secured bank loans				10,156.27	10,156.27				-
Unsecured bank loans				4,538.19	4,538.19				-
Commercial papers				1,981.02	1,981.02				-
Accrued interest				25.83	25.83				-
Accrued income				-	-				-
Trade payables				1,227.96	1,227.96				-
Security deposits received				25.90	25.90				-
Earnest money deposits				291.52	291.52				-
Claims payable				-	-				-
Capital creditors				171.18	171.18				-
Other liabilities				4,166.20	4,166.20				-
				22,584.06	22,584.06				-

* The carrying amounts of these financial instruments recognized in the financial statements are a reasonable approximation of their fair values.

Particulars	Carrying Amount				Fair Value				
	Fair value hedging instruments	Mandatorily at FVTPL others	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in others*	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Security deposits*			285.96		285.96				
Employee loans			61.47		61.47				
Loans and advances			220.97		220.97				
Trade receivables*			881.19		881.19				
Accrued interest*			71.03		71.03				
Cash and cash equivalents*			866.76		866.76				
Other receivables*			85.68		85.68				
	-	-	2,473.04	-	2,473.04	-	-	-	-
Financial liabilities measured at fair value									
Interest rate swaps									
Forward exchange contracts		138.38			138.38		138.38		138.38
	-	138.38	-	-	138.38	-	138.38	-	138.38
Financial liabilities not measured at fair value*									
Secured bank loans				7,370.45	7,370.45				
Unsecured bank loans				4,857.97	4,857.97				
Commercial papers				1,977.13	1,977.13				
Accrued interest				51.79	51.79				
Accrued income				-	-				
Trade payables				1,061.76	1,061.76				
Security deposits received				13.51	13.51				
Earnest money deposits				297.11	297.11				
Claims payable				-	-				
Capital creditors				101.79	101.79				
Other liabilities				2,830.56	2,830.56				
	-	-	-	18,562.08	18,562.08	-	-	-	-

* The carrying amounts of these financial instruments recognized in the financial statements are a reasonable approximation of their fair values.



B. Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Interest rate swaps	Swap models: The fair value is determined using quoted swap rates at the reporting date.	Not applicable	Not applicable
Financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

C. Financial risk management

Risk management framework

The Group is exposed to various risk in relation to financial instruments. The Group's financial asset and liabilities by category are summarised in note 39A. The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. The Group has exposure to the following risks arising from financial instruments:

- i) credit risk
- ii) liquidity risk
- iii) market risk

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers; and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

(₹ in Crores)

Particulars	31st March 2018	31st March 2017
Balance at 1st April	23.46	23.51
Net measurement of loss allowance	(0.15)	(0.05)
Balance at 31st March	23.31	23.46

Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 879.28 Crores at 31st March 2018 (31st March 2017: ₹ 866.76 Crores). The cash and cash equivalents are only held with highly rated banks.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties

Derivatives

The derivatives are only entered into with highly rated scheduled banks.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of long term financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements

In case of Holding Co.

31st March 2018

(₹ in Crore)

Particulars	Contractual Cashflows					
	Carrying Amount	Total	12months or less	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Secured bank loans	6,545.16	6,545.16	-	448.80	1,907.23	4,189.13
Unsecured bank loan	-	-	-	-	-	-
	6,545.16	6,545.16	-	448.80	1,907.23	4,189.13
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
Other forward exchange contracts	0.60	0.60	0.60	-	-	-
	0.60	0.60	0.60	-	-	-

31st March 2017

(₹ in Crore)

Particulars	Contractual Cashflows					
	Carrying Amount	Total	12months or less	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Secured bank loans	5,365.10	5,365.10	-	430.05	1,550.40	3,384.65
Unsecured bank loan	476.61	476.61	-	476.61	-	-
	5,841.71	5,841.71	-	906.66	1,550.40	3,384.65
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
Other forward exchange contracts	138.38	138.38	138.38	-	-	-
	138.38	138.38	138.38	-	-	-

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii) Market risk

Market risk is the risk that results from changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Group is Rs. The currencies in which these transactions are primarily denominated is ¹, which is also the Group's functional and presentation currency.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Currency risks related to the principal amounts of the US dollar bank loan, which have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment. These contracts are designated as derivative contracts.

Interest rate risk

The Group aims to minimise its interest rate risk exposure by maintaining a balance of fixed/ floating rate of interest.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Fixed rate instruments		
Financial assets	222.93	229.86
Financial liabilities	6,456.02	5,947.69
	6,678.95	6,177.55
Variable rate instruments		
Financial assets	-	-
Financial liabilities	10,219.45	8,257.86
	10,219.45	8,257.86

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, pre tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2018				
Variable-rate instruments	(102.19)	102.19	(102.19)	102.19
31st March 2017				
Variable-rate instruments	(82.57)	82.57	(82.57)	82.57

40 Contingent liabilities and commitments

Contingent liabilities

A. Claims against Group not acknowledged as debts

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Contractors / suppliers / customers		
CPSE	1.51	5.68
Other than CPSE	655.07	650.37
Local Authorities - state govt.	1,767.89	6,094.73
Sales tax matters*	1,017.07	1,014.05
Income tax	173.97	191.70
Customs / excise duty	257.85	246.85
Others		
CPSE	-	-
Other than CPSE	566.76	526.32
Total	4,440.11	8,729.69

*No liability is expected to arise as the movement of goods were on stock transfer and sales tax is paid on eventual sales.

- B. Claims in Courts in connection with Land Acquisition: - Amount not ascertainable
- C. Liability towards reimbursement of excise duty on structural - Amount not ascertainable
- D. Show cause notices issued by various Government Authorities are not considered as contingent liabilities.
- E. In the case of Eastern Investment Limited:-
- (a) Rent and Cess on Land Revenue: The company had continued to pay Rent and Cess on Land Revenue on Lawrence Property at Bauria @ ₹ 2,012 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, an amount of ₹ 1.13 Crores (Previous year ₹ 1.02 Crores) is shown as contingent liability calculated on the basis of claim last raised.
- A letter ref No EIL/Lawrence Property/01 dated 14-03-2018 has been issued to Block Land & Land Reform Office with a copy to higher authority, i.e. District Land & Land Reform Office and to the next higher authority, i.e. Director of Land Records & Service. It has been requested in the letter to provide the Land Tax dues by BL&LRO for payment by EIL and also requested to consider the compensation for the land acquired by the Govt. of WB which is yet to be received in accordance with the judgment passed by Additional District Judge. Another letter dated 05-04-2018 issued to Additional District Magistrate (LR) & DLLRO, Govt. of West Bengal with a copy to Principal Secretary and Land Reforms Commissioner, Govt. of West Bengal to expedite the matter.

- (b) Stamp Duty on Share Transfer: There is demand from Additional Commissioner of Stamp Revenue Govt of West Bengal for ₹ 0.58 Crores 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 the 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 authorised signatory of EIL. As there is no response to the letter of the Company till date, the amount of ₹ 0.58 Crores is shown as contingent liability. Further correspondence was made with the Dy. Secretary, Finance (Revenue) Dept., Govt. of W.B. on 23.02.2018 with a reminder on 11.04.2018 but no response has been received till finalisation of Balance Sheet.
- (c) Income Tax :Income tax demand in respect of A.Y.2008-09 , A.Y. 2009-10 , A.Y. 2010-11 , A.Y. 2013-14 & A.Y. 2014-15 amounting to ₹ 0.69 Crores has not been deposited as the cases are pending for settlement in Income-tax Dept.(P.Y. ₹ 3.98 Crores)

F. In the case of The Bisra Stone Lime Company Limited:-

- (a) Sales tax related:Demand of ₹ 0.93 Crores (₹ 1.20 Crores) in respect of Odisha Sales Tax and Odisha Entry Tax, challenged in appeal against which a sum of ₹ 0.60 Crore (₹ 0.56 Crore) is deposited with the Sales Tax Authority, balance ₹ 0.33 Crore (₹ 0.64 Crore) remaining unpaid.
- (b) Stamp Duty related: Demand towards stamp duty amounting to ₹ 99.42 Crores have been received from Sub-Divisional Magistrate, Sundargarh, as per provision of Indian Stamp (Odisha Amendment) Act 2013, however all the demands raised under the said Act has been stayed by The Hon'ble Orissa High Court vide its order dated 12th July 2013. Since the matter is sub-judice no provision have been made and past provision have been written back. In the F.Y. 2015-16 Sub-District Magistrate, Sundargarh, has raised a demand as per Indian Stamp (Odisha Amendment) Act 2012 for the mine lease period up to 31/03/2020, which has been duly paid by the Company.
- (c) Others:(i) Provident Fund Claim of ₹ 1.03 Crores which is as per letter dated 21.08.2014.(ii) The Company has received a show cause notice for ₹ 40.90 Crores from Deputy Director of Mines, Rourkela for illegal and excess mining during the period 2000-01 to 2010-11.(iii)Non-Provisioning of Interest amounting to ₹ 1.37 Crores(P.Y. ₹ 0.60 Crores) towards award decided by various courts against creditors of the Company. (iv) As informed to us, the Company has taken measures to ensure legal compliances and filing the annual legal compliance report. The annual legal compliance report is placed before the Board for review. Further, reports on the progress of Arbitration cases are put up for information. Moreover, an internal reporting system has been introduced to indicate the progress of cases in various Courts along with their status from time to time.

G. In the case of The Orissa Minerals Development Company Limited:-

- (a) Arbitration: Arbitration Cases is for ₹ 28.31 Crores.In the case of M/s Orissa Stevedors Limited as per the order of NCLT under Insolvency & Bankruptcy Code, 2016. The cases have not reached its finality and the amount is not crystallised. Claims of contractors for supply of materials/services pending with arbitration/ courts those have arisen in the ordinary course of business. The Company reasonably expect that these legal actions when ultimately concluded and determined will be in favour of the Company and will not have material adverse effect on the Company's results of operation or financial position.
- (b) Local authorities/state govt:Out of the Total Claim of Odisha Govt. Provision has been made in accounts for ₹ 235.28 Crores for OMDC Leases. Remaining amount against demand of OMDC Mines with interest amounting ₹ 322.94 Crores and demand for BPMEL Leases with interest amounting ₹ 887.05 Crores have been shown in contingent liability based on the requested revised calculation submitted before the Principal Secretary of Odisha Govt.
- (c) Others:(i)Bank Guarantee is given to Indian Bureau of Mines for Site Reclamation amounting ₹ 6.57 Crores



VISAKHAPATNAM STEEL PLANT



and as per the revised calculation of reclamation ₹ 14.80 Crores .(ii) In view of applicability of GST w.e.f. 1st July, 2017, GST needs to be paid on reverse charge mechanism for Royalty, Dead & Surface Rent even if the amount is taken as liability in the accounts. For the claim of Odisha Govt. The amount of Dead & Surface Rent of ₹ 1.89 Crores from July, 17 to March, 18 is shown in contingent liability pending renewal of the leases in the name of the company.(iii) For Demand from various statutory authorities towards income tax, sales tax, excise duty, custom duty, service tax, entry tax and other government levies for ₹ 2.37 Crores and ₹ 2.87 Crores . The Company is contesting the demand at appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company’s financial position and results of operation.(iv) 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.

Commitments

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided	2,786.55	5,715.52
Total	2,786.55	5,715.52

Others :

1. Holding Co:“Rashtriya Ispat Nigam Limited (“RINL”) and Air Liquide India Holding Private Limited (“ALIH”) entered into a Contract dated 26 November 2010 for supply of Oxygen and Nitrogen gases and liquids for captive consumption of RINL on a build, own and operate basis (“BOO”) with an option to transfer. The production facility envisaged to be installed and commissioned by ALIH consisted of two air separation units, each of 850 TPD capacity. The contractual time for completion of the entire scope of work was 28 months for the first ASU along with common facility and 30 months for second ASU from the date of the receipt of the letter of acceptance i.e. 6 July 2010.

“Vide letter dated 16 December 2014, ALIH terminated the contract and proposed to transfer the ownership of ASU plant to RINL subject to payment of around ₹ 445 Crores. Thereafter, RINL vide its letter dated 6 January 2015, rejected the termination of the Contract by ALIH and called upon ALIH to perform its obligations under the BOO Contract. However, since ALIH did not withdraw the termination notice, RINL was compelled to agree for in principle takeover of ASP from ALIH subject to inter alia, technical audit of the ASP.

Post the termination of the BOO Contract, several meetings and exchange of correspondences between RINL and ALIH took place in relation to the modalities for the takeover of the ASP by RINL. However, the parties could not agree on the final terms of the takeover. Because of the failure of the negotiations, RINL was compelled to invoke arbitration under Clause No. 32 of the Contract dated 26 November 2010 and appointed its nominee Arbitrator, Dr Arijit Pasayat, Retired Judge, Supreme Court of India. Thereafter, ALIH appointed its nominee Arbitrator, Mr Harish Salve, Senior Advocate and the two appointed nominees nominated the Presiding Arbitrator, Mr Michael Black QC.

Vide the Procedural Order No.1 dated 26 February 2018, the Arbitral Tribunal has provided the time schedule for the arbitration and the final hearing is set to take place from 21 January 2019 to 1 February 2019.

“Pursuant to the Procedural Order No.1, RINL has filed its Statement of Claim before the Arbitral Tribunal on 6 April 2018. RINL has sought three reliefs, in alternative to each other:

- a. Specific Performance of the entire BOO Contract for the period of 15 years in accordance with the terms and conditions of the BOO Contract and damages to the tune of ₹ 1935.64 Crores plus accrued interest.
- b. Takeover of the BOO plant subject to reasonable and fair valuation and damages to the tune of ₹ 1935.64 Crores plus accrued interest.
- c. Damages to the tune of ₹ 3,276.638 Crores.

ALIH filed its Statement of Defence and Counter Claim on 18 May 2018. ALIH has claimed the following reliefs in alternative to each other. The Counter Claim made by ALIH inter alia are as under:

- (i) Claim for actual cost of the Production Facility upon takeover by RINL - ₹ 764,88,86,347 + To Be Assessed (TBA)
- (ii) Claim for Loss of Revenue upon Takeover of the ASP BOO Plant by RINL- ₹ 1426,84,36,079 + TBA.
- (iii) Claim for actual cost of the Production Facility in case there is no takeover - ₹ 734,02,17,548 + TBA;
- (iv) Loss of Revenue in case there is no Takeover of the Production Facility- ₹ 1426,84,36,079 + TBA

Thereafter, on 18 June 2018 RINL has filed its Rejoinder to the Statement of Defence and Defence to the Counter Claims of ALIH.

Meanwhile, ALIH has also moved an application under Section 17 of the Arbitration and Conciliation Act, 1996. In the Application, ALIH is seeking directions from the Arbitral Tribunal enabling ALIH to carry out commissioning activities and upon stabilization, effectuating interim handover of the Production Facility to RINL, subject to payment of a sum of ₹ 250 Crores. The matter is presently pending before the Hon'ble Arbitral Tribunal."

2. In case of The Orissa Minerals Development Co.Ltd, NCLT ADMISSION:-

- (i) The Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of The Orissa Minerals Development Co.Ltd. ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the code") to manage the affairs Of the company vide order dated 20th February, 2018 passed in C.P. No.729/KB/2017. Accordingly, Mr. Bijay Murmura (IP Registration no. IBBI/IPA-001/IP-N-00007/2016-2017/10026) have been appointed as the Interim Resolution Professional ("RP") of the Company, by an order of NCLT with effect from dated 20th February, 2018. The Company has preferred an Appeal u/s 61 of the Code before the Hon'ble NCLAT registered as Company Appeal (AT) (Insolvency) No. 116 of 2018 and the same has been admitted and is pending adjudication before the Hon'ble NCLAT. In view of pendency of the CIRP, and in view of suspension of the powers of Board of Directors, the Powers of adoption of this financial results vests with the IRP. The IRP has relied upon the representations, clarifications and explanations provided by the Managing Director (MD), Chief Financial Officer (CFO) and Key Managerial Personnel of the company.

The Financial Results have been prepared by the management of the company as a going concern entity and certified by MD, CFO in accordance with Regulation 33(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, confirming that the financial statements do not contain any misleading or false statements. The IRP has relied on the representations and statements made by MD and CFO in relation to these financial results. The IRP has approved these financial results only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of section 17 of the Code. It is clarified however that the IRP has not conducted an independent verification of these financial results and has not certified on the truthfulness, fairness, accuracy or completeness of these results, in so far as it pertains to the period prior to commencement of the CIRP and his appointment.

- (ii) As per the Code, the IRP has to receive, collate and admit claims submitted by the creditors of the Company. Such claims can be submitted to the IRP before the constitution of the Committee of Creditors in terms of

Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Pending completion of the CIRP and approval of a resolution plan by the CoC, the impact of such claims that are not yet verified and admitted, if any, have not been considered in the preparation of the financial statements.

3. In the case of The Bisra Stone Lime Company Limited:-

Term Deposits with Scheduled Banks of ₹ 9.42 Crores disclosed under Non-current other financial assets (Note 8) and Cash and cash equivalents (Note 13) are pledged with bank against 100% Margin Money towards Bank Guarantees

4. In case of The Orissa Minerals Development Co.Ltd :-

Due to non-renewal of mining leases in the name of the Company, there are no operations carried out by the Company relating to mining activities.

5. In case of International Coal Ventures Limited (ICVL) :-

ICVL has given Corporate guarantee to EXIM Bank on behalf of ICVL Mauritius, a wholly owned subsidiary of ICVL to secure a short term working capital loan of US\$ 30 million to meet working capital requirement of Mozambique operations. The loan was taken in the FY 2015-16. The loan has been renewed for a period of two years in December, 2017.

41 Equity accounted investees

(₹ in Crores)

Particulars	Note	31 st March 2018	31 st March 2017
Interest in joint venture	See (A) below	3.45	3.47
Interest in associates	See (B) below	536.43	476.57

A. Joint Venture

- i) RIN MOIL Ferro Alloys Private Limited is a joint arrangement in which the Group has joint control and a 50% ownership interests. It is principally engaged in the supply of ferro manganese and silico manganese. RIN MOIL is structured as a separate legal entity and the Group has an interest in the net assets of the entity. Accordingly, the Group has classified its interest in RIN MOIL as a joint venture. The company has not commenced commercial operations.

The following table summarises the financial information of RINLMOIL Ferro Alloys Pvt Ltd and the carrying amount of the Group's interest in the entity.

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Percentage ownership interest	50%	50%
Non-current assets	1.67	1.67
Current assets (including cash and cash equivalents – 31 st March 2018: ₹ 0.02 crores 31 st March 2017: ₹ 0.03 crores)	0.02	0.03
Non-current liabilities	-	-
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions – 31 st March 2018: ₹ 31 st March 2017: ₹ Nil)	(1.55)	(1.56)
Net assets	0.13	0.15
Group's share of net assets (50%)	0.07	0.07
Carrying amount of interest in joint venture	0.07	0.07

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Revenue	-	-
Interest income	0.00	0.01
Depreciation and amortisation expense	0.01	0.01
Income tax expense	-	0.04
Other Expenses	0.01	-
Profit/(loss)	(0.02)	(0.05)
Other comprehensive income	-	-
Total comprehensive income	(0.02)	(0.05)
Group's share of profit (50%)	(0.01)	(0.03)
Group's share of OCI (50%)	-	-
Group's share of total comprehensive income (50%)	(0.01)	(0.03)

- ii) RINL Powergrid TLT Private Limited (RPTPL) is a joint arrangement in which the Group has joint control and a 50% ownership interest. RPTPL has been incorporated in the financial year 2015-16. It has been established for setting up a transmission line tower manufacturing unit (including Research & Development). RPTPL shall manufacture transmission line towers for supplying to various customers in India and abroad. The company has not commenced commercial operations.

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Percentage ownership interest	50%	50%
Non-current assets	8.30	7.69
Current assets (including cash and cash equivalents – 31 st March 2018: ₹ 0.18 crores 31 st March 2017: ₹ 0.16 crores)	0.18	0.16
Share application money pending allotment	(0.60)	-
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions– 31 st March 2018: ₹ Nil 31 st March 2017: ₹ Nil)	(1.11)	(1.05)
Net assets	6.77	6.80
Group's share of net assets (50%)	3.39	3.40
Carrying amount of interest in joint venture	3.39	3.40

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Revenue	-	-
Depreciation and amortisation expense	0.00	-
Interest income	0.00	-
Interest expense	0.00	-
Other Expenses	0.02	-
Income tax expense	0.00	-
Profit/(loss)	(0.03)	-
Other comprehensive income	-	-
Total comprehensive income	(0.03)	-
Group's share of profit (50%)	(0.01)	-
Group's share of OCI (50%)	-	-
Group's share of total comprehensive income (50%)	(0.01)	-

Note: Pending the re-assessment of the demand for transmission towers and the revision in installed capacity accordingly, the Chairman of RPTPL has decided that no further capital expenditure is to be incurred in this project except statutory payments and all the ongoing project work should be kept on hold till a final decision is taken regarding the continuation of the JV project by POWERGRID Board.

B. Associates

International Coal Ventures Limited (ICVL) was set up as a special purpose vehicle for acquisition of coal mines/ blocks overseas for securing coal supplies.

The following table summarises the financial information of ICVL and the carrying amount of the Group's interest in the entity.

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Percentage ownership interest	25.94%	26.47%
Non-current assets	2,233.33	2,217.58
Current assets (including cash and cash equivalents – 31 st March 2018: ₹ 27.02 crores 31 March 2017: ₹ 50.92 crores)	96.60	88.13
Non-current liabilities	(15.98)	(14.59)
Current liabilities (current financial liabilities – 31 st March 2018: ₹ 246.15 crores 31 st March 2017: ₹ 248.39)	(246.27)	(248.55)
Share application money pending allotment	-	(180.00)
Net assets	2,067.68	1,862.58
Group's share of net assets	536.43	476.57
Carrying amount of interest in associate	536.43	476.57

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Revenue	-	-
Depreciation and amortisation expense	0.11	0.13
Other income	(43.46)	(13.91)
Interest expense	6.73	89.91
Other Expenses incl Exceptional items	15.34	(9.21)
Income tax expense	-	0.40
Profit/(loss)	21.28	(67.33)
Other comprehensive income	3.82	3.26
Total comprehensive income	25.10	(64.06)
Group's share of profit/(loss)	5.52	(17.82)
Group's share of OCI	0.99	0.86
Group's share of total comprehensive income	6.51	(16.96)

42 Non-controlling interests

The following table summarises the information relating to Group's subsidiary that has material NCI, before any intra-group eliminations.

Eastern Investments Limited

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
NCI percentage	49%	49%
Non-current assets	127.98	129.99
Current assets	913.41	872.98
Non-current liabilities	(24.12)	(30.04)
Current liabilities	(517.80)	(208.81)
Net assets	225.16	358.20
NCI in subsidiaries books	274.30	405.92
Net assets attributable to NCI	384.63	581.44
Revenue	96.96	97.89
Profit	(264.25)	(10.34)
OCI	0.39	(0.74)
Total comprehensive income	(263.86)	(11.08)
Profit allocated to NCI	(196.70)	(7.91)
OCI allocated to NCI	0.29	(0.54)
Total comprehensive income allocated to NCI	(196.41)	(8.45)
Cash-flow from (used in) operating activities	6.96	4.12
Cash-flow from (used in) investing activities	323.91	50.27
Cash-flow from (used in) financing activities	(0.95)	(0.57)
Net increase (decrease) in cash & cash equivalents	329.92	53.81

43 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship
RINMOIL Ferro Alloys Pvt Ltd	Joint ventures
RINL Powergrid TLT Pvt Ltd	Joint ventures
International Coal Ventures Pvt Ltd (ICVL)	Associate
MINAS DE BENGA LIMITADA	Joint Venture of ICVL

B-I. Key Management personnel as on 31st March 2018

Name of the related party	Nature of relationship
Shri P Madhusudan	Chairman-cum-Managing Director
Shri P C Mohapatra	Director (Projects)
Shri P K Rath	Director (Operations)
Shri P Raychaudhury	Director (Commercial)
Shri Kishore Chandra Das	Director (Personnel)
Shri V V Venugopal Rao	Director (Finance) & CFO

B-II. Independent Directors as on 31st March 2018

Name of the related party	Nature of relationship
Shri S K Srivastava	Independent Director
Shri S K Mishra	Independent Director
Shri K M Padmanabhan	Independent Director
Shri Sunil Gupta	Independent Director
Shri Ashwini Mehra	Independent Director

C. Post employment plans of Group

RINL Employees' Group Gratuity Fund Trust	India
Vishakhapatnam Steel Project Employees' Provident Fund Trust	India
RINL Employees' Superannuation Benefit Fund Trust	India

D. Transactions with related parties during the year ended

(₹ in Crores)

Name of the related party	Nature of transactions	31 st March 2018	31 st March 2017
International Coal Ventures Pvt Ltd (ICVL)	Receipt of equity shares	40.00	55.00
RINL Powergrid TLT Pvt Ltd	Receipt of equity shares	-	3.30
RINL Powergrid TLT Pvt Ltd	Advance Share Capital Paid	0.60	3.30
International Coal Ventures Pvt Ltd (ICVL)	Advance Share Capital Paid	-	40.00
MINAS DE BENGA LIMITADA	Purchases	54.90	20.74
MINAS DE BENGA LIMITADA	Demurrages/ Despatches	-	0.04
International Coal Ventures Pvt Ltd (ICVL)	Salaries Recoverable	0.43	0.40
International Coal Ventures Pvt Ltd (ICVL)	Salaries Reimbursed	-	0.87
RINMOIL Ferro Alloys Pvt Ltd	Refund of Advance	-	0.25
RINL Employees' Group Gratuity Fund Trust	Contribution towards trust	13.99	1.60
Vishakhapatnam Steel Project Employees' Provident Fund Trust	Contribution towards trust	140.60	135.17
RINL Employees' Superannuation Benefit Fund Trust	Contribution towards trust	6.87	6.83

E. Balances outstanding (unsecured & considered good)

(₹ in Crores)

Name of the related party	Details	31 st March 2018	31 st March 2017
International Coal Ventures (p) Ltd	Investment in Associate	376.36	336.36
RINL Powergrid TLT Pvt Ltd	Investment in Joint Venture	3.40	3.40
RINMOIL Ferro Alloys Pvt Ltd	Investment in Joint Venture	0.10	0.10
International Coal Ventures (p) Ltd	Advance against Shares	-	40.00
RINMOIL Ferro Alloys Pvt Ltd	Other financial assets	1.21	1.21
International Coal Ventures (p) Ltd	Other financial assets	0.55	0.10
International Coal Ventures (p) Ltd	Other financial liability	-	0.07
MINAS DE BENGA LIMITADA	Amounts payable	0.04	3.23
RINL Employees' Group Gratuity Fund Trust	Other financial liability/(asset)	545.87	13.99
Vishakhapatnam Steel Project Employees' Provident Fund Trust	Other financial liability	11.62	11.57
RINL Employees' Superannuation Benefit Fund Trust	Other financial liability	0.57	0.57

NOTE :

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Provision for doubtful debts related to the amount of outstanding balances	Nil	Nil

F. Key management personnel compensation & Sitting Fee paid

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
Short-term employee benefits	1.55	1.44
Post-employment benefits	0.46	0.24
Other long-term benefits	0.45	0.26
Termination benefits	-	-
Share-based payment	-	-
Sitting fee paid to Independent Directors	0.29	0.21
	2.75	2.15

44 Operating segments

A Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the holding Company's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the holding Company CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments

Steel products
Others

Operations

Manufacturing of steel products
Mining and investment activities

B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31st March 2018

(₹ in Crores)

Particulars	Steel products	31 st March 2018	31 st March 2017
Segment revenue:			
- External revenue	14,607.18	96.96	14,704.14
- Inter-segment revenue	-	(16.21)	(16.21)
Total segment revenue	14,607.18	80.75	14,687.93
Segment profit (loss) before income tax	(1,905.95)	(269.35)	(2,175.30)
Segment profit (loss) before income tax includes:			
Interest revenue	77.55	0.02	77.57
Interest expense	938.33	1.94	940.27
Depreciation and amortisation	778.26	15.22	793.48
Share of profit (loss) of equity accounted investees	5.50	-	5.50
Other material non-cash items:			
- Impairment losses on non-financial assets	-	-	-
- Reversal of impairment losses on non financial assets	-	-	-
Segment assets	31,639.81	1,041.34	32,681.14
Segment assets include:			
Investments accounted for using equity method	539.88	-	539.88
Capital expenditure during the year	1,522.74	0.33	1,523.07
Segment liabilities	24,470.31	541.92	25,012.23



VISAKHAPATNAM STEEL PLANT

Year ended 31st March 2017

(₹ in Crores)

Particulars	Steel products	31 st March 2018	31 st March 2017
Segment revenue:			
- External revenue	12,418.74	97.89	12,516.62
- Inter-segment revenue	-	(5.56)	(5.56)
Total segment revenue	12,418.74	92.33	12,511.07
Segment profit (loss) before income tax	(1,708.34)	(3.95)	(1,712.29)
Segment profit (loss) before income tax includes:			
Interest revenue	65.17	0.02	65.19
Interest expense	767.74	0.25	767.99
Depreciation and amortisation	658.86	5.07	663.93
Share of profit (loss) of equity accounted investees	(17.85)	-	(17.85)
Other material non-cash items:			
- Impairment losses on non-financial assets	-	-	-
- Reversal of impairment losses on non financial assets	-	-	-
Segment assets	28,770.04	1,002.97	29,773.01
Segment assets include:			
Investments accounted for using equity method	480.04	-	480.04
Capital expenditure during the year	2,456.07	0.15	2,456.22
Segment liabilities	20,271.72	238.87	20,510.59

C Reconciliations of information on reportable segments to Ind AS measures

(₹ in Crores)

Particulars	31 st March 2018	31 st March 2017
i. Revenues		
Total revenue for reportable segments	14,687.93	12,511.07
Revenue for other segments	-	-
Elimination of inter-segment revenue	16.21	5.56
Consolidated revenue	14,704.14	12,516.6
ii. Profit before tax		
Total profit before tax for reportable segments	(2,175.30)	(1,712.29)
Profit before tax for other segments	-	-
Elimination of inter-segment profits	-	-
Unallocated amounts:		
- Corporate expenses	-	-
Consolidated profit from continuing operations before tax	(2,175.30)	(1,712.29)
iii. Assets		
Total assets for reportable segments	32,681.14	29,773.00
Assets for other segments	-	-
Unallocated amounts	-	-
Consolidated total assets	32,681.14	29,773.00
iv. Liabilities		
Total liabilities for reportable segments	25,012.23	20,510.57
Liabilities for other segments	-	-
Unallocated amounts	-	-
Consolidated total liabilities	25,012.23	20,510.57

v. Other material items

31st March 2018

(₹ in Crore)

Particulars	Reportable segments total	Adjustments	Consolidated totals
Interest revenue	79.22	1.65	77.57
Interest expense	941.92	1.65	940.27
Capital expenditure during the year	1,523.07	-	1,523.07
Depreciation and amortisation expense	793.48	-	793.48
Impairment losses on non-financial assets	-	-	-
Reversal of impairment losses on non-financial assets	-	-	-

31st March 2017

(₹ in Crore)

Particulars	Reportable segments total	Adjustments	Consolidated totals
Interest revenue	66.11	0.92	65.19
Interest expense	769.83	0.92	768.91
Capital expenditure during the year	2,456.22	-	2,456.22
Depreciation and amortisation expense	663.93	-	663.93
Impairment losses on non-financial assets	-	-	-
Reversal of impairment losses on non-financial assets	-	-	-

D Major customer

Revenue from any customer of the Group's steel products and other segments does not exceed 10% of the total revenue reported and hence, the management believes there are no major customers to be disclosed.

45 a) Recent Accounting Pronouncements :

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, 'Foreign Currency Transaction and advance consideration and amendment to certain other standards. These amendments are applicable to the Group from 1st April, 2018. The Group will be adopting the amendments from their effective date.

(i) Ind AS 115, Revenue from contracts with Customers.

Ind AS 115 combines, enhances and replaces guidances on recognising the revenue with a single standard. This Ind AS requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The Group is in the process of evaluating the impact on the Financial statements.

(ii) Appendix B to Ind AS 21, 'Foreign currency transaction and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, that an entity must determine transaction date for each payment or receipts of advance consideration. The Group is in the process of evaluating the impact on the Financial statements.

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

46 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

As at 31st March 2018

(₹ in Crore)

Name of the Entity	Net Assets		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Rashtriya Ispat Nigam Limited	94.16%	7,220.96	95.66%	(1,369.01)	94.91%	20.31	95.67%	(1,348.70)
Subsidiaries (Group's share)								
Indian								
Eastern Investments Limited	2.94%	225.16	4.72%	(67.52)	0.46%	0.10	4.78%	(67.42)
Non controlling interest								
Eastern Investments Limited	5.02%	384.63	4.53%	(64.9)	1.36%	0.29	4.58%	(64.58)
Associates								
(investment as per the equity method)								
Indian								
International Coal Ventures Pvt. Ltd.	2.09%	160.08	-0.39%	5.52	4.63%	0.99	-0.46%	6.51
Joint Ventures								
(investment as per the equity method)								
Indian								
RINMOIL Ferro Alloys Private Limited	0.00%	(0.03)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
RINL Power Grid TLT Private Limited	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Eliminations	-4.2%	(321.89)	-4.5%	64.78	-1.4%	(0.29)	-4.6%	64.49
Total	100.00%	7,668.91	100.00%	(1,431.12)	100.00%	21.40	100.00%	(1,409.73)

As at 31st March 2017

(₹ in Crore)

Name of the Entity	Net Assets		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Rashtriya Ispat Nigam Limited	92.52%	8,569.66	98.41%	(1,263.16)	101.88%	(36.00)	98.50%	(1,299.16)
Subsidiaries (Group's share)								
Indian								
Eastern Investments Limited	3.87%	358.18	0.19%	(2.43)	0.55%	(0.19)	0.20%	(2.62)
Non controlling interest								
Eastern Investments Limited	6.28%	581.44	0.18%	(2.33)	1.54%	(0.54)	0.22%	(2.87)
Associates								
(investment as per the equity method)								
Indian								
International Coal Ventures Pvt. Ltd.	1.51%	140.22	1.39%	(17.82)	-2.43%	0.86	1.29%	(16.96)
Joint Ventures								
(investment as per the equity method)								
Indian								
RINMOIL Ferro Alloys Private Limited	0.00%	(0.03)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
RINL Power Grid TLT Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Eliminations	-4.2%	(387.06)	-0.17%	2.18	-1.54%	0.54	-0.21%	2.72
Total	100.00%	9,262.42	100.00%	(1,283.58)	100.00%	(35.34)	100.00%	(1,318.91)



RASHTRIYA ISPAT NIGAM LIMITED

(CIN: U27109AP1982GOI003404)

Regd. Office: Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam 530 031.

Website: www.vizagsteel.com; email: jagadeeshm@vizagsteel.com; Tel & Fax: (0891) 2518249.

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting** of the members of **Rashtriya Ispat Nigam Limited** will be held at **11.00 hrs on Saturday, the 29th September 2018** at the **Registered Office of the Company at Administrative Building, Visakhapatnam Steel Plant, Rashtriya Ispat Nigam Limited (RINL), 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, 2018, 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 2018-19, 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 2018-19, who will be appointed by the C&AG with the recommendations of Audit Committee from time to time.”

SPECIAL BUSINESS:

3. To appoint *Shri P K Rath (DIN: 07968249)* as *Director (Operations)* 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, 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, *Shri P K Rath (DIN: 07968249)* who was appointed as *Director (Operations)* by President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 10th October, 2017 be and is hereby appointed as *Director (Operations)* of the Company.

4. To appoint *Ms. Ruchika Chaudhry Govil, (DIN: 07601895) I.R.S, Joint Secretary (Steel), Ministry of Steel as Govt. Nominee 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, 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, *Ms. Ruchika Chaudhry Govil, (DIN: 07601895) I.R.S, Joint Secretary (Steel), Ministry of Steel* who was appointed as Part - time Official Director (i.e. Govt. Nominee Director) by President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 11th October, 2017 be and is hereby appointed as a Director of the Company.



VISAKHAPATNAM STEEL PLANT

5. To ratify the remuneration of the Cost Auditors for the financial year 2018-19 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 2018-19 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.”

By order of the Board

Sd/-

M Jagadeeshwara Rao
Manager(Company Affairs) &
Company Secretary

Registered office:

Administrative Building,
Rashtriya Ispat Nigam Limited (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam 530 031.

Date: 6th September, 2018

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 Pradosh Kumar Rath was appointed as Director (Operations) in the scale of pay of ₹ 75,000 - 1,00,000/- on the Board of RINL by the President of India vide Order F.No. 2(1) /2016-BLA dated 10th October, 2017 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., 10th October, 2017 or till the date of his superannuation or until further orders from the MoS, whichever is the earliest.

In terms of the provisions of the Section 149, 152, 161 of the Companies Act, 2013 and rules made there under, every director of the Company has to be appointed in the general meeting of the Company. Therefore, regularization of the appointment of Shri Pradosh Kumar Rath as Director (Operations) on same terms and conditions as determined by Government of India is placed for the approval of shareholders.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided which forms part of this Notice.

Shri P K Rath 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 K Rath is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.3 of the Notice.

The Board recommends the resolution for the approval of Shareholders.

Item No.4:

Ms. Ruchika Chaudhry Govil, I.R.S, Joint Secretary (Steel), Ministry of Steel, was appointed, as Govt. Nominee Director (i.e part-time Official Director) on the Board of RINL, with effect from 11th October, 2017 by the President of India vide Order No. 1/16/2015-BLA dated 11th October, 2017 issued by Ministry of Steel.

In terms of the provisions of the Section 149, 152, 161 of the Companies Act, 2013 and rules made there under, every director of the Company has to be appointed in the general meeting of the Company. Therefore, regularization of the appointment of Ms. Ruchika Chaudhry Govil, I.R.S, Joint Secretary (Steel), Ministry of Steel as Govt. Nominee Director (i.e part-time Official Director) on same terms and conditions as determined by Government of India is placed for the approval of shareholders.

Her brief resume, inter-alia, giving nature of expertise in specific functional area is provided which forms part of this Notice.

Ms. Ruchika Chaudhry Govil 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 Ms. Ruchika Chaudhry Govil is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the Notice.

The Board recommends the resolution for the approval of Shareholders.



VISAKHAPATNAM STEEL PLANT

Item No.5:

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.

The Board of Directors in its 315th Meeting to be held on 6th September, 2018, on the recommendation of the Audit Committee in its 83rd meeting to be held on 05th September 2018, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost Records of the company for the financial year 2018-19.

The Cost Auditors appointed for the financial year 2018-19 along with the details of their fees are as under.

Name of the Cost Auditor	Remuneration for the financial year 2018-19
M/s K G Goyal & Associates, Cost Accountants, New Delhi	₹ 51,000/- (Rupees Fifty One Thousand only) inclusive of Travelling and other incidental expenses and all taxes and duties plus applicable GST and Boarding, Lodging and local conveyance at Visakhapatnam during the audit period.

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 2018-19.

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.5 of the notice.

The Board recommends the resolution for approval of the shareholders.

By order of the Board

Sd/-

M Jagadeeshwara Rao
Manager(Company Affairs) &
Company Secretary

Registered office:

Administrative Building,
Rashtriya Ispat Nigam Limited (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam 530 031.

Date: 6th September, 2018



RASHTRIYA ISPAT NIGAM LIMITED

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: jagadeeshm@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 36th Annual general meeting/ Extraordinary general meeting of the company, to be held on the Saturday 29th of September 2018 at 11.00 AM at Registered Office, Administrative Building, RINL/VSP, 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, 2017, 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 2018-19, in terms of provisions of Section 139(5) read with Section 142 of the Companies Act, 2013			
SPECIAL BUSINESS				
3	To appoint Shri P K Rath (DIN: 07968249) as Director (Operations) of the Company			
4	To appoint Ms. Ruchika Chaudhry Govil, (DIN: 07601895) I.R.S, Joint Secretary (Steel), Ministry of Steel as Govt. Nominee Director of the Company			
5	To ratify the remuneration of the Cost Auditors for the financial year 2018-19			

Signed on thisday of2018.

Signature of shareholder

Signature of Proxy holder(s)'

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.

ANNEXURE TO NOTICE
Brief Resume of the Directors proposed in the resolutions to the Notice of AGM for the F.Y.2017-18

Name	Shri Pradosh Kumar Rath Director (Operations)	Ms. Ruchika Chaudhry Govil, I.R.S, Govt. Director
DIN	07968249	07601895
Date of Birth & Age	03/05/1961 ; 57 Years	31/12/1965; 52 years
Date of Appointment	10/10/2017	11/10/2017
Qualifications	B.E (Metallurgy), MBA(HR&Mktg)	IRS
Expertise in specific	Shri Pradosh Kumar Rath assumed charge as the Director (Operations) at RINL-Visakhapatnam on 10 th October, 2017. He is elevated from Executive Director (Works) I/c to Director (Operations). Shri Rath started his career in RINL-VSP as a Management Trainee in 1983 and has worked in various capacities. He has rich experience in Steel making and Continuous Casting processes. He contributed significantly to the stabilizing and ramping up of production from the new expansion units.	Ms. Ruchika Chaudhry Govil an officer of Indian Revenue Service (Income Tax cadre) has been appointed as Joint Secretary (Steel), Ministry of Steel.
Directorship held in other Public companies	Eastern Investments Limited International Coal Ventures Pvt. Ltd Minas De Benga (Mauritius) Pvt Ltd	Delhi Gymkhana Club Limited MSTC Limited
Membership/ Chairmanship of committees in RINL	NIL	NIL
Membership/ Chairmanship of Committees in other Public Companies (other than RINL)	NIL	NIL
No.of Shares held in RINL	100 (One Hundred) holding as nominee to the President of India.	100 (One Hundred) holding as nominee to the President of India.

The details in the above table are as on notice date.

RASHTRIYA ISPAT NIGAM LIMITED

(CIN: U27109AP1982GOI003404)

Regd. Office: Administrative Building, Visakhapatnam Steel Plant (VSP), Visakhapatnam 530 031.

Website: www.vizagsteel.com; email: jagadeeshm@vizagsteel.com; Tel & Fax: (0891) 2518249.

Modification to Item no. 3 in the Original Notice of 36th AGM dt. 06.09.2018

Further to Notice dated 06th September, 2018 issued for convening of 36th Annual General Meeting (AGM) of the members of Rashtriya Ispat Nigam Limited (RINL), hereby inform that the President of India pursuant to powers vested under the Article No.74 of Articles of Association of RINL vide Order No.2(6)/ 2016-BLA dated 22nd September, 2018 issued by Ministry of Steel, Government of India, Shri P K Rath, Director (Operations) appointed as Chairman-cum-Managing Director (CMD) of the Company and assumed charge on 22nd September, 2018 as CMD, RINL.

In view of the above, Item No. 3 of 36th AGM Notice dated 06th September, 2018 ('Original Notice') is requiring additions/ modifications to the Original Notice, therefore, Members are hereby notified as follows:

This modification shall be deemed to be part of the Original Notice and shall be read along with Original Notice, Further, Original Notice shall be deemed to be modified as provided herein;

Modification of Item no. 3 in the Original Notice.

SPECIAL BUSINESS:

3. To appoint Shri P K Rath (DIN: 07968249), Director (Operations) as Chairman-cum-Managing 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, 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri P K Rath (DIN: 07968249), who was appointed as Additional Director and designated as Director (Operations) by President of India pursuant to powers vested under the Article No.75 of Articles of Association of RINL and assumed charge on 10th October, 2017 be and is hereby appointed as Director (Operations) of the Company.

RESOLVED FURTHER THAT

The appointment of Shri P K Rath (DIN: 07968249) as Chairman-cum-Managing Director (CMD), RINL by President of India pursuant to powers vested under the Article No.74 of Articles of Association of RINL who assumed charge on 22nd September, 2018 be and is hereby approved.

By order of the Board

Sd/-

M Jagadeeshwara Rao
Manager (Company Affairs) &
Company Secretary

Date: 28th September, 2018

Place: Visakhapatnam

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 Pradosh Kumar Rath was appointed as Director (Operations) in the scale of pay of ₹ 75,000 – 1,00,000/- on the Board of RINL by the President of India vide Order F.No. 2(1) /2016-BLA dated 10th October, 2017 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., 10th October, 2017 or till the date of his superannuation or until further orders from the MoS, whichever is the earliest.

Subsequently, Shri Pradosh Kumar Rath was appointed as Chairman-cum-Managing Director in the scale of pay of ₹ 80,000 – 1,25,000/- (Pre Revised) on the Board of RINL by President of India vide Order F.No. 2(6)/2016-BLA, dated 22nd September, 2018 issued by MoS with effect from the date of his assumption of charge of the post till his superannuation, or until further Orders, whichever is earlier.

As the Order was received from MoS subsequent to the circulation of the Notice of 36th Annual General Meeting to the shareholders/Members this addendum is issued for considering the appointment of Shri Pradosh Kumar Rath as Chairman-cum-Managing Director on same terms and conditions as determined in the said Order for the approval of members of the Company in terms of the provisions of the Companies Act, 2013.

His brief resume, inter-alia, giving nature of expertise in specific functional area is provided which forms part of this Notice.

Shri P K Rath 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 K Rath is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.3 of the Notice.

The Board recommends the resolution for the approval of Shareholders.

By order of the Board

Sd/-
M Jagadeeshwara Rao
Manager (Company Affairs) &
Company Secretary

Date: 28th September, 2018

Place: Visakhapatnam

BRIEF RESUME OF THE DIRECTORS PROPOSED IN THE RESOLUTIONS TO THE NOTICE OF AGM FOR THE F.Y.2017-18

Name	Shri Pradosh Kumar Rath Chairman-cum-Managing Director
DIN	07968249
Date of Birth & Age	03/05/1961 ; 57 Years
Date of Appointment	22/09/2018
Qualifications	B.E (Metallurgy), MBA(HR&Mktg)
Expertise in specific functional Area	Sri Pradosh Kumar Rath assumed charge as Chairman - cum - Managing Director on 22 nd September, 2018 at RINL-Visakhapatnam. He is elevated from Director (Operations) to Chairman-cum-Managing Director. Sri Rath started his career in RINL-VSP as a Management Trainee in 1983 and has worked in various capacities. He has rich experience in Steel making and Continuous Casting processes. He contributed significantly to the stabilizing and ramping up of production from the new expansion units and modernization of the plant of 7.3 million ton stage.
Directorship held in other Public companies	Eastern Investments Limited International Coal Ventures Pvt. Ltd Minas De Benga (Mauritius) Pvt Ltd
Membership/ Chairmanship of committees in RINL	NIL
Membership/ Chairmanship of Committees in other Public Companies(other than RINL)	NIL
No.of Shares held in RINL	100 (One Hundred) holding as nominee to the President of India.



VISAKHAPATNAM STEEL PLANT



Hon'ble Vice president of India presents Rajbhasha Keerti Puraskar to RINL



RINL extends financial support to Para Olympian, working in PAO, Ministry of Steel



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)

CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant

Visakhapatnam, Andhra Pradesh