

34TH ANNUAL REPORT 2015-16

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



RASHTRIYA ISPAT NIGAM LIMITED

(A Govt. of India Enterprise)

CIN: U27109AP1982GOI003404

Visakhapatnam Steel Plant
Visakhapatnam, Andhra Pradesh



Shri Chaudhary Birender Singh

Hon'ble Minister of Steel, Govt. of India

Shri Vishnu Deo Sai

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



Dr. Aruna Sharma

Secretary to GoI, Ministry of Steel



Rajbhasha Keerti Puraskar

BOARD OF DIRECTORS



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



Shri P. Madhusudan
Chairman-cum-Managing Director



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



Shri P.C. Mohapatra
Director (Projects)



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



Shri D.N. Rao
Director (Operations)



Shri P. Raychaudhury
Director (Commercial)



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



Shri K M Padmanabhan, FCA
Independent Director



Shri Sunil Gupta, FCA
Independent Director



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



Shri Deepak Acharya
Company Secretary



BOARD OF DIRECTORS (as on 31.08.2016)

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri P.Madhusudan

FUNCTIONAL DIRECTORS

Director (Projects)

Shri P.C.Mohapatra

Director (Personnel)

Dr. G.B.S. Prasad

Director (Operations)

Shri D.N. Rao

Director (Finance)

Shri T.V.S. Krishna Kumar

(upto 31.05.2016)

Director (Commercial)

Shri P Raychaudhury

(w.e.f. 01.03.2016)

Director (Commercial)

Shri T.K.Chand

(upto 27.07.2015)

GOVERNMENT DIRECTORS

Ms. Bharathi S Sihag

Special Secretary & Financial Advisor, MoS

Smt. Urvilla Khati

Jt. Secy (Steel). MoS

INDEPENDENT DIRECTORS

Shri S K Srivastava

(w.e.f. 13.11.2015)

Shri K M Padmanabhan

(w.e.f. 13.11.2015)

Shri Sunil Gupta

(w.e.f. 13.11.2015)

Shri S K Mishra

(w.e.f. 27.11.2015)

Shri V.S.Jain

(upto 15.05.2015)

Shri Ashhok Kumar Jain

(upto 13.05.2015)

Prof.Sushil

(upto 13.05.2015)

Prof.S.K.Garg

(upto 15.10.2015)

COMPANY SECRETARY & COMPLIANCE OFFICER

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

Shri P Mohan Rao (upto 31.08.2015)

REGD.OFFICE

Administrative Building,

Rashtriya Ispat Nigam Limited (RINL),

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

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

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

STATUTORY AUDITORS

M/s. Rao & Kumar

Chartered Accountants, Visakhapatnam

COST AUDITORS

M/s. Narasimha Murthy & Co.,

Cost Accountants, Hyderabad.

SECRETARIAL AUDITORS

M/s. Vinod Kothari & Company

Practising Company Secretaries, Kolkata

REGISTRAR AND SHARE TRANSFER AGENT

KARVY COMPUTERSHARE PRIVATE LIMITED

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

SUBSIDIARIES

Eastern Investments Limited (EIL)

The Orissa Minerals Development Company Limited (OMDC)

The Bisra Stone Lime Company Limited (BSLC)

JOINT VENTURE COMPANIES

RINMOIL Ferro Alloys Private Limited

International Coal Ventures Pvt. Limited

RINL Powergrid TLT Pvt. Ltd

BANKERS

Bank of India

State Bank of India

Bank of Baroda

Canara Bank

State Bank of Hyderabad

Allahabad Bank

IDBI bank

UCO bank

Union Bank of India

Axis Bank

Indusind Bank

HDFC Bank

Deutsche Bank

Bank of Tokyo - Mitsubishi (UFJ)

ICICI Bank

Citi Bank

Standard Chartered Bank

Andhra Bank

HSBC Bank

Vijaya Bank

Kotak Mahindra Bank

DBS Bank

United Overseas Bank

Yes Bank

ANZ Bank

EXIM Bank

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CHAIRMAN'S ADDRESS



Dear Shareholders

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

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

External Environment:

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

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

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

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

Your Company's performance

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

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

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

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

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

Sustainability initiatives

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

Corporate Social Responsibility (CSR)

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

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

Corporate Governance

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

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

Environment Management

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

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

Dividend for the year 2015-16

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

Contribution to the Exchequer

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

Looking ahead

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

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

Acknowledgement

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

Thanking you,

Jai Hind,



(P Madhusudan)
Chairman

Dated 29th Sept. 2016
Visakhapatnam

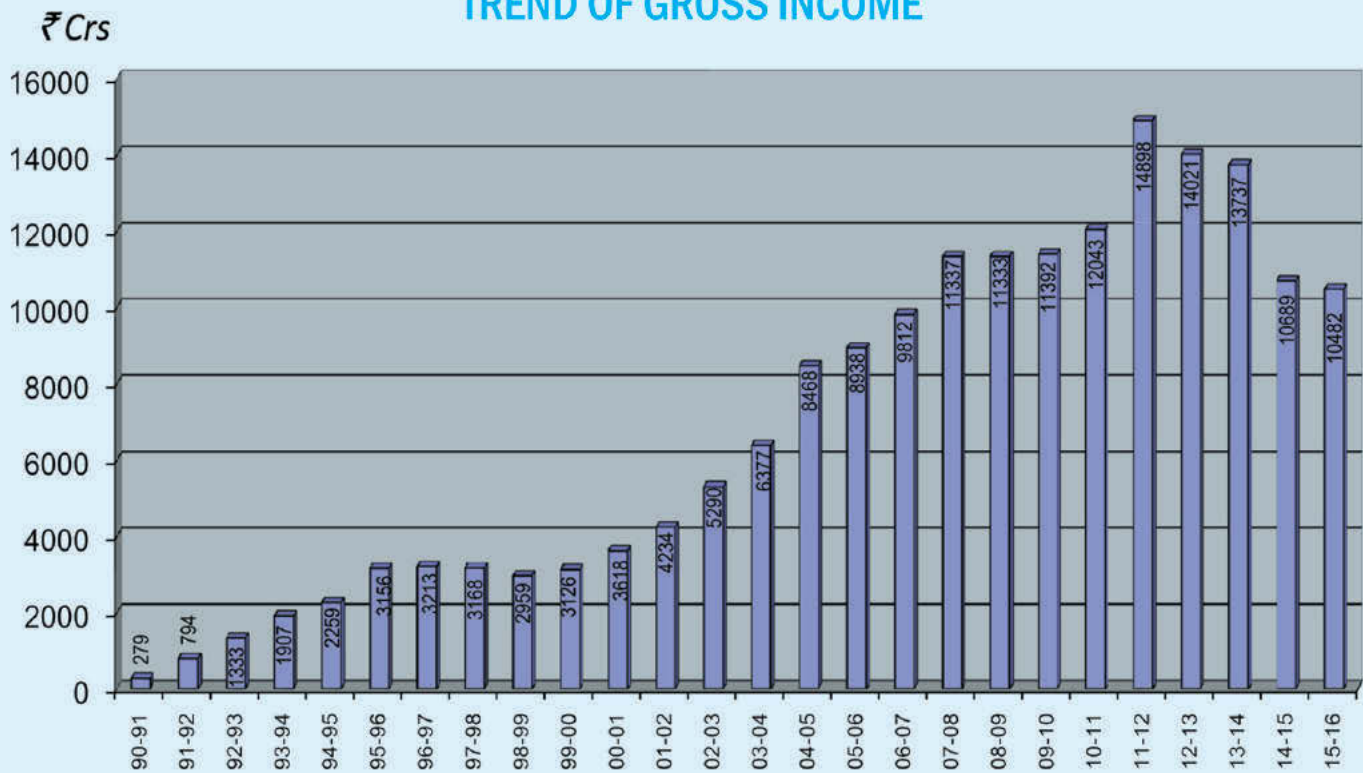


A Glance of Financial Results since inception

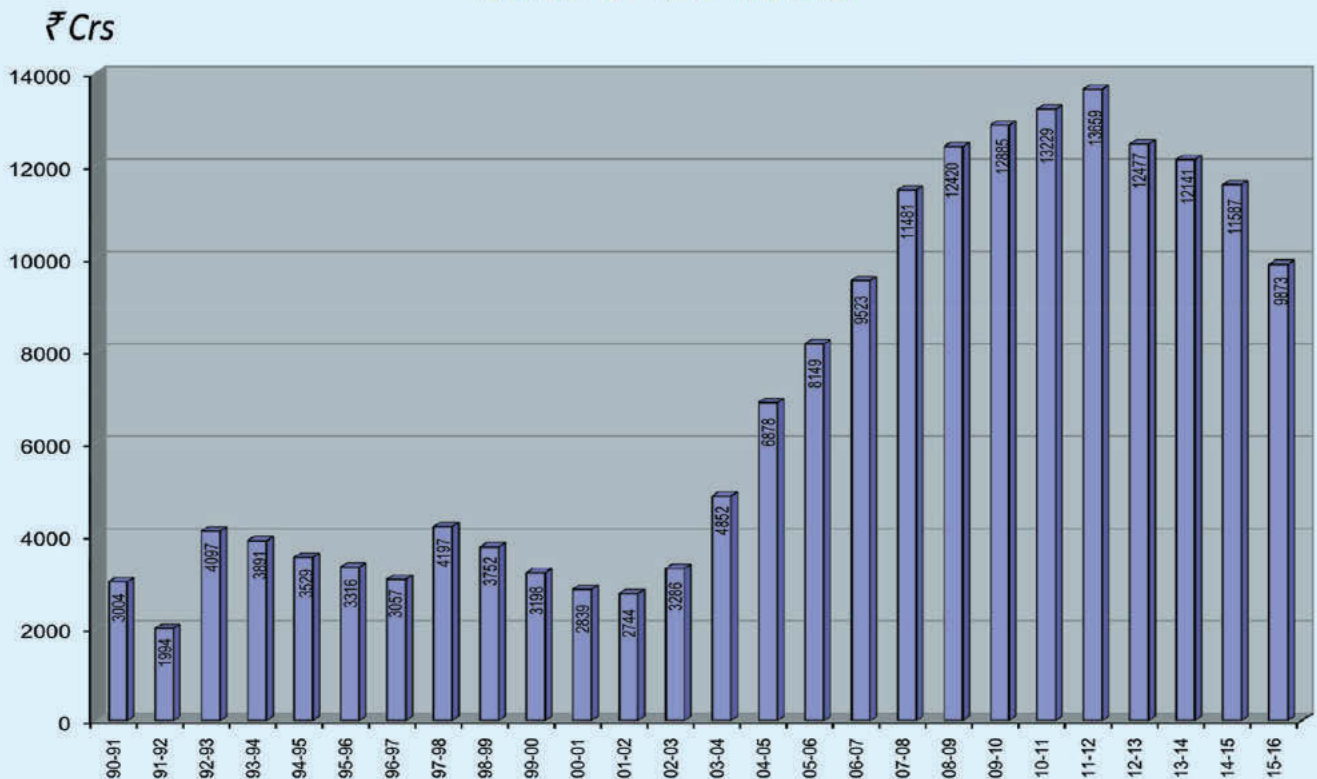
Year	Turnover	Other Revenue	Gross Income	Raw Materials consumed	Stock(Accretion) / Decretion	Employee Benefits	Depreciation & Amortisation	Interest & Wealth Tax	Stores, R&M, Power & Other Expenses	Profit / (Loss) before tax	Profit / (Loss) after tax	Capital	Reserves & Surplus	Loans / Buyers Credit	Fixed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

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

TREND OF GROSS INCOME

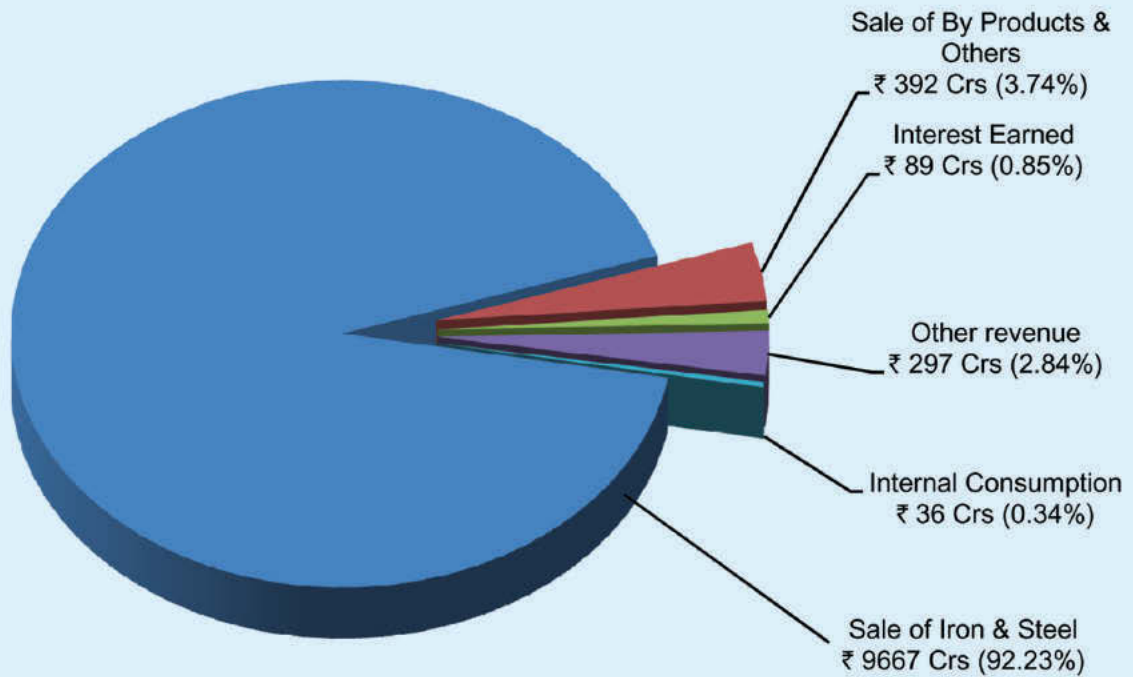


TREND OF NET WORTH

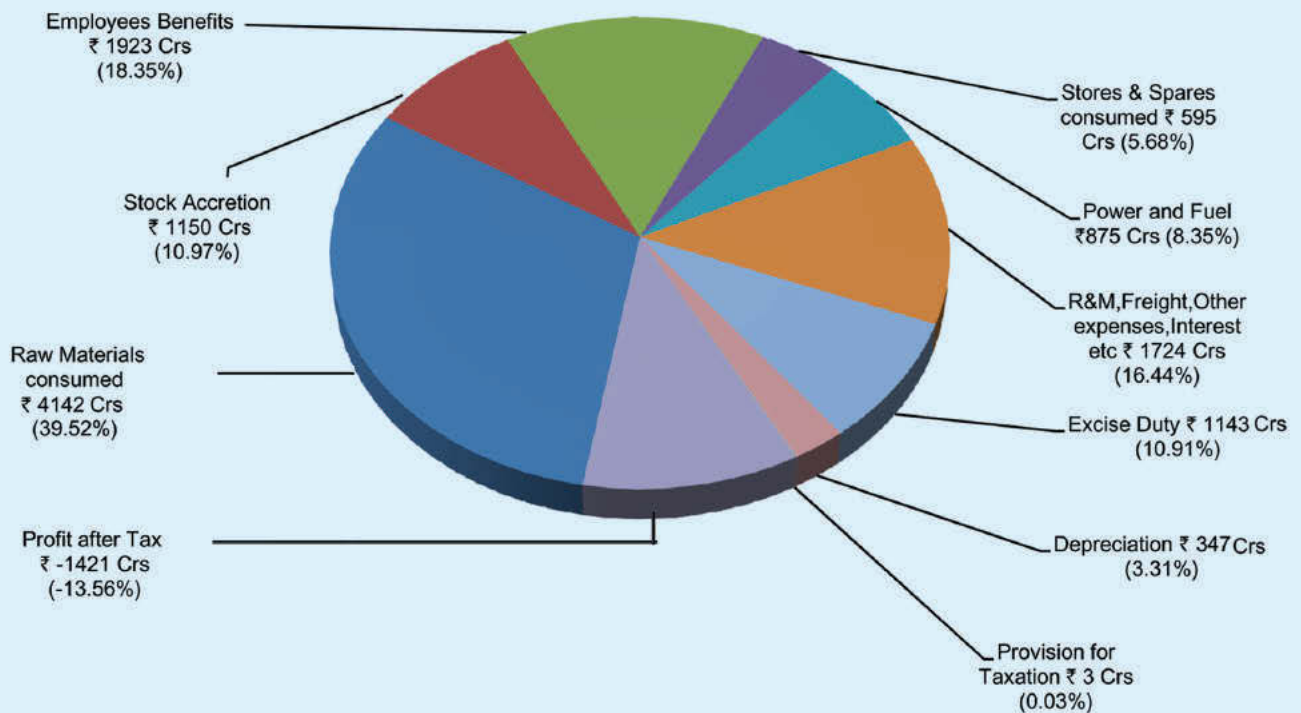


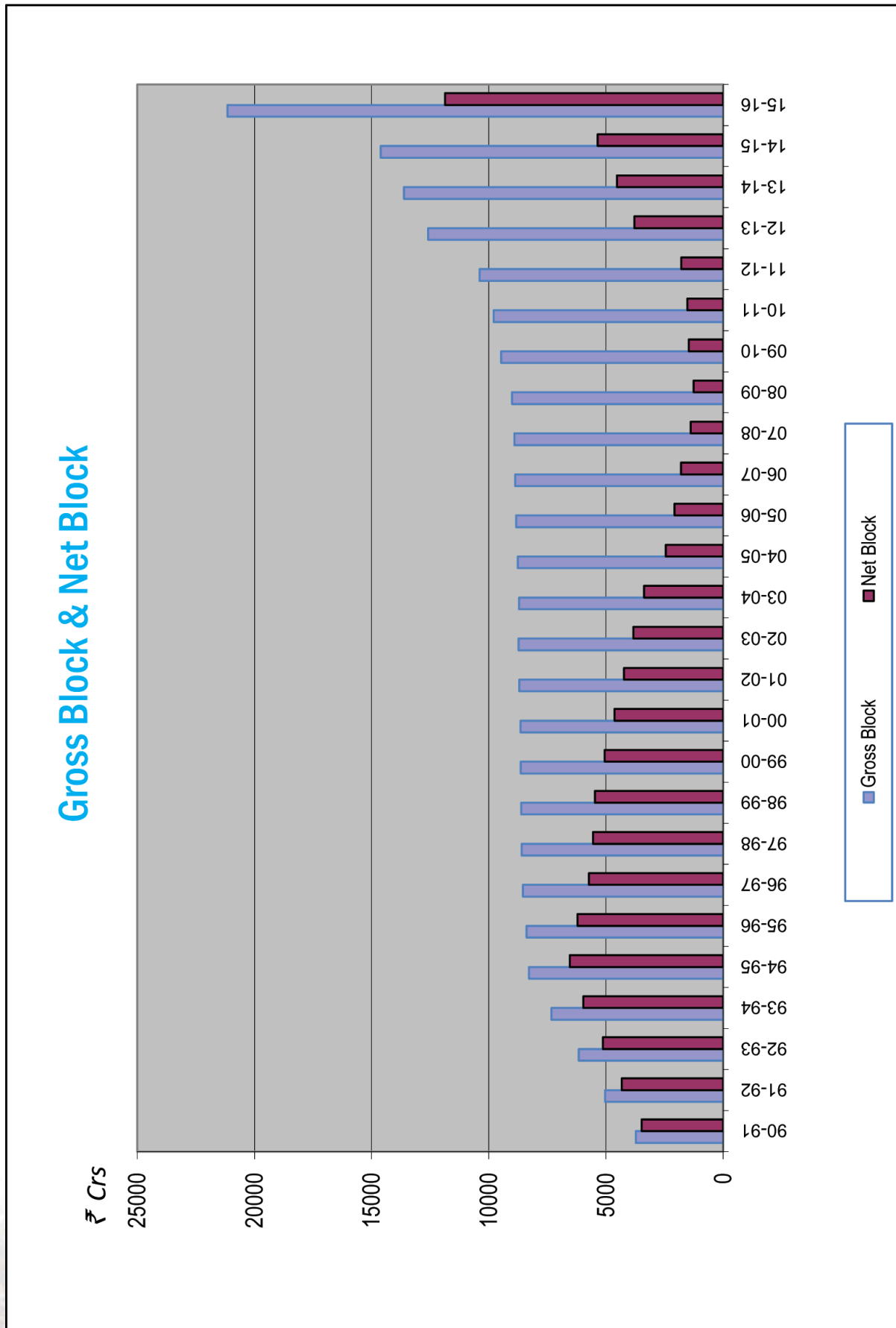


BREAK UP OF GROSS INCOME : 2015-16



DISTRIBUTION OF GROSS INCOME : 2015-16







FINANCIAL HIGHLIGHTS

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

DIRECTORS' REPORT

Dear Members,

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

BUSINESS PERFORMANCE

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

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

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

SHARE CAPITAL

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

PRODUCTION

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

(Unit: '000t)

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

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

Technical Parameters:

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

Cost reduction and revenue maximization initiatives:

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

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



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

MARKETING

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

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

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

Marketing Initiatives:

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

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

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



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

MATERIAL MANAGEMENT

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

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

Consequent to dispensation from TRANSCHART regime by

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

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

Vendor Development:

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

Implementation of Integrity Pact:

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

Procurement of Goods & Services from MSEs:

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

FINANCE

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

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

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

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

PROJECTS

6.3 Mtpa Expansion

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

Special Bar Mill



Structural Mill



Up gradation & Modernisation to 7.3 Mtpa:

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



Revamped Converter-1 of SMS-1



Other major projects commissioned:

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

Air Separation Unit - 5:



Captive Power Plant - 2



Turbine view before synchronization

Capex:

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

MINES:

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

STRATEGIC INITIATIVES:

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

BUSINESS EXCELLENCE INITIATIVES:

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

Gemba Improvement:

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

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



Quality Improvement Projects:

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

Knowledge Management:

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

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

RESEARCH & DEVELOPMENT

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

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

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

SAFETY

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

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

Safety Training and Awareness Programmes:

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

ENVIRONMENT MANAGEMENT

Environmental Management System (EMS):

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



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

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

Environmental Projects:

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

Environmental Initiatives:

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

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



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

INFORMATION TECHNOLOGY

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

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

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

Training and development:

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

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

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

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



MoU with National Skill Development Corporation

Welfare:

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

Grievance Redressal Mechanism:

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

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

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

Women Empowerment:

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



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



Women employees working at shop floor

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

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

The company has Two Women Directors on its Board.



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

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

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

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

Medical & Health Services:

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

Sports:

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

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



Employee involvement activities:



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

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

Right to Information Act,2005:

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

Progressive usage of Hindi:

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

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

Citizen Charter:

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

VIGILANCE

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

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

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



National Vigilance Excellence Award 2015

VIGIL MECHANISM:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

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

CERTIFICATION BY THE CEO & CFO

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

CERTIFICATE ON COMPLIANCE OF GUIDELINES ON CORPORATE GOVERNANCE

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



CORPORATE SOCIAL RESPONSIBILITY

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

EXTRACT OF ANNUAL RETURN

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

NUMBER OF BOARD MEETINGS

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

AUDIT COMMITTEE

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

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

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

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities;

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

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

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATIONS

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

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

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

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

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

STATEMENT OF THE COMPANY'S AFFAIRS

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

TRANSFER TO RESERVES

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

DIVIDEND

No dividend was proposed for the period under review.

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC

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

ENTERPRISE RISK MANAGEMENT POLICY

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

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

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

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

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

Cessation:

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

Key Managerial Personnel (KMP):

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

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

OTHER DISCLOSURE:

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

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

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

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

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

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

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

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

INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS

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



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

Internal Auditor:

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

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

MONITORING MECHANISM FOR SUBSIDIARY COMPANIES & CONSOLIDATION OF ACCOUNTS

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

Joint Venture Mechanism

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

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

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

SECRETARIAL AUDITORS

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

STATUTORY AUDITORS

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

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

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

C&AG AUDIT

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

COST AUDIT

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

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

COST AUDITOR

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

sd/-

(P Madhusudan)

Chairman-cum-Managing Director

Visakhapatnam

Dated: 31-08-2016



Management Discussion and Analysis Report

1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1. Developments in World Steel:

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

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

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

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

Source: WSA SRO - Apr'16

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

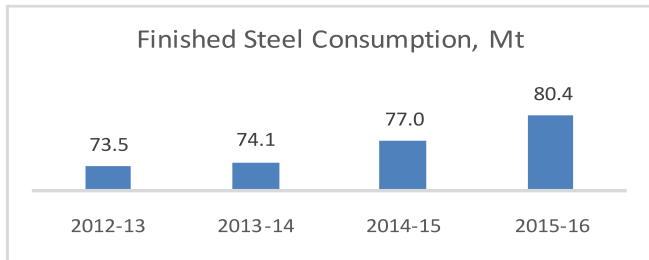
1.2 Macro-economic Indicators of India

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

1.3 Indian Steel Industry:

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

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



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

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

2.0 STRENGTHS AND WEAKNESSES

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

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

3.0 OPPORTUNITIES AND THREATS

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

4.0 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

5.0 OUTLOOK FOR THE COMPANY IN 2016-17

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

**Road ahead for the Company:**

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

Sustainability Initiatives:

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

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

6.0 RISKS & CONCERNS:

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

7.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

8.2 Financial Performance

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

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

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

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

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

8.3.2 Other Revenues

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

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

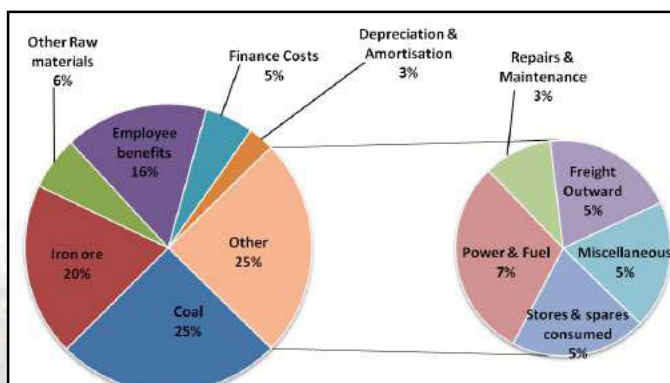
8.3.3 Expenditure (Net of Inter Account Adjustments)

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

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

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

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



8.3.4 Prior period adjustments

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

8.3.5 Contribution to Exchequer

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

8.3.6 Borrowings

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

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

8.3.7 Fixed Assets

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



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

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

8.3.8 Non-Current Assets & Non-Current Liabilities

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

8.3.9 Current Assets, Current Liabilities

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

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

8.3.10 Initiatives taken by the Company:

Raw Materials:

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

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

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

Wages:

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

Operating Cost:

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

Revenue Maximisation:

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

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

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

Administrative Expenses:

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

Treasury Management Initiatives:

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

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

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

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



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

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

11.0 CORPORATE SOCIAL RESPONSIBILITY

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

12.0 CAUTIONARY STATEMENT

Statements / Data which do not relate to the Company and are used / made in this report are from sources which are considered reliable and Company cannot be held responsible for its authenticity. Further Statement in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

CORPORATE GOVERNANCE REPORT

1.0 COMPANY'S PHILOSOPHY

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

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

2.0 BOARD OF DIRECTORS

2.1 Composition of Board

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

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

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

2.2 Board Meetings

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

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



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

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

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

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

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

Note:

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

2.3 Board Meetings Procedure

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

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

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

2.4 Role of the Company Secretary in overall governance process

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

2.5 Information placed before the Board of Directors

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

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



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

2.6 Role of Independent Directors

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

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

2.7 Meetings of Independent Directors

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

Declaration by Independent Directors

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

2.8 Selection of New Directors

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

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

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

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

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

2.10 Code of Conduct

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

The Code encompasses:

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

2.11 Board Charter

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

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

Whole Time Directors (WTD)/ Functional Directors

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

(Value in ₹)

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

Part-time Non-official Directors (Independent Directors)

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

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

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



Part-time official Directors/ Govt. Directors

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

2.13 Loans & Advances given to Directors

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

3.0 Board Sub Committees (BSC)

The Board has constituted the following Committees:

A. Corporate Governance

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

B. Other Business purposes

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

Procedure at Board Sub Committee Meetings

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

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

3.1 Audit Committee

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

I. Scope of the Committee:

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

A. Statutory nature

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

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

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

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

Approval nature:

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

Recommending nature:

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

Review nature:

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

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

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



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

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

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

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

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

E. The powers of the Committee include the following:

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

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

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

II. Composition:

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

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

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

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

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

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

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

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

3.2 Nomination, Remuneration & Ethics/HR Committee

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

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

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



3.3 CSR & Sustainability Committee

Composition:

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

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

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

3.4 Stakeholders/Investors Grievance Committee

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

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

The Committee shall meet periodically depending upon the requirement.

4.0 General Body Meetings

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

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

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

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

(iii) AGM of the current year;

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

(iv) EGM and Special Resolution passed;

During the year, No EGM has been conducted.

5.0 Disclosures

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

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

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

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

(iii) Vigil mechanism Policy .

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

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

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

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

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

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

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

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

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

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

₹ in Crores

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

6.0 Means of Communication

(i) Quarterly Results

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

(ii) Newspapers wherein results normally published

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

(iii) Any website, where displayed

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

(iv) Whether it also displays official news releases.

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

Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U27109AP1982GO1003404.

(ii) Annual General Meeting

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

(iii) Financial Year:

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

(iv) Payment of Dividend:

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

(v) Stock Code: ISIN -INE508F01013

(vi) Registrar and Share Transfer Agent:

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

7.0 Shareholder's information:

(i) Company Registration Details

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

**(vii) Share Transfer System**

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

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

(viii) Equity Shareholding pattern as on 31.03.2016

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

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

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

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

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

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

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

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

(xi) Address for correspondence:

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

8.0 Audit Qualifications

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

9.0 Training of Board Members

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

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

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

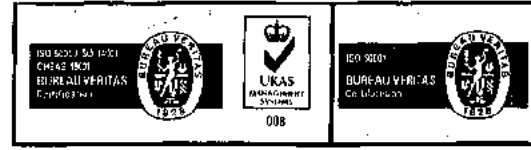
11.0 Corporate Governance Certificate

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

Annexure - III to Directors' Report



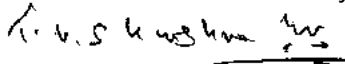
राष्ट्रीय इस्पात निगम लिमिटेड
(भारत सरकार का उपक्रम)
Rashtriya Ispat Nigam Limited
(A Government of India Undertaking)
CIN : U27109AP1982GOI003404

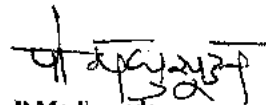


Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

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

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


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


P Madhusudan
CEO & Chairman-Cum-Managing Director

Place: Visakhapatnam
Date : 26.05.2016.

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

Please send your reply to :

Web Site : www.vizagsteel.com

विशाखपट्टणम इस्पात संयंत्र, विशाखपट्टणम - 530 031

E-mail :

Visakhapatnam Steel Plant, Visakhapatnam - 530 031

Cell No. :

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

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

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

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





P.N. Rao & Co.
Company Secretaries

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

CERTIFICATE ON COMPLIANCE OF GUIDELINES ON CORPORATE GOVERNANCE

To

The Members,

Rashtriya Ispat Nigam Limited
Visakhapatnam Steel Plant
Visakhapatnam.

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

Place: Visakhapatnam
Date: 23.06.2016



For P.N. Rao & Co.
Company Secretaries

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

Annual Report on CSR Activities

for the financial year 2015-16

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

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

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

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

Brief of the Policy :

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

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

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

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



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

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

2. Composition of the committee:

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

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

Directors:

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

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

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

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

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

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

sd/-

(P. Madhusudan)

(Chairman - cum Managing Director)

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

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

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

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

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

sd/-

K.M. Padmanabhan

(Chairman - CSR Committee)

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

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



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