

SAIL IS NOW A 'MAHARATNA'

The Government of India has accorded the status of 'Maharatna' to Steel Authority of India Limited (SAIL) through a memorandum issued on 19th May 2010. Three other Central Public Sector Enterprises (CPSEs) – Indian Oil Corporation Limited, NTPC Limited and Oil & Natural Gas Corporation Limited – have also received 'Maharatna' status.

The objective of the Maharatna Scheme, which was introduced by the Government on 4th February 2010, is "to delegate powers to the Boards of identified large-sized Navratna CPSEs so as to facilitate expansion of their operations, both in domestic as well as global markets".

SAIL fulfilled all the eligibility criteria set by the Government for achievement of Maharatna status as given below:

S.No.	Criteria suggested by DPE	SAIL's status on fulfillment
a.	Having Navratna status	Since 1997
b.	Listed on Indian stock exchange, with minimum prescribed public shareholding under SEBI regulations	Since 1992
c.	An average annual turnover during the last 3 years of more than Rs 25,000 crore	Average annual turnover in last 3 years is Rs 44, 475 crore: 2008-09 - Rs 48,681 crore 2007-08 - Rs 45,555 crore 2006-07 - Rs 39,189 crore
d.	An average annual net worth during the last 3 years of more than Rs 15,000 crore	Average net worth in last 3 years is Rs 22,724 crore : As on 31.3.09 - Rs 27,984 crore As on 31.3.08 - Rs 23,004 crore As on 31.3.07 - Rs 17,184 crore
e.	An average annual net profit after tax during the last 3 years of more than Rs 5,000	Average net profit after tax in last 3 years is Rs 6,638 crore: 2008-09 - Rs 6,175 crore

	crore	2007-08 - Rs 7,537 crore 2006-07 - Rs 6,202 crore
f.	Significant global presence or international operations	<p>→ SAIL's International Trade Division exports to around 20 countries, including the EU, Middle East, SE Asian countries, etc. SAIL also has its offices in China & Nepal.</p> <p>→ SAIL is a JV partner in International Coal Ventures Limited formed with other Navratna companies – NTPC, NMDC, CIL & RINL – for the purpose of acquiring coal mines/equity in coal mines abroad.</p> <p>→ SAIL has a Consultancy Division which has been providing consultancy to many of the steel companies in the world, especially in the Middle East.</p> <p>→ SAIL is a major importer of coking coal from Australia, New Zealand, USA, etc.</p> <p>→ SAIL is implementing its expansion plan with emphasis on state-of-the-art technologies which will enhance SAIL's hot metal capacity to over 26 million tonnes per annum from the current level of 14 million tonnes for which major equipment and technologies are being sourced from abroad.</p>

Subject to the condition that its Board has the requisite number of non-functional Directors, SAIL has been delegated the following powers as a Maharatna:

1. To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.
2. To enter into technology joint ventures or strategic alliances.
3. To obtain by purchase or other arrangements, technology and knowhow.

4. To effect organisational restructuring, including establishment of profit centres, opening of offices in India/abroad, creating new activity centres, etc.
5. To create below Board level posts upto E-9 level and to wind up all below Board level posts. The SAIL Board will have powers to make all appointments, effect internal transfers and redesignation of all below Board level posts.
6. To structure and implement schemes relating to personnel and human resource management and training.
7. To raise debt from the domestic capital markets and from international markets, the latter being subject to the approval of RBI/Department of Economic Affairs, as may be required, and should be obtained through the Ministry of Steel.
8. To make equity investment to establish financial joint ventures and wholly owned subsidiaries and undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the company's net worth, limited to Rs 5,000 crore in one project. The overall ceiling on such investments in all projects put together will not exceed 30% of the net worth of SAIL. While normally the investment would be done directly by SAIL, in cases where it proposes to invest through a subsidiary into another joint venture, and also provide the additional capital for this purpose, the above stipulations would be in the context of SAIL.
9. The SAIL Board shall have the powers for mergers & acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of SAIL's functioning, and (b) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to mergers & acquisitions should be exercised in such a manner that it should not lead to any change in the public sector character of SAIL.
10. SAIL Chairman is empowered to approve business tours abroad of functional Directors up to 5 days duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary, Ministry of Steel.

The performance of SAIL as a Maharatna will be reviewed annually by the Inter-Ministerial Committee, and thereafter by the Apex Committee headed by the Cabinet Secretary.