



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED

**FAX MESSAGE**

No.CA-17(44)/2016

September 8, 2016

The General Manager (MO)  
Bombay Stock Exchange  
Corporate Relationship Department  
1st Floor, New Trading Ring,  
Rotunda Building, P.P. Tower,  
Dalal Street, Fort,  
**Mumbai-400001**  
(Fax No.022-22723121/3719)

The Asstt. Vice President  
National Stock Exchange of India Ltd.  
Plot No.C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
**Mumbai-400 051.**  
(Fax No.022-26598237/38)

**Sub: Quarterly Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2016.**

**Ref: Regulation 33(3) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015: Security ID:SAIL.**

Dear Sir,

The Board of Directors at its meeting held on 8<sup>th</sup> September, 2016, inter-alia considered and approved the Quarterly Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2016 .

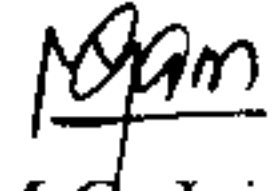
A copy of the following is enclosed pursuant to Regulation 33(3) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Quarterly Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2016 alongwith segment information.
2. Limited Review Report on Quarterly Financial Results of Steel Authority of India Limited pursuant to the Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above are also being made available on the website of the Company at [www.sail.co.in](http://www.sail.co.in).

Thanking you,

Yours faithfully,  
For Steel Authority of India Limited

  
(M.C. Jain)  
Company Secretary

Encl. As above.

**STEEL AUTHORITY OF INDIA LIMITED**  
**REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110003**

**Statement of Standalone Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June 2016**

₹ Crore

| Sl. No | Particulars                                                                                                                                                                                                                                                                               | Quarter ended                                                          |                                                                                     |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|        |                                                                                                                                                                                                                                                                                           | 30 <sup>th</sup> June 2016<br>(Unaudited)                              | 30 <sup>th</sup> June 2015<br>(unaudited & not subject to review)<br>(refer note 4) |
| 1      | <b>Income From Operations</b><br>(a) Net Sales / Income from Operations (net of Excise Duty)<br>(b) Other Operating Income                                                                                                                                                                | 9082.33<br>155.75                                                      | 9373.85<br>119.26                                                                   |
|        | <b>Total Income from Operations (net)</b>                                                                                                                                                                                                                                                 | <b>9238.08</b>                                                         | <b>9493.11</b>                                                                      |
| 2      | <b>Expenses</b><br>a) Cost of Materials Consumed<br>b) Purchase of Stock in Trade<br>c) Changes in Inventories of Finished Goods, Work in Progress and Stock In Trade<br>d) Employee Benefits Expense<br>e) Depreciation and Amortisation Expense<br>f) Power & Fuel<br>g) Other Expenses | 3930.32<br>0.00<br>(727.62)<br>2388.55<br>600.21<br>1325.45<br>2087.61 | 4814.66<br>0.48<br>(1144.01)<br>2403.05<br>451.84<br>1281.04<br>2049.17             |
|        | <b>Total Expenses</b>                                                                                                                                                                                                                                                                     | <b>9604.52</b>                                                         | <b>9856.23</b>                                                                      |
| 3      | <b>Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items ( 1-2)</b>                                                                                                                                                                                    | <b>(366.44)</b>                                                        | <b>(363.12)</b>                                                                     |
| 4      | <b>Other Income</b>                                                                                                                                                                                                                                                                       | <b>89.28</b>                                                           | <b>206.87</b>                                                                       |
| 5      | <b>Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items ( 3+4)</b>                                                                                                                                                                                         | <b>(277.16)</b>                                                        | <b>(156.25)</b>                                                                     |
| 6      | <b>Finance Cost</b>                                                                                                                                                                                                                                                                       | <b>594.05</b>                                                          | <b>508.22</b>                                                                       |
| 7      | <b>Profit /(Loss) from ordinary activities after Finance Costs but before Exceptional Items ( 5-6)</b>                                                                                                                                                                                    | <b>(871.21)</b>                                                        | <b>(664.47)</b>                                                                     |
| 8      | <b>Exceptional items (Loss)/Gain (+)</b><br>-Voluntary Retirement Compensation                                                                                                                                                                                                            | (54.20)                                                                | 0.00                                                                                |
| 9      | <b>Profit / (Loss) from ordinary activities before Tax (7 - 8)</b>                                                                                                                                                                                                                        | <b>(925.41)</b>                                                        | <b>(664.47)</b>                                                                     |
| 10     | <b>Tax Expense</b><br>- Deferred Tax (Assets)                                                                                                                                                                                                                                             | (389.89)                                                               | (416.29)                                                                            |
| 11     | <b>Net Profit/ (Loss) from ordinary activities after Tax ( 9-10 )</b>                                                                                                                                                                                                                     | <b>(535.52)</b>                                                        | <b>(248.18)</b>                                                                     |
| 12     | Extraordinary Items (net of Tax Expense ₹ Nil)                                                                                                                                                                                                                                            |                                                                        |                                                                                     |
| 13     | <b>Net Profit / (Loss) for the period (11-12)</b>                                                                                                                                                                                                                                         | <b>(535.52)</b>                                                        | <b>(248.18)</b>                                                                     |
| 14     | <b>Other Comprehensive Income / (Loss) after Tax</b>                                                                                                                                                                                                                                      | <b>(0.60)</b>                                                          | <b>(0.06)</b>                                                                       |
| 15     | <b>Net Profit after Taxes and Other Comprehensive Income after Tax (13 +</b>                                                                                                                                                                                                              | <b>(534.92)</b>                                                        | <b>(248.24)</b>                                                                     |
| 16     | <b>Equity Share Capital</b><br>( Face value : ₹. 10 per share )                                                                                                                                                                                                                           | <b>4130.53</b>                                                         | <b>4130.53</b>                                                                      |
| 17     | <b>Basic and Diluted Earnings per Share (of ₹.10/- each) before and after Extraordinary Items ( Not Annualised ) ( Rupees )</b>                                                                                                                                                           | <b>-1.30</b>                                                           | <b>-0.60</b>                                                                        |

**Note: See accompanying notes to the financial results.**

| <b>SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED</b>                                                                                                                                                                                                                                                                                                                       |                                           |                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>PARTICULARS</b>                                                                                                                                                                                                                                                                                                                                                         | <b>STANDALONE</b>                         |                                           |
|                                                                                                                                                                                                                                                                                                                                                                            | <b>Quarter Ended</b>                      | <b>Quarter Ended</b>                      |
|                                                                                                                                                                                                                                                                                                                                                                            | <b>30th June<br/>2016<br/>(Unaudited)</b> | <b>30th June<br/>2015<br/>(Unaudited)</b> |
| <b>Segment Revenue (Net Sales / Income from Operations)</b>                                                                                                                                                                                                                                                                                                                |                                           |                                           |
| - Bhilai Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 2862.08                                   | 3226.95                                   |
| - Durgapur Steel Plant                                                                                                                                                                                                                                                                                                                                                     | 1307.21                                   | 1411.02                                   |
| - Rourkela Steel Plant                                                                                                                                                                                                                                                                                                                                                     | 1833.08                                   | 1598.29                                   |
| - Bokaro Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 2287.18                                   | 2536.82                                   |
| - IISCO Steel Plant                                                                                                                                                                                                                                                                                                                                                        | 829.80                                    | 512.15                                    |
| - Alloy Steels Plant                                                                                                                                                                                                                                                                                                                                                       | 150.30                                    | 127.86                                    |
| - Salem Steel Plant                                                                                                                                                                                                                                                                                                                                                        | 408.73                                    | 387.39                                    |
| - Visvesvaraya Iron & Steel Plant                                                                                                                                                                                                                                                                                                                                          | 37.19                                     | 56.49                                     |
| - Others                                                                                                                                                                                                                                                                                                                                                                   | 834.84                                    | 984.71                                    |
| <b>Total Segment Revenue</b>                                                                                                                                                                                                                                                                                                                                               | <b>10550.41</b>                           | <b>10841.68</b>                           |
| <b>Less : Inter-Segment Revenue</b>                                                                                                                                                                                                                                                                                                                                        | <b>1312.33</b>                            | <b>1348.57</b>                            |
| <b>Net sales / Income from Operations</b>                                                                                                                                                                                                                                                                                                                                  | <b>9238.08</b>                            | <b>9493.11</b>                            |
| <b>Segment Results (Profit / (Loss) before Interest,Exceptional Items and Tax)</b>                                                                                                                                                                                                                                                                                         |                                           |                                           |
| - Bhilai Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 136.22                                    | 325.80                                    |
| - Durgapur Steel Plant                                                                                                                                                                                                                                                                                                                                                     | (39.21)                                   | 4.29                                      |
| - Rourkela Steel Plant                                                                                                                                                                                                                                                                                                                                                     | (203.21)                                  | (198.58)                                  |
| - Bokaro Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 54.76                                     | (244.72)                                  |
| - IISCO Steel Plant                                                                                                                                                                                                                                                                                                                                                        | (249.33)                                  | (279.00)                                  |
| - Alloy Steels Plant                                                                                                                                                                                                                                                                                                                                                       | (2.58)                                    | (21.16)                                   |
| - Salem Steel Plant                                                                                                                                                                                                                                                                                                                                                        | (31.06)                                   | (63.97)                                   |
| - Visvesvaraya Iron & Steel Plant                                                                                                                                                                                                                                                                                                                                          | (32.49)                                   | (28.99)                                   |
| - Others                                                                                                                                                                                                                                                                                                                                                                   | 89.74                                     | 350.08                                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                               | <b>(277.16)</b>                           | <b>(156.25)</b>                           |
| <b>Less : Interest Expenses</b>                                                                                                                                                                                                                                                                                                                                            | <b>594.05</b>                             | <b>508.22</b>                             |
| <b>Exceptional items - Loss(-)/Gain(+)</b>                                                                                                                                                                                                                                                                                                                                 |                                           |                                           |
| Voluntary Retirement Compensation                                                                                                                                                                                                                                                                                                                                          | (54.20)                                   | 0.00                                      |
| <b>Profit / (loss) before Tax</b>                                                                                                                                                                                                                                                                                                                                          | <b>(925.41)</b>                           | <b>(664.47)</b>                           |
| <b>Capital Employed</b>                                                                                                                                                                                                                                                                                                                                                    |                                           |                                           |
| <b>( Segment Assets less Segment Liabilities excluding Inter Unit Balances )</b>                                                                                                                                                                                                                                                                                           |                                           |                                           |
| - Bhilai Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 18654.69                                  | 17443.96                                  |
| - Durgapur Steel Plant                                                                                                                                                                                                                                                                                                                                                     | 3834.32                                   | 3531.55                                   |
| - Rourkela Steel Plant                                                                                                                                                                                                                                                                                                                                                     | 15219.27                                  | 15484.88                                  |
| - Bokaro Steel Plant                                                                                                                                                                                                                                                                                                                                                       | 11469.30                                  | 10828.69                                  |
| - IISCO Steel Plant                                                                                                                                                                                                                                                                                                                                                        | 17509.54                                  | 17579.55                                  |
| - Alloy Steels Plant                                                                                                                                                                                                                                                                                                                                                       | 372.96                                    | 412.45                                    |
| - Salem Steel Plant                                                                                                                                                                                                                                                                                                                                                        | 2439.98                                   | 2642.11                                   |
| - Visvesvaraya Iron & Steel Plant                                                                                                                                                                                                                                                                                                                                          | 498.40                                    | 477.61                                    |
| - Others                                                                                                                                                                                                                                                                                                                                                                   | (14533.70)                                | (11912.03)                                |
| <b>Total Capital Employed in the Company</b>                                                                                                                                                                                                                                                                                                                               | <b>55464.76</b>                           | <b>56488.77</b>                           |
| <b>Note :</b>                                                                                                                                                                                                                                                                                                                                                              |                                           |                                           |
| 1. Segments have been identified in line with the Ind AS -108 on Operating Segments taking into account the Organisation and Management Structure and also Internal Financial Reporting System though the Company primarily deals in Iron & Steel items. Segment Revenue,Results and Capital Employed include the respective amounts identifiable to each of the segments. |                                           |                                           |
| 2. Since the Company's overseas operations are below 10% of the total operations, the disclosure of geographical segments is not applicable.                                                                                                                                                                                                                               |                                           |                                           |

## Notes to Financial Results:

1. The above results have been reviewed by the Audit Committee in its meeting held on 8<sup>th</sup> September, 2016 and were approved by the Board of Directors in its meeting of date.
2. The above results have been reviewed by the Statutory Auditors, as required under Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3. The financial results do not include figures for the preceding quarter and previous year ended 31<sup>st</sup> March, 2016 as per SEBI's circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016.
4. As per the requirements of the Companies Act, 2013, the Company adopted Indian Accounting Standards (Ind AS) from 1st April 2016 and accordingly the quarterly financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

The Ind AS financial results for the quarter ended 30<sup>th</sup> June 2015 have not been subjected to a limited review or audit. However, management has exercised necessary diligence to ensure that the financial results provide true and fair view of the results in accordance with Ind AS.

A reconciliation of standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) is summarised as follows:

₹ crore

| Particulars                                                                                                    | For the quarter ended 30 <sup>th</sup> June 2015 |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>(Loss ) after tax as reported under previous GAAP</b>                                                       | <b>(321.64)</b>                                  |
| <b>Adjustments on account of:</b>                                                                              |                                                  |
| Measurement of derivative and embedded derivatives forward contracts and at fair value through profit and loss | 18.15                                            |
| Recognition and measurement of certain arrangements and leases of land as finance leases                       | (12.26)                                          |
| Capitalisation of major repairs and capital spares                                                             | 97.84                                            |
| Measurement of financial assets and liabilities at amortised cost                                              | 1.10                                             |
| Others                                                                                                         | 7.23                                             |
| Deferred tax impact on above Ind AS adjustments                                                                | (38.61)                                          |
| <b>Total</b>                                                                                                   | <b>73.45</b>                                     |
| <b>(Loss) after tax as reported under Ind AS</b>                                                               | <b>(248.19)</b>                                  |
| <b>Other Comprehensive Income (OCI):</b>                                                                       |                                                  |
| Measurement of equity instruments at fair value through OCI (net of tax effect)                                | <b>(0.06)</b>                                    |
| <b>Total Comprehensive (Loss) under Ind AS</b>                                                                 | <b>(248.25)</b>                                  |

Contd../

5. Net Sales include sales to Government Agencies recognised on provisional contract prices during the Quarter ended 30<sup>th</sup> June 2016: ₹935.65 crore (corresponding quarter of previous year: ₹751.95 crore) and cumulatively upto 30<sup>th</sup> June, 2016: ₹13974.45 crore (upto the corresponding quarter of previous year : ₹10450.52 crore).

6. Pending decision by the Hon'ble Supreme Court of India on levy of Entry Tax in the States of Chhattisgarh, Odisha, and Uttar Pradesh, the Entry Tax demands, under dispute, of ₹1092.43 crore, ₹351.83 crore and ₹97.22 crore upto 30<sup>th</sup> June, 2016 (upto 31<sup>st</sup> March, 2016- ₹1091.02 crore, ₹341.15 crore and ₹97.22 crore) respectively, have been treated as contingent liabilities.

7. Pending decision by the various judicial authorities in the determination of the electricity tariff, claims of ₹518.35 crore upto 30<sup>th</sup> June, 2016 (upto 31<sup>st</sup> March, 2016- ₹491.27 crore ) made by Damodar Valley Corporation in respect of electricity supplied to one of the Plants of the Company, have been treated as contingent liabilities.

8. In one of the units of the Company, the inventories of 0-3 mm and 0-12 mm sizes of Silico Manganese and High Carbon Ferro Manganese, amounting to ₹166.37 crore has been valued based on inter plant transfer price for 0-12 MM size and third party price report for 0-3 mm size.

9. The Auditors, in their Audit Report on the Accounts of the Company for the Year ended 31<sup>st</sup> March, 2016, have brought out that the Company has not provided for :

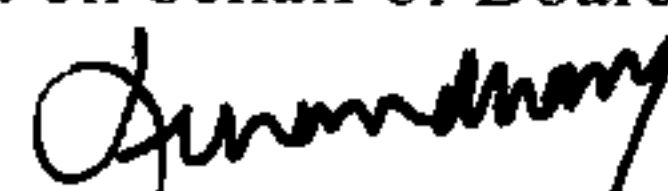
- a). Entry Tax amounting to ₹97.22 crore in the State of Uttar Pradesh, ₹1091.02 crore in the State of Chhattisgarh and ₹341.15 crore in the State of Odisha;
- b). Claims of ₹518.35 crore by DVC for supply of electricity.

In respect of items stated at (a) and (b) above, the Company's views are that these cases are sub-judice and pending for adjudication before the various judicial authorities. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist as on 30<sup>th</sup> June, 2016. Therefore, there is no adverse impact on loss for the quarter. These cases are sub-judice since a long time and there is no change in the status of these cases till date.

10. In respect of advance amount of ₹301.79 crore paid to Indian Railways by way of refundable contribution, with return of 7% of investment at the end of every year after fulfillment of certain milestones, on completion of project, Management is confident of accomplishing the milestones. As there is no significant uncertainty as to measurability or collectability, interest income of ₹3.25 crore during the current quarter (upto 30<sup>th</sup> June, 2016 - ₹47.27 crore) has been recognised. The Company has approached the Expert Advisory Committee of the Institute of Chartered Accountants of India to confirm the accounting treatment of the same.

11. The figures of previous year's quarter have been re-grouped/reclassified, wherever necessary, so as to conform to the current Quarter's classification.

For and on behalf of Board of Directors



( Anil Kumar Chaudhary )  
Director (Finance)

Place: New Delhi  
Dated: 8<sup>th</sup> September, 2016

**STEEL AUTHORITY OF INDIA LIMITED**  
**REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110003**  
**Extract of Standalone Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June 2016**

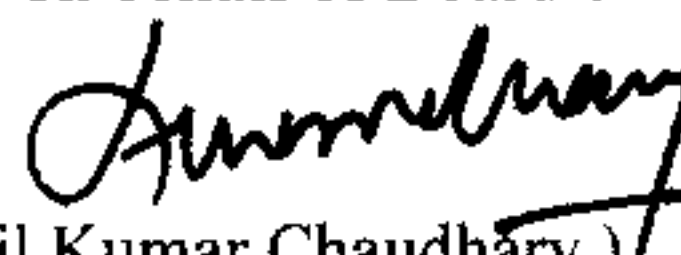
₹ Crore

| Sl. No | Particulars                                                                                                                                     | Quarter ended<br>30 <sup>th</sup> June 2016 | Quarter ended<br>30 <sup>th</sup> June 2015              |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------|
|        |                                                                                                                                                 | (Unaudited)                                 | (unaudited & not<br>subject to review)<br>(refer note 2) |
| 1      | Total Income from Operations (net)                                                                                                              | 9238.08                                     | 9493.11                                                  |
| 2      | Net Profit/ (Loss) for the Period ( before tax , Exceptional and / or<br>Extraordinary items )                                                  | (871.21)                                    | (664.47)                                                 |
| 3      | Net Profit/ (loss) for the Period before tax ( after Exceptional and / or<br>Extraordinary items )                                              | (925.41)                                    | (664.47)                                                 |
| 4      | Net Profit/ (Loss) for the Period after Tax ( after Exceptional and / or<br>Extraordinary items )                                               | (535.52)                                    | (248.18)                                                 |
| 5      | Total Comprehensive Income for the period [Comprising Profit / (Loss)<br>for the period (after Tax) and other Comprehensive Income (after tax)] | (0.60)                                      | (0.06)                                                   |
| 6      | Equity Share Capital                                                                                                                            | 4130.53                                     | 4130.53                                                  |
| 7      | Earnings per Share (of Rs.10/- each) (For continuing and discontinued<br>operations) - (in ₹)                                                   |                                             |                                                          |
|        | 1. Basic                                                                                                                                        | -1.30                                       | -0.60                                                    |
|        | 2 .Diluted                                                                                                                                      | -1.30                                       | -0.60                                                    |

Note: (1) The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the Stock Exchange websites of NSE and BSE at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively and under the Investor Relations Section on the Company's website [www.sail.co.in](http://www.sail.co.in).

(2) The IND AS financial results for the quarter ended 30<sup>th</sup> June, 2015 are not subjected to a limited review or audit. However, Management has exercised necessary diligence to ensure that the financial results provide true and fair view of the results in accordance with IND AS.

For and on behalf of Board of Directors

  
( Anil Kumar Chaudhary )  
Director (Finance)

Place: New Delhi

Dated: 8<sup>th</sup> September, 2016