



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

संख्या:सीए/17(44)11
No.CA-17(44)/11

3 नवम्बर, 2011
November 3, 2011

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 (E),
Mumbai-400 051.
Fax No.022-26598237/38

विषय:- 30 सितम्बर, 2011 को समाप्त अर्धवर्ष/तिमाही के अनंकेक्षित वित्तीय परिणाम

Sub:- Unaudited Financial Results for half-year and quarter ended 30th September, 2011.

महोदय,

Dear Sirs,

सूचिवद्ध करार की शर्तों के अनुसार, सेल के 30 सितम्बर, 2011 को समाप्त अर्धवर्ष/तिमाही के अनंकेक्षित वित्तीय परिणाम निर्धारित फार्म में आपकी सूचना व रिकार्ड हेतु भेजे जा रहे हैं।

In terms of Listing Agreement, please find enclosed the Unaudited Financial Results of SAIL for half-year and quarter ended 30th September, 2011 in the prescribed format for your information and record.

ये वित्तीय परिणाम 3 नवम्बर, 2011 को नई दिल्ली में हुई निदेशक मण्डल की बैठक में रिकार्ड में लिये गये। इन परिणामों को 4 नवम्बर, 2011 को समाचार पत्रों में भी प्रकाशित करवाया जा रहा है।

These financial results have been taken on record by the Board of Directors in its Meeting held on 3rd November, 2011 at New Delhi. These results are also being published in the newspapers on 4th November, 2011.

भवदीय,

Yours faithfully,

(देवेन्द्र कुमार)

(Devinder Kumar)

कार्यनिदेशक (वित्त एवं लेखा) एवं सचिव

ED (F&A) & Secretary

संलग्न: उपरोक्त वर्णित।

Encl: as stated.

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

Unaudited Financial Results for the Half Year ended 30th September 2011

Sl. No	Particulars	Rs. in Crore				
		Quarter ended		Half Year ended		Year ended
		30th September 2011	30th September 2010	30th September 2011	30th September 2010	31st March 2011
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Net Sales / Income from operations					
	i) Gross sales	11970.35	11697.45	23877.78	21628.23	47040.50
	ii) Less : Excise Duty	1133.67	1094.57	2214.77	1995.98	4321.79
	Sub total (a) (i-ii)	10836.68	10602.88	21663.01	19632.25	42718.71
	(b) Other operating income	142.94	144.56	258.03	248.51	588.65
	Sub total 1 (a) + (b)	10979.62	10747.44	21921.04	19880.76	43307.36
2	Expenditure					
	a) Increase(-)/Decrease in stock-in-trade and work in progress	-454.79	286.52	-745.18	-1392.33	-1352.67
	b) Consumption of Raw Materials	5608.45	4879.43	10798.03	9581.57	20247.91
	c) Purchase of traded goods	1.92	1.15	2.84	2.48	4.22
	d) Consumption of stores & spares	652.10	607.64	1272.04	1181.00	2395.08
	e) Employees' cost	1980.80	1700.37	4246.93	3712.08	7623.33
	f) Power & Fuel	1123.72	876.61	2185.67	1754.97	3587.64
	g) Depreciation	393.78	368.82	768.59	719.33	1485.80
	h) Other Expenditure	957.91	1008.27	1992.46	1907.32	3957.45
	i) Less: Finished Products Internally Consumed	217.63	154.81	481.23	345.24	744.59
	Sub total 2 (a) to (h) - (i)	10046.26	9574.00	20040.15	17121.18	37204.17
3	Profit from operations before other income, interest and exceptional items (1-2)	933.36	1173.44	1880.89	2759.58	6103.19
4	Other Income					
	i) Interest earned	433.75	332.49	886.50	706.65	1381.17
	ii) Other Income	56.51	42.89	69.96	54.93	59.47
	Sub total (i+ii)	490.26	375.38	956.46	761.58	1440.64
5	Profit before interest and exceptional items (3+4)	1423.62	1548.82	2837.35	3521.16	7543.83
6	Interest	200.01	109.04	371.23	238.68	474.95
7	Profit after interest but before exceptional items (5-6)	1223.61	1439.78	2466.12	3282.48	7068.88
8	Exceptional items-Foreign exchange loss (-)/ gain(+) (Refer note vi(a))	-508.72	152.52	-520.37	58.73	125.43
9	Profit from ordinary activities before tax (7+8)	714.89	1592.30	1945.75	3341.21	7194.31
10	Tax Expense					
	(a) Current Tax	235.91	496.38	625.65	1074.43	2367.38
	(b) Deferred Tax Liability / Assets (-)	-14.63	15.01	-12.49	9.22	-63.04
	(c) Earlier years	-1.03	-9.10	-1.03	-9.10	-14.77
	Sub-Total (a to c)	220.25	502.29	612.13	1074.55	2289.57
11	Net Profit from ordinary activities after Tax (9-10)	494.64	1090.01	1333.62	2266.66	4904.74
12	Extraordinary items (net of tax expense Rs. Nil)	0.00	0.00	0.00	0.00	0.00
13	Net Profit for the period (11-12)	494.64	1090.01	1333.62	2266.66	4904.74
14	Paid up Equity Share Capital (Face value : Rs. 10 per share)	4130.53	4130.40	4130.53	4130.40	4130.40
15	Reserves (excluding revaluation reserve) as per balance sheet of previous accounting year					32939.07
16	Basic and Diluted Earnings per share before and after extraordinary items (Not Annualised) (Rupees)	1.20	2.64	3.23	5.49	11.87
17	Debt Service Coverage Ratio (DSCR) (Number of times)			2.34	7.08	7.60
18	Interest Service Coverage Ratio (ISCR) (Number of times)			3.63	6.73	6.97
19	Aggregate of public share holding					
	- Number of shares	58,52,22,759	58,50,82,315	58,52,22,759	58,50,82,315	58,50,96,015
	- Percentage of share holding	14.17	14.16	14.17	14.16	14.16
20	Promoters and Promoter group shareholding					
	(a) Pledged / Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	(b) Non-Encumbered					
	- Number of Shares	3544690285	3544690285	3544690285	3544690285	3544690285
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	85.82	85.82	85.82	85.82	85.82

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED					
PARTICULARS	Quarter Ended 30th September 2011 (Unaudited)	Quarter Ended 30th September 2010 (Unaudited)	Half year ended 30th September 2011 (Unaudited)	Half year ended 30th September 2010 (Unaudited)	Rs. in Crore Year ended 31st March 2011 (Audited)
Segment Revenue (Net sales / Income from Operations)					
- Bhilai Steel Plant	4163.13	4134.90	8368.99	7868.95	16805.24
- Durgapur Steel Plant	1539.89	1508.16	3056.67	2847.31	6175.95
- Rourkela Steel Plant	1970.24	1855.33	3852.41	3298.11	7044.77
- Bokaro Steel Plant	2935.91	2715.00	5780.97	4800.64	10960.14
- IISCO Steel Plant	652.07	570.95	1365.56	1094.54	2580.31
- Alloy Steels Plant	293.01	359.28	576.21	639.13	1290.73
- Salem Steel Plant	286.33	375.49	568.59	672.74	1412.45
- Visvesvaraya Iron & Steel Plant	127.88	126.92	247.47	248.02	516.82
- Others	521.68	358.92	1035.51	673.43	1495.41
Total Segment Revenue	12490.14	12005.95	24832.38	22142.87	48281.82
Less : Inter-Segment Revenue	1510.52	1258.52	2911.34	2262.11	4974.46
Net sales / Income from Operations	10979.62	10747.44	21921.04	19880.76	43307.36
Segment Results (Profit(+)/Loss(-) before interest, exceptional items and tax)					
- Bhilai Steel Plant	543.61	782.93	1058.99	1717.32	3550.55
- Durgapur Steel Plant	81.31	86.55	208.21	234.51	461.90
- Rourkela Steel Plant	131.27	197.82	347.00	412.10	944.40
- Bokaro Steel Plant	399.74	167.33	610.89	522.74	1306.56
- IISCO Steel Plant	-148.64	-29.40	-199.64	-12.62	27.80
- Alloy Steels Plant	-10.19	4.09	-21.87	-6.28	-3.52
- Salem Steel Plant	-6.38	3.61	0.86	7.91	22.14
- Visvesvaraya Iron & Steel Plant	-35.27	-22.46	-71.39	-45.90	-129.07
- Others	468.44	358.35	904.30	691.38	1363.07
Total	1423.89	1548.82	2837.35	3521.16	7543.83
Less : Interest Expenses	200.28	109.04	371.23	238.68	474.95
Less : Exceptional items - Foreign exchange gain (-) / Loss (+)	508.72	-152.52	520.37	-58.73	-125.43
Profit before tax	714.89	1592.30	1945.75	3341.21	7194.31
Capital Employed					
(Segment assets less segment liabilities excluding Inter unit Balances)					
- Bhilai Steel Plant	7030.56	5000.13	7030.56	5000.13	5886.65
- Durgapur Steel Plant	2090.53	1990.25	2090.53	1990.25	1762.24
- Rourkela Steel Plant	8137.24	5509.87	8137.24	5509.87	6962.95
- Bokaro Steel Plant	6520.92	4629.06	6520.92	4629.06	5769.93
- IISCO Steel Plant	11546.22	8684.12	11546.22	8684.12	10326.39
- Alloy Steels Plant	377.26	369.05	377.26	369.05	302.13
- Salem Steel Plant	3279.07	2648.15	3279.07	2648.15	2927.16
- Visvesvaraya Iron & Steel Plant	531.55	485.43	531.55	485.43	461.32
- Others	24085.65	21211.16	24085.65	21211.16	24327.26
Total Capital Employed in the Company	63599.00	50527.22	63599.00	50527.22	58726.03
Note :					
1. Segments have been identified in line with the Accounting Standard -17 on Segment Reporting 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:

i) Statement of Assets and Liabilities

	Rupees in crore		
	As at 30 th September, 2011	As at 30 th September, 2010	As at 31 st March, 2011
	(Unaudited)	(Unaudited)	(Audited)
<u>Sources of Funds</u>			
Share Capital	4130.53	4130.40	4130.40
Reserves and Surplus	34431.11	31453.01	32939.07
Loan Funds	23518.79	13415.71	20165.49
Deferred Tax Liability (Net)	1518.57	1528.10	1491.07
	63599.00	50527.22	58726.03
<u>Application of Funds</u>			
Fixed Assets	41424.39	32054.07	37308.49
Investments	663.71	670.58	684.14
Current Assets, Loans & Advances (A)			
(a) Inventories	13016.75	12425.95	11302.79
(b) Sundry Debtors	4526.24	3144.36	4161.30
(c) Cash & Bank Balances	15684.54	14502.48	17478.86
(d) Other Current Assets	1158.60	438.30	489.56
(e) Loans & Advances	5216.34	3808.78	4657.85
	39602.47	34319.87	38090.36
Less: Current Liabilities & Provisions (B)			
(a) Current Liabilities	12542.27	10588.05	11474.86
(b) Provisions	5549.30	5929.25	5882.10
	18091.57	16517.30	17356.96
Net Current Assets (A-B)	21510.90	17802.57	20733.40
	63599.00	50527.22	58726.03

ii) The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 3rd November, 2011.

iii) The above results have been reviewed by the Statutory Auditors, as required under Clause 41 of the Listing Agreement.

iv) The information on investors' complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September, 2011:

Opening Balance	Received during the quarter	Resolved during the quarter	Closing balance
-	7	7	-

Contd../

v) The Ministry of Corporate Affairs, vide Order dated 10th June, 2011, notified the approval of amalgamation of Maharashtra Elektros melt Limited (MEL), a subsidiary company, with the Company under Sections 391 to 394 of the Companies Act, 1956. As per the Scheme of Amalgamation, the Amalgamation is effective from the Appointed Date of 1st April, 2010. The Amalgamation has been given effect to in accordance with the provisions of the scheme of amalgamation during the current quarter. Accordingly, as stipulated under the Scheme of Amalgamation, balance of the Profit & Loss Account of the MEL as on 1st April, 2010, has been merged in the accounts of the Company. The profit after tax of MEL for the years 2010-11, has also been credited to the balance of the Profit and Loss Account of the Company. The financial results of the quarter/half year ended 30th September, 2010 and the year ended 31st March, 2011, do not include the figures of the erstwhile MEL and are, therefore, not comparable with those of the current quarter/half year. The figures for the current quarter/half year include the results of erstwhile MEL, consequent to its amalgamation with the Company.

vi) Due to unusual and steep depreciation in the value of the Rupee against US Dollar and Euro during the current quarter / half year, the foreign exchange fluctuation loss of:

- a) Rs. 508.72 crore for the current quarter and Rs. 520.37 crore for the current half year on short term foreign currency loans have been considered as an 'Exceptional Item' by the Company; and
- b) Rs.163.83 crore for the current quarter & Rs.163.26 crore for the current half year on long-term foreign currency loans have been adjusted in the carrying cost of the Fixed Assets/Capital Work-in-progress, in accordance with Companies (Accounting Standards) Amendment Rules 2009, relating to Accounting Standard – 11, notified by the Government of India on 31st March 2009.

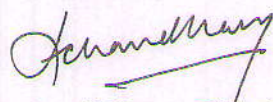
vii) Net Sales include sales to Government agencies recognised on provisional contract prices during the half year ended 30th September, 2011: Rs.1914.16 crore (corresponding half year of previous year: Rs.1879.44 crore) and upto 30th September, 2011: Rs.13060.23 crore (upto the corresponding half year of previous year : Rs. 9850.64 crore).

viii) The matter regarding pension for non-executives remains to be decided at a later date. The effect thereof, if any, on the results is not ascertainable.

ix) Formulas used for computation of coverage ratios : DSCR = Earnings before interest, exceptional items and tax/principal and interest repayment of long terms loans; and ISCR = Earnings before interest, exceptional items and tax/Interest including transferred to Capital Work in Progress.

x) The figures of previous periods have been re-grouped, wherever necessary, to conform to current quarter/half year 's classification. Pursuant to the amalgamation of MEL with the Company, as explained in note (v) above, the figures for the current quarter/half year are not comparable with the corresponding period of previous year.

For and on behalf of Board of Directors



(Anil Kumar Chaudhary)
Director (Finance)

Place: New Delhi

Dated: 3rd November, 2011