



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

No. CA-17(44)/2016

June 10, 2016

Bombay Stock Exchange Limited, Floor 24, P.J. Towers, Dalal Street, <u>Mumbai-400001.</u>	The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) <u>Mumbai-400051.</u>
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Sub: Audited Consolidated Financial Results for the Financial Year ended 31st March, 2016.

Dear Sir,

In continuation to our earlier letter of even number dated 30th May, 2016, we are forwarding herewith Audited Consolidated Financial Results of our Company for the Financial Year ended 31st March, 2016.

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 Consolidated Financial Results for the year ended 31st March 2016

₹ Crore

Sl. No	Particulars	Consolidated	
		Year ended 31st March 2016 (Audited)	Year ended 31st March 2015 (Audited)
1	Income From Operations		
	(a) Net Sales / Income from Operations (net of Excise Duty)	38967.16	45590.78
	(b) Other Operating Income	545.00	512.19
	Total Income from Operations (net)	39512.16	46102.97
2	Expenses		
	a) Cost of Materials Consumed	17927.67	19357.67
	b) Purchase of Stock in Trade	14.96	7.30
	c) Changes in Inventories of Finished Goods, Work in Progress and Stock In Trade	590.87	(1368.70)
	d) Employee Benefits Expense	10075.81	9899.61
	e) Depreciation and Amortisation Expense	2254.31	1907.14
	f) Power & Fuel	4585.58	4292.66
	g) Other Expenses	9922.67	9188.22
	Total Expenses	45371.87	43283.90
3	Profit / loss (-) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(5859.71)	2819.07
4	Other Income	593.41	980.82
5	Profit / (loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(5266.30)	3799.89
6	Finance Cost	2176.98	1555.18
7	Profit / (loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(7443.28)	2244.71
8	Exceptional items Loss(-)/Gain (+)		
9	Profit / (loss) from ordinary activities before Tax (7 - 8)	(7443.28)	2244.71
10	Tax Expense		
	(a) Current Tax	60.80	549.29
	(b) Deferred Tax Liability / (Assets)	(2985.34)	287.08
	(c) MAT Credit	(27.52)	(512.96)
	(d) Earlier Years	(74.43)	(17.59)
	Sub-Total (a to d)	(3026.49)	305.82
11	Net Profit/ (loss) from ordinary activities after tax (9-10)	(4416.79)	1938.89
12	Extraordinary Items (net of tax expense ₹ Nil)		
13	Net Profit / (loss) for the year (11-12)	(4416.79)	1938.89
14	Share of profit/(Loss) of Associate	0.26	0.14
15	Minority Interest	119.78	96.29
16	Net Profit after taxes, minority interest and share of profit/(Loss) of Associates (13+14-15)	(4296.75)	2035.32
17	Paid up Equity Share Capital (Face value : ₹. 10 per share)	4130.53	4130.53
18	Reserves (excluding Revaluation Reserve) as per Balance Sheet of previous accounting year	35798.67	39609.67
19	Basic and Diluted Earnings per Share (of ₹.10/- each) before and after Extraordinary Items (Rupees)	(10.69)	4.69



Consolidated Statement of Assets and Liabilities

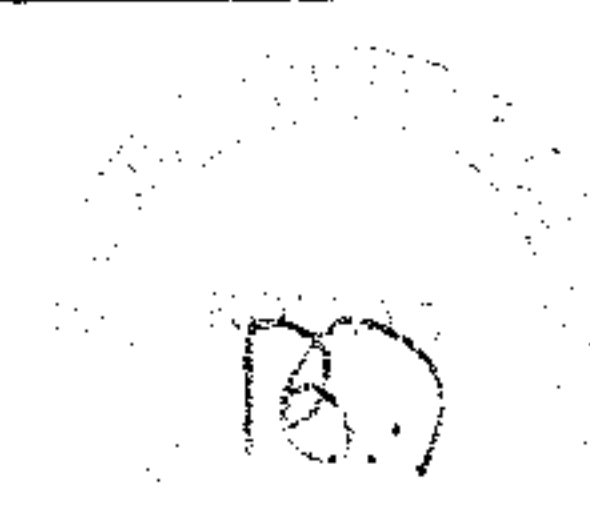
(₹ crore)

Particulars	Consolidated	
	As at 31st March 2016 (Audited)	As at 31st March 2015 (Audited)
A. Equities and Liabilities		
1 Shareholders' Funds		
(a) Share Capital	4130.53	4130.53
(b) Reserves and Surplus	35798.67	39609.67
Sub-total - Shareholders' Funds	39929.20	43740.20
2 Minority Interest	-470.91	-316.58
3 Share application money pending allotment	2.21	30.85
4 Non-current liabilities		
(a) Long-term borrowings	16700.39	15715.20
(b) Deferred tax liabilities (Net)	0.00	2565.02
(c) Other Long term liabilities	1298.83	1240.86
(d) Long-term provisions	4397.43	4377.39
Sub-total - Non-current liabilities	22396.65	23898.47
5 Current Liabilities		
(a) Short-term borrowings	15891.76	14613.27
(b) Trade payables	4301.57	3812.14
(c) Other current liabilities	16006.79	14357.05
(d) Short-term provisions	2604.54	2498.10
Sub-total - current liabilities	38804.66	35280.56
TOTAL - EQUITY AND LIABILITIES	100661.81	102633.50
B. ASSETS		
1 Non-current assets		
(a) Fixed Assets	71765.05	68338.83
(b) Non-current investments	15.74	18.50
(c) Deferred tax assets (net)	538.68	-
(c) Long-term loans and advances	5210.65	4798.46
(d) Other non-current assets	248.71	318.25
Sub-total - Non-current assets	77778.83	73474.04
2 Current assets		
(a) Current investments	48.31	42.03
(b) Inventories	15363.61	18035.62
(c) Trade receivables	2825.21	3250.14
(d) Cash and Bank Balances	692.76	2635.92
(e) Short-term loans and advances	2113.85	2895.09
(f) Other current assets	1839.24	2300.66
Sub-total - Current assets	22882.98	29159.46
TOTAL - ASSETS	100661.81	102633.50

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SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ crore

PARTICULARS	CONSOLIDATED	
	Year ended	Year ended
	31st March 2016 (Audited)	31st March 2015 (Audited)
Segment Revenue (Net Sales / Income from Operations)		
- Bhilai Steel Plant	13865.87	16114.31
- Durgapur Steel Plant	5687.10	7264.34
- Rourkela Steel Plant	7044.25	8702.60
- Bokaro Steel Plant	8331.22	11891.98
- IISCO Steel Plant	3055.35	1836.81
- Alloy Steels Plant	555.07	721.15
- Salem Steel Plant	1585.97	1974.48
- Visvesvaraya Iron & Steel Plant	232.42	257.78
- Power	1290.51	1204.71
- Others	4471.52	4240.60
Total Segment Revenue	46119.28	54208.76
Less : Inter-Segment Revenue	6607.12	8105.79
Net sales / Income from Operations	39512.16	46102.97
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)		
- Bhilai Steel Plant	708.20	2490.04
- Durgapur Steel Plant	(392.40)	622.05
- Rourkela Steel Plant	(1964.85)	618.63
- Bokaro Steel Plant	(1776.96)	786.49
- IISCO Steel Plant	(1454.50)	(835.85)
- Alloy Steels Plant	(60.86)	(117.72)
- Salem Steel Plant	(348.76)	(249.55)
- Visvesvaraya Iron & Steel Plant	(115.54)	(97.29)
- Power	225.30	228.96
- Others	(85.93)	354.13
Total	(5266.30)	3799.89
Less : Interest Expenses	2176.98	1555.18
Profit / (loss) before Tax	(7443.28)	2244.71
Capital Employed		
(Segment Assets less Segment Liabilities excluding Inter Unit Balances)		
- Bhilai Steel Plant	17949.44	16718.36
- Durgapur Steel Plant	3600.52	3333.18
- Rourkela Steel Plant	15114.21	14907.40
- Bokaro Steel Plant	10942.97	11074.13
- IISCO Steel Plant	17390.45	17096.69
- Alloy Steels Plant	358.53	399.38
- Salem Steel Plant	2342.98	2696.20
- Visvesvaraya Iron & Steel Plant	508.22	458.42
- Power	1635.74	1666.61
- Others	(14220.90)	(6615.68)
Total Capital Employed in the Company	55622.16	61734.69

Note :

i) Business Segments: The five integrated steel plants and three alloy steel plants of SAIL, two power joint venture companies being NTPC-SAIL Power Company Pvt. Ltd. and Bokaro Power Supply Co. Pvt. Ltd., one power subsidiary being SAIL-Jagdishpur Power Plant Limited (SJPL) have been considered as primary business segments for reporting under 'Accounting Standard-17 - Segment Reporting' issued by the Ministry of Corporate Affairs.

ii) Geographical segments have been considered for Secondary Segment Reporting, by treating sales revenue in India and foreign countries as separate geographical segments.

iii) In respect of SAIL, in the opinion of the management, the captive mines are not a reportable business segment of the Company as per Para 27 of Accounting Standard-17 - Segment Reporting, issued by Ministry of Corporate Affairs. As captive mines are supplying raw materials to various plants, the Mines have been treated as cost centre for accounting purpose.

4113

18

Notes to Consolidated Financial Results :

1. The above results have been reviewed by the Audit Committee in its meeting held on 10th June, 2016 and were approved by the Board of Directors in its meeting of date. The Consolidated Financial Statements are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. 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 ₹1091.02 crore, ₹341.15 crore and ₹97.22 crore upto 31st March, 2016 (upto 31st March, 2015- ₹1084.32 crore, ₹333.95 crore and ₹94.89 crore) respectively, have been treated as contingent liabilities.
3. Pending decision by the various judicial authorities in the determination of the electricity tariff, demands of ₹491.27 crore upto 31st March, 2016 (upto 31st March, 2015- ₹393.59 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.
4. Bokaro Power Supply Co. Private Limited (BPSCL), a Joint venture of the Company, has undertaken a project of two units of 250 MW each in 2006 and incurred an expenditure of Rs.19.10 crore (proportionate share of Company - ₹9.55 crore). The implementation of the project by the BPSCL is in process.
5. Net Sales include sales to the Government Agencies recognised on provisional contact prices during the year ended 31st March, 2016: ₹3376.11 crore (previous year: ₹2907.36 crore) and cumulatively upto 31st March, 2016: ₹13074.67 crore (upto previous year : ₹9750.99 crore).
6. The Auditors, in their Audit Report on the Consolidated Financial Statements of the Company for the Year ended 31st March, 2015, have brought out that :
 - i) The Company has not provided for :
 - a) Entry Tax amounting to ₹94.89 crore in the State of Uttar Pradesh, ₹1084.32 crore in the State of Chhattisgarh and ₹333.95 crore in the State of Odisha;
 - b) demands of ₹393.59 crore by DVC for supply of electricity.
 - ii) estimated quantity of 9089 Tonnes of skull, extractable from slag, valued at ₹51.80 crore included in inventory at Salem Steel Plant of the Company. The Auditors have qualified the valuation of skull as there is no separate distinguishable physical existence of skull.

In respect of items stated at (i), the Company's view is that these cases are sub-judice for a long time 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 31st March, 2016. There is no change in the status of these cases till date. In respect of item stated at (ii), the quantity of skull extractable from slag has not been valued in the Accounts for the Year ended 31st March, 2016.

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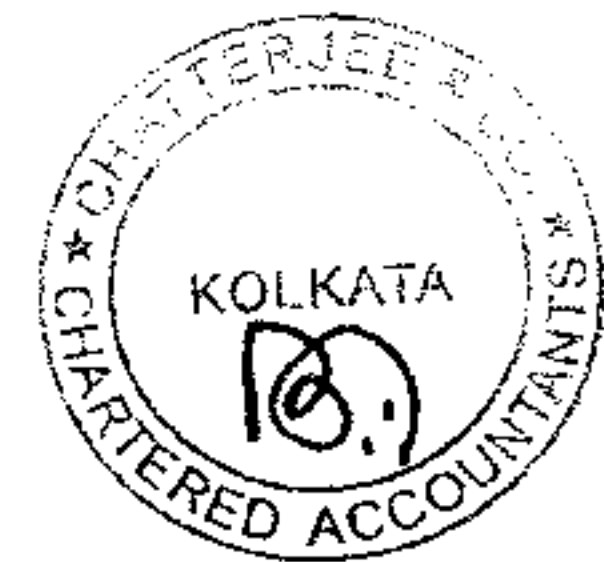
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7. The figures of previous year have been re-grouped, wherever necessary, to conform to Current Year's classification.

For and on behalf of Board of Directors

Place: New Delhi
Dated: 10th June, 2016

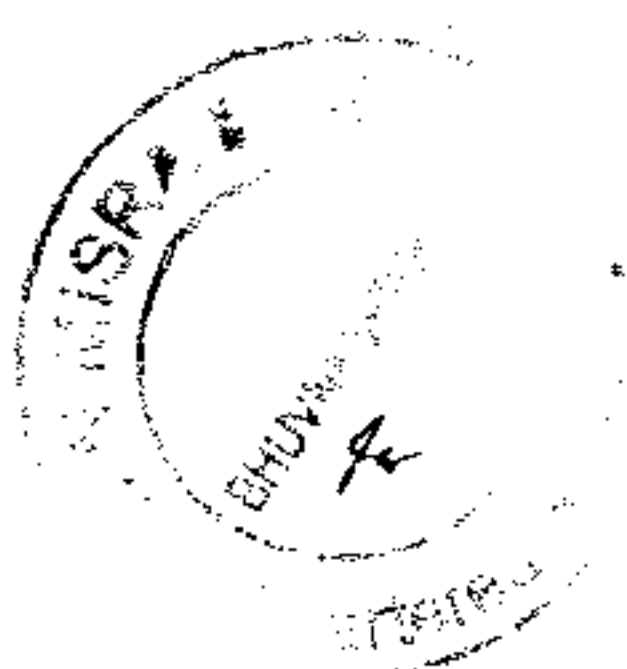

(Anil Kumar Chaudhary)
Director (Finance)



Statement on Impact of Audit Qualifications for the FY ended 31st March, 2016

I.	SL No.	Particulars	Consolidated	
			Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income (₹/crore)	39512.16	39512.16
	2.	Total Expenditure (₹/crore)	45371.87	47402.08
	3.	Net Profit/(Loss) (₹/crore)	(4416.79)	(5747.69)
	4.	Earnings Per Share (In ₹)	(10.69)	(13.92)
	5.	Total Assets (₹/crore)	100661.81	101351.57
	6.	Total Liabilities (₹/crore)	60730.40	62751.06
	7.	Net Worth (₹/crore)	39931.41	38600.51
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

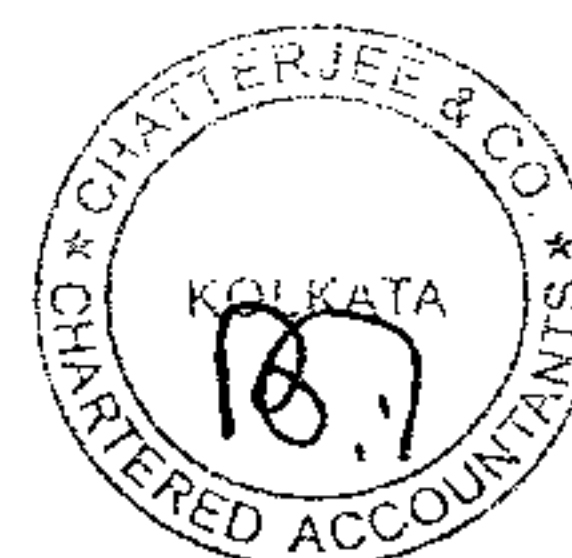
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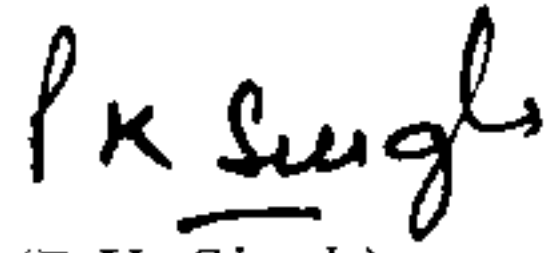
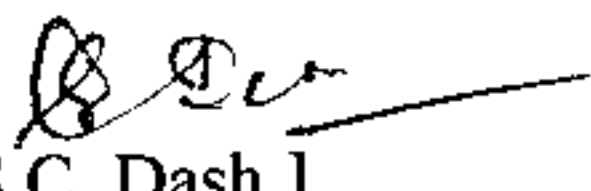
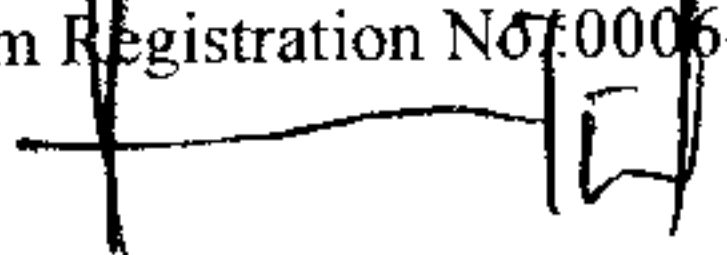
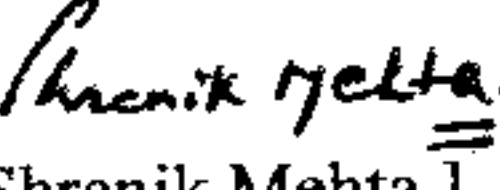
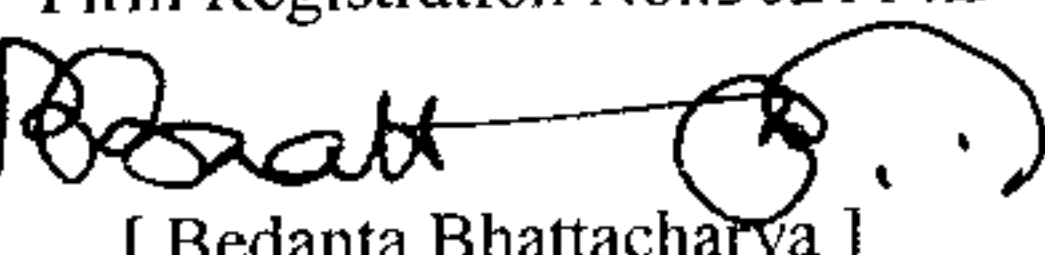
Statement on Impact of Audit Qualifications for the FY ended 31st March, 2016 (Contd..)

II.	Audit Qualification (each audit qualification separately):	Consolidated
	a. Details of Audit Qualification:	The Company has not provided for : i) 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; (ii) demands of ₹491.27 crore by DVC for supply of electricity. (iii) Capital work-in-progress of ₹19.10 crore (proportionate share of the Company- ₹9.55 crore) lying stagnant for few years in Bokaro Power Supply Co. Private Limited (BPSCL), a Joint venture of the Company. There seems to be remote possibility of revival of the project in future.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	(i), (ii) & (iii) - Qualified Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	(i) & (ii) Repetitive and Continuing from the FY 2012-13 (iii) Appeared first time in the FY 2015-16
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Yes, the impact has been quantified by the Auditors. In respect of items stated at (i) & (ii), the Company's view is that these cases are sub-judice for a long time 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 31 st March, 2016. There is no change in the status of these cases till date. In respect of item stated at (iii), the implementation of the project by the BPSCL is in process.

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Statement on Impact of Audit Qualifications for the FY ended 31st March, 2016 (Contd..)

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Not applicable
	(i) Management's estimation on the impact of audit qualification:	Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same:	Not applicable
	(iii) Auditors' Comments on (i) or (ii) above:	
III.	Signatories:	
	• CEO/Managing Director	 (P.K. Singh)
	• CFO	 (Anil Kumar Chaudhary)
	• Audit Committee Chairman	 (Dr. Atmanand)
	• Statutory Auditors	
	For B.N. Misra & Co. Chartered Accountants Firm Registration No.:321095E  [S.C. Dash] Partner (M. No. 050020)	For Sharma Goel & Co. LLP Chartered Accountants Firm Registration No.:000643N  [Amar Mittal] Partner (M. No. 017755)
	For Singhi & Co. Chartered Accountants Firm Registration No.:302049E  [Shrenik Mehta] Partner (M. No.063769)	For Chatterjee & Co. Chartered Accountants Firm Registration No.:302114E  [Bedanta Bhattacharya] Partner (M. No.60855)
	Place: New Delhi	
	Date: 10 th June, 2016	









Auditor's Report on Consolidated Year to Date Results of Steel Authority of India Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**Board of Directors of
Steel Authority of India Limited**

1. We have audited the consolidated financial results ('the Results') of Steel Authority of India Limited ('the Company'), its subsidiaries, jointly controlled entities and associate (collectively referred to as 'the Group') for the year ended 31st March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Results has been prepared on the basis of annual consolidated financial statements which are the responsibility of the Company's management. Our responsibility is to express an opinion on the Results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Results is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. **Basis for Qualified Opinion**
 - i. **Steel Authority of India Limited**
The Company has not provided for;
 - a. entry tax amounting to Rs 97.22 crore (current year Rs 2.33 crore and last year Rs 3.34 crore) in the state of Uttar Pradesh, Rs 1091.02 crore (current year Rs 6.70 crore and last year Rs 13.04 crore) in the state of Chhatisgarh and Rs 341.15 crore (current year Rs 7.20 crore and last year Rs 119.04 crore) in the state of Odisha (refer note no. 2);
 - b. amount paid to DVC against bills raised for supply of power and retained as advance by Bokaro Steel Plant amounting to Rs 491.27 crore (current year Rs 97.68 crore and last year Rs 101.83 crore) (refer note no. 3);
 - ii. **Bokaro Power Supply Company Private Limited**
The company has undertaken construction of 2*250 MW project in the year 2006 and has booked capital work in progress to the tune of Rs 19.10 crore (proportionate share of Company is Rs 9.55 crore), including Rs 12.35 crore of BG invoked by CCL on 31 March 2011, due to non-fulfilment of the condition stipulated in the LOA (Letter of Assurance) for supply of coal to the said project. The status of the said project seems to be stagnant for the few years due to various reasons and there seems to be remote possibility of future revival of the project. (refer note no. 4)

The total impact of above para (i) and (ii) has resulted in understatement of Loss after Tax for the year by Rs 1,330.90 crore, overstatement of Reserves & Surplus by Rs 1,330.90 crore, understatement of Current Liabilities by Rs 2,020.66 crore and understatement of Total Assets by Rs 689.76 crore.

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4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us the Results:

- (i) Include financial results of the entities given as Annexure A;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) Except for the effect of the matter as mentioned in paragraph 3 above give a true and fair view of the consolidated net loss and other financial information for the year ended 31st March 2016.

5. Emphasis of Matter

Steel Authority of India Limited

We draw attention to the net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no. 5);

Our opinion is not qualified in respect of this matter.

6. Other Matters

We did not audit the financial statements/financial information of 4 subsidiaries and 13 jointly controlled entities included in the Results whose financial statements reflect proportionate total assets of Rs. 4045.95 crore as at 31st March 2016, proportionate total revenues of Rs. 1915.08 crore for the year ended 31st March 2016 and proportionate total loss after tax of Rs 202.45 crore for the year ended 31st March 2016 as considered in the Results. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

The Results includes the unaudited financial statements of 5 jointly controlled entities, whose financial statements reflect proportionate total assets of Rs 43.09 crore as at 31 March, 2016, proportionate total revenue of Rs 3.64 crore for the year ended 31st March 2016 and proportionate total loss after tax of Rs 6.88 crore for year ended 31st March, 2016. Our opinion on the Results, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities is based solely on such unaudited financial statements approved by the management of the respective entities. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Group.

The Results also include the Group's share of net profit of Rs 0.26 crore for the year ended 31st March, 2016, in respect of Almora Magnesite Limited, associate company, whose financial statements have not been audited by us and is based solely on unaudited financial statements approved by the management of Almora Magnesite Limited.

In case of one subsidiary company and four jointly controlled entities the financial statements as at 31 March, 2016 are not available. The investment in these companies has been fully provided for as at 31 March 2016. In the absence of their financial statements as at 31 March, 2016, the total assets, total revenue and total profit / loss of these entities have not been included in the Results.



Our opinion on the Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

For B.N. Misra & Co.

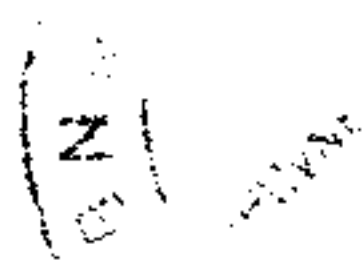
Chartered Accountants

Firm Registration No.:321095E



[S.C. Dash]

Partner

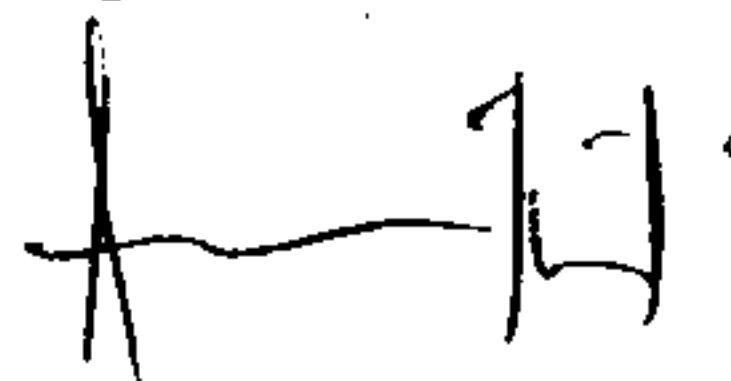


(M. No. 050020)

For Sharma Goel & Co. LLP

Chartered Accountants

Firm Registration No.:000643N



[Amar Mittal]

Partner

(M. No. 017755)



For Singhi & Co.

Chartered Accountants

Firm Registration No.:302049E



[Shrenik Mehta]

Partner

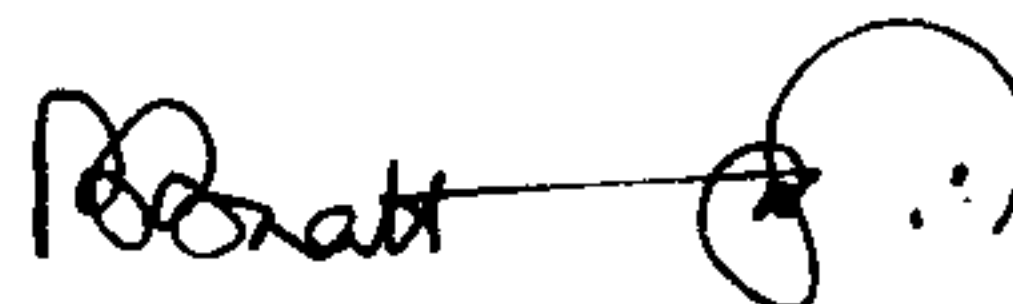
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For Chatterjee & Co.

Chartered Accountants

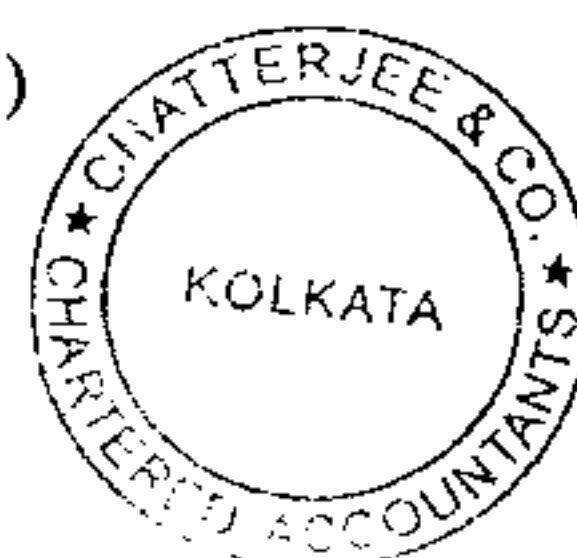
Firm Registration No.:302114E



[Bedanta Bhattacharya]

Partner

(M. No.60855)



Place: New Delhi

Date: 10th June, 2016

Annexure A – List of Companies consolidated

Subsidiaries
SAIL Refractory Company Limited
SAIL-Jagdishpur Power Plant Limited
Sail Sindri Projects Limited
Chhatisgarh Mega Steel Limited
Jointly Controlled Entities
NTPC-SAIL Power Company Private Limited
Bokaro Power Supply Company Private Limited
mjunction Services Ltd
S&T Mining Company Private Limited
International Coal Ventures Private Limited
SAIL & MOIL Ferro Alloys Private Limited
SAIL-RITES Bengal Wagon Industry Private Limited
SAIL-Kobe Iron India Private Limited
Prime Gold-SAIL JVC Limited
Abhinav-SAIL JVC Limited
SAIL-Bansal Service Centre Ltd
Bhilai Jaypee Cement Limited
SAIL SCI Shipping Private Limited
SAIL-SCL Kerala Limited
SAL-SAIL JVC Limited
TMTSAL-SAIL JVC Limited
SAIL-Bengal Alloy Castings Private Limited
VSL SAIL JVC Limited
Associate
Almora Magnesite Limited

