

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

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December 2015

₹ Crore

Sl. No	Particulars	Quarter ended			Nine Months ended		
		31st December 2015	30th September 2015	31st December 2014	31st December 2015	31st December 2014	Year ended 31st March 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income From Operations						
	(a) Net Sales / Income from Operations (net of Excise Duty)	8805.29	9113.01	10977.41	27301.84	33738.68	45208.05
	(b) Other Operating Income	133.83	143.90	129.91	396.99	386.99	502.73
	Total Income from Operations (net)	8939.12	9256.91	11107.32	27698.83	34125.67	45710.78
2	Expenses						
	a) Cost of Materials Consumed	4157.22	4388.89	4666.21	13360.77	13462.03	18522.90
	b) Purchase of Stock in Trade	-	-	0.26	-	0.26	0.48
	c) Changes in Inventories of Finished Goods, Work in Progress and Stock In Trade	(17.97)	(324.26)	(650.60)	(1486.24)	(754.14)	(1408.12)
	d) Employee Benefits Expense	2420.15	2416.60	2300.30	7253.43	7123.30	9736.33
	e) Depreciation and Amortisation Expense	459.12	435.77	466.66	1320.95	1266.27	1773.28
	f) Power & Fuel	1381.71	1394.80	1350.81	4123.10	4148.27	5423.53
	g) Other Expenses	2379.49	2434.03	2237.25	6972.87	6488.77	8832.98
	Total Expenses	10779.72	10746.83	10370.89	31544.88	31734.76	42881.38
3	Profit / loss (-) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(1840.60)	(1488.92)	736.43	(3846.05)	2390.91	2829.40
4	Other Income	104.69	135.32	360.22	422.94	720.12	983.74
5	Profit / (loss) from ordinary activities before Finance Costs	(1736.01)	(1353.60)	1086.65	(3423.11)	3111.03	3813.14
6	Finance Cost	524.24	467.42	366.57	1434.70	1027.31	1454.23
7	Profit / (loss) from ordinary activities after Finance Costs but before Tax	(2260.25)	(1821.02)	720.08	(4857.81)	2083.72	2358.91
8	Exceptional items Loss(-)/Gain (+)	-	-	-	-	-	-
9	Profit / (loss) from ordinary activities before Tax (7 - 8)	(2260.25)	(1821.02)	720.08	(4857.81)	2083.72	2358.91
10	Tax Expense						
	(a) Current Tax	-	-	149.52	-	443.41	499.15
	(b) Deferred Tax Liability / (Assets)	(654.94)	(765.06)	158.28	(1874.90)	342.55	262.76
	(c) MAT Credit	-	-	(149.52)	-	(443.41)	(499.15)
	(d) Earlier Years	(76.58)	-	(17.29)	(76.58)	(17.29)	(16.53)
	Sub-Total (a to d)	(731.52)	(765.06)	140.99	(1951.48)	325.26	266.23
11	Net Profit/ (loss) from ordinary activities after tax (9-10)	(1528.73)	(1055.96)	579.09	(2906.33)	1758.46	2092.68
12	Extraordinary Items (net of tax expense - Nil)	-	-	-	-	-	-
13	Net Profit / (loss) for the period (11-12)	(1528.73)	(1055.96)	579.09	(2906.33)	1758.46	2092.68
14	Paid up Equity Share Capital (Face value : ₹ 10 per share)	4130.63	4130.53	4130.63	4130.63	4130.63	4130.63
15	Reserves (excluding Revaluation Reserve) as per Balance Sheet of previous accounting year						39374.25
16	Basic and Diluted Earnings per Share (of ₹ 10/- each) before and after Extraordinary Items (Not Annualised) (Rupees)	-3.70	-2.56	1.40	-7.04	4.26	5.07

Note: See accompanying notes to the financial results.

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ crore

PARTICULARS	Quarter Ended 31st December 2015 (Unaudited)	Quarter Ended 30th September 2015 (Unaudited)	Quarter Ended 31st December 2014 (Unaudited)	Nine months ended 31st December 2015 (Unaudited)	Nine months ended 31st December 2014 (Unaudited)	Year ended 31st March 2015 (Audited)
Segment Revenue (Net Sales / Income from Operations)						
- Bhilai Steel Plant	3292.27	3506.01	4016.84	10025.23	11977.16	16105.56
- Durgapur Steel Plant	1435.36	1311.60	1822.45	4157.98	5297.88	7263.11
- Rourkela Steel Plant	1594.26	1779.15	2219.16	4971.70	6806.32	8697.70
- Bokaro Steel Plant	1638.05	1591.85	2760.86	5766.72	8945.13	11887.30
- IISCO Steel Plant	711.51	743.40	398.05	1967.06	1467.37	1836.79
- Alloy Steels Plant	131.35	169.67	195.21	428.88	530.46	721.15
- Salem Steel Plant	400.20	425.73	515.66	1213.32	1491.88	1974.48
- Visvesvaraya Iron & Steel Plant	56.61	62.97	49.44	176.07	189.10	257.78
- Others	968.09	1090.10	986.84	3052.59	2626.31	3743.03
Total Segment Revenue	10227.70	10680.48	12964.51	31759.65	39331.41	52486.90
Loss : Inter-Segment Revenue	1288.58	1423.57	1857.19	4060.72	5205.74	6776.12
Net sales / Income from Operations	8939.12	9256.91	11107.32	27698.93	34125.67	45710.78
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)						
- Bhilai Steel Plant	19.87	160.22	634.18	505.89	1823.39	2490.04
- Durgapur Steel Plant	(164.13)	(108.32)	111.03	(288.16)	420.65	622.05
- Rourkela Steel Plant	(601.39)	(540.61)	141.82	(1340.58)	402.51	618.63
- Bokaro Steel Plant	(482.98)	(541.83)	133.09	(1269.53)	606.59	786.49
- IISCO Steel Plant	(525.13)	(339.84)	(204.69)	(1143.97)	(871.13)	(835.85)
- Alloy Steels Plant	(12.31)	(24.66)	(30.37)	(58.13)	(100.08)	(117.72)
- Salem Steel Plant	(85.58)	(63.52)	(60.96)	(213.07)	(182.36)	(249.55)
- Visvesvaraya Iron & Steel Plant	(33.77)	(30.34)	(29.83)	(93.10)	(88.42)	(97.29)
- Others	149.41	135.30	392.38	457.54	799.88	596.34
Total	(1736.01)	(1353.60)	1086.65	(3423.11)	3111.03	3613.14
Loss : Interest Expenses	524.24	467.42	366.57	1434.70	1027.31	1454.23
Profit / (loss) before Tax	(2260.25)	(1821.02)	720.08	(4857.81)	2083.72	2358.91
Capital Employed						
(Segment Assets less Segment Liabilities excluding Inter Unit Balances)						
- Bhilai Steel Plant	18082.83	17848.48	16056.06	18082.83	16056.06	16718.36
- Durgapur Steel Plant	3671.72	3748.25	3192.61	3671.72	3192.61	3333.18
- Rourkela Steel Plant	15616.82	15602.43	14101.96	15616.82	14101.96	14907.40
- Bokaro Steel Plant	11501.95	11355.64	10502.84	11501.95	10502.84	11074.13
- IISCO Steel Plant	17697.83	17794.27	18311.59	17697.83	16311.59	17096.69
- Alloy Steels Plant	334.88	347.91	420.32	334.88	420.32	399.38
- Salem Steel Plant	2470.39	2556.41	2768.77	2470.39	2768.77	2696.20
- Visvesvaraya Iron & Steel Plant	514.59	496.43	430.95	514.59	430.95	458.42
- Others	(12427.35)	(9915.95)	(3983.72)	(12427.35)	(3983.72)	(6758.23)
Total Capital Employed In the Company	57463.46	59833.87	59801.38	57463.46	59801.38	59925.53

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 :

1. The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their Meeting held on 9th February, 2016.
2. The above results have been reviewed by the Statutory Auditors, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Net Sales include sales to Government Agencies recognised on provisional contract prices during the Nine Months ended 31st December, 2015: ₹2387.34 crore (corresponding Nine Months of previous year: ₹2135.49 crore) and cumulatively upto 31st December, 2015: ₹12083.19 crore (upto the corresponding Nine Months of Previous Year : ₹9000.55 crore).
4. In accordance with Companies (Accounting Standards) Amendment Rules, 2009, relating to Accounting Standard – 11, notified on 31st March 2009 and amended from time to time, the foreign exchange fluctuation loss on long-term foreign currency loans of ₹126.82 crore (net debit) for the current Nine Months [corresponding Nine Months of previous year- ₹63.76 crore (net debit)], has been adjusted in the carrying cost of the Fixed Assets/Capital Work-in-progress.
5. Based on technical opinion, the Company has revised the useful lives of Plant & Machinery used in manufacture of steel, applicable from 1st April, 2015. Consequently, loss for the Quarter and Nine Months is lower by ₹83.16 crore and ₹250.28 respectively.
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 ₹1092.65 crore, ₹342.34 crore and ₹94.89 crore upto 31st December, 2015 (upto 31st March, 2015- ₹1084.32 crore, ₹333.95 crore and ₹94.89 crore) respectively, have been treated as contingent liabilities.
7. Pending decision by the various judicial authorities in the determination of the electricity tariff, payments of ₹466.11 crore upto 31st December, 2015 (upto 31st March, 2015- ₹393.59 crore) made to Damodar Valley Corporation (DVC) in respect of electricity supplied to one of the Plants of the Company, have been treated as contingent liabilities.
8. Ministry of Corporate Affairs, vide notification dated 29th August, 2014, has amended Schedule II to the Companies Act, 2013, requiring mandatory componentisation of assets for financial statements in respect of Financial Year commencing on or after 1st April, 2015. The Company is in the process of technical evaluation of componentisation of fixed assets & useful lives thereof.
9. The Auditors, in their Report on the Annual Accounts 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) Claims 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.

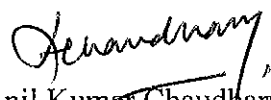
In respect of items stated at (i) (a) & (i) (b), the Company's view is that these cases are sub-judice for a long time and pending for adjudication before the various judicial authorities. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist as on 31st December, 2015. There is no change in the status of these cases till date.

In respect of item stated at (ii), 9089 tonnes of Skull extractable from Slag, the Company extracted 1104 tonnes of Skull from Slag during the Nine Months ended 31st December, 2015. Therefore, physical existence of Skull has been established.

10. The figures of previous periods have been re-grouped, wherever necessary, so as to conform to the current Quarter/Nine Months's classification.

For and on behalf of Board of Directors

Place: New Delhi
Dated: 9th February, 2016


(Anil Kumar Chaudhary)
Director (Finance)