

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

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended 30th September 2015

₹ Crore

Part I

Sl. No	Particulars	Quarter ended			Half Year ended		Year ended 31st March 2015 (Audited)
		30th September 2015	30th June 2015	30th September 2014	30th September 2015	30th September 2014	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1	(a) Net Sales / Income from operations						
	i) Gross Sales	10244.38	10552.38	12933.89	20796.76	25449.25	50826.65
	ii) Loss : Excise Duty	1131.37	1168.84	1388.30	2300.21	2687.98	5418.60
	Sub total (a) (i-ii)	9113.01	9383.54	11565.59	18496.55	22781.27	45208.05
	(b) Other operating income	143.90	119.28	113.08	263.16	257.08	502.73
	Total Income from Operations (net)	9256.91	9502.89	11678.67	18759.71	23018.36	45710.78
2	Expenses						
	a) Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	(324.26)	(1144.01)	(69.84)	(1468.27)	(103.54)	(1408.12)
	b) Cost of Materials Consumed	4388.89	4814.66	4369.14	9203.55	8795.82	18522.90
	c) Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00	0.48
	d) Employee Benefits Expense	2418.60	2416.68	2364.54	4833.28	4823.00	9738.33
	e) Power & Fuel	1394.80	1346.59	1475.14	2741.38	2797.46	5423.53
	f) Depreciation and Amortisation Expenses	435.77	426.06	391.66	861.83	799.61	1773.28
	g) Other Expenses	2429.35	2150.57	2193.08	4579.92	4240.89	8632.96
	Total Expenses	10741.15	10010.65	10733.92	20761.70	21363.24	42881.38
3	Profit / loss (-) from Operations before Other Income, Finance and Exceptional Items (1-2)	(1484.24)	(507.75)	944.76	(1891.99)	1665.11	2829.40
4	Other Income						
	i) Interest Earned	81.88	94.78	105.82	176.66	212.57	475.10
	ii) Other Income	48.76	79.47	56.15	128.23	146.70	509.64
	Sub total (i+ii)	130.64	174.25	161.97	304.89	359.27	983.74
5	Profit / (loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(1353.60)	(333.60)	1108.72	(1687.10)	2024.38	3813.14
6	Finance Cost	467.42	443.04	355.78	910.46	660.74	1454.23
7	Profit / (loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(1821.02)	(776.54)	750.94	(2597.56)	1363.64	2358.91
8	Profit / (loss) from Ordinary Activities before Tax	(1821.02)	(776.54)	750.94	(2597.56)	1363.64	2358.91
9	Tax Expense						
	(a) Current Tax	0.00	0.00	161.83	0.00	293.89	499.15
	(b) Deferred Tax Liability / (Assets)	(765.06)	(454.90)	101.45	(1219.98)	184.27	262.76
	(c) MAT Credit	0.00	0.00	(161.83)	0.00	(293.89)	(499.15)
	(d) Earlier Years	0.00	0.00	0.00	0.00	0.00	(16.53)
	Sub-Total (a to d)	(765.06)	(454.90)	101.45	(1219.98)	184.27	266.23
10	Net Profit/ (loss) from Ordinary Activities after Tax (8-9)	(1055.96)	(321.64)	649.49	(1377.60)	1179.37	2092.68
11	Extraordinary Items (net of Tax Expense Rs. Nil)	0.00	0.00	0.00	0.00	0.00	0.00
12	Net Profit / (loss) for the Period (10-11)	(1055.96)	(321.64)	649.49	(1377.60)	1179.37	2092.68
13	Paid up Equity Share Capital (Face value : Rs. 10 per share)	4130.53	4130.53	4130.53	4130.53	4130.53	4130.53
14	Reserves (Excluding Revaluation Reserve) as per Balance Sheet of Previous Accounting Year						39374.26
15	Basic and Diluted Earnings per Share (of Rs.10/- each) before and after Extraordinary Items (Not Annualised) (Rupees)	-2.56	-0.78	1.57	-3.34	2.86	5.07
16	Debt Service Coverage Ratio (Number of times)				-1.59	1.92	2.62
17	Interest Service Coverage Ratio (Number of times)				-1.34	2.05	1.82

Part II

Sl. No	Particulars	Quarter ended			Half Year ended	
		30th September 2015	30th June 2015	30th September 2014	30th September 2015	30th September 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
A	PARTICULARS OF SHAREHOLDING					
1	Public share holding					
	- Number of shares	103,26,10,205	103,26,10,205	82,57,77,391	103,26,10,205	82,57,77,391
	- Percentage of share holding	24.99	24.99	19.99	24.99	19.99
2	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	309,77,67,449	309,77,67,449	330,42,83,713	309,77,67,449	330,42,83,713
	- 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)	75.00	75.00	80.00	75.00	80.00

Particulars	Quarter ended 30th September 2015
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	8
Disposed off during the quarter	8
Remaining unresolved at the end of the quarter	0

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED						
PARTICULARS	Quarter Ended	Quarter Ended	Quarter Ended	Half Year ended	Half Year ended	Year ended
	30th September 2016 (Unaudited)	30th June 2015 (Unaudited)	30th September 2014 (Unaudited)	30th September 2015 (Unaudited)	30th September 2014 (Unaudited)	31st March 2016 (Audited)
₹ crore						
Segment Revenue (Net Sales / Income from Operations)						
- Bhilai Steel Plant	3508.01	3226.95	4146.45	6732.98	7960.32	16105.56
- Durgapur Steel Plant	1311.60	1411.02	1811.88	2722.62	3475.23	7283.11
- Rourkela Steel Plant	1779.15	1598.29	2284.84	3377.44	4587.16	8697.70
- Bokaro Steel Plant	1591.85	2536.82	3083.12	4128.67	6184.27	11887.30
- IISCO Steel Plant	743.40	512.15	518.63	1255.55	1069.32	1838.79
- Alloy Steels Plant	169.67	127.86	195.87	297.53	335.25	721.15
- Salem Steel Plant	425.73	387.39	500.07	813.12	976.22	1974.48
- Visvesvaraya Iron & Steel Plant	62.97	55.49	66.74	119.46	139.66	257.76
- Others	1090.10	994.40	819.64	2084.50	1639.47	3743.03
Total Segment Revenue	10680.48	10851.37	13427.25	21531.85	26366.90	52486.90
Less : Inter-Segment Revenue	1423.57	1348.57	1748.58	2772.14	3348.55	6776.12
Net sales / Income from Operations	9256.81	9502.80	11678.67	18759.71	23018.35	45710.78
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)						
- Bhilai Steel Plant	160.22	325.80	801.19	486.02	1289.21	2490.04
- Durgapur Steel Plant	(108.32)	4.29	155.13	(104.03)	309.62	622.05
- Rourkela Steel Plant	(540.61)	(198.58)	118.69	(739.19)	260.69	618.63
- Bokaro Steel Plant	(541.83)	(244.72)	219.05	(788.55)	473.50	786.49
- IISCO Steel Plant	(339.84)	(279.00)	(227.34)	(618.84)	(468.44)	(835.85)
- Alloy Steels Plant	(24.66)	(21.16)	(35.48)	(45.82)	(69.71)	(117.72)
- Salem Steel Plant	(63.52)	(63.97)	(60.79)	(127.49)	(121.40)	(249.55)
- Visvesvaraya Iron & Steel Plant	(30.34)	(28.99)	(29.41)	(59.33)	(58.59)	(97.29)
- Others	135.30	172.83	165.69	308.13	407.50	596.34
Total	(1353.80)	(333.50)	1106.72	(1687.10)	2024.38	3813.14
Less : Interest Expenses	467.42	443.04	355.78	910.48	660.74	1454.23
Profit / (loss) before Tax	(1821.02)	(776.54)	750.94	(2587.56)	1363.64	2358.91
Capital Employed						
(Segment Assets less Segment Liabilities excluding Inter Unit Balances)						
- Bhilai Steel Plant	17848.48	17443.96	15312.70	17846.48	15312.70	16718.36
- Durgapur Steel Plant	3748.25	3531.55	3214.61	3746.25	3214.61	3333.18
- Rourkela Steel Plant	15502.43	15484.88	13734.38	15802.43	13734.38	14907.40
- Bokaro Steel Plant	11355.64	10828.69	10294.35	11355.64	10294.36	11074.13
- IISCO Steel Plant	17794.27	17579.55	15946.33	17794.27	15946.33	17096.69
- Alloy Steels Plant	347.91	412.45	428.50	347.91	428.50	399.38
- Salem Steel Plant	2556.41	2642.11	2702.75	2556.41	2702.75	2696.20
- Visvesvaraya Iron & Steel Plant	496.43	477.61	410.78	496.43	410.78	458.42
- Others	(9915.95)	(8124.49)	(3125.57)	(9915.95)	(3125.57)	(6758.23)
Total Capital Employed In the Company	59833.87	60276.31	58918.84	59833.87	58918.84	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:

Statement of Assets and Liabilities

	As at 30th September 2015 (Unaudited)	As at 31st March 2015 (Audited)
		(₹ crore)
A. Equities and Liabilities		
1 Shareholders' Funds		
(a) Share Capital	4130.53	4130.53
(b) Reserves and Surplus	37999.32	39374.25
Sub-total - Shareholders' Funds	42129.85	43504.78
2 Non-current liabilities		
(a) Long-term borrowings	16528.79	14025.56
(b) Deferred tax liabilities (Net)	1175.23	2395.19
(c) Other Long term liabilities	1336.66	1239.22
(d) Long-term provisions	3514.02	3705.34
Sub-total - Non-current liabilities	22554.70	21365.31
3 Current Liabilities		
(a) Short-term borrowings	15753.98	14195.16
(b) Trade payables	3870.67	3606.38
(c) Other current liabilities	13840.41	14016.53
(d) Short-term provisions	2699.83	2638.71
Sub-total - current liabilities	36164.89	34456.78
TOTAL - EQUITY AND LIABILITIES	100849.44	99326.87
B. ASSETS		
1 Non-current assets		
(a) Fixed Assets	67570.42	65364.43
(b) Non-current investments	1136.57	919.07
(c) Long-term loans and advances	4710.35	4507.25
(d) Other non-current assets	64.71	53.83
Sub-total - Non-current assets	73482.05	70844.58
2 Current assets		
(a) Inventories	18462.75	17736.37
(b) Trade receivables	2936.81	3192.00
(c) Cash and Bank Balances	2339.94	2305.24
(d) Short-term loans and advances	1805.65	3056.33
(e) Other current assets	1822.24	2192.35
Sub-total - Current assets	27367.39	28482.29
TOTAL - ASSETS	100849.44	99326.87

Annexure-I (Contd.)**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 6th November, 2015.
2. The above results have been reviewed by the Statutory Auditors, as required under Clause 41 of the Listing Agreement.
3. Net Sales include sales to Government Agencies recognised on provisional contract prices during the Half Year ended 30th September, 2015: ₹1571.04 crore (corresponding half year of previous year: ₹1735.42 crore) and cumulatively upto 30th September, 2015: ₹11269.61 crore (upto corresponding quarter of Half Year : ₹8600.08 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 ₹137.83 crore (net debit) for the current Half Year [corresponding Half Year of previous year- ₹75.42 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 half year is lower by ₹83.23 crore and ₹167.12 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 ₹1090.05 crore, ₹333.95 crore and ₹94.89 crore upto 30th September, 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 ₹443.50 crore upto 30th September, 2015 (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.
8. Formulae used for computation of coverage ratios : Debt Service Coverage Ratio = Earnings before interest, exceptional items and tax/principal repayment and interest payment of long terms loans; and Interest Service Coverage Ratio = Earnings before interest, exceptional items and tax/interest including transferred to Capital Work in Progress.

9. The Auditors in their Limited Review Report on the Financial Results of the Company for the quarter ended 30th June, 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, ₹1088.06 crore in the State of Chhattisgarh and ₹333.95 crore in the State of Odisha;
- b) Payments of ₹411.31 crore by DVC for supply of electricity.

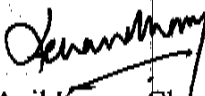
ii) At Bokaro and Bhilai Steel Plants, LTA/LTC expenses & leave Encashment of Rs.126.04 crore has been treated as prepaid expenses instead of treating them as expenses.

In respect of items stated at (i) (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 30th September, 2015. Therefore, there is no adverse impact on loss for the quarter. These cases are sub-judice since 31st March, 2012 and there is no change in the status of these cases till date. In respect of item stated at (ii) above, the Company's views are that such expenses relate to the whole of the FY 2015-16, the same has been correctly accounted for as pre-paid expenses.

10. 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.

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

For and on behalf of Board of Directors


(Anil Kumar Chaudhary)
Director (Finance)

Place: New Delhi
Dated: 6th November, 2015