

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

Statement of Unaudited Financial Results for the Quarter ended 30th June 2014

Part I	Sl. No	Particulars	Quarter ended			Year ended 31st
			30th June 2014	31st March 2014	30th June 2013	March 2014
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
	1	<b>(a) Net Sales / Income from operations</b>				
		i) Gross Sales	12515.35	14986.58	11361.14	51865.89
		ii) Less - Excise Duty	1319.68	15/6.57	1255.02	5677.29
		Sub total (a) (i-ii)	11195.68	13310.01	10106.12	46188.70
		(b) Other operating income	145.52	199.20	127.69	509.71
		<b>Total Income from Operations (net)</b>	<b>11341.20</b>	<b>13509.21</b>	<b>10233.80</b>	<b>46698.41</b>
	2	<b>Expenses</b>				
		a) Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	-43.90	1423.99	-610.98	894.03
		b) Cost of Materials Consumed	4428.68	4829.58	4657.29	19271.16
		c) Purchase of Stock in Trade	0.00	0.14	0.28	0.78
		d) Employee Benefits Expense	2458.46	2520.58	2294.79	9578.61
		e) Power & Fuel	1322.32	1262.07	1152.57	4942.15
		f) Depreciation and Amortisation Expenses	407.95	516.30	392.85	1716.69
		g) Other Expenses	2047.81	2213.05	1894.58	7992.36
		<b>Total Expenses</b>	<b>10619.32</b>	<b>12785.71</b>	<b>9781.38</b>	<b>44396.28</b>
	3	Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	721.88	743.50	452.42	2302.13
	4	<b>Other Income</b>				
		i) Interest Earned	108.75	156.32	128.73	584.13
		ii) Other Income	89.03	18.79	131.56	249.67
		Sub total (i+ii)	195.78	175.11	260.29	833.80
	5	Profit from ordinary activities before Finance Costs and Exceptional Items (3+4)	917.68	918.61	712.70	3136.93
	6	Finance Cost	304.95	312.57	191.92	967.04
	7	Profit from ordinary activities after Finance Costs but before Exceptional Items (5-6)	612.70	606.04	520.88	2169.29
	8	Exceptional Items Loss(-)/Gain (+)				
		Compensation Received for Non Performance of Contract	0.00	0.00	0.00	1056.26
	9	Profit from Ordinary Activities before Tax (7+8)	612.70	606.04	520.88	3224.65
	10	<b>Tax Expense</b>				
		(a) Current Tax	132.06	147.47	107.90	683.26
		(b) Deferred Tax Liability / Assets (-)	82.82	21.35	69.97	331.97
		(c) MAT Credit	-132.06	-127.50	-107.90	-520.11
		(d) Earlier Years	0.00	112.14	0.00	112.95
		Sub-Total (a to d)	82.82	153.46	69.97	608.07
	11	Net Profit from Ordinary Activities after Tax (9-10)	529.88	452.58	450.91	2616.48
	12	Extraordinary Items (net of Tax Expense Rs. Nil)	0.00	0.00	0.00	0.00
	13	Net Profit for the Period (11-12)	529.88	452.58	450.91	2616.48
	14	Share of profit/(Loss) of Associate				
	15	Minority Interest				
		Net Profit after taxes, minority interest and share of profit/(Loss) of Associates	529.88	452.58	450.91	2616.48
	16	Reserves (Excluding Revaluation Reserve) as per Balance Sheet of Previous Accounting Year				36535.82
	17	Paid up Equity Share Capital (Face value : Rs. 10 per share)	4130.53	4130.53	4130.53	4130.53
	18	Basic and Diluted Earnings per Share (of Rs. 10/- each) before and after Extraordinary Items ( Not Annualised ) ( Rupees )	1.28	1.10	1.09	6.33

Part II	Sl. No	Particulars	Quarter ended		
			30th June 2014	31st March 2014	30th June 2013
			(Unaudited)	(Audited)	(Unaudited)
	A	<b>PARTICULARS OF SHAREHOLDING</b>			
	1	Public share holding			
		- Number of shares	82,57,77,391	82,57,77,391	82,57,77,391
		- Percentage of share holding	19.99	19.99	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	330,42,93,713	330,42,93,713	330,42,93,713
		- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00
		- Percentage of shares (as a % of the total share capital of the company)	80.00	80.00	80.00

	Particulars	Quarter ended 31st Mar 2014
u	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	0
	Received during the quarter	10
	Disposed off during the quarter	16
	Remaining unresolved at the end of the quarter	0

<b>SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED</b>				
PARTICULARS	₹ crore			
	Quarter Ended	Quarter Ended	Quarter Ended	Year ended
	30 th June 2014 (Unaudited)	31st March 2014 (Audited)	30 th June 2013 (Unaudited)	31st March 2014 (Audited)
<b>Segment Revenue (Net Sales / Income from Operations)</b>				
- Bhilai Steel Plant	3814.75	4769.53	3922.24	17165.33
- Durgapur Steel Plant	1663.36	2063.17	1680.19	7379.97
- Rourkela Steel Plant	2302.41	2558.70	1766.52	8493.32
- Bokaro Steel Plant	3101.63	3609.77	2842.70	12672.26
- IISCO Steel Plant	550.71	759.04	665.48	2927.41
- Alloy Steels Plant	139.38	160.79	220.33	737.93
- Salem Steel Plant	476.15	547.91	350.77	1824.04
- Visvesvaraya Iron & Steel Plant	72.92	71.68	63.03	227.34
- Others	819.86	884.20	771.97	3450.55
<b>Total Segment Revenue</b>	<b>12941.17</b>	<b>15424.79</b>	<b>12283.23</b>	<b>54878.15</b>
Less : Inter-Segment Revenue	1599.97	1915.58	2049.43	8179.74
<b>Net sales / Income from Operations</b>	<b>11341.20</b>	<b>13509.21</b>	<b>10233.80</b>	<b>46698.41</b>
<b>Segment Results (Profit(+)/Loss(-) before Interest, Exceptional Items and Tax)</b>				
- Bhilai Steel Plant	488.03	646.87	508.90	2320.31
- Durgapur Steel Plant	154.49	204.57	118.35	519.55
- Rourkela Steel Plant	142.00	218.32	78.42	422.29
- Bokaro Steel Plant	254.45	324.30	-15.11	400.50
- IISCO Steel Plant	-239.08	-222.04	-101.16	-539.40
- Alloy Steels Plant	-34.25	5.30	-27.96	-84.19
- Salem Steel Plant	-60.61	-44.90	-92.79	-281.58
- Visvesvaraya Iron & Steel Plant	-29.18	-10.95	-29.86	-122.62
- Others	241.81	-202.86	273.91	501.07
<b>Total</b>	<b>917.66</b>	<b>918.61</b>	<b>712.70</b>	<b>3135.93</b>
Less : Interest Expenses	304.96	312.57	191.82	967.64
<b>Exceptional items - Loss(-)/Gain(+)</b>				
Add : Compensation Received for Non Performance of Contract.	0.00	0.00	0.00	1056.26
<b>Profit before Tax</b>	<b>612.70</b>	<b>606.04</b>	<b>520.88</b>	<b>3224.55</b>
<b>Capital Employed</b>				
<b>( Segment Assets less Segment Liabilities excluding Inter Unit Balances )</b>				
- Bhilai Steel Plant	14788.71	14950.48	13530.16	14950.48
- Durgapur Steel Plant	3014.43	3077.23	2951.65	3077.23
- Rourkela Steel Plant	13348.10	13375.75	12305.15	13375.75
- Bokaro Steel Plant	10102.93	10402.60	9974.48	10402.60
- IISCO Steel Plant	15626.87	15501.10	14725.51	15501.10
- Alloy Steels Plant	425.68	423.35	507.58	423.35
- Salem Steel Plant	2781.81	2813.29	3317.00	2813.29
- Visvesvaraya Iron & Steel Plant	401.73	391.90	451.13	391.90
- Others	-1809.01	-2596.67	76.00	-2596.67
<b>Total Capital Employed in the Company</b>	<b>58681.25</b>	<b>58339.03</b>	<b>57838.66</b>	<b>58339.03</b>
<b>Note :</b>				
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 11<sup>th</sup> August, 2014.
2. The above results have been reviewed by the Statutory Auditors, as required under Clause 41 of the Listing Agreement.
3. The figures for the Quarter ended 31<sup>st</sup> March, 2014, are the balancing figures between the Audited figures in respect of full Financial Year ended 31<sup>st</sup> March, 2014 and the published year to date figures upto the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> December, 2013.
4. Net Sales include sales to Government Agencies recognised on provisional contract prices during the Quarter ended 30<sup>th</sup> June 2014: ₹867.95 crore (corresponding quarter of previous year: ₹1010.16 crore) and cumulatively upto 30<sup>th</sup> June, 2014: ₹7733.01 crore (upto the corresponding quarter of previous year : ₹19258.07 crore).
5. Pending decisions by the Hon'ble Supreme Court of India on levy of entry tax in the States of Chattisgarh, Odisha, and Uttar Pradesh, the entry tax demands, under dispute, of ₹1075.85 crore, ₹243.86 crore and ₹92.40 crore respectively, have been treated as contingent liabilities.
6. Pending decision by the Hon'ble Supreme Court of India in the determination of the electricity tariff, claims of ₹291.76 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.
7. In accordance with Companies (Accounting Standards) Amendment Rules, 2009, relating to Accounting Standard – 11, notified on 31<sup>st</sup> March 2009 and amended from time to time, the foreign exchange fluctuation loss on long-term foreign currency loans of ₹25.75 crore (net debit) for the current quarter [ Corresponding quarter of previous year - ₹271.42 crore (net debit) ], has been adjusted in the carrying cost of the Fixed Assets/ Capital Work-in-progress.
8. The Company has revised the accounting policy for depreciation of tangible assets in alignment with Schedule II to the Companies Act, 2013 which has become applicable from 1<sup>st</sup> April, 2014. Consequently, profit for the quarter is higher by ₹28.74 crore. Further, an amount of ₹217.18 crore has been recognised in the opening balance of the retained earnings where the remaining useful life of such tangible assets is Nil as at 1<sup>st</sup> April, 2014 in line with the provisions of Schedule - II to the Companies Act, 2013.
9. The Auditors in their Report for the Year ended 31<sup>st</sup> March, 2014 have brought out that the Company has not provided for :
  - a) entry tax amounting to ₹91.55 crore in the state of Uttar Pradesh, ₹1071.28 crore in the state of Chhattisgarh and ₹214.81 crore in the state of Odisha;
  - b) claims of ₹291.76 crore by DVC for supply of Power;
  - c) In respect of Rourkela Steel Plant (RSP), depreciation and interest has been short provided by ₹104.92 crore and ₹28.74 crore respectively, resulting in overstatement of profit by ₹133.66 crore and fixed assets by similar amount.

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 Hon'ble Supreme Court. 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<sup>st</sup> March, 2014. Therefore, there is no adverse impact on profit. These cases were sub judice as on 31<sup>st</sup> March, 2012 & 2013 also and there is no change in the status of these cases till date.

In respect of item stated (c) above, the Company's views are that as part of its Modernization and Expansion Plan/other Capital Schemes in RSP, the Assets have been capitalised after installation, trial run, removal of all defects, issue of acceptance certificate and having become ready for commercial production during 2013-14. The capitalisation has been done in accordance with applicable Accounting Standards and Generally Accepted Accounting Principles. Therefore, there is no under-statement of depreciation & interest and over statement of profit and fixed assets

9. The figures of previous periods have been re-grouped, 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: 11<sup>th</sup> August, 2014