

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003

Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in

Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June, 2021

₹ Crore unless stated otherwise

		STANDALONE			
Sl. No.	Particulars	Quarter ended			Year ended
		30 th June, 2021	31 st March, 2021	30 th June, 2020	31 st March, 2021
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from operations	20642.38	23286.00	9067.48	69110.02
	(b) Other income	110.38	320.06	277.73	1011.69
	Total Income	20752.76	23606.06	9345.21	70121.71
2	Expenses				
	a) Cost of materials consumed	6347.34	6496.86	4359.94	23136.17
	b) Changes in inventories of finished goods, work-in-progress and by-products	(790.13)	642.48	(339.48)	4268.58
	c) Employee benefits expense	2769.48	4070.84	1992.91	10445.94
	d) Finance costs	502.97	540.40	886.29	2817.14
	e) Depreciation and amortisation expenses	1026.07	1157.65	973.31	4102.00
	f) Other expenses	5752.14	5922.93	3456.90	18531.28
	Total Expenses	15607.87	18831.16	11329.87	63301.11
3	Profit / (Loss) before Exceptional items and Tax	5144.89	4774.90	(1984.66)	6820.60
	Add / (Less): Exceptional items	-	(166.44)	-	58.43
4	Profit / (Loss) before Tax	5144.89	4608.46	(1984.66)	6879.03
	Less: Tax expense				
	Current tax	-	11.57	-	12.05
	Deferred tax	1294.87	1153.09	(714.39)	3016.96
	Total tax expense	1294.87	1164.66	(714.39)	3029.01
5	Net Profit / (Loss) for the period	3850.02	3443.80	(1270.27)	3850.02
	Other Comprehensive Income (OCI)				
A	(i) Items that will not be reclassified to profit or loss	(32.52)	357.44	2.22	374.16
	(ii) Income tax relating to items that will not be reclassified to profit or loss	8.23	(89.73)	(0.52)	(93.63)
6	Total Comprehensive Income / (Loss) for the period	3825.73	3711.51	(1268.57)	4130.55
7	Paid-up Equity Share Capital (face value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
8	Other equity excluding revaluation reserve				39364.35
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	9.32	8.34	(3.08)	9.32
	2. Diluted (₹)	9.32	8.34	(3.08)	9.32

Note: Refer accompanying notes to the financial results.

STEEL AUTHORITY OF INDIA LIMITED				
CIN: L27109DL1973GO1006454				
REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003				
Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in				
STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES				
₹ Crore unless stated otherwise				
Particulars	STANDALONE			
	Quarter ended			Year ended
	30th June, 2021	31st March, 2021	30th June, 2020	31st March, 2021
	Unaudited	Audited	Unaudited	Audited
Segment revenue from operations				
- Bhilai Steel Plant	5548.27	6563.17	3125.56	19858.68
- Durgapur Steel Plant	2511.51	2750.57	1278.90	8788.14
- Rourkela Steel Plant	4978.42	5341.61	1532.86	15146.23
- Bokaro Steel Plant	5599.30	5785.22	1609.13	16443.77
- IISCO Steel Plant	2055.04	2693.05	1470.36	8309.23
- Alloy Steels Plant	201.45	187.93	63.06	553.15
- Salem Steel Plant	441.93	543.20	188.10	1713.27
- Visvesvaraya Iron & Steel Plant	68.39	76.55	18.11	168.32
- Others	2131.54	2199.90	964.76	6025.88
Total segment revenue	23535.85	26141.20	10250.84	77006.67
Less: Inter-segment revenue	2893.47	2855.20	1183.36	7896.65
Net revenue from operations	20642.38	23286.00	9067.48	69110.02
Segment results (Profit / (Loss) before interest, exceptional items and tax)				
- Bhilai Steel Plant	1136.19	1149.03	(160.79)	2301.63
- Durgapur Steel Plant	635.08	500.16	(61.69)	973.19
- Rourkela Steel Plant	1710.23	1601.64	(402.39)	2598.92
- Bokaro Steel Plant	1878.66	1566.90	(343.31)	2487.29
- IISCO Steel Plant	231.68	848.04	(276.14)	513.30
- Alloy Steels Plant	10.32	(7.81)	(33.53)	(70.83)
- Salem Steel Plant	15.52	28.74	(59.11)	(54.20)
- Visvesvaraya Iron & Steel Plant	(8.17)	(1.70)	(21.81)	(50.06)
- Others	38.35	(369.70)	260.40	938.50
Total	5647.86	5315.30	(1098.37)	9637.74
Less: Finance costs	502.97	540.40	886.29	2817.14
Less: Exceptional items	-	166.44	-	(58.43)
Profit / (Loss) before Tax	5144.89	4608.46	(1984.66)	6879.03
Segment Assets				
- Bhilai Steel Plant	31074.35	31082.15	32716.50	31082.15
- Durgapur Steel Plant	6312.25	6232.20	6930.77	6232.20
- Rourkela Steel Plant	20714.79	20559.57	21321.80	20559.57
- Bokaro Steel Plant	15587.28	15590.03	16471.28	15590.03
- IISCO Steel Plant	16469.03	16551.10	17729.62	16551.10
- Alloy Steels Plant	552.38	545.00	557.32	545.00
- Salem Steel Plant	2485.65	2300.83	2562.38	2300.83
- Visvesvaraya Iron & Steel Plant	320.46	326.76	331.01	326.76
- Others	21105.02	22177.30	19665.08	22177.30
Unallocated Assets	1801.99	1794.72	4522.61	1794.72
Total	116423.20	117159.66	122808.37	117159.66
Segment Liabilities				
- Bhilai Steel Plant	9113.58	8691.03	8289.05	8691.03
- Durgapur Steel Plant	3026.42	2823.31	2495.15	2823.31
- Rourkela Steel Plant	4720.56	4433.30	4303.20	4433.30
- Bokaro Steel Plant	3813.98	3316.36	3133.58	3316.36
- IISCO Steel Plant	1500.13	1548.56	1530.60	1548.56
- Alloy Steels Plant	221.47	213.34	204.99	213.34
- Salem Steel Plant	461.39	439.49	313.63	439.49
- Visvesvaraya Iron & Steel Plant	45.18	46.15	52.98	46.15
- Others	14433.06	31162.06	28741.13	31162.06
Unallocated Liabilities	31766.82	20991.18	35235.25	20991.18
Total	69102.59	73664.78	84299.56	73664.78
Note :				
Operating Segments have been identified in line with the Ind AS 108 - Operating Segments.				

Notes to Standalone Unaudited Financial Results:

1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 5th August, 2021 and have been approved by the Board of Directors in its meeting held on 6th August, 2021.
2. The financial results have been reviewed by the Statutory Auditors, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31st March, 2021 are the balancing figures between the audited figures in respect of full financial year ended 31st March, 2021 and the published year to date reviewed figures up to the nine months ended 31st December, 2020.
4. As per the terms of sales with certain Government agencies, the invoicing to these agencies is done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under :

₹ crores

Quarter ended 30 th June, 2021	Cumulative till 30 th June, 2021	Quarter ended 30 th June, 2020	Cumulative till 30 th June, 2020
1364.43	16295.04	1663.04	9713.11

5. The long-term agreement for wage revision expired on 31st December, 2016. Keeping in view the affordability and financial sustainability clause in the Office Memorandums dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises in respect of Pay Revision of employees, the Company fulfills the criteria for implementation of wage revision w.e.f. 1st April, 2020. Accordingly, pending finalisation/fresh agreement, an all-inclusive cumulative provision towards salaries and wages revision of ₹1430.86 crore (₹285.15 crore during the quarter) and ₹12.44 crore (₹2.33 crore during the quarter) have been charged to Statement of Profit and Loss and Expenditure during Construction respectively, on estimated basis.
6. The Company based on the order no. F.No.16/30/2019-M.VI dated 16th September 2019 of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the EAC of ICAI, as at 31st March, 2020 valued the inventory of sub-grade iron ore fines (SGFs) of 42.98 million tonnes at NRV of ₹3791.18 crore. The NRV was estimated by the management based on 36 months average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India organisation adjusted for royalty and selling cost. As on 30th June, 2021, the Company is carrying inventory of 42.42 million tonnes (As at 31st March 2021: 42.60 million tonnes) valuing ₹4073.35 crore (including ₹3580.92 crore classified as non-current inventories) of sub-grade iron-ore fines (SGFs) at its various mines and 3.97 million tonnes (As at 31st March 2021: 3.97 million tonnes) valuing ₹248.24 crore (including ₹204.47 crore classified as non-current inventories) of tailings at Barsua mine as at 30th June, 2021.
7. Pursuant to the introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, the Company has, during the quarter ended 31st December, 2020, opted for lower tax regime under the said Section for the financial year ended 31st March, 2020 and onwards. Consequently, the Company has charged off the Deferred Tax Assets arising due to MAT credit and restated the Deferred Tax Assets, based on the revised effective tax rate, resulting in one time charge of ₹1288.22 crore in the Statement of Profit and Loss, for the year ended 31st March, 2021.

8. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the Constitutional validity of Entry Tax Act enacted by various States and laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 30th June, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decision by the other Courts, disputed Entry Tax liabilities of ₹1373.42 crore have been treated by the Company as Contingent Liability (As at 31st March, 2021 - ₹1373.42 crore).
9. Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with DamodarValley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-2014 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28th December, 2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30th June, 2021 (upto 31st March, 2021, ₹587.72 crore) has been treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
10. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31st March, 2021, have brought out that
 - (i) As referred in note 47.2 (a) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax demand in various states amounting to ₹ 1373.42 crores as on 31 March 2021. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.
 - (ii) As referred in note 47.2 (b) to the accompanying standalone financial statements, current assets include advance of ₹ 587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for period upto 31 March 2017. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying standalone financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the standalone financial statements.

In respect of these items the Company's position has been clarified in notes 8 and 9 above.

11. The figures for the 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

(Amit Sen)
Director (Finance)

Place: New Delhi

Dated: 6th August, 2021

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003

Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in

Statement of Consolidated Unaudited Financial Results for the Quarter ended 30th June, 2021

₹ Crore unless stated otherwise

		CONSOLIDATED			
Sl. No.	Particulars	Quarter ended			Year ended
		30 th June, 2021	31 st March, 2021	30 th June, 2020	31 st March, 2021
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from operations	20643.02	23284.89	9067.52	69113.61
	(b) Other income	111.73	248.30	278.69	860.67
	Total Income	20754.75	23533.19	9346.21	69974.28
2	Expenses				
	a) Cost of materials consumed	6374.31	6516.96	4378.25	23213.59
	b) Changes in inventories of finished goods, work-in-progress and by-products	(785.20)	648.28	(331.25)	4276.64
	c) Employee benefits expense	2772.75	4074.23	1996.82	10461.05
	d) Finance costs	502.97	540.40	886.29	2817.15
	e) Depreciation and amortisation expenses	1026.28	1157.86	973.48	4102.78
	f) Other expenses	5712.96	5891.53	3421.51	18423.59
	Total Expenses	15604.07	18829.26	11325.10	63294.80
3	Profit before Exceptional items, share of net Profit / (Loss) of investment accounted for using equity method and Tax Share of Profit / (Loss) in investments accounted for using equity method	5150.68	4703.93	(1978.89)	6679.48
	Profit / (Loss) before Exceptional items and Tax	61.55	123.48	48.66	467.74
	Add / (Less): Exceptional items	5212.23	4827.41	(1930.23)	7147.22
		-	(166.44)	-	58.43
4	Profit / (Loss) before Tax	5212.23	4660.97	(1930.23)	7205.65
	Less: Tax expense				
	Current tax	1.49	12.63	1.50	16.35
	Deferred tax	1313.38	1178.46	(705.26)	3041.17
	Total tax expense	1314.87	1191.09	(703.76)	3057.52
5	Net Profit / (Loss) for the period	3897.36	3469.88	(1226.47)	4148.13
	Other Comprehensive Income (OCI)				
A	(i) Items that will not be reclassified to profit or loss	(32.52)	355.91	2.22	372.63
	(ii) Income tax relating to items that will not be reclassified to profit or loss	8.23	(89.35)	(0.52)	(93.25)
B	(i) Items that will be reclassified to profit or loss	20.37	13.27	(40.35)	(118.48)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.01	-	-	-
6	Total Comprehensive Income / (Loss) for the period	3893.45	3749.71	(1265.12)	4309.03
7	Paid-up Equity Share Capital (face value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
8	Other equity excluding revaluation reserve				41275.69
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	9.44	8.40	(2.97)	10.04
	2. Diluted (₹)	9.44	8.40	(2.97)	10.04

Note: Refer accompanying notes to the financial results.

STEEL AUTHORITY OF INDIA LIMITED				
CIN: L27109DL1973GO1006454				
REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003				
Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in				
CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES				
				₹ Crore unless stated otherwise
Particulars	CONSOLIDATED			
	Quarter ended			Year ended
	30th June, 2021	31st March, 2021	30th June, 2020	31st March, 2021
	Unaudited	Audited	Unaudited	Audited
Segment revenue from operations				
- Bhilai Steel Plant	5548.27	6563.17	3125.56	19858.68
- Durgapur Steel Plant	2511.51	2750.57	1278.90	8788.14
- Rourkela Steel Plant	4978.42	5341.61	1532.86	15146.23
- Bokaro Steel Plant	5599.30	5785.22	1609.13	16443.77
- IISCO Steel Plant	2055.04	2693.05	1470.36	8309.23
- Alloy Steels Plant	201.45	187.93	63.06	553.15
- Salem Steel Plant	441.93	543.20	188.10	1713.27
- Visvesvaraya Iron & Steel Plant	68.39	76.55	18.11	168.32
- Others	2132.18	2198.79	964.80	6029.47
Total segment revenue	23536.49	26140.09	10250.88	77010.26
Less: Inter-segment revenue	2893.47	2855.20	1183.36	7896.65
Net revenue from operations	20643.02	23284.89	9067.52	69113.61
Segment results (Profit / (Loss) before interest, exceptional items and tax)				
- Bhilai Steel Plant	1136.19	1149.03	(160.79)	2301.63
- Durgapur Steel Plant	635.08	500.16	(61.69)	973.19
- Rourkela Steel Plant	1710.23	1601.64	(402.39)	2598.92
- Bokaro Steel Plant	1878.66	1566.90	(343.31)	2487.29
- IISCO Steel Plant	231.68	848.04	(276.14)	513.30
- Alloy Steels Plant	10.32	(7.81)	(33.53)	(70.83)
- Salem Steel Plant	15.52	28.74	(59.11)	(54.20)
- Visvesvaraya Iron & Steel Plant	(8.17)	(1.70)	(21.81)	(50.06)
- Others	105.69	(317.18)	314.83	1265.13
Total	5715.20	5367.82	(1043.94)	9964.37
Less: Finance costs	502.97	540.41	886.29	2817.15
Less: Exceptional items	-	166.44	-	(58.43)
Profit / (Loss) before Tax	5212.23	4660.97	(1930.23)	7205.65
Segment Assets				
- Bhilai Steel Plant	31074.35	31082.15	32716.50	31082.15
- Durgapur Steel Plant	6312.25	6232.20	6930.77	6232.20
- Rourkela Steel Plant	20714.79	20559.57	21321.80	20559.57
- Bokaro Steel Plant	15587.28	15590.03	16471.28	15590.03
- IISCO Steel Plant	16469.03	16551.10	17729.62	16551.10
- Alloy Steels Plant	552.38	545.00	557.32	545.00
- Salem Steel Plant	2485.65	2300.83	2562.38	2300.83
- Visvesvaraya Iron & Steel Plant	320.46	326.76	331.01	326.76
- Others	23282.76	24263.51	21509.95	24263.51
Unallocated Assets	1801.99	1794.72	4522.61	1794.72
Total	118600.94	119245.87	124653.24	119245.87
Segment Liabilities				
- Bhilai Steel Plant	9113.58	8691.03	8289.05	8691.03
- Durgapur Steel Plant	3026.42	2823.31	2495.15	2823.31
- Rourkela Steel Plant	4720.56	4433.30	4303.20	4433.30
- Bokaro Steel Plant	3813.98	3316.36	3133.58	3316.36
- IISCO Steel Plant	1500.13	1548.56	1530.60	1548.56
- Alloy Steels Plant	221.47	213.34	204.99	213.34
- Salem Steel Plant	461.39	439.49	313.63	439.49
- Visvesvaraya Iron & Steel Plant	45.18	46.15	52.98	46.15
- Others	14631.72	31336.92	28741.13	31336.92
Unallocated Liabilities	31766.82	20991.18	35343.80	20991.18
Total	69301.25	73839.64	84408.11	73839.64
Note :				
Operating Segments have been identified in line with the Ind AS 108 - Operating Segments.				

Notes to Consolidated Unaudited Financial Results:

1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 5th August, 2021 and have been approved by the Board of Directors in its meeting held on 6th August, 2021.
2. The financial results have been reviewed by the Statutory Auditors, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31st March, 2021 are the balancing figures between the audited figures in respect of full financial year ended 31st March, 2021 and the published year to date reviewed figures up to the nine months ended 31st December, 2020.
4. The consolidated unaudited financial results include the results of 1 (one) subsidiary which has not been reviewed/audited by their auditors. The consolidated unaudited financial results also include the share of net profit/ loss after tax and total comprehensive income /loss of 1 (one) associate and 9 (nine) jointly controlled entities which have not been reviewed/ audited by their auditors and does not include the share of net profit/(loss) after tax and share of total comprehensive income of 6 (six) jointly controlled entities including 5 (five) entities under closure, as the same are not available.

These financial results are not material and impact on the Consolidated Unaudited Financial Results is not significant.

5. In respect of Steel Authority of India Limited (the Parent Company)

- a. As per the terms of sales with certain Government agencies, the invoicing to these agencies is done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under :

₹ crores

Quarter ended 30 th June, 2021	Cumulative till 30 th June, 2021	Quarter ended 30 th June, 2020	Cumulative till 30 th June, 2020
1364.43	16295.04	1663.04	9713.11

- b. The long-term agreement for wage revision expired on 31st December, 2016. Keeping in view the affordability and financial sustainability clause in the Office Memorandums dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises in respect of Pay Revision of employees, the Company fulfills the criteria for implementation of wage revision w.e.f. 1st April, 2020. Accordingly, pending finalisation/fresh agreement, an all-inclusive cumulative provision towards salaries and wages revision of ₹1430.86 crore (₹285.15 crore during the quarter) and ₹12.44 crore (₹2.33 crore during the quarter) have been charged to Statement of Profit and Loss and Expenditure during Construction respectively, on estimated basis.
- c. The Company based on the order no. F.No.16/30/2019-M.VI dated 16th September 2019 of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the EAC of ICAI, as at 31st March, 2020 valued the inventory of sub-grade iron-ore fines (SGFs) of 42.98 million tonnes at NRV of ₹3791.18 crore. The NRV was estimated by the management based on 36 months average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India organisation adjusted for royalty and selling cost. As on 30th June, 2021, the Company is carrying inventory of 42.42 million tonnes (As at 31st March 2021: 42.60 million tonnes) valuing ₹4073.35 crore (including ₹3580.92 crore classified as non-current inventories) of sub-grade iron-ore fines (SGFs) at its various

mines and 3.97 million tonnes (As at 31st March 2021: 3.97 million tonnes) valuing ₹248.24 crore (including ₹204.47 crore classified as non-current inventories) of tailings at Barsua mine as at 30th June, 2021.

- d. Pursuant to the introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, the Company has, during the quarter ended 31st December, 2020, opted for lower tax regime under the said Section for the financial year ended 31st March, 2020 and onwards. Consequently, the Company has charged off the Deferred Tax Assets arising due to MAT credit and restated the Deferred Tax Assets, based on the revised effective tax rate, resulting in one time charge of ₹1288.22 crore in the Statement of Profit and Loss, for the year ended 31st March, 2021.
- e. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the Constitutional validity of Entry Tax Act enacted by various States and laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 30th June, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. Pending decision by the other Courts, disputed Entry Tax liabilities of ₹1373.42 crore have been treated by the Company as Contingent Liability (As at 31st March, 2021 - ₹1373.42 crore).
- f. Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation (DVC) related to provisional tariff petition of electricity charges for 2009-2014 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28th December, 2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30th June, 2021 (upto 31st March, 2021, ₹587.72 crore) has been treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further, from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
- g. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31st March, 2021, have brought out that
- (i) As referred in note 47.2 (a) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax demand in various states amounting to ₹ 1,373.42 crores as on 31 March 2021. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.

(ii) As referred in note 47.2 (b) to the accompanying standalone financial statements, current assets include advance of ₹ 587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for period upto 31 March 2017. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying standalone financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the standalone financial statements.

In respect of these items, the Company's position has been clarified in notes 5(e) and 5(f) above.

6. The figures for the 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

(Amit Sen)
Director (Finance)

Place: New Delhi
Dated: 6th August, 2021