

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

Part
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Sl. No	Particulars	Quarter ended			Half Year ended		
		30th September 2015	30th June 2015	30th September 2014	30th September 2015	30th September 2014	31st March 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Net Sales / Income from operations						
	i) Gross Sales	102443.8	105523.8	129338.9	207967.6	254492.5	506266.5
	ii) Less : Excise Duty	11313.7	11688.4	13683.0	23002.1	26879.8	54186.0
	Sub total (a) (i-ii)	91130.1	93835.4	115655.9	184965.5	227612.7	452080.5
	(b) Other operating income	1439.0	1192.6	1130.8	2631.6	2570.8	5027.3
	Total Income from Operations (net)	92569.1	95028.0	116786.7	187597.1	230183.5	457107.8
2	Expenses						
	a) Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	(3242.6)	(11440.1)	(596.4)	(14682.7)	(1035.4)	(14081.2)
	b) Cost of Materials Consumed	43888.9	48146.6	43691.4	92035.5	87958.2	185229.0
	c) Purchase of Stock in Trade	0.0	0.0	0.0	0.0	0.0	4.8
	d) Employee Benefits Expense	24166.0	24166.8	23645.4	48332.8	48230.0	97363.3
	e) Power & Fuel	13948.0	13465.9	14751.4	27413.9	27974.6	54235.3

	f) Depreciation and Amortisation Expenses	4357.7	4260.6	3916.6	8618.3	7996.1	17732.8
	g) Other Expenses	24293.5	21505.7	21930.8	45799.2	42408.9	88329.8
	Total Expenses	107411.5	100105.5	107339.2	207517.0	213532.4	428813.8
3	Profit / loss (-) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(14842.4)	(5077.5)	9447.5	(19919.9)	16651.1	28294.0
4	Other Income						
	i) Interest Earned	818.8	947.8	1058.2	1766.6	2125.7	4751.0
	ii) Other Income	487.6	794.7	561.5	1282.3	1467.0	5086.4
	Sub total (i+ii)	1306.4	1742.5	1619.7	3048.9	3592.7	9837.4
5	Profit / (loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(13536.0)	(3335.0)	11067.2	(16871.0)	20243.8	38131.4
6	Finance Cost	4674.2	4430.4	3557.8	9104.6	6607.4	14542.3
7	Profit /(loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(18210.2)	(7765.4)	7509.4	(25975.6)	13636.4	23589.1
8	Profit / (loss) from Ordinary Activities before Tax	(18210.2)	(7765.4)	7509.4	(25975.6)	13636.4	23589.1
9	Tax Expense						
	(a) Current Tax	0.0	0.0	1618.3	0.0	2938.9	4991.5
	(b) Defferred Tax Liability / (Assets)	(7650.6)	(4549.0)	1014.5	(12199.6)	1842.7	2827.6
	(c) MAT Credit	0.0	0.0	(1618.3)	0.0	(2938.9)	(4991.5)
	(d) Earlier Years	0.0	0.0	0.0	0.0	0.0	(165.3)
	Sub-Total (a to d)	(7650.6)	(4549.0)	1014.5	(12199.6)	1842.7	2662.3

10	Net Profit/ (loss) from Ordinary Activities after Tax (8-9)	(10559.6)	(3216.4)	6494.9	(13776.0)	11793.7	20926.8
11	Extraordinary Items (net of Tax Expense Rs. Nil)	0.0	0.0	0.0	0.0	0.0	0.0
12	Net Profit / (loss) for the Period (10-11)	(10559.6)	(3216.4)	6494.9	(13776.0)	11793.7	20926.8
13	Paid up Equity Share Capital (Face value : Rs. 10 per share)	41305.3	41305.3	41305.3	41305.3	41305.3	41305.3
14	Reserves (Excluding Revaluation Reserve) as per Balance Sheet of Previous Accounting Year						393742.5
15	Basic and Diluted Earnings per Share (of Rs.10/- each) before and after Extraordinary Items (Not Annualised) (Rupees)	-2.6	-0.8	1.6	-3.3	2.9	5.1
16	Debt Service Coverage Ratio (Number of times)				-1.59	1.92	
17	Interest Service Coverage Ratio (Number of times)				-1.34	2.05	

**Annexure I
(Contd)**

**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	330,42,93,713	309,77,67,449	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	100.00	100.00
	- Percentage of shares (as a % of the total	75.00	80.00	75.00	75.00	80.00

	share capital of the company)						
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	Particulars	Quarter ended 30th September 2015
B	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

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: `15710.4 Million (corresponding half year of previous year: `17354.2 Million) and cumulatively upto 30th September, 2015: `112696.1 Million (upto corresponding quarter of Half Year : `86000.8 Million).
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 `1378.3 Million (net debit) for the current Half Year [corresponding Half Year of previous year- `754.2 Million (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 `832.3 Million and `1671.2 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 `10900.5 Million, `3339.5 Million and `948.9 Million upto 30th September, 2015 (upto 31st March, 2015- `10843.2 Million, `3339.5 Million and `948.9 Million) respectively, have been treated as contingent liabilities.

7. Pending decision by the various judicial authorities in the determination of the electricity tariff, payments of `4435.0 Million upto 30th September, 2015 (upto 31st March, 2015- `3935.9 Million) 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 `948.9 Million in the State of Uttar Pradesh, `10880.6 Million in the State of Chhattisgarh and `3339.5 Million in the State of Odisha;
- b) Payments of `4113.1 Million by DVC for supply of electricity.

- ii) At Bokaro and Bhilai Steel Plants, LTA/LTC expenses & leave Encashment of Rs.1260.4 Million 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 (MCA), 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

Place: New Delhi

(Anil Kumar Chaudhary)

Dated: 6th November, 2015

Director (Finance)