

## 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 its meeting held on 30<sup>th</sup> May, 2016 . The Audited Accounts are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. The figures for the Quarter ended 31<sup>st</sup> March, 2016, are the balancing figures between the audited figures in respect of full Financial Year ended 31<sup>st</sup> March, 2016 and the published year to date figures upto the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> December, 2015.
3. Net Sales include sales to the Government Agencies recognised on provisional contact prices during the year ended 31<sup>st</sup> March, 2016: `3376.11 crore (previous year: `2907.36 crore) and cumulatively upto 31<sup>st</sup> March, 2016: `13074.67 crore (upto previous year : `9750.99 crore).
4. 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 `1091.02 crore, `341.15 crore and `97.22 crore upto 31<sup>st</sup> March, 2016 (upto 31<sup>st</sup> March, 2015- `1084.32 crore, `333.95 crore and `94.89 crore) respectively, have been treated as contingent liabilities.
5. Pending decision by the various judicial authorities in the determination of the electricity tariff, demands of `491.27 crore upto 31<sup>st</sup> March, 2016 (upto 31<sup>st</sup> 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.
6. 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 `154.64 crore (net debit) for the current Year (previous year - `66.57 crore (net credit), has been adjusted in the carrying cost of the Fixed Assets/Capital Work-in-progress.
7. The Company has assessed the useful life of the assets and major components of Plant & Machinery, Factory Buildings, Railway Line & Sidings and Water Supply & Sewerage based on technical parameters/assessment and supported by external technical advice. Accordingly, depreciation of `86.58 crore (net of deferred tax liability `45.82 crore) on account of fixed assets with no remaining useful life as on 1<sup>st</sup> April, 2015 has been adjusted in retained earnings and depreciation for the year ended 31<sup>st</sup> March, 2016 is higher by `54.07 crore.

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8. A). The Auditors, in their Audit Report on the Annual Accounts of the Company for the Year ended 31<sup>st</sup> 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) demands 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.
- B). The Auditors in their Limited Review Report on the Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 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, `1092.65 crore in the State of Chhattisgarh and `342.34 crore in the State of Odisha;
    - b) demands of `466.11 crore by DVC for supply of electricity.

In respect of items stated at A(i) & B(i), 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 31<sup>st</sup> March, 2016. There is no change in the status of these cases till date. In respect of item stated at A(ii), the quantity of Skull extractable from Slag has not been valued in the accounts for the quarter/year ended 31<sup>st</sup> March, 2016.

9. Pending receipt of Financial Statements from Subsidiaries/Joint Ventures of International Coal Venture Limited (a Joint Venture company of SAIL), the Subsidiaries/Joint Ventures of ICVL are not included in the above Consolidated Financial Results. Management is taking steps to obtain the Financial Statements and will present the Consolidated Audited Financial Statements shortly. As such, the consolidated financial results of the Company have neither been audited nor been reviewed.

10. Other disclosures as per regulation 52(4) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
i)	Credit rating		
	-by CARE Ratings	CARE AA+	CARE AAA
	-by India Ratings	IND AAA	IND AAA
ii)	Asset Cover Available (Times)	2.35	2.73
iii)	Outstanding redeemable preference shares	Nil	Nil
iv)	Debenture redemption reserve (Rs. in crore)	1449.96	1008.88
v)	Net Worth (Rs. in crore)	39281.26	43504.78
vi)	Net Profit/Loss(-) after tax (Rs. in crore)	(-) 4137.26	2092.68
vii)	Earnings per share (In Rupees)	-ve	5.07

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(viii) Previous due date and next due date of payment of interest/repayment of Principal of non-convertible debt securities :

Tranches	Series	Previous Due Date			Next Due Date	
		Interest	Principal	Status	Interest	Principal
XVIII ISSUE ( I- SERIES)	AE	01-May-15		Paid	01-May-16	
XIX ISSUE ( I- SERIES)	AF	11-May-15		Paid	11-May-16	
XX ISSUE ( I- SERIES)	AG	22-Jun-15		Paid	22-Jun-16	
XXI ISSUE ( I- SERIES)	AH	11-Aug-15		Paid	11-Aug-16	
XXII ISSUE ( I- SERIES)	AI	25-Aug-15		Paid	25-Aug-16	
XXIII ISSUE ( I- SERIES)	AJ-II & III	15-Sep-15		Paid	15-Sep-16	
XXIV ISSUE ( I- SERIES)	AK-II	26-Oct-15	26-Oct-15	Paid	Redeemed	Redeemed
XXIV ISSUE ( I- SERIES)	AK-III	26-Oct-15		Paid	26-Oct-16	26-Oct-16**
XXIV ISSUE ( I- SERIES)	AK-IV to XII	26-Oct-15		Paid	26-Oct-16	
XXV ISSUE ( I- SERIES)	AL	19-Nov-15		Paid	19-Nov-16	
XXVI ISSUE ( I- SERIES)	AM-II	07-Dec-15		Paid	07-Dec-16	
XXVII ISSUE ( I- SERIES)	AN	30-Dec-15		Paid	30-Dec-16	
XXVIII ISSUE ( I- SERIES)	AO	01-Feb-16		Paid	01-Feb-17	
XXIX ISSUE ( I- SERIES)	AP	23-Apr-15		Paid	23-Apr-16	
XXX ISSUE ( I- SERIES)	AQ	30-Apr-15		Paid	30-Apr-16	
XXXI ISSUE ( I- SERIES)	AR	23-Aug-15		Paid	23-Aug-16	
XXXII ISSUE ( I- SERIES)	AS	09-Sep-15		Paid	09-Sep-16	
XXXIII ISSUE ( I to V- SERIES)	AT-I to V & 1 - 5	25-May-15		Paid	25-May-16	
XXXIV ISSUE ( I- SERIES)	AU	27-Aug-15		Paid	27-Aug-16	
XXXV ISSUE ( I- SERIES)	AV	08-Nov-15	08-Nov-15	Paid*	Redeemed*	Redeemed*
XXXVI ISSUE ( I- SERIES)	AW	06-May-15		Paid	06-May-16	
XXXVII ISSUE ( I- SERIES)	AX	14-Oct-15		Paid	14-Oct-16	
XXXVIII ISSUE ( I- SERIES)	AY	16-Dec-15		Paid	16-Dec-16	
XXXIX ISSUE ( I- SERIES)	AZ	21-Jan-16		Paid	21-Jan-17	
ISSUE ( I- SERIES)	BA	15-Apr-15		NA	15-Apr-16	
ISSUE ( I- SERIES)	BB	09-Jun-15		NA	09-Jun-16	
ISSUE ( I- SERIES)	BC	27-Jul-15		NA	27-Jul-16	
ISSUE ( I- SERIES)	BD	10-Aug-15		NA	10-Aug-16	
ISSUE ( I- SERIES)	BE	25-Aug-15		NA	25-Aug-16	
ISSUE ( I- SERIES)	BF	19-Nov-15		NA	19-Nov-16	
* The Company has exercised the "Call option" as per terms of the issue and paid the principal amount of Rs.500 crore along with interest to the bondholders on 9 <sup>th</sup> November, 2015 (with 1 day additional interest)						
**Rs.14 crore of AK Series will be redeemed every year till 26 <sup>th</sup> October, 2025.						

11. Formulas used for computation of Coverage Ratios : Debt Service Coverage Ratio = Earnings before Interest, Exceptional Items and Tax/Principal and Interest repayment of long terms loans; and Interest Service Coverage Ratio = Earnings before Interest, Exceptional Items and Tax/Interest including transferred to Capital Work in Progress.

12. The figures of previous periods have been re-grouped, wherever necessary, to conform to current Quarter/Year's classification.

For and on behalf of Board of Directors

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2016

( Anil Kumar Chaudhary )  
Director (Finance)