



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

FAX MESSAGE

No.CA-17(44)/2016

September 8, 2016

The General Manager (MO)
Bombay Stock Exchange
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.P. Tower,
Dalal Street, Fort,
Mumbai-400001
(Fax No.022-22723121/3719)

The Asstt. Vice President
National Stock Exchange of India Ltd.
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.
(Fax No.022-26598237/38)

Sub: Quarterly Unaudited Financial Results for the quarter ended 30th June, 2016,

Ref: Regulation 33(3) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015: Security ID:SAIL.

Dear Sir,

The Board of Directors at its meeting held on 8th September, 2016, inter-alia considered and approved the Quarterly Unaudited Financial Results for the quarter ended 30th June, 2016 .

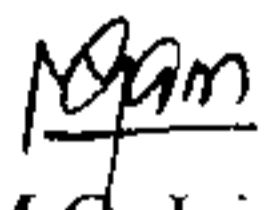
A copy of the following is enclosed pursuant to Regulation 33(3) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Quarterly Unaudited Financial Results for the quarter ended 30th June, 2016 alongwith segment information.
2. Limited Review Report on Quarterly Financial Results of Steel Authority of India Limited pursuant to the Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above are also being made available on the website of the Company at www.sail.co.in.

Thanking you,

Yours faithfully,
For Steel Authority of India Limited


(M.C. Jain)
Company Secretary

Encl. As above.

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

Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June 2016

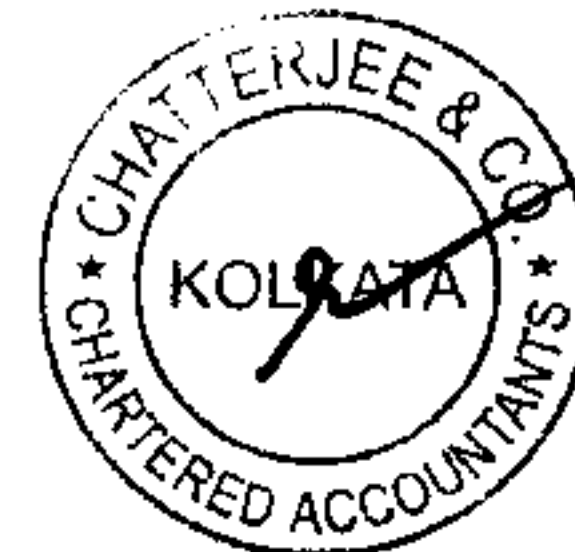
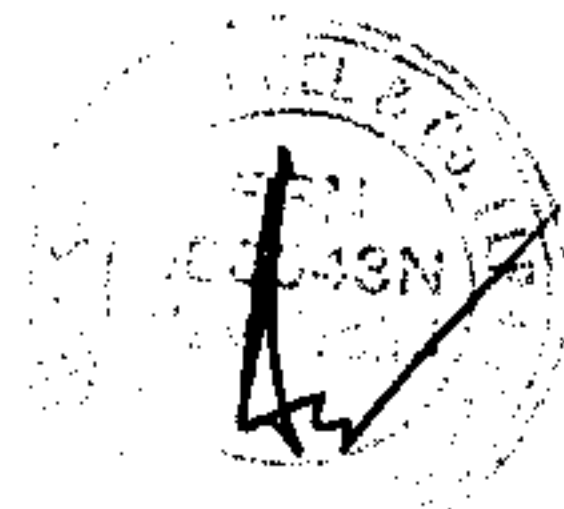
₹ Crore

Sl. No	Particulars	Quarter ended	
		30 th June 2016 (Unaudited)	30 th June 2015 (unaudited & not subject to review) (refer note 4)
1	Income From Operations (a) Net Sales / Income from Operations (net of Excise Duty) (b) Other Operating Income	9082.33 155.75	9373.85 119.26
	Total Income from Operations (net)	9238.08	9493.11
2	Expenses a) Cost of Materials Consumed b) Purchase of Stock in Trade c) Changes in Inventories of Finished Goods, Work in Progress and Stock In Trade d) Employee Benefits Expense e) Depreciation and Amortisation Expense f) Power & Fuel g) Other Expenses	3930.32 0.00 (727.62) 2388.55 600.21 1325.45 2087.61	4814.66 0.48 (1144.01) 2403.05 451.84 1281.04 2049.17
	Total Expenses	9604.52	9856.23
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(366.44)	(363.12)
4	Other Income	89.28	206.87
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(277.16)	(156.25)
6	Finance Cost	594.05	508.22
7	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(871.21)	(664.47)
8	Exceptional Items (Loss)/Gain (+) -Voluntary Retirement Compensation	(54.20)	0.00
9	Profit / (Loss) from ordinary activities before Tax (7 - 8)	(925.41)	(664.47)
10	Tax Expense - Deferred Tax (Assets)	(389.89)	(416.29)
11	Net Profit/ (Loss) from ordinary activities after Tax (9-10)	(535.52)	(248.18)
12	Extraordinary Items (net of Tax Expense ₹ Nil)		
13	Net Profit / (Loss) for the period (11-12)	(535.52)	(248.18)
14	Other Comprehensive Income / (Loss) after Tax	(0.60)	(0.06)
15	Net Profit after Taxes and Other Comprehensive Income after Tax (13 + 14)	(534.92)	(248.24)
16	Equity Share Capital (Face value : ₹. 10 per share)	4130.53	4130.53
17	Basic and Diluted Earnings per Share (of ₹.10/- each) before and after Extraordinary Items (Not Annualised) (Rupees)	-1.30	-0.60

Note: See accompanying notes to the financial results.



SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED		
PARTICULARS	STANDALONE	
	Quarter Ended	Quarter Ended
	30th June	30th June
	2016	2015
	(Unaudited)	(Unaudited)
Segment Revenue (Net Sales / Income from Operations)		
- Bhilai Steel Plant	2862.08	3226.95
- Durgapur Steel Plant	1307.21	1411.02
- Rourkela Steel Plant	1833.08	1598.29
- Bokaro Steel Plant	2287.18	2536.82
- IISCO Steel Plant	829.80	512.15
- Alloy Steels Plant	150.30	127.86
- Salem Steel Plant	408.73	387.39
- Visvesvaraya Iron & Steel Plant	37.19	56.49
- Others	834.84	984.71
Total Segment Revenue	10550.41	10841.68
Less : Inter-Segment Revenue	1312.33	1348.57
Net sales / Income from Operations	9238.08	9493.11
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)		
- Bhilai Steel Plant	136.22	325.80
- Durgapur Steel Plant	(39.21)	4.29
- Rourkela Steel Plant	(203.21)	(198.58)
- Bokaro Steel Plant	54.76	(244.72)
- IISCO Steel Plant	(249.33)	(279.00)
- Alloy Steels Plant	(2.58)	(21.16)
- Salem Steel Plant	(31.06)	(63.97)
- Visvesvaraya Iron & Steel Plant	(32.49)	(28.99)
- Others	89.74	350.08
Total	(277.16)	(156.25)
Less : Interest Expenses	594.05	508.22
Exceptional items - Loss(-)/Gain(+)		
Voluntary Retirement Compensation	(54.20)	0.00
Profit / (loss) before Tax	(925.41)	(664.47)
Capital Employed		
(Segment Assets less Segment Liabilities excluding Inter Unit Balances)		
- Bhilai Steel Plant	18654.69	17443.96
- Durgapur Steel Plant	3834.32	3531.55
- Rourkela Steel Plant	15219.27	15484.88
- Bokaro Steel Plant	11469.30	10828.69
- IISCO Steel Plant	17509.54	17579.55
- Alloy Steels Plant	372.96	412.45
- Salem Steel Plant	2439.98	2642.11
- Visvesvaraya Iron & Steel Plant	498.40	477.61
- Others	(14533.70)	(11912.03)
Total Capital Employed in the Company	55464.76	56488.77
Note :		
1. Segments have been identified in line with the Ind AS -108 on Operating Segments 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 in its meeting held on 8th September, 2016 and were approved by the Board of Directors in its meeting of date.
2. The above results have been reviewed by the Statutory Auditors, as required under Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3. The financial results do not include figures for the preceding quarter and previous year ended 31st March, 2016 as per SEBI's circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.
4. As per the requirements of the Companies Act, 2013, the Company adopted Indian Accounting Standards (Ind AS) from 1st April 2016 and accordingly the quarterly financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

The Ind AS financial results for the quarter ended 30th June 2015 have not been subjected to a limited review or audit. However, management has exercised necessary diligence to ensure that the financial results provide true and fair view of the results in accordance with Ind AS.

A reconciliation of standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) is summarised as follows:

₹ crore

Particulars	For the quarter ended 30 th June 2015
(Loss) after tax as reported under previous GAAP	(321.64)
Adjustments on account of:	
Measurement of derivative and embedded derivatives forward contracts and at fair value through profit and loss	18.15
Recognition and measurement of certain arrangements and leases of land as finance leases	(12.26)
Capitalisation of major repairs and capital spares	97.84
Measurement of financial assets and liabilities at amortised cost	1.10
Others	7.23
Deferred tax impact on above Ind AS adjustments	(38.61)
Total	73.45
(Loss) after tax as reported under Ind AS	(248.19)
Other Comprehensive Income (OCI):	
Measurement of equity instruments at fair value through OCI (net of tax effect)	(0.06)
Total Comprehensive (Loss) under Ind AS	(248.25)

Contd../

5. Net Sales include sales to Government Agencies recognised on provisional contract prices during the Quarter ended 30th June 2016: ₹935.65 crore (corresponding quarter of previous year: ₹751.95 crore) and cumulatively upto 30th June, 2016: ₹13974.45 crore (upto the corresponding quarter of previous year : ₹10450.52 crore).

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 ₹1092.43 crore, ₹351.83 crore and ₹97.22 crore upto 30th June, 2016 (upto 31st March, 2016- ₹1091.02 crore, ₹341.15 crore and ₹97.22 crore) respectively, have been treated as contingent liabilities.

7. Pending decision by the various judicial authorities in the determination of the electricity tariff, claims of ₹518.35 crore upto 30th June, 2016 (upto 31st March, 2016- ₹491.27 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. In one of the units of the Company, the inventories of 0-3 mm and 0-12 mm sizes of Silico Manganese and High Carbon Ferro Manganese, amounting to ₹166.37 crore has been valued based on inter plant transfer price for 0-12 MM size and third party price report for 0-3 mm size.

9. The Auditors, in their Audit Report on the Accounts of the Company for the Year ended 31st March, 2016, have brought out that the Company has not provided for :

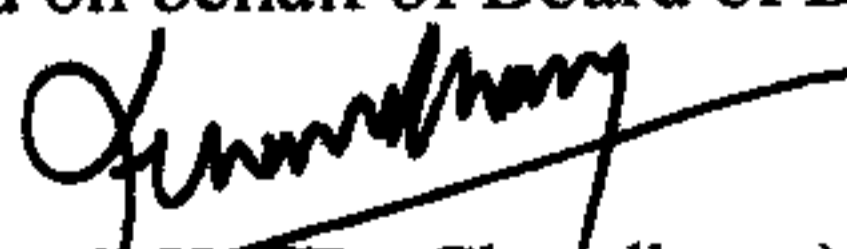
- a). Entry Tax amounting to ₹97.22 crore in the State of Uttar Pradesh, ₹1091.02 crore in the State of Chhattisgarh and ₹341.15 crore in the State of Odisha;
- b). Claims of ₹518.35 crore by DVC for supply of electricity.

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 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 June, 2016. Therefore, there is no adverse impact on loss for the quarter. These cases are sub-judice since a long time and there is no change in the status of these cases till date.

10. In respect of advance amount of ₹301.79 crore paid to Indian Railways by way of refundable contribution, with return of 7% of investment at the end of every year after fulfillment of certain milestones, on completion of project, Management is confident of accomplishing the milestones. As there is no significant uncertainty as to measurability or collectability, interest income of ₹3.25 crore during the current quarter (upto 30th June, 2016 - ₹47.27 crore) has been recognised. The Company has approached the Expert Advisory Committee of the Institute of Chartered Accountants of India to confirm the accounting treatment of the same.

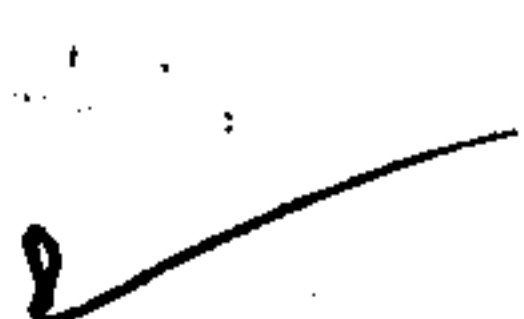
11. The figures of previous year's quarter have been re-grouped/reclassified, wherever necessary, so as to conform to the current Quarter's classification.

For and on behalf of Board of Directors


(Anil Kumar Chandhary)
Director (Finance)

Place: New Delhi

Dated: 8th September, 2016





STEEL AUTHORITY OF INDIA LIMITED
REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110003
Extract of Standalone Unaudited Financial Results for the Quarter ended 30th June 2016

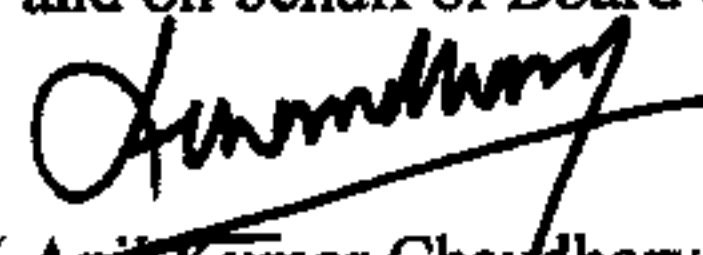
₹ Crore

Sl. No	Particulars	Quarter ended 30 th June 2016 (Unaudited)	Quarter ended 30 th June 2015 (unaudited & not subject to review) (refer note 2)
1	Total Income from Operations (net)	9238.08	9493.11
2	Net Profit/ (Loss) for the Period (before tax , Exceptional and / or Extraordinary items)	(871.21)	(664.47)
3	Net Profit/ (loss) for the Period before tax (after Exceptional and / or Extraordinary items)	(925.41)	(664.47)
4	Net Profit/ (Loss) for the Period after Tax (after Exceptional and / or Extraordinary items)	(535.52)	(248.18)
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after Tax) and other Comprehensive Income (after tax)]	(0.60)	(0.06)
6	Equity Share Capital	4130.53	4130.53
7	Earnings per Share (of Rs.10/- each) (For continuing and discontinued operations) - (in ₹)		
	1. Basic	-1.30	-0.60
	2 .Diluted	-1.30	-0.60

Note: (1) The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the Stock Exchange websites of NSE and BSE at www.nseindia.com and www.bseindia.com respectively and under the Investor Relations Section on the Company's website www.sail.co.in.

(2) The IND AS financial results for the quarter ended 30th June, 2015 are not subjected to a limited review or audit. However, Management has exercised necessary diligence to ensure that the financial results provide true and fair view of the results in accordance with IND AS.

For and on behalf of Board of Directors

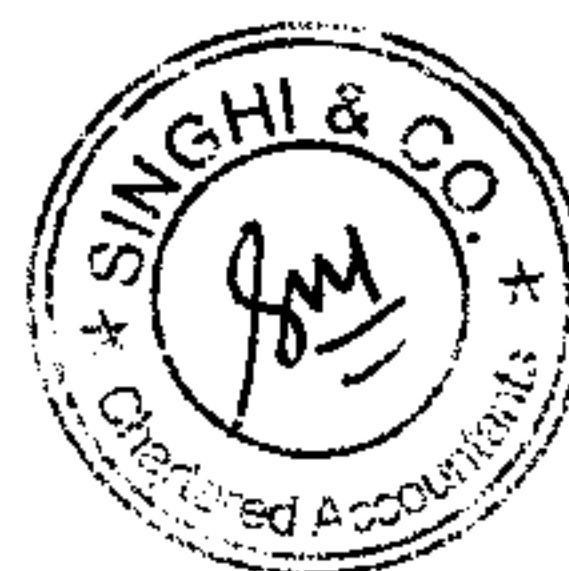

 (Anil Kumar Chaudhary)
 Director (Finance)

Place: New Delhi

Dated: 8th September, 2016







**Limited Review Report On Quarterly Financial Results of Steel Authority
of India Limited Pursuant to the Regulation 33 of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015**

To
The Board of Directors,
Steel Authority of India Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of Steel Authority of India Limited ('the Company') for the quarter ended 30th June, 2016 attached herewith, being prepared by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30th June, 2015, including the reconciliation of net loss under Indian Accounting Standards ("Ind AS") of the corresponding quarter with net loss reported under previous GAAP, as reported in these financial results have been approved by Company's Management but have not been subjected to review by us.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 8th September 2016. Our responsibility is to issue a report on these statements based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. **Basis for Qualified Conclusion**

I. The Company has not provided for :

- (i) entry tax amounting to ₹ 1092.43 crores (current quarter Rs 1.41 crores) in the state of Chhattisgarh and ₹351.83 crores (current quarter ₹10.68 crore) in the state of Odisha and ₹97.22 crore (current quarter ₹ Nil) in the state of Uttar Pradesh, (refer note no. 6);
- (ii) amount paid to DVC against bills raised for supply of power and retained as advance by Bokaro Steel Plant amounting to ₹518.35 crore (current quarter - ₹27.08 crore) (refer note no. 7);

II. The Company has recognised an interest income of ₹ 47.27 crore till 30th June 2016 (for the current quarter - ₹3.25 crore) in relation to contribution given to Indian Railways for construction of rail link between Dalli-Rajhara and Rowghat, pending significant uncertainty (refer note no.10).

The total impact of above paragraphs have resulted in understatement of Loss by ₹2107.10 crore (net of tax ₹1377.87 crore).

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5. Emphasis of Matter

We draw attention to the following:

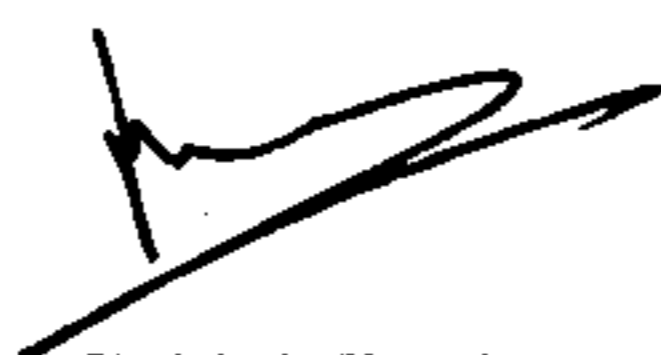
- (i) Net sales include sales to Government agencies which are recognised on provisional contract prices (refer note no. 5);
- (ii) In Chandrapur Ferro Alloy Plant, for valuation of closing stock of inventory, the market rate considered to substantiate the net realisable value is based on market price report of third party in respect 0-3 mm sized material. In respect of 0-12 mm sized material, inter plant transfer price as determined by the management is considered for valuation. (refer note no. 8);

Our opinion is not qualified in respect of these matters.

6. Qualified Conclusion

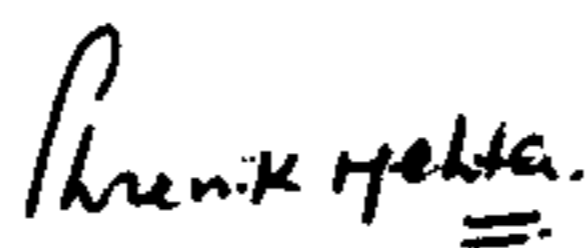
Based on our review conducted as above, with the exception of the matters described in the Basis for Qualified Conclusion paragraph No.4, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results read with notes on accounts thereon, prepared in accordance with applicable Indian Accounting Standards ("IndAS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B.N. Misra & Co.
Chartered Accountants
Firm Registration No. 321095E



(B.N. Misra)
Partner
M.No.083927

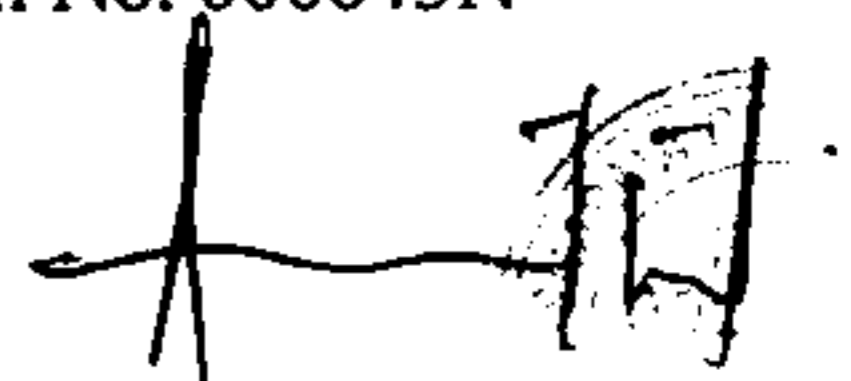
For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E



(Shrenik Mehta)
Partner
M.No.063769



For Sharma Goel & Co. LLP
Chartered Accountants
Firm Registration No. 000643N

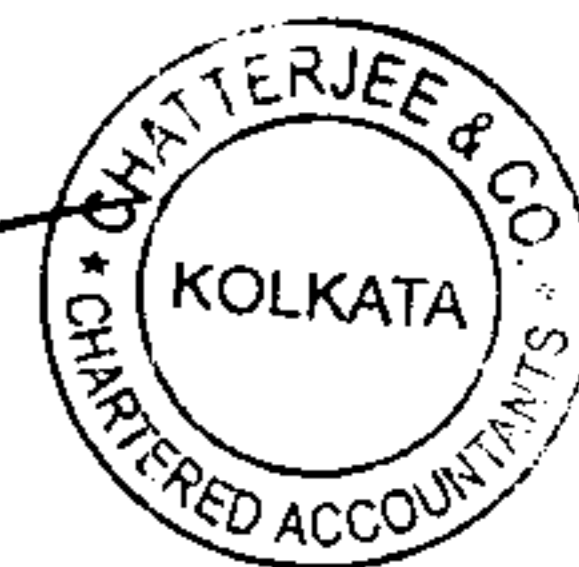


(Amar Mittal)
Partner
M.No.017755

For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E



(R. N. Basu)
Partner
M.No.050430



Date: 8th September, 2016

Place: New Delhi