



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/2020

September 14, 2020

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**

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

**Sub: Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020**

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

Dear Sir,

The Board of Directors at its meeting held today i.e. 14<sup>th</sup> September, 2020, inter-alia, considered and approved the Unaudited Standalone and Consolidated Financial Results for the Quarter ended 30<sup>th</sup> June, 2020.

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


- Unaudited Standalone and Consolidated Financial Results for the Quarter ended 30<sup>th</sup> June, 2020, alongwith Segment information.
- Limited Review Report on the Standalone and Consolidated Financial Results for the Quarter ended 30<sup>th</sup> June, 2020.

The Board Meeting commenced at 1430 hours and concluded at 2030 hours.

The above are also being uploaded on the website of the Company at [www.sail.co.in](http://www.sail.co.in).

Thanking you,

Yours faithfully,  
For Steel Authority of India Limited

  
(M B Balakrishnan)  
Company Secretary

Encl. As above.

**STEEL AUTHORITY OF INDIA LIMITED**  
CIN: L27109DL1973GO1006454

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

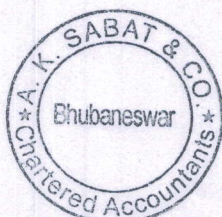
Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.com, Website: www.sail.co.in

**Statement of Standalone Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020**

₹ Crore unless stated otherwise

Sl. No.	Particulars	STANDALONE			
		Quarter ended			Year ended
		30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
		Unaudited	Audited	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	9067.48	16171.79	14820.01	61660.55
	(b) Other income	277.73	457.01	182.84	985.22
	<b>Total Income</b>	<b>9345.21</b>	<b>16628.80</b>	<b>15002.85</b>	<b>62645.77</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	4359.94	6665.75	8127.66	29212.87
	b) Changes in inventories of finished goods, work-in-progress and by-products	(339.48)	(5082.72)	(1378.62)	(5555.82)
	c) Employee benefits expense	1992.91	2751.80	2046.06	8781.32
	d) Finance costs	886.29	908.63	788.40	3486.76
	e) Depreciation and amortisation expenses	973.31	1055.21	872.45	3755.05
	f) Other expenses	3456.90	5377.20	4442.97	19023.17
	<b>Total Expenses</b>	<b>11329.87</b>	<b>11675.87</b>	<b>14898.92</b>	<b>58703.35</b>
3	<b>Profit / (Loss) before Exceptional items and Tax</b>	<b>(1984.66)</b>	<b>4952.93</b>	<b>103.93</b>	<b>3942.42</b>
	Add / (Less): Exceptional items	-	(771.76)	-	(771.76)
4	<b>Profit / (Loss) before Tax</b>	<b>(1984.66)</b>	<b>4181.17</b>	<b>103.93</b>	<b>3170.66</b>
	Less: Tax expense				
	Current tax	-	224.14	-	224.14
	Deferred tax	(714.39)	1420.08	35.09	1073.73
	MAT credit	-	(214.75)	-	(214.75)
	Current tax (earlier years)	-	26.54	-	66.00
5	<b>Net Profit / (Loss) for the period</b>	<b>(1270.27)</b>	<b>2725.16</b>	<b>68.84</b>	<b>2021.54</b>
	<b>Other Comprehensive Income (OCI)</b>				
A	(i) Items that will not be reclassified to profit or loss	2.22	(194.95)	1.06	(177.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.52)	65.65	(0.25)	61.90
6	<b>Total Comprehensive Income / (Loss) for the period</b>	<b>(1268.57)</b>	<b>2595.86</b>	<b>69.65</b>	<b>1905.83</b>
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				35646.85
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	(3.08)	6.60	0.17	4.89
	2. Diluted (₹)	(3.08)	6.60	0.17	4.89

Note: Refer accompanying notes to the financial results.



**STEEL AUTHORITY OF INDIA LIMITED**

CIN: L27109DL1973GO1006454

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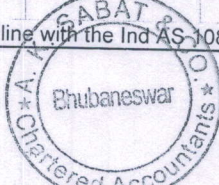
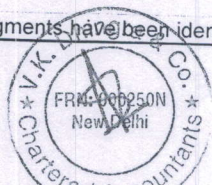
**STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

₹ Crore unless stated otherwise

Particulars	STANDALONE			
	Quarter ended			Year ended
	30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment revenue from operations</b>				
- Bhilai Steel Plant	3125.56	5433.56	4023.20	19486.57
- Durgapur Steel Plant	1278.90	2058.26	1890.42	7727.08
- Rourkela Steel Plant	1532.86	3183.83	3267.71	12537.94
- Bokaro Steel Plant	1609.13	3423.46	3537.07	13412.36
- IISCO Steel Plant	1470.36	1996.61	1813.17	7752.11
- Alloy Steels Plant	63.06	137.46	197.81	714.40
- Salem Steel Plant	188.10	332.71	443.89	1573.55
- Visvesvaraya Iron & Steel Plant	18.11	24.05	19.90	100.59
- Others	964.76	1246.62	1292.29	4733.25
<b>Total segment revenue</b>	<b>10250.84</b>	<b>17836.56</b>	<b>16485.46</b>	<b>68037.85</b>
Less: Inter-segment revenue	1183.36	1664.77	1665.45	6377.30
<b>Net revenue from operations</b>	<b>9067.48</b>	<b>16171.79</b>	<b>14820.01</b>	<b>61660.55</b>
<b>Segment results (Profit / (Loss) before interest, exceptional items and tax)</b>				
- Bhilai Steel Plant	(160.79)	1669.86	156.09	3398.94
- Durgapur Steel Plant	(61.69)	45.78	48.38	(107.87)
- Rourkela Steel Plant	(402.39)	468.71	243.06	321.20
- Bokaro Steel Plant	(343.31)	267.90	294.82	468.53
- IISCO Steel Plant	(276.14)	(25.21)	(60.57)	(432.97)
- Alloy Steels Plant	(33.53)	(23.77)	(13.71)	(63.71)
- Salem Steel Plant	(59.11)	(29.72)	(76.89)	(227.93)
- Visvesvaraya Iron & Steel Plant	(21.81)	(11.27)	(21.16)	(73.85)
- Others	260.40	3499.28	322.31	4146.84
<b>Total</b>	<b>(1098.37)</b>	<b>5861.56</b>	<b>892.33</b>	<b>7429.18</b>
Less: Finance costs	886.29	908.63	788.40	3486.76
Less: Exceptional items	-	771.76	-	771.76
<b>Profit / (Loss) before Tax</b>	<b>(1984.66)</b>	<b>4181.17</b>	<b>103.93</b>	<b>3170.66</b>
<b>Segment Assets</b>				
- Bhilai Steel Plant	32716.50	32783.83	32005.03	32783.83
- Durgapur Steel Plant	6930.77	6892.20	6787.46	6892.20
- Rourkela Steel Plant	21321.80	21078.70	20792.10	21078.70
- Bokaro Steel Plant	16471.28	16174.56	16007.66	16174.56
- IISCO Steel Plant	17729.62	18106.14	18812.50	18106.14
- Alloy Steels Plant	557.32	564.29	557.49	564.29
- Salem Steel Plant	2562.38	2485.32	2646.05	2485.32
- Visvesvaraya Iron & Steel Plant	331.01	347.12	404.39	347.12
- Others	24187.69	26665.65	20964.13	26665.65
<b>Total</b>	<b>122808.37</b>	<b>125097.81</b>	<b>118976.81</b>	<b>125097.81</b>
<b>Segment Liabilities</b>				
- Bhilai Steel Plant	8289.05	8530.29	7590.53	8530.29
- Durgapur Steel Plant	2495.15	2549.61	2463.97	2549.61
- Rourkela Steel Plant	4303.20	4230.47	4513.09	4230.47
- Bokaro Steel Plant	3133.58	3185.82	3583.51	3185.82
- IISCO Steel Plant	1530.60	1512.93	1604.48	1512.93
- Alloy Steels Plant	204.99	202.62	188.47	202.62
- Salem Steel Plant	313.63	312.33	315.80	312.33
- Visvesvaraya Iron & Steel Plant	52.98	56.15	61.56	56.15
- Others	28741.13	30180.18	29989.07	30180.18
Unallocated Liabilities	35235.25	34560.03	30475.00	34560.03
<b>Total</b>	<b>84299.56</b>	<b>85320.43</b>	<b>80785.48</b>	<b>85320.43</b>

Note :

Operating Segments have been identified in line with the Ind AS 108 - Operating Segments.



## Notes to Standalone Unaudited Financial Results:

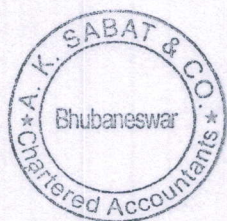
1. The above results have been reviewed by the Audit Committee in its meeting held on 13<sup>th</sup> September, 2020 and have been approved by the Board of Directors in its meeting held on 14<sup>th</sup> September, 2020.
2. The financial results have been reviewed by the Statutory Auditors, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31<sup>st</sup> March, 2020 are the balancing figures between the audited figures in respect of full financial year ended 31<sup>st</sup> March, 2020 and the published year to date reviewed figures up to the nine months ended 31<sup>st</sup> December, 2019.
4. The COVID-19 pandemic outbreak and measures to curtail it has caused significant disturbances and slow down of economic activities. Consequently, the Company's manufacturing operations had to be scaled down during the quarter ended 30<sup>th</sup> June, 2020. Though, the operations resumed during the later part of the quarter with limited availability of workforce and disrupted supply chain, the restrictions imposed adversely impacted the Company's sales volume and realization.

The Company has assessed the possible impact of COVID-19 in preparation of the above results. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to the future economic conditions.

5. Sales include sale to Government Agencies recognised on provisional contract prices during the quarter ended 30<sup>th</sup> June 2020: ₹1663.04 crore (corresponding quarter of previous year: ₹1449.38 crore) and cumulatively upto 30<sup>th</sup> June, 2020: ₹ 9713.11 crore (upto the corresponding quarter of previous year: ₹18594.70 crore).
6. The Company has valued estimated 6.42 lakh tonnes of extractable iron and steel scrap embedded in BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants as at 30<sup>th</sup> June, 2020 at ₹660.12 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated quantity of 6.59 lakh tonnes valued at ₹683.33 crore) and an estimated 5.40 million tonnes of Slime containing iron ore fines at Dalli mines, Bhilai Steel Plant of SAIL as at 30<sup>th</sup> June 2020 at ₹248.05 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated at 5.60 million tonnes valued at ₹234.92 crore). Valuation of such inventory were considered by the Company in line with IND AS 2.

However, Comptroller and Auditor General of India in its supplementary audit, commented on recognition of such stocks as inventory in terms of para 6 of Ind AS 2.

In view of difference of opinion on the interpretation of IND AS 2 in respect of recognition of such stock as inventory, the Company has decided to refer the matter to Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) to obtain an opinion on such issue. Pending receipt of opinion from EAC of ICAI, the Company continues to recognise such stocks as inventory and value the same as at 30<sup>th</sup> June 2020.



7. The Company has a stock of 42.98 million tonnes (As at 31<sup>st</sup> March, 2020: 42.98 million tonnes) of sub grade iron ore fines (SGFs) at various mines of the Company. The low Iron content of these Fines made them unsuitable for consumption in the Steel Plants of the Company. Moreover, the Government of India, vide notification dated 19<sup>th</sup> September, 2012 prevented all captive miners (including the Company) from selling these sub-grade fines in the market. Since these materials could neither be consumed nor sold, they had no economic value, and therefore, no costs were assigned to these SGFs till 2018-19, considered as Inventory with NIL value.

In exercise of the powers conferred under Section 20A of the MMDR Act, 1957, the Ministry of Mines, Government of India, vide its order no. F.No.16/30/2019-M.VI dated 16<sup>th</sup> September, 2019 directed the concerned State Governments to allow the sale of sub-grade minerals lying at the captive mines of the Company, subject to ascertainment by the State Governments in consultation with the Indian Bureau of Mines (IBM), of the usability of such fines in the steel plant. Subsequently, by a clarification dated 4<sup>th</sup> January, 2020, Ministry of Mines has removed the condition of certification of usability.

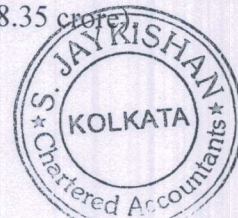
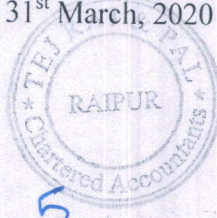
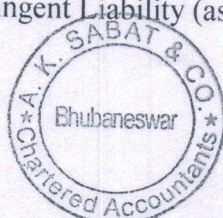
On a clarification sought by the Company on the powers of the State Government in this matter, the Additional Solicitor General of India (ASGI) vide opinion dated 19<sup>th</sup> May, 2020, had opined that the above notification has been issued u/s 20A (2)(v) of the MMDR Act. The matter is under the Union List of Schedule VII of the Constitution and the power to issue directives vests entirely with the Central Government. It was specifically mentioned in the opinion that the State Governments have no power to deny SAIL the right to sell the fines.

Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company had opined vide their communication dated 6<sup>th</sup> June, 2020 that the accumulated sub-grade fines should be regarded as immaterial by-product and valued as inventory at Net Realizable Value (NRV) as per Ind AS 2 -Inventories.

Based on the aforesaid Order of the Central Government, Opinion of the ASGI and the Opinion of the EAC of ICAI, the Company as at 30<sup>th</sup> June, 2020 has valued the Inventory of SGFs of 42.98 million tonnes at NRV amounting to ₹3861.41 crore (As at 31<sup>st</sup> March, 2020 : ₹3791.18 crore), net of write down due to Covid-19 impact.

The NRV was estimated by the management based on average selling price (ASP) of similar SGFs declared by IBM, a Government of India Organisation.

8. Pursuant to introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, Company has an irreversible option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forward of additional depreciation. The Company has not yet exercised this option and continues to recognize the taxes on income for the quarter ended 30<sup>th</sup> June, 2020 as per the earlier provisions.
9. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, 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 30<sup>th</sup> June, 2020, 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 ₹1669.45 crore have been treated by the Company as Contingent Liability (as on 31<sup>st</sup> March, 2020 - ₹1668.35 crore).



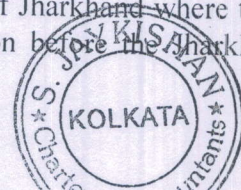
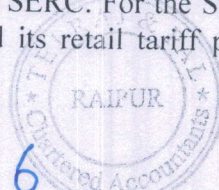
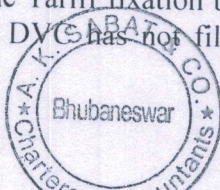
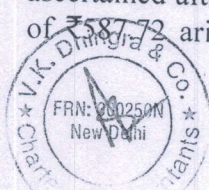
10. Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-14 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 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 3<sup>rd</sup> December, 2018 which can also have 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 arises, DVC has not filed its retail tariff petition before the Jharkhand State Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Ld. APTEL in Appeal No.163/2017. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30<sup>th</sup> June, 2020 (upto 31<sup>st</sup> March, 2020, ₹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 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.
11. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31<sup>st</sup> March, 2020, have brought out that

The Company has not provided for:

- (i) Demand for Entry tax in various states amounting to ₹1,668.35 crore as on 31<sup>st</sup> March, 2020 and
- (ii) Amount paid to Damodar Valley Corporation ("DVC") in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore as on 31<sup>st</sup> March, 2020.

In respect of item stated at (i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. The West Bengal Finance Act, 2017 has included West Bengal Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Based on the said amendment, Hon'ble Calcutta High Court has transmitted the Writ Petition of Durgapur Steel Plant, IISCO Steel Plant, Central Marketing Organisation, Alloy Steels Plant and SAIL Growth Works, Kulti, to the West Bengal Taxation Tribunal. Pending decision by the regular benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Jharkhand and in respect of the case pending before West Bengal Taxation Tribunal, the Entry Tax demands under dispute have been treated as Contingent Liability.

In respect of item stated at (ii), the Company's view is that on the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018. 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 arises, DVC has not filed its retail tariff petition before the Jharkhand State




Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Ld. APTEL in Appeal No.163/2017. Pending fixation of Electricity Tariffs, disputed claims of DVC of ₹587.72 crore from FY 2010-11 to FY 2016-17 has been paid and treated as advance. Further, from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

The disputed demands stated at (i) and (ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 30<sup>th</sup> June, 2020. Therefore, there is no adverse impact on profit for the quarter.

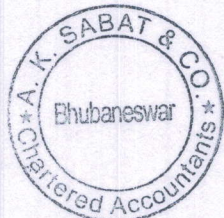
12. The figures for the previous periods have been re-grouped, wherever necessary, so as to conform to the current quarter's classification.

For and on behalf of Board of Directors



( Amit Sen )  
Director (Finance)

Place: New Delhi  
Dated: 14<sup>th</sup> September, 2020

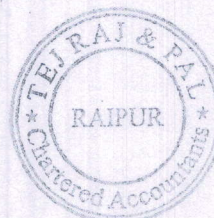
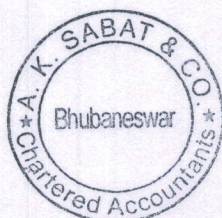


1.	V. K. Dhingra & Co. Chartered Accountants 1E/15, Jhandewalan Extn., <u>New Delhi-110055</u>	2.	A. K. Sabat & Co. Chartered Accountants A-348, Sahid Nagar, <u>Bhubaneswar 751007</u>	3.	Tej Raj & Pal Chartered Accountants A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, <u>Raipur-492001</u>	4.	S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, 2 <sup>nd</sup> Floor, Suite No. 2D, <u>Kolkata-700071</u>
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**Independent Auditors' Review Report on Standalone Unaudited Financial  
Results of Steel Authority of India Limited for the Quarter ended 30th June 2020  
Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015, as amended.**

**To**  
**The Board of Directors,**  
**STEEL AUTHORITY OF INDIA LIMITED**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results (the 'Statement') of **Steel Authority of India Limited** ('the Company') for the quarter ended 30th June 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard- 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We did not review the financial results of 8 branches/units included in the Statement. The financial results of these branches/units have been reviewed by the independent branch auditors whose review reports have been furnished to us, and our conclusion in so far as relates to the amounts and disclosures included in respect of these branches, is based solely on the review reports of such branch auditors except for the modified opinion of Raw Material Division (RMD) branch auditors in respect of sub-grade fines, which after due consideration has been reported under Emphasis of Matter, based on review of documents on record, additional information provided to us and appropriate adjustments made by the management.
4. We conducted our review of the Statement 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.





5. **Basis for Qualified Conclusion**

The Company has not provided for :

- (i) Demand for Entry tax in various states amounting to Rs. 1,669.45 crore as on 30th June, 2020 (Refer Note No.9); and
- (ii) Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to Rs. 587.72 crore as on 30th June, 2020 (Refer Note No. 10).

Impact of quantifiable part of all the above qualifications on the result for the quarter ended 30th June, 2020 is as under:

Rs. In Crore

Particulars	Quarter ended 30.06.2020	
	Reported Results	Results after impact of all the Qualifications which are quantified
Profit/(Loss) Before Tax	(1984.66)	(4241.83)
Tax expenses -	(714.39)	(1503.14)
Debit/(Credit)		
Other Comprehensive Income	1.70	1.70
Total Comprehensive Income/(Loss)	(1268.57)	(2736.99)

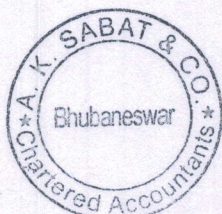
6. **Qualified Conclusion**

Based on our review conducted as above, with the exception of the matters described in the Basis for Qualified Conclusion paragraph No. 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, read with notes thereon, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other recognized accounting practices and policies generally accepted in India, 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. **Emphasis of Matter**

We draw attention to the following:

- i. The uncertainties and the management's assessment of the financial impact due to outbreak of Covid-19 pandemic and lockdown/ restrictions imposed by the Government. A definitive assessment of the impact is dependent upon future economic conditions. (Refer note no. 4).



- ii. Revenue from operations include sales to Government agencies for ₹1663.04 crore for the quarter ended 30th June, 2020 which is recognized on provisional prices (Refer note no. 5).
- iii. Iron and Steel scrap embedded in various slag dumps valued on estimated basis at ₹660.12 crore as on 30th June, 2020 (₹683.33 crore as on 31st March, 2020) and Slime containing iron ore fines at Dalli mines valued on estimated basis at ₹248.05 crore as on 30th June, 2020 (₹234.92 crore as on 31st March, 2020) considering the same as inventories. (Refer note no. 6).
- iv. Valuation of inventories of sub-grade fines of 42.98 million tonnes at net realisable value (net of write-down due to impact of COVID-19) amounting to ₹3,861.41 crore as on 30th June, 2020 (₹3791.18 crore as on 31st March, 2020), based on notification issued by Government of India allowing the sale of sub-grade minerals lying at the captive mines of the Company, the opinion of the Additional Solicitor General of India and the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) (Refer note no. 7).

Our conclusion is not qualified in respect of aforesaid matters.

#### 8. Other Matter

The Standalone financial results of the Company for the quarter ended 30th June, 2019 included in this Statement, were audited by joint auditors of the Company, two of whom were predecessor audit firms, and they had expressed a modified opinion on standalone financial statements vide their report dated 9th August, 2019.

Our conclusion is not qualified in respect of this matter.



**For V.K. Dhingra & Co.**  
Chartered Accountants  
Firm Registration No. 000250N

VIPUL Digitally signed by  
VIPUL GIROTRA  
Date: 2020.09.14  
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GIROTRA  
(CA. Vipul Girotra)  
Partner

M.No.084312  
UDIN: 20084312AAAABC4196  
Place: New Delhi

**For Tej Raj & Pal**  
Chartered Accountants  
Firm Registration No. 304124E

BEERAKA VIJAY Digitally signed by BEERAKA  
VIJAY  
Date: 2020.09.14 16:57:44 +05'30'

(CA. Beeraka Vijay)  
Partner  
M.No.214678  
UDIN: 20214678AAAHD4513  
Place: Berhampur, Odisha

**For A.K. Sabat & Co.**  
Chartered Accountants  
Firm Registration No. 321012E

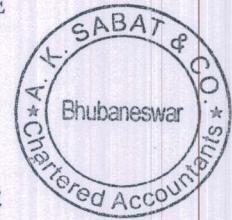
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KUMAR BHUYAN  
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BHUYAN  
(CA. A. K. Bhuyan)  
Partner

M.No.062684  
UDIN: 20062684AAAAAI3162  
Place: Bhubaneswar, Odisha

**For S. Jaykishan**  
Chartered Accountants  
Firm Registration No. 309005E

VIVEK NEWATIA Digitally signed by VIVEK  
NEWATIA  
Date: 2020.09.14 18:39:19 +05'30'

(CA. Vivek Newatia)  
Partner  
M.No.062636  
UDIN: 20062636AAAFI9546  
Place: Kolkata, West Bengal



Date: 14-09-2020

**STEEL AUTHORITY OF INDIA LIMITED**

CIN: L27109DL1973GO1006454

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

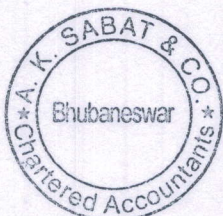
Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.com, Website: www.sail.co.in

**Statement of Consolidated Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020**

₹ Crore unless stated otherwise

Sl. No.	Particulars	CONSOLIDATED			
		Quarter ended			Year ended
		30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
		Unaudited	Audited	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	9067.52	16171.83	14820.89	61664.16
	(b) Other income	278.69	402.88	177.31	905.79
	<b>Total Income</b>	<b>9346.21</b>	<b>16574.71</b>	<b>14998.20</b>	<b>62569.95</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	4378.25	6706.33	8166.17	29371.73
	b) Changes in inventories of finished goods, work-in-progress and by-products	(331.25)	(5083.75)	(1379.13)	(5577.63)
	c) Employee benefits expense	1996.82	2755.45	2050.10	8797.32
	d) Finance costs	886.29	908.63	788.40	3486.76
	e) Depreciation and amortisation expenses	973.48	1055.46	872.61	3755.73
	f) Other expenses	3421.51	5340.00	4394.92	18857.02
	<b>Total Expenses</b>	<b>11325.10</b>	<b>11682.12</b>	<b>14893.07</b>	<b>58690.93</b>
3	<b>Profit / (Loss) before Exceptional items, share of net Profit / (Loss) of investment accounted for using equity method and Tax</b>	<b>(1978.89)</b>	<b>4892.59</b>	<b>105.13</b>	<b>3879.02</b>
	Share of Profit / (Loss) in investments accounted for using equity method	48.66	(17.88)	45.33	194.32
	<b>Profit / (Loss) before Exceptional items and Tax</b>	<b>(1930.23)</b>	<b>4874.71</b>	<b>150.46</b>	<b>4073.34</b>
	<b>Add / (Less): Exceptional items</b>	<b>-</b>	<b>(771.76)</b>	<b>-</b>	<b>(771.76)</b>
4	<b>Profit / (Loss) before Tax</b>	<b>(1930.23)</b>	<b>4102.95</b>	<b>150.46</b>	<b>3301.58</b>
	<b>Less: Tax expense</b>				
	Current tax	1.50	223.27	2.51	229.79
	Deferred tax	(705.26)	1420.06	45.27	1,099.52
	MAT credit	-	(214.75)	-	(214.75)
	Current tax (earlier years)	-	26.85	-	66.31
5	<b>Net Profit / (Loss) for the period</b>	<b>(1226.47)</b>	<b>2647.52</b>	<b>102.68</b>	<b>2120.71</b>
	<b>Other Comprehensive Income (OCI)</b>				
A	(i) Items that will not be reclassified to profit or loss	2.22	(197.24)	1.06	(179.90)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.52)	66.23	(0.25)	62.48
B	(i) Items that will be reclassified to profit or loss	(40.35)	107.34	9.61	143.45
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
6	<b>Total Comprehensive Income / (Loss) for the period</b>	<b>(1265.12)</b>	<b>2623.85</b>	<b>113.10</b>	<b>2146.74</b>
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				37379.70
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	(2.97)	6.41	0.25	5.13
	2. Diluted (₹)	(2.97)	6.41	0.25	5.13

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.com, Website: www.sail.co.in

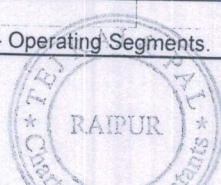
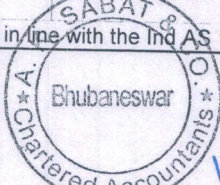
**CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

₹ Crore unless stated otherwise

Particulars	CONSOLIDATED			
	Quarter ended			Year ended
	30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment revenue from operations</b>				
- Bhilai Steel Plant	3125.56	5433.56	4023.20	19486.57
- Durgapur Steel Plant	1278.90	2058.26	1890.42	7727.08
- Rourkela Steel Plant	1532.86	3183.83	3267.71	12537.94
- Bokaro Steel Plant	1609.13	3423.46	3537.07	13412.36
- IISCO Steel Plant	1470.36	1996.61	1813.17	7752.11
- Alloy Steels Plant	63.06	137.46	197.81	714.40
- Salem Steel Plant	188.10	332.71	443.89	1573.55
- Visvesvaraya Iron & Steel Plant	18.11	24.05	19.90	100.59
- Others	964.80	1246.66	1293.17	4736.86
<b>Total segment revenue</b>	<b>10250.88</b>	<b>17836.60</b>	<b>16486.34</b>	<b>68041.46</b>
Less: Inter-segment revenue	1183.36	1664.77	1665.45	6377.30
<b>Net revenue from operations</b>	<b>9067.52</b>	<b>16171.83</b>	<b>14820.89</b>	<b>61664.16</b>
<b>Segment results (Profit / (Loss) before interest, exceptional items and tax)</b>				
- Bhilai Steel Plant	(160.79)	1669.86	156.09	3398.94
- Durgapur Steel Plant	(61.69)	45.78	48.38	(107.87)
- Rourkela Steel Plant	(402.39)	468.71	243.06	321.20
- Bokaro Steel Plant	(343.31)	267.90	294.82	468.53
- IISCO Steel Plant	(276.14)	(25.21)	(60.57)	(432.97)
- Alloy Steels Plant	(33.53)	(23.77)	(13.71)	(63.71)
- Salem Steel Plant	(59.11)	(29.72)	(76.89)	(227.93)
- Visvesvaraya Iron & Steel Plant	(21.81)	(11.27)	(21.16)	(73.85)
- Others	314.83	3421.06	368.84	4277.76
<b>Total</b>	<b>(1043.94)</b>	<b>5783.34</b>	<b>938.86</b>	<b>7560.10</b>
Less: Finance costs	886.29	908.63	788.40	3486.76
Less: Exceptional items	-	771.76	-	771.76
<b>Profit / (Loss) before Tax</b>	<b>(1930.23)</b>	<b>4102.95</b>	<b>150.46</b>	<b>3301.58</b>
<b>Segment Assets</b>				
- Bhilai Steel Plant	32716.50	32783.83	32005.03	32783.83
- Durgapur Steel Plant	6930.77	6892.20	6787.46	6892.20
- Rourkela Steel Plant	21321.80	21078.70	20792.10	21078.70
- Bokaro Steel Plant	16471.28	16174.56	16007.66	16174.56
- IISCO Steel Plant	17729.62	18106.14	18812.50	18106.14
- Alloy Steels Plant	557.32	564.29	557.49	564.29
- Salem Steel Plant	2562.38	2485.32	2646.05	2485.32
- Visvesvaraya Iron & Steel Plant	331.01	347.12	404.39	347.12
- Others	26032.56	28495.48	22570.41	28495.48
<b>Total</b>	<b>124653.24</b>	<b>126927.64</b>	<b>120583.09</b>	<b>126927.64</b>
<b>Segment Liabilities</b>				
- Bhilai Steel Plant	8289.05	8530.29	7590.53	8530.29
- Durgapur Steel Plant	2495.15	2549.61	2463.97	2549.61
- Rourkela Steel Plant	4303.20	4230.47	4513.09	4230.47
- Bokaro Steel Plant	3133.58	3185.82	3583.51	3185.82
- IISCO Steel Plant	1530.60	1512.93	1604.48	1512.93
- Alloy Steels Plant	204.99	202.62	188.47	202.62
- Salem Steel Plant	313.63	312.33	315.80	312.33
- Visvesvaraya Iron & Steel Plant	52.98	56.15	61.56	56.15
- Others	28741.13	30277.15	29989.07	30277.15
Unallocated Liabilities	35343.80	34560.03	30543.23	34560.03
<b>Total</b>	<b>84408.11</b>	<b>85417.40</b>	<b>80853.71</b>	<b>85417.40</b>

**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 by the Audit Committee in its meeting held on 13<sup>th</sup> September, 2020 and have been approved by the Board of Directors in its meeting held on 14<sup>th</sup> September, 2020.
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 31<sup>st</sup> March, 2020 are the balancing figures between the audited figures in respect of full financial year ended 31<sup>st</sup> March, 2020 and the published year to date reviewed figures up to the nine months ended 31<sup>st</sup> December, 2019.
4. The consolidated unaudited financial results include the results of 1 (One) subsidiary which has not been reviewed/audited by their auditors and does not include results of 1 (One) subsidiary as the same is under closure. The consolidated unaudited financial results also includes the share of net profit/loss after tax and total comprehensive income/loss of 1 (One) associate and 11 (Eleven) 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 5 (Five) jointly controlled entities including 4 (Four) entities under closure, as the same are not available.

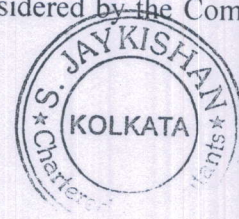
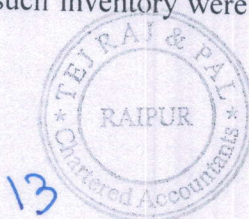
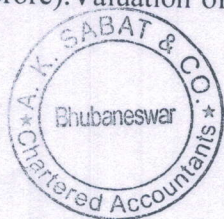
These financial results are not material and impact not significant to the Consolidated Unaudited Financial Results.

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

- a. The COVID-19 pandemic outbreak and measures to curtail it has caused significant disturbances and slow down of economic activities. Consequently, the Company's manufacturing operations had to be scaled down during the quarter ended 30<sup>th</sup> June, 2020. Though, the operations resumed during the later part of the quarter with limited availability of workforce and disrupted supply chain, the restrictions imposed adversely impacted the Company's sales volume and realization.

The Company has assessed the possible impact of COVID-19 in preparation of the above results. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to the future economic conditions.

- b. Sales include sale to Government Agencies recognised on provisional contract prices during the quarter ended 30<sup>th</sup> June 2020: ₹1663.04 crore (corresponding quarter of previous year: ₹1449.38 crore) and cumulatively upto 30<sup>th</sup> June, 2020: ₹ 9713.11 crore (upto the corresponding quarter of previous year: ₹18594.70 crore).
- c. The Company has valued estimated 6.42 lakh tonnes of extractable iron and steel scrap embedded in BF Slag and LD Slag at Bhilai, Bokaro, Rourkela and Durgapur Steel Plants as at 30<sup>th</sup> June, 2020 at ₹660.12 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated quantity of 6.59 lakh tonnes valued at ₹683.33 crore) and an estimated 5.40 million tonnes of Slime containing iron ore fines at Dalli mines, Bhilai Steel Plant of SAIL as at 30<sup>th</sup> June 2020 at ₹248.05 crore (corresponding inventory as on 31<sup>st</sup> March, 2020 estimated at 5.60 million tonnes valued at ₹234.92 crore). Valuation of such inventory were considered by the Company in line with IND AS 2.



However, Comptroller and Auditor General of India in its supplementary audit, commented on recognition of such stocks as inventory in terms of para 6 of Ind AS 2.

In view of difference of opinion on the interpretation of IND AS 2 in respect of recognition of such stock as inventory, the Company has decided to refer the matter to Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) to obtain an opinion on such issue. Pending receipt of opinion from EAC of ICAI, the Company continues to recognise such stocks as inventory and value the same as at 30<sup>th</sup> June 2020.

- d. The Company has a stock of 42.98 million tonnes (As at 31<sup>st</sup> March, 2020: 42.98 million tonnes) of sub grade iron ore fines (SGFs) at various mines of the Company. The low Iron content of these Fines made them unsuitable for consumption in the Steel Plants of the Company. Moreover, the Government of India, vide notification dated 19<sup>th</sup> September, 2012 prevented all captive miners (including the Company) from selling these sub-grade fines in the market. Since these materials could neither be consumed nor sold, they had no economic value, and therefore, no costs were assigned to these SGFs till 2018-19, considered as Inventory with NIL value.

In exercise of the powers conferred under Section 20A of the MMDR Act, 1957, the Ministry of Mines, Government of India, vide its order no. F.No.16/30/2019-M.VI dated 16<sup>th</sup> September, 2019 directed the concerned State Governments to allow the sale of sub-grade minerals lying at the captive mines of the Company, subject to ascertainment by the State Governments in consultation with the Indian Bureau of Mines (IBM), of the usability of such fines in the steel plant. Subsequently, by a clarification dated 4<sup>th</sup> January, 2020, Ministry of Mines has removed the condition of certification of usability.

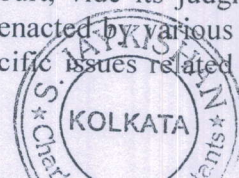
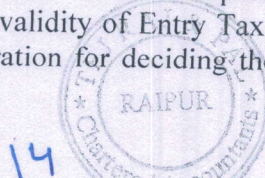
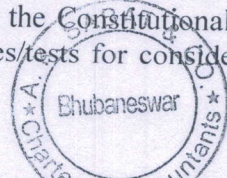
On a clarification sought by the Company on the powers of the State Government in this matter, the Additional Solicitor General of India (ASGI) vide opinion dated 19<sup>th</sup> May, 2020, had opined that the above notification has been issued u/s 20A (2)(v) of the MMDR Act. The matter is under the Union List of Schedule VII of the Constitution and the power to issue directives vests entirely with the Central Government. It was specifically mentioned in the opinion that the State Governments have no power to deny SAIL the right to sell the fines.

Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company had opined vide their communication dated 6<sup>th</sup> June, 2020 that the accumulated sub-grade fines should be regarded as immaterial by-product and valued as inventory at Net Realizable Value (NRV) as per Ind AS 2 -Inventories.

Based on the aforesaid Order of the Central Government, Opinion of the ASGI and the Opinion of the EAC of ICAI, the Company as at 30<sup>th</sup> June, 2020 has valued the Inventory of SGFs of 42.98 million tonnes at NRV amounting to ₹3861.41 crore (As at 31<sup>st</sup> March, 2020 : ₹3791.18 crore), net of write down due to Covid-19 impact.

The NRV was estimated by the management based on average selling price (ASP) of similar SGFs declared by IBM, a Government of India Organisation.

- e. Pursuant to introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, Company has an irreversible option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forward of additional depreciation. The Company has not yet exercised this option and continues to recognize the taxes on income for the quarter ended 30<sup>th</sup> June, 2020 as per the earlier provisions.
- f. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, 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 30<sup>th</sup> June, 2020, 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 ₹1669.45 crore have been treated by the Company as Contingent Liability (as on 31<sup>st</sup> March, 2020 - ₹1668.35 crore).

g. 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 2009-14 vide order dated 18<sup>th</sup> January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-14 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 3<sup>rd</sup> December, 2018 which can also have 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 arises, DVC has not filed its retail tariff petition before the Jharkhand State Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Ld. APTEL in Appeal No.163/2017. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30<sup>th</sup> June, 2020 (upto 31<sup>st</sup> March, 2020, ₹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 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

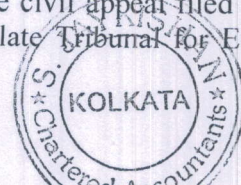
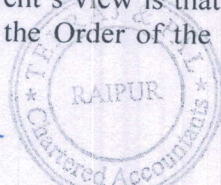
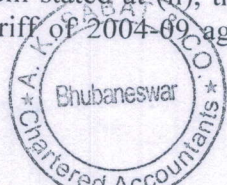
h. The Auditors, in their Audit Report on the Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020, have brought out that

The Parent has not provided for:

- (i) Demand for Entry tax in various states amounting to ₹1,668.35 crore as on 31<sup>st</sup> March, 2020 and
- (ii) Amount paid to Damodar Valley Corporation ("DVC") in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to ₹587.72 crore as on 31<sup>st</sup> March, 2020.

In respect of item stated at (i), the Parent's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> November, 2016, upheld the Constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. The West Bengal Finance Act, 2017 has included West Bengal Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Based on the said amendment, Hon'ble Calcutta High Court has transmitted the Writ Petition of Durgapur Steel Plant, IISCO Steel Plant, Central Marketing Organisation, Alloy Steels Plant and SAIL Growth Works, Kulti, to the West Bengal Taxation Tribunal. Pending decision by the regular benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Jharkhand and in respect of the case pending before West Bengal Taxation Tribunal, the Entry Tax demands under dispute have been treated as Contingent Liability.

In respect of item stated at (ii), the Parent's view is that on the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity



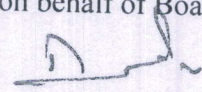
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(APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3<sup>rd</sup> December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 arises, DVC has not filed its retail tariff petition before the Jharkhand State Electricity Commission on a plea that the issue of 'True-up value' and other related issues are still pending before the Ld. APTEL in Appeal No.163/2017. Pending fixation of Electricity Tariffs, disputed claims of DVC of ₹587.72 crore from FY 2010-11 to FY 2016-17 has been paid and treated as advance. Further, from 1<sup>st</sup> April, 2017 onwards full invoice value is being paid and charged to revenue.

The disputed demands stated at (i) and (ii) above, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 30<sup>th</sup> June, 2020. Therefore, there is no adverse impact on profit for the quarter.

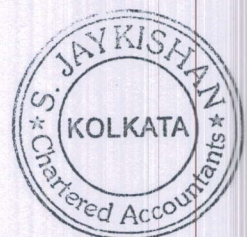
6. The figures for the previous periods have been re-grouped, wherever necessary, so as to conform to the figures of the current quarter.

For and on behalf of Board of Directors



( Amit Sen )  
Director (Finance)

Place: New Delhi  
Dated: 14<sup>th</sup> September, 2020





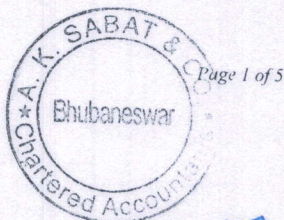
<b>V.K. Dhingra &amp; Co.</b> Chartered Accountants 1-E/15, Jhandewalan Extn., <u>New Delhi- 110055</u>	<b>A.K. Sabat &amp; Co.</b> Chartered Accountants A-348, Sahid Nagar, <u>Bhubaneswar-</u> <u>751007</u>	<b>Tej Raj &amp; Pal</b> Chartered Accountants A60, Amarpalli Society Lalpur, Ganga Diagonisis Lane, <u>Raipur- 492001</u>	<b>S. Jaykishan</b> Chartered Accountants 12, Ho Chi Minh Sarani, 2 <sup>nd</sup> Floor, Suite No 2D, 2E and 2F, <u>Kolkata- 700071</u>
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**Independent Auditors' Review Report on Unaudited Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

TO

**THE BOARD OF DIRECTORS  
STEEL AUTHORITY OF INDIA LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Steel Authority of India Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit / (loss) after tax and share of total comprehensive income of its associate and jointly controlled entities for the quarter ended 30<sup>th</sup> June, 2020 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard - 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.  
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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4. The Statement includes the results of the following entities:

<b>Subsidiaries</b>
SAIL Refractory Company Limited
Chhattisgarh Mega Steel Limited
<b>Associate</b>
Almora Magnesite Ltd
<b>Jointly Controlled Entities</b>
NTPC-SAIL Power Company Private Limited
International Coal Ventures Private Limited
Bastar Railway Private Limited
SAIL RITES Bengal Wagon Industry Private Limited
GEDCOL SAIL Power Corporation Limited
mjunction Services Limited
S&T Mining Company Private Limited
SAIL- MOIL Ferro Alloys Private Limited
Bokaro Power Supply Company Private Limited
Bhilai Jaypee Cement Limited
SAIL Kobe Iron India Private Limited
SAIL SCL Kerala Limited
SAIL Bansal Service Centre Limited
Prime Gold - SAIL JVC Limited

5. **Basis for Qualified Conclusion**

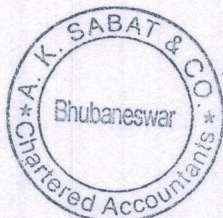
The Parent has not provided for:

- I. Demand for Entry tax in various states amounting to ₹1,669.45 crore as on 30<sup>th</sup> June, 2020 [Refer Note No. 5(f)]; and
- II. Amount paid to Damodar Valley Corporation (DVC) in earlier years against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant of the Parent amounting to ₹587.72 crore as on 30<sup>th</sup> June, 2020 [Refer Note No. 5(g)].

Impact of all the above qualifications on the result for the quarter ended 30<sup>th</sup> June, 2020 is as under:

(in ₹ crore)

Particulars	Quarter ended 30 <sup>th</sup> June, 2020	
	Reported Results	Results after impact of all the Qualifications which are quantified
Profit/(Loss) before Tax	(1930.23)	(4187.40)
Tax expenses - Debit / (Credit)	(703.76)	(1492.51)
Other Comprehensive Income	(38.65)	(38.65)
<b>Total Comprehensive Income/(Loss)</b>	<b>(1265.12)</b>	<b>(2733.54)</b>



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**6. Qualified Conclusion**

Based on our review conducted as above and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 8 below, except for the effect of the matters described in the Basis for Qualified Conclusion Paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

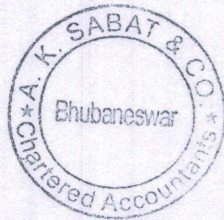
**7. Emphasis of Matter**

We draw attention to the following in respect of the Parent:

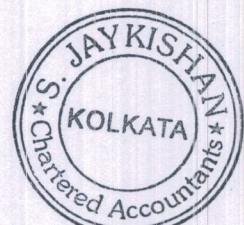
- i. The uncertainties and the management's assessment of the financial impact due to outbreak of Covid-19 pandemic and lockdown/ restrictions imposed by the Government. A definitive assessment of the impact is dependent upon future economic conditions. (Refer note no. 5(a)).
- ii. Revenue from operations include sales to Government agencies for ₹1663.04 crore for the quarter ended 30th June, 2020 which is recognized on provisional prices (Refer note no. 5(b)).
- iii. Iron and Steel scrap embedded in various slag dumps valued on estimated basis at ₹660.12 crore and Slime containing iron ore fines at Dalli mines valued on estimated basis at ₹248.05 crore as on 30th June, 2020 considering the same as inventories. (Refer note no. 5(c))
- iv. Valuation of inventories of sub-grade fines of 42.98 million tonnes at net realisable value (net of write-down due to impact of COVID-19) amounting to ₹3,861.41 crore as on 30th June, 2020 (₹3791.18 crore as on 31st March, 2020), based on notification issued by Government of India allowing the sale of sub-grade minerals lying at the captive mines of the Company, the opinion of the Additional Solicitor General of India and the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI). (Refer note no. 5(d)).

Our conclusion is not qualified in respect of aforesaid matters.

8. We did not review the financial results of 8 (Eight) branches included in the separate unaudited financial results of the entities included in the Group, whose financial results reflect total revenues of ₹4151.93 crore, total net loss after tax of ₹677.07 crore and total comprehensive loss of ₹ 677.07 crore for the quarter ended 30th June, 2020. The financial results of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on



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the reports of such branch auditors except for the modified opinion of Raw Material Division (RMD) branch auditor in respect of sub-grade fines, which after due consideration has been reported under "Emphasis of Matter", based on review of documents on record, additional information provided to us and appropriate adjustments made by the management and the procedures performed by us as stated in paragraph 3 above.

We did not review the financial results of 1 (One) subsidiary included in the unaudited consolidated financial results, whose financial results reflect total revenues of ₹ 43.66 crore, total net profit after tax of ₹ 4.27 crore and total comprehensive income of ₹ 4.27 crore for the quarter ended 30th June, 2020. The consolidated unaudited financial results include the Group's share of net profit / (loss) after tax of ₹36.45 crore and share of total comprehensive income/ (Loss) of ₹ (3.78) crore for the quarter ended 30th June, 2020, in respect of 3 (Three) jointly controlled entities, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

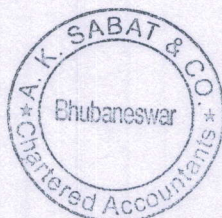
Our conclusion on the Statement is not modified in respect of the above matter.

9. The unaudited consolidated financial results include the financial results of 1 (One) subsidiary which have not been reviewed / audited by their auditors, whose financial results reflect total revenue of ₹Nil, total net profit after tax of ₹Nil and total comprehensive income of ₹Nil for the quarter ended 30th June, 2020. The unaudited consolidated financial results also include the Group's share of net profit / (loss) after tax of ₹12.21 crore and share of total comprehensive Income of ₹12.09 crore for the quarter ended 30th June, 2020, in respect of 1 (One) associate and 11 (Eleven) jointly controlled entities, based on their financial results which have not been reviewed / audited by their auditors and have been provided to us by the Management. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

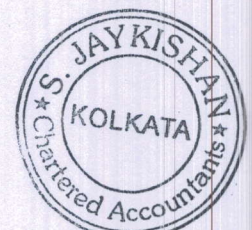
Our conclusion on the Statement is not modified in respect of the above matter.

10. The unaudited consolidated financial results do not include the financial results in respect of 1 (One) subsidiary under closure for the quarter ended 30th June, 2020 since not available as per the Management. The unaudited consolidated financial results do not include the Group's share of net profit/ (loss) after tax and share of total comprehensive income for the quarter ended 30th June, 2020 in respect of 5 (Five) jointly controlled entities, including 4 (Four) entities under closure, since not available as per the Management. According to the information and explanations given to us by the Management, these financial results are not material and the impact of the same is not material and significant to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.



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## 11. Other Matter

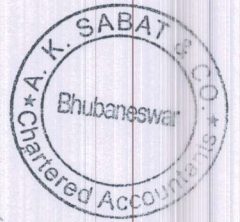
The Consolidated financial results of the Group for the quarter ended 30<sup>th</sup> June, 2019 included in this Statement, were audited by joint auditors of the Group, two of whom were predecessor audit firms, and they had expressed a modified opinion on consolidated financial statements vide their report dated 9<sup>th</sup> August, 2019. Our conclusion is not modified in respect of this matter.

**For V.K. Dhingra & Co.**  
Chartered Accountants  
Firm Registration No. 000250N



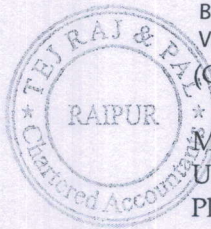
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GIROTRA  
Date: 2020.09.14 18:52:48 +05'30'  
VIPUL GIROTRA  
(CA. Vipul Girotra)  
Partner  
M.No.084312  
UDIN: 20084312AAAABD5825  
Place: New Delhi

**For A.K. Sabat & Co.**  
Chartered Accountants  
Firm Registration No. 321012E



Digitally signed by AMIYA KUMAR BHUYAN  
AMIYA KUMAR BHUYAN  
Date: 2020.09.14 17:10:54 +05'30'  
(CA. A. K. Bhuyan)  
Partner  
M.No.062684  
UDIN: 20062684AAAAAJ5899  
Place: Bhubaneswar, Odisha

**For Tej Raj & Pal**  
Chartered Accountants  
Firm Registration No. 304124E



Digitally signed by BEERAKA VIJAY  
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Date: 2020.09.14 16:56:06 +05'30'  
(CA. Beeraka Vijay)  
Partner  
M.No.214678  
UDIN: 20214678AAAAHC7624  
Place: Berhampur, Odisha

**For S. Jaykishan**  
Chartered Accountants  
Firm Registration No. 309005E



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Date: 2020.09.14 18:37:34 +05'30'  
(CA. Vivek Newatia)  
Partner  
M.No.062636  
UDIN: 20062636AAAAFJ8699

Place: Kolkata, West Bengal

Date: 14<sup>th</sup> September, 2020

**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.com, Website: www.sail.co.in

**Extract of Standalone Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020**

₹ Crore unless stated otherwise

Sl. No.	Particulars	STANDALONE			
		Quarter ended		Year ended	
		30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
		Unaudited	Audited	Unaudited	Audited
1	Total Income from Operations	9067.48	16171.79	14820.01	61660.55
2	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items )	(1984.66)	4952.93	103.93	3942.42
3	Net Profit / (Loss) for the period before Tax (after Exceptional and / or Extraordinary items)	(1984.66)	4181.17	103.93	3170.66
4	Net Profit / (Loss) for the period after Tax (after Exceptional and / or Extraordinary items)	(1270.27)	2725.16	68.84	2021.54
5	Total Comprehensive Income / (Loss) for the period [comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	(1268.57)	2595.86	69.65	1905.83
6	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
7	Reserves excluding revaluation reserve				35646.85
8	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	(3.08)	6.60	0.17	4.89
	2. Diluted (₹)	(3.08)	6.60	0.17	4.89

**Extract of Consolidated Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020**

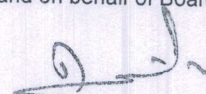
₹ Crore unless stated otherwise

Sl. No.	Particulars	CONSOLIDATED			
		Quarter ended		Year ended	
		30 <sup>th</sup> June, 2020	31 <sup>st</sup> March, 2020	30 <sup>th</sup> June, 2019	31 <sup>st</sup> March, 2020
		Unaudited	Audited	Unaudited	Audited
1	Total Income from Operations	9067.52	16171.83	14820.89	61664.16
2	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items )	(1930.23)	4874.71	150.46	4073.34
3	Net Profit / (Loss) for the period before Tax (after Exceptional and / or Extraordinary items)	(1930.23)	4102.95	150.46	3301.58
4	Net Profit / (Loss) for the period after Tax (after Exceptional and / or Extraordinary items)	(1226.47)	2647.52	102.68	2120.71
5	Total Comprehensive Income / (Loss) for the period [comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	(1265.12)	2623.85	113.10	2146.74
6	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
7	Reserves excluding revaluation reserve				37379.70
8	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	(2.97)	6.41	0.25	5.13
	2. Diluted (₹)	(2.97)	6.41	0.25	5.13

**Note:**

- The above Financial Results have been reviewed by the Audit Committee in its meeting held on 13<sup>th</sup> September, 2020 and were approved by the Board of Directors in its meeting on 14<sup>th</sup> September, 2020.
- The above is an extract of the detailed format of unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of these Financial 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.

For and on behalf of Board of Directors



( Amit Sen )

Director (Finance)

Place: New Delhi

Dated: 14<sup>th</sup> September, 2020

7.2