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Independent Auditors' Review Report on the Standalone Unaudited Quarterly Financial Results of Steel Authority of India Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of 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 30 June 2023, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), read with SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company'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 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations read with relevant rules issued thereunder. 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. 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 provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, 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. We have not performed an audit and accordingly, we do not express an audit opinion.



4. (a) As referred in note 6 to the accompanying Statement, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone unaudited financial results of the Company for the disputed entry tax demand in various states amounting to ₹ 1,186.39 crore as on 30 June 2023. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone unaudited financial results.
- (b) As referred in note 7 to the accompanying Statement, current assets include advance of ₹ 587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for the period 2010-11 to 2016-17. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying standalone unaudited financial results. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the standalone unaudited financial results.

Had the impact of the above qualifications been considered, "Reserves excluding revaluation reserve" as at 31 March 2023 and 30 June 2023 would have reduced by ₹ 1,327.60 crores.

Our audit report on the financial results of the Company for the quarter and year ended 31 March 2023 dated 25 May 2023 and review report for the quarter ended 30 June 2022 dated 10 August 2022 were also qualified in respect of these matters.

5. Based on our review conducted as above and on consideration of the review reports of the branch auditors referred to in paragraph 7 below, except for the effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 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.
6. We draw attention to the following:
- (a) note 4 to the accompanying Statement, which describes that the revenue from operations include sales to Government agencies aggregating to ₹ 1,768.80 crore for the quarter ended 30 June 2023 respectively (cumulative upto 30 June 2023 of ₹ 30,893.62 crore) which is recognized on the basis of provisional prices as per the terms of sales with such Government agencies.
- (b) note 5 to the accompanying Statement, which explains the management's assessment on the valuation and classification of inventories of by-products, which were accumulated over several years but gained economic value in year ended 31 March 2020 pursuant to an order of the Ministry of Mines, Government of India and recognised in the balance sheet



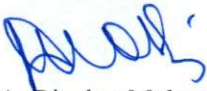
in such year basis the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. The note further explains the management's assessment regarding the saleability / consumption of such inventories.

Our conclusion is not modified in respect of these matters.

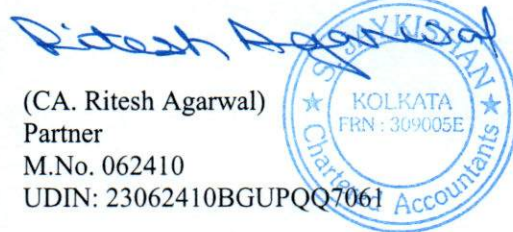
7. We did not review the financial results of 11 branches / units / marketing regions included in the Statement, whose financial results reflects total revenues of ₹ 10,202.89 crore, total net (loss) after tax of ₹ 6.93 crore, and total comprehensive loss of ₹ 77.94 crore, for the quarter ended 30 June 2023, as considered in the Statement. The financial results have been reviewed by the branch auditors, whose reports have been furnished to us by the management, and our conclusion, in so far as it relates to the amounts and disclosures included in respect of these branches / units / marketing regions, is based solely on the review report of such branch auditors. Our conclusion on the Statement is not modified in respect of this matter.


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




(CA. Dinakar Mohanty)
Partner
M.No. 059390
UDIN: 23059390BGWJBJ6642

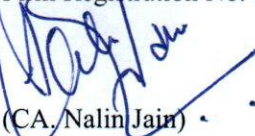
For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E



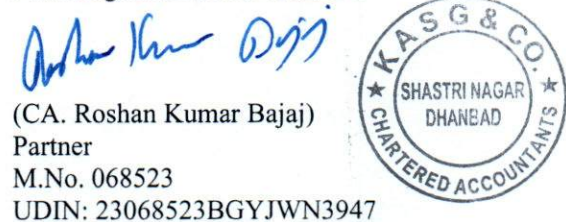

(CA. Ritesh Agarwal)
Partner
M.No. 062410
UDIN: 23062410BGUPQQ7061


For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013




(CA. Nalin Jain)
Partner
M.No. 503498
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For KASG & Co.
Chartered Accountants
Firm Registration No. 002228C




(CA. Roshan Kumar Bajaj)
Partner
M.No. 068523
UDIN: 23068523BGYJWN3947

Date: 10 August 2023

Place: New Delhi

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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

Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June, 2023

₹ crore unless stated otherwise

Sl. No.	Particulars	STANDALONE			
		Quarter ended			Year ended
		30 th June, 2023	31 st March, 2023	30 th June, 2022	31 st March, 2023
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from operations	24357.58	29130.58	24028.59	104447.36
	(b) Other income	442.49	487.47	305.43	1354.84
	Total Income	24800.07	29618.05	24334.02	105802.20
2	Expenses				
	a) Cost of materials consumed	15256.22	14842.51	17676.33	62091.10
	b) Changes in inventories of finished goods, work-in-progress and by-products	(2204.74)	661.86	(6193.16)	(5160.14)
	c) Employee benefits expense	2844.83	3433.07	3014.97	12053.62
	d) Finance costs	612.60	517.00	374.04	2037.47
	e) Depreciation and amortisation expenses	1274.85	1364.40	1193.89	4962.52
	f) Other expenses	6814.16	7279.28	7229.65	27438.71
	Total Expenses	24597.92	28098.12	23295.72	103423.28
3	Profit before Exceptional items and Tax	202.15	1519.93	1038.30	2378.92
	Add / (Less): Exceptional items	-	(40.42)	-	257.99
4	Profit before Tax	202.15	1479.51	1038.30	2636.91
	Less: Tax expense				
	Current tax	45.63	(49.46)	239.33	118.37
	Deferred tax	6.69	479.95	22.64	615.47
	Total tax expense	52.32	430.49	261.97	733.84
5	Net Profit for the period	149.83	1049.02	776.33	1903.07
	Other Comprehensive Income (OCI)				
A	(i) Items that will not be reclassified to profit or loss	(1.34)	(847.76)	28.58	(566.83)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(11.50)	160.53	(0.51)	128.22
6	Total Comprehensive Income for the period	136.99	361.79	804.40	1464.46
7	Paid-up Equity Share Capital (face value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
8	Reserves excluding revaluation reserve				48008.65
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	0.36	2.54	1.88	4.61
	2. Diluted (₹)	0.36	2.54	1.88	4.61

Note: Refer accompanying notes to the financial results.



STEEL AUTHORITY OF INDIA LIMITED

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

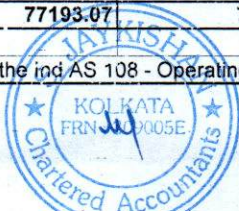
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STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ Crore unless stated otherwise

Particulars	STANDALONE			
	Quarter ended			Year ended
	30 th June, 2023	31 st March, 2023	30 th June, 2022	31 st March, 2023
	Unaudited	Audited	Unaudited	Audited
Segment revenue from operations				
- Bhilai Steel Plant	7034.33	9146.25	7025.91	30516.07
- Durgapur Steel Plant	3094.53	3619.19	2952.75	13250.48
- Rourkela Steel Plant	6248.35	6796.91	6467.63	25600.33
- Bokaro Steel Plant	6345.99	6861.82	6715.35	26343.74
- IISCO Steel Plant	2808.46	3774.29	2676.93	13520.93
- Alloy Steels Plant	300.23	260.54	229.15	1000.55
- Salem Steel Plant	658.40	697.23	380.67	1881.81
- Visvesvaraya Iron & Steel Plant	44.01	63.94	88.53	310.86
- Others	346.12	327.78	403.28	1444.93
Total segment revenue	26880.42	31547.95	26940.20	113869.70
Less: Inter-segment revenue	2522.84	2417.37	2911.61	9422.34
Net revenue from operations	24357.58	29130.58	24028.59	104447.36
Segment results (Profit / (Loss) before interest, exceptional items and tax)				
- Bhilai Steel Plant	261.21	627.49	445.55	954.33
- Durgapur Steel Plant	57.67	298.72	(141.04)	502.49
- Rourkela Steel Plant	253.47	430.11	587.51	1191.23
- Bokaro Steel Plant	206.13	311.39	609.02	1218.79
- IISCO Steel Plant	74.88	367.71	(159.02)	558.03
- Alloy Steels Plant	(5.95)	(26.51)	(30.29)	(121.79)
- Salem Steel Plant	(49.07)	(43.33)	(59.29)	(203.06)
- Visvesvaraya Iron & Steel Plant	(15.73)	(6.84)	(16.85)	(50.57)
- Others	32.14	78.19	176.75	366.94
Total	814.75	2036.93	1412.34	4416.39
Less: Finance costs	612.60	517.00	374.04	2037.47
Less: Exceptional items	-	40.42	-	(257.99)
Profit before Tax	202.15	1479.51	1038.30	2636.91
Segment Assets				
- Bhilai Steel Plant	35294.50	34203.09	33389.16	34203.09
- Durgapur Steel Plant	7764.21	7440.11	6963.66	7440.11
- Rourkela Steel Plant	28612.47	28204.33	26749.30	28204.33
- Bokaro Steel Plant	22601.39	22190.44	22147.64	22190.44
- IISCO Steel Plant	16506.06	15867.84	16422.21	15867.84
- Alloy Steels Plant	661.50	619.15	580.97	619.15
- Salem Steel Plant	2460.40	2515.84	2305.79	2515.84
- Visvesvaraya Iron & Steel Plant	208.95	238.26	272.64	238.26
- Others	12978.09	14195.18	21022.91	14195.18
Unallocated Assets	2381.67	2240.75	2086.17	2240.75
Total	129469.24	127714.99	131940.45	127714.99
Segment Liabilities				
- Bhilai Steel Plant	8896.84	9300.61	9270.26	9300.61
- Durgapur Steel Plant	3487.67	3547.08	3075.93	3547.08
- Rourkela Steel Plant	9250.50	9203.46	7837.17	9203.46
- Bokaro Steel Plant	6167.72	6065.67	7452.81	6065.67
- IISCO Steel Plant	1532.26	1602.70	1716.85	1602.70
- Alloy Steels Plant	278.76	258.03	241.43	258.03
- Salem Steel Plant	506.79	501.46	520.20	501.46
- Visvesvaraya Iron & Steel Plant	53.57	60.45	65.32	60.45
- Others	11929.62	13646.93	21289.08	13646.93
Unallocated Liabilities	35089.34	31389.42	27649.86	31389.42
Total	77193.07	75575.81	79118.91	75575.81

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



Notes to Standalone Financial Results:

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meetings held on 10th August, 2023.
2. The financial results have been reviewed by the Statutory Auditors as required under Regulation 33, 52 and 54 read with regulation 63 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3. The figures for the quarter ended 31st March, 2023 represent the derived figures between the audited figures in respect of the full Financial Year and the published year to date figures up to the 3rd quarter of the Financial Years ended 31st March, 2023.
4. As per the terms of sales with certain Government agencies, the invoicing to these agencies is done at provisional prices, till a final price is subsequently agreed. The revenue recognized on aforementioned provisional prices basis is as under:

₹ in crore			
Quarter ended 30 th June, 2023	Cumulative till 30 th June, 2023	Quarter ended 30 th June, 2022	Cumulative till 30 th June, 2022
1768.80	30893.62#*	2460.98*	23565.15*

* include an amount of ₹489.32 crore on account of revision of provisional rail prices effective from 1st April, 2021.

includes ₹198.63 crore recognized during the year ended 31st March, 2023 towards rail price revision for the Financial Year 2020-21, as per the recommendation of the Office of the Chief Adviser (Cost), Ministry of Finance. However, the same is pending for approval of the Railway Board. As per the assessment of the Company, it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur.

5. The inventory of sub-grade iron ore fines generated at the captive mines of the Company were not assigned any value in the books of accounts of the Company till the financial year ended 31st March 2019, since, the Government of India Notification dated 19th September 2012 prohibited all captive miners from selling such sub-grade fines.

Following the Government of India Order no.F.No.16/30/2019-M.VI dated 16th September 2019 allowing sale of sub-grade iron ore fines, the inventories of sub-grade fines held by the Company gained economic value. In this regard, the Company also obtained opinions from the Additional Solicitor General of India as well as the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI). Based on the aforesaid opinions, the Company recognized these inventories as by-product inventory as at 31st March 2020. Since, these inventories were generated over many years, making it impracticable to ascertain the actual valuation, the Company assigned a valuation to such inventories basis average selling price of similar sub-grade fines over the last 36 months as declared by Indian Bureau of Mines (IBM), a Government of India organisation and as adjusted for royalty and other selling costs.

The Company has obtained all clearances including environmental clearance and clearance from Director General of Mines Safety, Government of India. Further, procedural clearances have been obtained from the State Government of Odisha. With respect to the State of



Jharkhand, the delay is procedural and the management expects to receive the clearances soon. This is also supported by the legal opinion taken by the Company in this regard.

The management has been able to sell off such inventories in certain locations. While, on an overall basis during the current and the previous years, there has been movement of 1.54 million tonnes in the volume of such inventories, there is significant market demand for sub-grade fines and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up beneficiation plant and pellet making facilities in future that will consume significant volume of sub-grade fines annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the substantial volume of inventories, the quantity estimated to be sold / consumed within the next one year has been recognized as current and the balance has been classified as non-current inventory.

As at 30th June 2023, the Company is carrying sub-grade iron-ore fines inventory of 41.44 MT valuing ₹3986.51 crore (as at 31st March 2023: 41.55 MT valuing ₹3995.75 crore) which includes 39.34 Mt valued at ₹3790.83 crore classified as non-current inventory at its various mines.

Likewise, the Company

- at its Barsua and Dalli Mines is carrying inventory of tailings of 10.16 MT valuing ₹485.21 crore (as at 31st March 2023: 10.27 MT valuing ₹491.98 crore) which includes 8.57 Mt valued at ₹400.11 crore classified as non-current inventory.
- at its Bhilai and Rourkela Steel Plants is carrying inventory of extractable iron and steel scrap embedded in BF Slag and LD Slag of 0.47 MT valuing ₹458.71 crore (as at 31st March 2023: 0.47 MT valuing ₹460.35 crore) which includes 0.42 Mt valued at ₹409.36 crore classified as non-current inventory.
- at its Chandrapur Ferro Alloys Plant is carrying inventory of Granulated high manganese ore (HMnO) slag and slag fines of 0.53 MT valuing ₹41.42 crore (as at 31st March 2023: 0.52 valuing ₹41.56 crore) which includes 0.48 Mt valued at ₹34.86 crore classified as non-current inventory.

The Company is formulating a detailed plan for disposal / consumption of these inventories.

Considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories need not be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values of the aforementioned inventories are the best estimates basis the information available at this stage.

6. The Nine Judge Bench of the Supreme court, vide its order dated 11th November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹1092.28 crore wherein a rate of 6% was applied on iron Ore and Coking Coal in Bhilai-Durg area as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh, matter relating to Entry tax amounting to ₹94.11 crore on goods entering into the



local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. As on 30th June, 2023, 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 ₹1186.39 crore have been treated by the Company as Contingent Liability (As at 31st March, 2023 - ₹1184.81 crore).

7. Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-2014 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28th December, 2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30th June, 2023 (upto 31st March, 2023: ₹587.72 crore) has been treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
8. During the Current Quarter, other income includes profit on sale of obsolete Plant and Machinery (SMS-1) at one of the plant location amounting to ₹278.82 crore.
9. For the year ended 31st March, 2023, Exceptional items include:
 - (i) Profit on sale of fixed assets amounting to ₹301.34 crore on account of sale of a portion of land to Dedicated Freight Corridor Corporation of India Limited (DFCCIL).
 - (ii) An amount of ₹38.91 crore towards settlement of a long pending demand of electricity duty on Transmission & Transformation loss under One Time Settlement Scheme and an amount of ₹4.44 crore towards a dispute arising out of a contract finalized during 2000-01.
10. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31st March, 2023, have brought out that
 - (i) As referred in note 47.2 (a)(i) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax



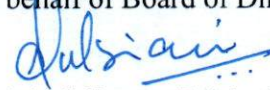
demand in various states amounting to ₹1184.81 crore as on 31 March 2023. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.

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

In respect of items (i) and (ii), the Company's position has been clarified in notes 6 and 7 above.

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

For and on behalf of Board of Directors


(Anil Kumar Tulsiani)
Director (Finance)

Place: New Delhi
Dated: 10th August, 2023



STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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Website: www.sail.co.in

Compliance under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for the quarter ended 30th June'2023.

Sl. No.	Particulars	Quarter ended 30 th June, 2023	Quarter ended 31 st March, 2023	Quarter ended 30 th June, 2022	Year ended 31 st March, 2023
1	Debt-Equity Ratio (Total borrowings/ Total equity)	0.66:1	0.59:1	0.50:1	0.59:1
2	Debt Service Coverage Ratio (Earning before interest and tax(EBIT)/ Debt Service)	1.57	4.15	4.37	1.52
3	Interest Service Coverage ratio (EBIT/ Total finance costs)	1.21	3.71	3.51	2.05
4	Debenture Redemption Reserve (₹ in crore)	373.71	373.71	518.63	373.71
5	Net Worth (₹ in crore)	52276.17	52139.18	52821.54	52139.18
6	Net Profit/(Loss) after tax (₹ in crore)	149.83	1049.02	776.33	1903.07
7	Earnings per share (not annualised)	0.36	2.54	1.88	4.61
8	Current ratio (Current Assets/ Current Liabilities)	0.78	0.77	0.81	0.77
9	Long term debt to working capital (Non Current Borrowings including Current maturities of long term debt and lease liabilities/ working capital)	#	#	#	#
10	Bad debt to Account receivable ratio (Bad debts written off/ Accounts Receivable)	-	-	-	-
11	Current liability ratio (Current liabilities/ total liabilities)	0.65	0.65	0.67	0.65
12	Total debts to total assets (Total Debts/ Total Assets)	0.27	0.24	0.20	0.24



STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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

Website: www.sail.co.in

Compliance under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for the quarter ended 30th June'2023.

Sl. No.	Particulars	Quarter ended 30 th June, 2023	Quarter ended 31 st March, 2023	Quarter ended 30 th June, 2022	Year ended 31 st March, 2023
13	Debtors turnover (no. of days) <i>(Average trade receivables/ Revenue from operations * no. of days)</i>	20	18	21	18
14	Inventory Turnover (no. of days) <i>(Average inventories/ (Revenue from operations) * no. of days)</i>	123	101	110	99
15	Operating margin (%) <i>(Profit before depreciation, interest, tax and exceptional items/ Revenue from operations)</i>	8.58	11.68	10.85	8.98
16	Net Profit Margin (%) <i>(Net Profit after tax/ Revenue from operations)</i>	0.62	3.60	3.23	1.82
17.	Outstanding redeemable Preference shares <i>(Quantity & Value)</i>	NOT APPLICABLE			

#Working capital is negative



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Website: www.sail.co.in

Compliance under regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for the quarter ended 30th June'2023.

Sl. No.	Particulars	Quarter ended 30 th June, 2023	Quarter ended 31 st March, 2023	Quarter ended 30 th June, 2022	Year ended 31 st March, 2023
1.	Securities Cover (number of times) [Value of assets having exclusive charge/(Outstanding value of corresponding debt + Interest Accrued)]	3.56	3.67	2.91	3.67
2.	The Company has maintained security cover of 100% or higher in respect of its secured listed non-convertible debt securities as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the secured listed non convertible debt securities. Further, security has been created on specified assets of the Company through Equitable mortgage as per the terms of respective Debenture Trust Deeds for all secured listed non-convertible debt securities issued by the Company. The Company is also in compliance with all the covenants, in respect of all listed non-convertible debt securities issued by the Company.				

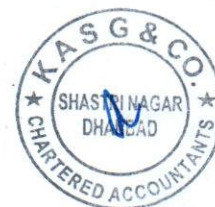


Tej Raj & Pal Chartered Accountants A60, Amarpali Society, Lalpur, Ganga Diagnosis Lane, Raipur-492001	S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, 2 nd Floor, Suite No. 2D, Kolkata-700071	Walker Chandiok & Co LLP Chartered Accountants, L-41, Connaught Circus, New Delhi-110001	KASG & Co. Chartered Accountants, 2nd Floor, Shree Laxmi Complex, Shastri Nagar, Dhanbad-826001
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Independent Auditors' Review Report on the Consolidated Unaudited Quarterly Financial Results of Steel Authority of India Limited Pursuant to the Regulation 33 and Regulation 52 read with regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Steel Authority of India Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of Steel Authority of India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its share of the net profits /(losses) after tax and share of total comprehensive income of its associate and jointly controlled entities (refer Annexure 1 for the list of subsidiaries, associate and jointly controlled entities included in the Statement) for the quarter ended 30 June 2023 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), read with SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company'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 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations read with relevant rules issued thereunder 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. 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 provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, 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. We have not performed an audit and accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. (a) As referred in note 5(c) to the accompanying Statement, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court/ Jurisdictional High Courts/ assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying consolidated unaudited financial results of the Company for the disputed entry tax demand in various states amounting to ₹ 1,186.39 crores as on 30 June 2023. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the consolidated unaudited financial results.
- (b) As referred in note 5(d) to the accompanying Statement, current assets include advance of ₹ 587.72 crores paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for the period 2010-11 to 2016-17. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying consolidated unaudited financial results. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the consolidated unaudited financial results.

Had the impact of the above qualifications been considered, "Reserves excluding revaluation reserve" as at 31 March 2023 and 30 June 2023 would have reduced by ₹ 1,327.60 crores.

Our audit report on the financial results of the company for the quarter and year ended 31 March 2023 dated 25 May 2023 and review report for the quarter ended 30 June 2022 dated 10 August 2022 were also qualified in respect of these matters.

5. Based on our review conducted as above and on consideration of the review reports of branch auditors and other auditors referred to in paragraph 7 below, except for the effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 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.



6. We draw attention to the following:

a) Note 5(a) to the accompanying Statement, which describes that the revenue from operations include sales to Government agencies aggregating to ₹ 1,768.80 crores for the quarter ended 30 June 2023 (cumulative upto 30 June 2023 of ₹ 30,893.62 crores) which is recognized on the basis of provisional prices as per the terms of sales with such Government agencies.

b) Note 5(b) to the accompanying Statement, which explains the management's assessment on the valuation and classification of inventories of by-products, which were accumulated over several years but gained economic value in year ended 31 March 2020 pursuant to an order of the Ministry of Mines, Government of India and recognised in the balance sheet in such year basis the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. The note further explains the management's assessment regarding the saleability / consumption of such inventories.

Our conclusion is not modified in respect of these matters.

7. We did not review the financial results of 11 branches / units / marketing regions of the Holding Company included in the Statement, whose financial results reflects total revenues of ₹ 10,202.89 crores, total net loss after tax of ₹ 6.93 crores and total comprehensive loss of ₹ 77.94 crores, for the quarter ended 30 June 2023, as considered in the Statement. The financial results have been reviewed by the branch auditors of the Holding Company, whose reports have been furnished to us by the management, and our conclusion, in so far as it relates to the amounts and disclosures included in respect of these branches / units / marketing regions, is based solely on the review report of such branch auditors.

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 ₹ 39.01 crores, total net profit after tax of ₹ 2.81 crores and total comprehensive income of ₹ 2.81 crores for the quarter ended 30 June 2023. The unaudited consolidated financial results include the Group's share of net profit after tax of ₹ 54.88 crores and share of total comprehensive income of ₹ 54.53 crores for the quarter ended 30 June 2023, in respect of 2 (Two) 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 matters.

8. 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 revenues of ₹ Nil, total net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the quarter ended 30 June 2023. The unaudited consolidated financial results also include the Group's share of net profit after tax of ₹ 8.52 crores and share of total comprehensive Income of ₹ 11.41 crores for the quarter ended 30 June, 2023, in respect of 1 (One) associate and 9 (Nine) 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.




9. The unaudited consolidated financial results do not include the Group's share of net profit / (loss) after tax and share of total comprehensive income / (loss) for the quarter ended 30 June, 2023 in respect of 2 (two) jointly controlled entities, since the same is not available as per the Management and one of the entities was under closure. According to the information and explanations given to us by the Management, 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.

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




(CA. Dinakar Mohanty)
Partner
M.No.059390
UDIN: 23059390BGWJBK4430

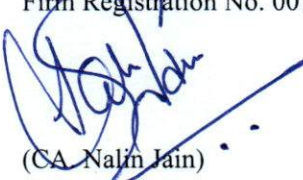
For S. Jaykishan
Chartered Accountants
Firm Registration No. 309005E


(CA. Ritesh Agarwal)
Partner
M.No. 062410
UDIN: 23062410BGUPQR6189




For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013




(CA. Nalin Jain)
Partner
M.No. 503498
UDIN: 23503498BGRGCY6692

For KASG & Co.
Chartered Accountants
Firm Registration No. 002228C


(CA. Roshan Kumar Bajaj)
Partner
M.No. 068523
UDIN: 23068523BGYJWM9477



Date : 10 August, 2023
Place : New Delhi

Annexure 1

List of entities included in the Statement

Subsidiaries
SAIL Refractory Company Limited
Chhattisgarh Mega Steel Limited
Associate
Almora Magnesite Ltd
Jointly Controlled Entities
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
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
VSL SAIL JVC

*Companies under liquidation



STEEL AUTHORITY OF INDIA LIMITED

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Statement of Consolidated Unaudited Financial Results for the Quarter ended 30th June, 2023

₹ Crore unless stated otherwise

Sl. No.	Particulars	CONSOLIDATED			
		Quarter ended			Year ended
		30 th June, 2023	31 st March, 2023	30 th June, 2022	31 st March, 2023
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from operations	24359.10	29130.66	24028.62	104447.72
	(b) Other income	463.73	285.73	170.89	950.36
	Total Income	24822.83	29416.39	24199.51	105398.08
2	Expenses				
	a) Cost of materials consumed	15277.63	14858.04	17700.73	62179.91
	b) Changes in inventories of finished goods, work-in-progress and by-products	(2206.52)	662.57	(6188.55)	(5154.71)
	c) Employee benefits expense	2849.06	3438.95	3019.00	12071.53
	d) Finance costs	612.60	517.00	374.04	2037.47
	e) Depreciation and amortisation expenses	1275.18	1364.67	1194.12	4963.54
	f) Other expenses	6790.11	7246.94	7195.89	27311.56
	Total Expenses	24598.06	28088.17	23295.23	103409.30
3	Profit before Exceptional items, share of net Profit of investment accounted for using equity method and Tax	224.77	1328.22	904.28	1988.78
	Share of Profit in investments accounted for using equity method	63.40	274.04	143.02	645.67
	Profit before Exceptional items and Tax	288.17	1602.26	1047.30	2634.45
	Add / (Less): Exceptional items	-	(40.42)	-	257.99
4	Profit before Tax	288.17	1561.84	1047.30	2892.44
	Less: Tax expense				
	Current tax	50.66	(45.20)	239.90	125.47
	Deferred tax	25.03	447.83	2.90	590.44
	Total tax expense	75.69	402.63	242.80	715.91
5	Net Profit for the period	212.48	1159.21	804.50	2176.53
	Other Comprehensive Income (OCI)				
A	(i) Items that will not be reclassified to profit or loss	(1.34)	(848.42)	28.58	(567.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(11.40)	160.70	(0.51)	128.39
B	(i) Items that will be reclassified to profit or loss	2.53	(3.83)	79.38	139.98
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
6	Total Comprehensive Income for the period	202.27	467.66	911.95	1877.41
7	Paid-up Equity Share Capital (face value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53
8	Reserves excluding revaluation reserve				
9	Earnings per equity share (of ₹10/- each) (not annualised)				
	1. Basic (₹)	0.51	2.81	1.95	5.27
	2. Diluted (₹)	0.51	2.81	1.95	5.27

Note: Refer accompanying notes to the financial results.



STEEL AUTHORITY OF INDIA LIMITED

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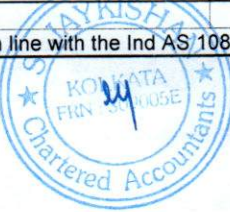
CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ Crore unless stated otherwise

Particulars	CONSOLIDATED			
	Quarter ended			Year ended
	30 th June, 2023	31 st March, 2023	30 th June, 2022	31 st March, 2023
	Unaudited	Audited	Unaudited	Audited
Segment revenue from operations				
- Bhilai Steel Plant	7034.33	9146.25	7025.91	30516.07
- Durgapur Steel Plant	3094.53	3619.19	2952.75	13250.48
- Rourkela Steel Plant	6248.35	6796.91	6467.63	25600.33
- Bokaro Steel Plant	6345.99	6861.82	6715.35	26343.74
- IISCO Steel Plant	2808.46	3774.29	2676.93	13520.93
- Alloy Steels Plant	300.23	260.54	229.15	1000.55
- Salem Steel Plant	658.40	697.23	380.67	1881.81
- Visvesvaraya Iron & Steel Plant	44.01	63.94	88.53	310.86
- Others	347.64	327.86	403.31	1445.29
Total segment revenue	26881.94	31548.03	26940.23	113870.06
Less: Inter-segment revenue	2522.84	2417.37	2911.61	9422.34
Net revenue from operations	24359.10	29130.66	24028.62	104447.72
Segment results (Profit / (Loss) before interest, exceptional items and tax)				
- Bhilai Steel Plant	261.21	627.49	445.55	954.33
- Durgapur Steel Plant	57.67	298.72	(141.04)	502.49
- Rourkela Steel Plant	253.47	430.11	587.51	1191.23
- Bokaro Steel Plant	206.13	311.39	609.02	1218.79
- IISCO Steel Plant	74.88	367.71	(159.02)	558.03
- Alloy Steels Plant	(5.95)	(26.51)	(30.29)	(121.79)
- Salem Steel Plant	(49.07)	(43.33)	(59.29)	(203.06)
- Visvesvaraya Iron & Steel Plant	(15.73)	(6.84)	(16.85)	(50.57)
- Others	118.16	160.52	185.75	622.47
Total	900.77	2119.26	1421.34	4671.92
Less: Finance costs	612.60	517.00	374.04	2037.47
Less: Exceptional items	-	40.42	-	(257.99)
Profit before Tax	288.17	1561.84	1047.30	2892.44
Segment Assets				
- Bhilai Steel Plant	35294.50	34203.09	33389.16	34203.09
- Durgapur Steel Plant	7764.21	7440.11	6963.66	7440.11
- Rourkela Steel Plant	28612.47	28204.33	26749.30	28204.33
- Bokaro Steel Plant	22601.39	22190.44	22147.64	22190.44
- IISCO Steel Plant	16506.06	15867.84	16422.21	15867.84
- Alloy Steels Plant	661.50	619.15	580.97	619.15
- Salem Steel Plant	2460.40	2515.84	2305.79	2515.84
- Visvesvaraya Iron & Steel Plant	208.95	238.26	272.64	238.26
- Others	15835.42	16961.28	23484.82	16961.28
Unallocated Assets	2381.67	2240.75	2086.17	2240.75
Total	132326.57	130481.09	134402.36	130481.09
Segment Liabilities				
- Bhilai Steel Plant	8896.84	9300.61	9270.26	9300.61
- Durgapur Steel Plant	3487.67	3547.08	3075.93	3547.08
- Rourkela Steel Plant	9250.50	9203.46	7837.17	9203.46
- Bokaro Steel Plant	6167.72	6065.67	7452.81	6065.67
- IISCO Steel Plant	1532.26	1602.70	1716.85	1602.70
- Alloy Steels Plant	278.76	258.03	241.43	258.03
- Salem Steel Plant	506.79	501.46	520.20	501.46
- Visvesvaraya Iron & Steel Plant	53.57	60.45	65.32	60.45
- Others	12114.17	13805.53	21448.89	13805.53
Unallocated Liabilities	35089.34	31389.42	27649.86	31389.42
Total	77377.62	75734.41	79278.72	75734.41

Note:

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



Notes to Consolidated Financial Results:

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meetings held on 10th August, 2023.
2. The financial results have been reviewed by the Statutory Auditors, as required under Regulation 33 and 52 read with regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31st March, 2023 represent the derived figures between the audited figures in respect of the full Financial Year and the published year to date figures up to the 3rd quarter of the Financial Years ended 31st March, 2023.
4. The consolidated financial results also include the financial results of 1 (one) subsidiary and share of net profit/(loss) after tax and total comprehensive income of 1 (one) associate and 9 (nine) jointly controlled entities which have not been audited by their auditors and does not include the share of net profit / (loss) after tax and share of total comprehensive income of 2 (two) jointly controlled entities which 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 or Company) :

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

₹ in crore			
Quarter ended 30 th June, 2023	Cumulative till 30 th June, 2023	Quarter ended 30 th June, 2022	Cumulative till 30 th June, 2022
1768.80	30893.62*#	2460.98*	23565.15*

* include an amount of ₹489.32 crore on account of revision of provisional rail prices effective from 1st April, 2021.

includes ₹198.63 crore recognized during the year ended 31st March, 2023 towards rail price revision for the Financial Year 2020-21, as per the recommendation of the Office of the Chief Adviser (Cost), Ministry of Finance. However, the same is pending for approval of the Railway Board. As per the assessment of the Company, it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur.

- b. The inventory of sub-grade iron ore fines generated at the captive mines of the Company were not assigned any value in the books of accounts of the Company till the financial year ended 31st March 2019, since, the Government of India Notification dated 19th September 2012 prohibited all captive miners from selling such sub-grade fines.

Following the Government of India Order no.F.No.16/30/2019-M.VI dated 16th September 2019 allowing sale of sub-grade iron ore fines, the inventories of sub-grade fines held by the Company gained economic value. In this regard, the Company also obtained opinions from the



Additional Solicitor General of India as well as the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI). Based on the aforesaid opinions, the Company recognized these inventories as by-product inventory as at 31st March 2020. Since, these inventories were generated over many years, making it impracticable to ascertain the actual valuation, the Company assigned a valuation to such inventories basis average selling price of similar sub-grade fines over the last 36 months as declared by Indian Bureau of Mines (IBM), a Government of India organisation and as adjusted for royalty and other selling costs.

The Company has obtained all clearances including environmental clearance and clearance from Director General of Mines Safety, Government of India. Further, procedural clearances have been obtained from the State Government of Odisha. With respect to the State of Jharkhand, the delay is procedural and the management expects to receive the clearances soon. This is also supported by the legal opinion taken by the Company in this regard.

The management has been able to sell off such inventories in certain locations. While, on an overall basis during the current and the previous years, there has been movement of 1.54 million tonnes in the volume of such inventories, there is significant market demand for sub-grade fines and the recent sales price trends are indicative of considerable margins over and above the carrying value of such inventories. The management also has plans to set up beneficiation plant and pellet making facilities in future that will consume significant volume of sub-grade fines annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the substantial volume of inventories, the quantity estimated to be sold / consumed within the next one year has been recognized as current and the balance has been classified as non-current inventory.

As at 30th June 2023, the Company is carrying sub-grade iron-ore fines inventory of 41.44 MT valuing ₹3986.51 crore (as at 31st March 2023: 41.55 MT valuing ₹3995.75 crore) which includes 39.34 Mt valued at ₹3790.83 crore classified as non-current inventory at its various mines.

Likewise, the Company

- at its Barsua and Dalli Mines is carrying inventory of tailings of 10.16 MT valuing ₹485.21 crore (as at 31st March 2023: 10.27 MT valuing ₹491.98 crore) which includes 8.57 Mt valued at ₹400.11 crore classified as non-current inventory.
- at its Bhilai and Rourkela Steel Plants is carrying inventory of extractable iron and steel scrap embedded in BF Slag and LD Slag of 0.47 MT valuing ₹ 458.71 crore (as at 31st March 2023: 0.47 MT valuing ₹460.35 crore) which includes 0.42 Mt valued at ₹409.36 crore classified as non-current inventory.
- at its Chandrapur Ferro Alloys Plant is carrying inventory of Granulated high manganese ore (HMnO) slag and slag fines of 0.53 MT valuing ₹41.42 crore (as at 31st March 2023: 0.52 valuing ₹41.56 crore) which includes 0.48 Mt valued at ₹34.86 crore classified as non-current inventory.

The Company is formulating a detailed plan for disposal / consumption of these inventories.

Considering the market volatility, steel market dynamics, possibility of future additions to steel and pellet making capacity in the country which may augment the demand of these materials, the carrying value of the non-current inventories need not be adjusted for any unforeseeable



changes in the future prices. Accordingly, in view of the management, the carrying values of the aforementioned inventories are the best estimates basis the information available at this stage.

- c. The Nine Judges Bench of the Supreme court, vide its order dated 11th November, 2016, upheld the Constitutional validity of the Entry tax legislations passed by the various States. However, the Bench directed that certain other matters raised by the Petitioner, such as matter relating to Entry tax on account of discriminatory rates resulting in entry tax liability amounting to ₹ 1092.28 crore wherein a rate of 6% was applied on iron Ore and Coking Coal in Bhilai-Durg area as compared to lower rate of 1% on Coking Coal and 3% on Iron ore in rest of the areas of Chhattisgarh, matter relating to Entry tax amounting to ₹94.11 crore on goods entering into the local area of Jharkhand from other State etc. may be determined by regular benches hearing the matters. As on 30th June, 2023, 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 ₹1186.39 crore have been treated by the Company as Contingent Liability (As at 31st March, 2023 - ₹1184.81 crore).
- d. Hon'ble Supreme Court dismissed the SLP by the Company in respect of dispute with Damodar Valley Corporation(DVC) related to provisional tariff petition of electricity charges for 2009-2014 vide order dated 18th January, 2017, keeping the question of law open. The Order of Central Electricity Regulatory Commission (CERC) dt.7/8/2013 related to Tariff of 2009-2014 against Petition No.275/GT/2012 has been challenged before Appellate Tribunal for Electricity (APTEL) (Appeal No.18 of 2014) in which the Company has also intervened and the order of APTEL is pending. Further, in respect of the civil appeal filed by Damodar Valley Corporation (DVC) pertaining to tariff of Financial Year 2004-05 to 2008-09 against the order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018, which could also have an effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. For the State of Jharkhand where the dispute of ₹587.72 crore arises, DVC has filed its Retail Tariff Application in November, 2020 along with application for Annual Revenue Requirement before the Jharkhand State Electricity Regulatory Commission for the period of 2006-07 to 2011-12 and also seeking adjustment of Revenue Gap/Surplus in the period of 2012-13 to 2014-15. The Company has also filed their objections on 28th December, 2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 30th June, 2023 (upto 31st March, 2023: ₹587.72 crore) has been treated as Contingent Liability. Against the said claims, the entire amount has been paid to DVC and retained as advance. Further from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.
- e. During the Current Quarter, other income includes profit on sale of obsolete Plant and Machinery (SMS-1) at one of the plant location amounting to ₹278.82 crore.
- f. For the year ended 31st March, 2023, Exceptional items include:
- (i) Profit on sale of fixed assets amounting to ₹301.34 crore on account of sale of a portion of land to Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

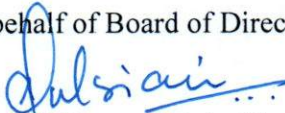


- (ii) An amount of ₹38.91 crore towards settlement of a long pending demand of electricity duty on Transmission & Transformation loss under One Time Settlement Scheme and an amount of ₹4.44 crore towards a dispute arising out of a contract finalized during 2000-01.
- g. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31st March, 2023, have brought out that
- (i) As referred in note 47.2 (a)(i) to the accompanying standalone financial statements, the constitutional validity of the Entry Tax Act has been upheld by the Hon'ble Supreme Court and the matters relating to levy of entry tax are now pending before regular benches of the Supreme Court / Jurisdictional High Courts / assigned authorities. Pending decision by the other Courts, the management is of the view that no adjustment is required in the accompanying standalone financial statements of the Company for the disputed entry tax demand in various states amounting to ₹1184.81 crore as on 31 March 2023. However, in the absence of sufficient appropriate evidence to support the management's view, we are of the opinion that a provision for entry tax liability should be recognised in the standalone financial statements.
- (ii) As referred in note 47.2 (b) to the accompanying standalone financial statements, current assets include advance of ₹ 587.72 crore paid under dispute to Damodar Valley Corporation against the bills raised for supply of power for period upto 31st March 2017. The matter is under litigation with Jharkhand State Electricity Regulatory Commission for finalisation of tariff, pending which, the management is of the view that the amount is fully recoverable and thus no adjustment is required in the accompanying standalone financial statements. However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that an allowance for possible non-recoverability of such advance should be created in the standalone financial statements.

In respect of items (i) and (ii), the Company's position has been clarified in notes 5(c) and 5(d) above.

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

For and on behalf of Board of Directors


(Anil Kumar Tulsiani)
Director (Finance)

Place: New Delhi
Dated: 10th August, 2023

