

**STEEL AUTHORITY OF INDIA LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**

(₹ Crore)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7205.65	3301.58
Adjustments for:		
Depreciation and amortisation expenses	4102.78	3755.73
Loss on disposal of fixed assets (net)	37.74	49.43
Interest income	(272.98)	(240.88)
Dividend income	(3.40)	(2.92)
Finance costs	2822.62	3387.02
Unrealised Loss/(Gain) on foreign exchange fluctuations	(5.47)	99.74
Loss/(Gain) on sale of non-current investments	(4.47)	(0.59)
Bad debts and provision for doubtful advances/receivables	92.69	76.12
Other provisions	169.31	212.93
Share of profit from joint ventures	(467.74)	(194.32)
Unclaimed balances and excess provisions written back	(284.41)	(407.24)
<b>Operating Profit before working capital changes</b>	<b>13392.32</b>	<b>10036.60</b>
<b>Changes in assets and liabilities:</b>		
Trade receivables	1622.56	(4416.24)
Loans, other financial assets and other assets	(680.24)	(110.46)
Trade payable	686.03	(898.99)
Other financial liabilities and other liabilities	4212.30	(485.81)
Provisions	102.10	(137.99)
Inventories	4121.51	(4511.27)
<b>Cash flow from operating activities post working capital changes</b>	<b>23456.58</b>	<b>(524.16)</b>
Income tax paid (net)	(26.21)	(93.51)
<b>Net cash flow from operating activities (A)</b>	<b>23430.37</b>	<b>(617.67)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(3672.70)	(4754.36)
Proceeds from sale/disposal of property, plant & equipment	142.98	373.07
Purchase of current and non-current investments	7.98	6.74
Movement in fixed deposits (net)	(23.59)	(32.37)
Interest received	129.24	143.48
Dividend received	3.40	2.92
<b>Net cash flows/(used) in investing activities (B)</b>	<b>(3412.69)</b>	<b>(4260.52)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	(15544.45)	2897.82
Proceeds from short-term borrowings (net)	(790.54)	6009.56
Finance cost paid	(2941.90)	(3653.78)
Dividend paid (including tax)	(413.05)	(250.45)
<b>Net cash flows/(used) in financing activities (C)</b>	<b>(19689.94)</b>	<b>5003.15</b>
<b>D Increase in cash and cash equivalents (A+B+C)</b>	<b>327.74</b>	<b>124.96</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>190.54</b>	<b>65.58</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>518.28</b>	<b>190.54</b>

Significant non-cash movements in the borrowings during the year are as under:

Non cash changes					(₹ crore)
	As at 31.03.2020	Cash Flows	Fair Value Changes	Current/Non Current Classification	As at 31.03.2021
Borrowings- Non Current	34560.03	(15476.40)	2493.55	(1851.22)	19725.96
Current Maturities of Long Term Debt	2602.40	(2602.40)	-	1851.22	1851.22
Borrowings - Current	16640.78	(480.26)	(310.28)	-	15850.24
Finance Cost		(3047.86)	105.78		

The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows.

The accompanying notes are an integral part of these consolidated financial statements.

**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

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ crore)

Particulars	CONSOLIDATED	
	As at 31.03.2021	As at 31.03.2020
	Audited	Audited
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	64133.48	65384.47
(b) Capital work-in-progress	8880.63	8753.33
(c) Right of use assets	2054.21	2205.08
(d) Investment property	1.09	1.12
(e) Intangible assets	1429.38	1443.61
(f) Investments accounted for using the equity method	3297.56	3107.27
(g) Inventories	4236.26	-
(h) Financial assets		
(i) Investments	144.70	133.12
(ii) Trade Receivables	0.90	0.92
(iii) Loans	756.99	665.28
(iv) Other financial assets	336.25	448.58
(i) Deferred tax assets (net)	-	2022.17
(j) Current tax assets (net)	217.56	153.31
(k) Other non-current assets	1572.65	1483.92
<b>Total non-current assets</b>	<b>87061.66</b>	<b>85802.18</b>
<b>(2) Current assets</b>		
(a) Inventories	15334.17	23836.27
(b) Financial assets		
(i) Trade receivables	7153.70	8844.73
(ii) Cash and cash equivalents	518.28	190.54
(iii) Bank balances other than (ii) above	278.07	254.48
(iv) Loans	50.47	49.67
(v) Other financial assets	2478.32	2189.25
(c) Other current assets	6354.19	5733.32
	<b>32167.20</b>	<b>41098.26</b>
Assets classified as held for sale	17.01	27.20
<b>Total current assets</b>	<b>32184.21</b>	<b>41125.46</b>
<b>TOTAL ASSETS</b>	<b>119245.87</b>	<b>126927.64</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	4130.53	4130.53
(b) Other equity	41275.69	37379.70
(c) Non-controlling interest	0.01	0.01
<b>Total equity</b>	<b>45406.23</b>	<b>41510.24</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	19726.03	34560.03
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	4.10	10.70
(iii) Other financial liabilities	1304.08	1368.51
(b) Provisions	4533.75	4115.81
(c) Deferred tax liabilities (net)	1334.08	-
(d) Other non-current liabilities	439.97	397.51
<b>Total non-current liabilities</b>	<b>27342.01</b>	<b>40452.56</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	15850.24	16640.78
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	103.57	47.99
(b) total outstanding dues of creditors other than micro and small enterprises	6911.43	6274.38
(iii) Other financial liabilities	14023.78	13740.89
(b) Other current liabilities	7555.15	5724.06
(c) Provisions	2041.40	2357.24
(d) Current tax liabilities (net)	12.06	179.50
<b>Total current liabilities</b>	<b>46497.63</b>	<b>44964.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119245.87</b>	<b>126927.64</b>

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**Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2021**

₹ Crore unless stated otherwise

Sl. No.	Particulars	CONSOLIDATED				
		Quarter ended			Year ended	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> December, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income</b>					
	(a) Revenue from operations	23284.89	19835.71	16171.83	69113.61	61664.16
	(b) Other income	248.30	161.60	402.88	860.67	905.79
	<b>Total Income</b>	<b>23533.19</b>	<b>19997.31</b>	<b>16574.71</b>	<b>69974.28</b>	<b>62569.95</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	6516.96	6521.75	6706.33	23213.59	29371.73
	b) Changes in inventories of finished goods, work-in-progress and by-products	648.28	1014.63	(5083.75)	4276.64	(5577.63)
	c) Employee benefits expense	4074.23	2347.34	2755.45	10461.05	8797.32
	d) Finance costs	540.40	670.09	908.63	2817.15	3486.76
	e) Depreciation and amortisation expenses	1157.86	981.44	1055.46	4102.78	3755.73
	f) Other expenses	5891.53	4871.56	5340.00	18423.59	18857.02
	<b>Total Expenses</b>	<b>18829.26</b>	<b>16406.81</b>	<b>11682.12</b>	<b>63294.80</b>	<b>58690.93</b>
3	<b>Profit before Exceptional items, share of net Profit / (Loss) of investment accounted for using equity method and Tax</b>	<b>4703.93</b>	<b>3590.50</b>	<b>4892.59</b>	<b>6679.48</b>	<b>3879.02</b>
	Share of Profit / (Loss) in investments accounted for using equity method	123.48	221.70	(17.88)	467.74	194.32
	<b>Profit before Exceptional items and Tax</b>	<b>4827.41</b>	<b>3812.20</b>	<b>4874.71</b>	<b>7147.22</b>	<b>4073.34</b>
	<b>Add / (Less): Exceptional items</b>	<b>(166.44)</b>	<b>2.48</b>	<b>(771.76)</b>	<b>58.43</b>	<b>(771.76)</b>
4	<b>Profit before Tax</b>	<b>4660.97</b>	<b>3814.68</b>	<b>4102.95</b>	<b>7205.65</b>	<b>3301.58</b>
	<b>Less: Tax expense</b>					
	Current tax	12.63	1.49	223.27	16.35	229.79
	Deferred tax {refer note 3(f)}	1178.46	2344.99	1232.16	3041.17	951.08
	<b>Total tax expense</b>	<b>1191.09</b>	<b>2346.48</b>	<b>1455.43</b>	<b>3057.52</b>	<b>1180.87</b>
5	<b>Net Profit for the period</b>	<b>3469.88</b>	<b>1468.20</b>	<b>2647.52</b>	<b>4148.13</b>	<b>2120.71</b>
	<b>Other Comprehensive Income (OCI)</b>					
A	(i) Items that will not be reclassified to profit or loss	355.91	12.47	(197.24)	372.63	(179.90)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(89.35)	(2.44)	66.23	(93.25)	62.48
B	(i) Items that will be reclassified to profit or loss	13.27	(46.98)	107.34	(118.48)	143.45
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
6	<b>Total Comprehensive Income for the period</b>	<b>3749.71</b>	<b>1431.25</b>	<b>2623.85</b>	<b>4309.03</b>	<b>2146.74</b>
7	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53	4130.53
8	Other equity excluding revaluation reserve				41275.69	37379.70
9	Earnings per equity share (of ₹10/- each) (not annualised)					
	1. Basic (₹)	8.40	3.55	6.41	10.04	5.13
	2. Diluted (₹)	8.40	3.55	6.41	10.04	5.13

**Note:** Refer accompanying notes to the financial results.

## 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 June 2021. The financial results have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Audited Accounts are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. The consolidated financial results do not include the results of 1 (one) subsidiary which has not been reviewed / audited by its auditor as the same is under closure. The consolidated financial results also include the share of net loss after tax and total comprehensive loss 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 5 (five) jointly controlled entities out of which 4 (four) are under closure, and are not available.

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

3. In respect of Steel Authority of India Limited (the Parent) :
  - a. The COVID-19 pandemic outbreak and measures to curtail it had caused significant disturbances and slow down of economic activities, as a result of which the Company's operations had to be scaled down during the first quarter of financial year ended 31<sup>st</sup> March 2021. Following the gradual normalization of economic activities, the Company is operating at normal capacity. In view of the positive economic environment seen across sectors, the management is of the belief that the trend is likely to continue in subsequent periods as well and the impact of COVID-19, if any, is not likely to be material.
  - b. 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 31 <sup>st</sup> March, 2021	Financial Year ended 31 <sup>st</sup> March, 2021	Cumulative till 31 <sup>st</sup> March, 2021	Quarter ended 31 <sup>st</sup> March, 2020	Financial Year ended 31 <sup>st</sup> March, 2020	Cumulative till 31 <sup>st</sup> March, 2020
1566.75	6902.50	14952.22	2714.98	7634.55	8074.36

- c. The long-term agreement for wage revision expired on 31st December, 2016. Keeping in view the affordability and financial sustainability clause in the Office Memorandums dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises in respect of Pay Revision of employees, the Company fulfils the criteria for implementation of wage revision w.e.f. 1st April, 2020. Accordingly, pending finalization/fresh agreement, an all-inclusive provision towards salaries and wages revision of ₹1145.71crore and ₹10.11crore have been charged to Statement of Profit and Loss and Expenditure during Construction respectively, on estimated basis.
- d. The Company is carrying inventory of 42.60 million tonnes (previous year 42.98 million tonnes) of sub-grade iron-ore fines (SGFs) at its various mines. The low iron content of these

finer has 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 finer in the market. Since, these inventories could neither be consumed nor sold, they had no economic value and therefore, no values were assigned to these sub-grade finer till 2018-19

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, of the usability of such finer 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 vide opinion dated 19<sup>th</sup> May 2020, has 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 the Company the right to sell the finer. Further, the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), on a query made by the Company has opined vide their communication dated 6<sup>th</sup> June 2020 that the accumulated sub-grade finer may be regarded as a by-product and if it is determined to be an immaterial by-product, it may be valued at net realizable value as per Ind AS 2 – Inventories. The opinion of the EAC also clarified that, the increase in the carrying amount of such inventories due to the notification of the Central Government permitting sale should be recognized in the Statement of Profit and Loss in accordance with the requirements of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors being a change in accounting estimate.

The management took steps for quantitative verification of SGFs at each of the mines and carried out qualitative analysis (including gradation) for Fe content during the previous year and based on the aforesaid Order of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the EAC of ICAI, the Company as at 31<sup>st</sup> March 2020 valued the inventory of SGFs of 42.98 million tonnes at NRV of ₹3,791.18 crore. The NRV was arrived at basis the estimates made by the management as per the average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India organisation adjusted for royalty and other selling costs.

During the year, 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 and the same is in the advanced stages in the State of Jharkhand and which in view of the management are expected to be received soon. As a result, the management has been able to sell off such inventories in certain locations. While, on an overall basis during the current year, there has been insignificant movement (0.40 million tonnes) in the volume of such inventories, there is significant market demand for SGFs 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 a beneficiation plant in future that will consume significant volume of SGFs annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the significant volume of such inventories, the management has during the year made a detailed assessment of volumes that are expected to be sold within 12 months from the

end of the current year and has accordingly, classified a part of these inventories as non-current i.e. volumes that are expected to be sold beyond 12 months from the end of the current year. The carrying value of such inventories has also been pro-rated basis above assessment. Also, 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 cannot be adjusted for any unforeseeable changes in the future prices. Accordingly, in view of the management, the carrying values are the best estimates basis the information available at this stage.

In line with the above accounting treatment for SGFs, the management has during the year done a quantitative verification of inventories of tailings at Barsua mines and carried out qualitative analysis (including gradation) for Fe content and valued the inventory of tailings of 3.97 million tonnes at NRV of ₹248.24 crore as at 31<sup>st</sup> March 2021 (including ₹204.47 crore classified as non-current inventories). The NRV has been arrived at basis the estimates made by the management as per the ASP of similar tailings declared by IBM adjusted for royalty and other selling costs. Further, the recent sales price trends for tailings also are indicative of considerable margins over and above the carrying value of such inventories. Accordingly, in view of the management, no further adjustment is required in the carrying value of these inventories as at 31<sup>st</sup> March 2021.

- e. Pursuant to the introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, the Company has, during the year, opted for lower tax regime under the said Section for the financial year ended 31st March, 2020 and onwards. Consequently, the Company has charged off the Deferred Tax Assets arising due to MAT credit and restated the Deferred Tax Assets, based on the revised effective tax rate, resulting in one time charge of ₹1288.22 crore in the Statement of Profit and Loss, for the year ended 31<sup>st</sup> March, 2021.
- f. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> November, 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 31<sup>st</sup> March, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. During the year, the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes in the State of West Bengal and charged the same in the Statement of Profit and Loss under 'Exceptional Items'. Pending decision by the other Courts, disputed Entry Tax liabilities of ₹1373.42 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 2009-2014 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 28.12.2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore upto 31<sup>st</sup> March, 2021 (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. Exceptional items include :

- (i) Compensation on Voluntary Retirement of employees paid as per the Scheme during the current year ₹103.70 crore (during current quarter ₹ -1.10 crore).
- (ii) Deposit under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax and sales tax disputes in the State of West Bengal during the current year ₹167.54 crore (during current quarter ₹167.54 crore).
- (iii) Reversal of write down due to Covid-19 impact on inventory of sub grade iron ore fines amounting to ₹329.67 crore recorded during the year ended 31<sup>st</sup> March, 2020 under 'Exceptional Items' (during current quarter Nil).

i. The Company has proposed a final dividend @ 18% of the paid-up equity share capital (i.e. ₹1.80 per equity share of ₹10/- each) for the Financial Year 2020-21 subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company. Earlier, the Company declared interim dividend @ 10% of the paid-up equity share capital (i.e. ₹1.00 per equity share of ₹10/- each).

j. Pursuant to notice dated 13<sup>th</sup> January, 2021 ("Notice") filed with the Stock Exchanges, President of India (Promoter), acting through the Ministry of Steel, Government of India proposed to sell up to 20,65,26,264 equity shares of the Company having face value of ₹10 each, representing 5% of the total paid-up equity share capital of the Company with an option to additionally sell up to 20,65,26,264 Equity Shares (representing 5% of the total paid-up equity share capital of the Company) (the "Oversubscription Option") through the separate designated window of BSE Limited ("BSE") and National Stock Exchange of India Limited. The promoter has exercised the Oversubscription Option, to the extent of additional 20,65,26,264 equity shares and in total sold 41,30,52,528 equity shares of the Company. Consequently, the Promoters holding in the Company has come down from 309,77,67,449 equity shares (75% of the Paid-up Equity Share Capital) to 268,47,14,921 equity shares (65% of Paid-up Equity Share Capital). The sale of equity shares was undertaken in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of shares by promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India ("SEBI").

k. 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 31st March, 2020.

In respect of these items the Company’s position has been clarified in notes 3(f) and 3(g) above.

The disputed demands stated at (i) and (ii) above are being contested on valid and bona fide grounds and in view of the management, no provision is considered necessary in the financial results and the matters have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2021.

4. 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

Place: New Delhi  
Dated: 10<sup>th</sup> June, 2021

( Amit Sen )  
Director (Finance)



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REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003					
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CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES					
				₹ Crore unless stated otherwise	
Particulars	CONSOLIDATED				
	Quarter ended			Year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> December, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Segment revenue from operations					
- Bhilai Steel Plant	6563.17	5672.71	5433.56	19858.68	19486.57
- Durgapur Steel Plant	2750.57	2563.85	2058.26	8788.14	7727.08
- Rourkela Steel Plant	5341.61	4575.22	3183.83	15146.23	12537.94
- Bokaro Steel Plant	5785.22	4924.20	3423.46	16443.77	13412.36
- IISCO Steel Plant	2693.05	2145.27	1996.61	8309.23	7752.11
- Alloy Steels Plant	187.93	157.39	137.46	553.15	714.40
- Salem Steel Plant	543.20	542.61	332.71	1713.27	1573.55
- Visvesvaraya Iron & Steel Plant	76.55	43.31	24.05	168.32	100.59
- Others	2198.79	1589.74	1246.66	6029.47	4736.86
Total segment revenue	26140.09	22214.30	17836.60	77010.26	68041.46
Less: Inter-segment revenue	2855.20	2378.59	1664.77	7896.65	6377.30
Net revenue from operations	23284.89	19835.71	16171.83	69113.61	61664.16
Segment results (Profit / (Loss) before interest, exceptional items and tax)					
- Bhilai Steel Plant	1149.03	771.20	1669.86	2301.63	3398.94
- Durgapur Steel Plant	500.16	451.58	45.78	973.19	(107.87)
- Rourkela Steel Plant	1601.64	1068.36	468.71	2598.92	321.20
- Bokaro Steel Plant	1566.90	1056.54	267.90	2487.29	468.53
- IISCO Steel Plant	848.04	147.24	(25.21)	513.30	(432.97)
- Alloy Steels Plant	(7.81)	(12.21)	(23.77)	(70.83)	(63.71)
- Salem Steel Plant	28.74	11.27	(29.72)	(54.20)	(227.93)
- Visvesvaraya Iron & Steel Plant	(1.70)	(7.01)	(11.27)	(50.06)	(73.85)
- Others	(317.18)	995.31	3421.06	1265.13	4277.76
Total	5367.82	4482.28	5783.34	9964.37	7560.10
Less: Finance costs	540.41	670.08	908.63	2817.15	3486.76
Less: Exceptional items	166.44	(2.48)	771.76	(58.43)	771.76
Profit before Tax	4660.97	3814.68	4102.95	7205.65	3301.58
Segment Assets					
- Bhilai Steel Plant	31082.15	31409.84	32783.83	31082.15	32783.83
- Durgapur Steel Plant	6232.20	6392.58	6892.20	6232.20	6892.20
- Rourkela Steel Plant	20559.57	20805.06	21078.70	20559.57	21078.70
- Bokaro Steel Plant	15590.03	14910.60	16174.56	15590.03	16174.56
- IISCO Steel Plant	16551.10	16625.87	18106.14	16551.10	18106.14
- Alloy Steels Plant	545.00	532.56	564.29	545.00	564.29
- Salem Steel Plant	2300.83	2392.97	2485.32	2300.83	2485.32
- Visvesvaraya Iron & Steel Plant	326.76	323.85	347.12	326.76	347.12
- Others	24263.51	26484.84	24682.27	24263.51	24682.27
Unallocated Assets	1794.72	1780.50	3813.21	1794.72	3813.21
Total	119245.87	121658.67	126927.64	119245.87	126927.64
Segment Liabilities					
- Bhilai Steel Plant	8691.03	8424.91	8530.29	8691.03	8530.29
- Durgapur Steel Plant	2823.31	2710.80	2549.61	2823.31	2549.61
- Rourkela Steel Plant	4433.30	4589.02	4230.47	4433.30	4230.47
- Bokaro Steel Plant	3316.36	2679.01	3185.82	3316.36	3185.82
- IISCO Steel Plant	1548.56	1632.17	1512.93	1548.56	1512.93
- Alloy Steels Plant	213.34	211.28	202.62	213.34	202.62
- Salem Steel Plant	439.49	406.60	312.33	439.49	312.33
- Visvesvaraya Iron & Steel Plant	46.15	53.46	56.15	46.15	56.15
- Others	31336.92	32499.55	30097.65	31336.92	30097.65
Unallocated Liabilities	20991.18	26382.30	34739.53	20991.18	34739.53
Total	73839.64	79589.10	85417.40	73839.64	85417.40
Note :					
Operating Segments have been identified in line with the Ind AS 108 - Operating Segments.					

<b>STEEL AUTHORITY OF INDIA LIMITED</b> <b>CIN: L27109DL1973GO1006454</b> <b>REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003</b> <b>Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in</b>		
<b>STANDALONE STATEMENT OF ASSETS AND LIABILITIES</b>		
(₹ crore)		
	<b>STANDALONE</b>	
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	<b>Audited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	64115.26	65369.42
(b) Capital work-in-progress	8878.48	8751.56
(c) Right of use assets	2054.13	2205.08
(d) Investment property	1.09	1.12
(e) Intangible assets	1429.28	1443.42
(f) Inventories	4236.26	-
(g) Financial assets		
(i) Investments	1595.01	1584.98
(ii) Loans	756.23	664.59
(iii) Other financial assets	334.21	446.56
(h) Deferred tax assets (net)	-	2078.99
(i) Current tax assets (net)	216.78	152.35
(j) Other non-current assets	1566.81	1481.29
<b>Total non-current assets</b>	<b>85183.54</b>	<b>84179.36</b>
<b>(2) Current assets</b>		
(a) Inventories	15272.04	23747.20
(b) Financial assets		
(i) Trade receivables	7124.00	8812.39
(ii) Cash and cash equivalents	468.40	153.43
(iii) Bank balances other than (ii) above	212.12	209.82
(iv) Loans	50.47	49.67
(v) Other financial assets	2478.11	2188.99
(c) Other current assets	6353.97	5729.75
	<b>31959.11</b>	<b>40891.25</b>
Assets classified as held for sale	17.01	27.20
<b>Total current assets</b>	<b>31976.12</b>	<b>40918.45</b>
<b>TOTAL ASSETS</b>	<b>117159.66</b>	<b>125097.81</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	4130.53	4130.53
(b) Other equity	39364.35	35646.85
<b>Total equity</b>	<b>43494.88</b>	<b>39777.38</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	19725.96	34560.03
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	-	6.66
(iii) Other financial liabilities	1231.07	1295.59
(b) Provisions	4525.89	4108.80
(c) Deferred tax liabilities (net)	1253.16	-
(d) Other non-current liabilities	439.97	397.51
<b>Total non-current liabilities</b>	<b>27176.05</b>	<b>40368.59</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	15850.24	16640.78
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	103.57	47.99
(b) total outstanding dues of creditors other than micro and small enterprises	6910.84	6272.39
(iii) Other financial liabilities	14017.14	13732.40
(b) Other current liabilities	7555.04	5723.85
(c) Provisions	2039.84	2354.93
(d) Current tax liabilities (net)	12.06	179.50
<b>Total current liabilities</b>	<b>46488.73</b>	<b>44951.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117159.66</b>	<b>125097.81</b>

**STEEL AUTHORITY OF INDIA LIMITED**  
**STANDALONE CASH FLOW STATEMENT**

(₹ Crore)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6879.03	3170.66
Adjustments for:		
Depreciation and amortisation expenses	4102.00	3755.05
Loss on disposal of fixed assets (net)	37.74	49.43
Interest income	(267.97)	(236.95)
Dividend income	(160.81)	(86.65)
Finance costs	2822.61	3387.02
Unrealised Loss/(Gain) on foreign exchange fluctuations	(5.47)	99.74
Loss/(Gain) on sale of non-current investments	(4.47)	(0.59)
Bad debts and provision for doubtful advances/receivables	92.69	76.12
Other provisions	169.26	212.86
Unclaimed balances and excess provisions written back	(283.10)	(406.97)
<b>Operating Profit before working capital changes</b>	<b>13381.51</b>	<b>10019.72</b>
<b>Changes in assets and liabilities:</b>		
Trade receivables	1619.90	(4385.41)
Loans, other financial assets and other assets	(682.87)	(102.42)
Trade payable	687.37	(937.77)
Other financial liabilities and other liabilities	4215.71	(526.38)
Provisions	102.00	(140.45)
Inventories	4094.62	(4490.81)
<b>Cash flow from operating activities post working capital changes</b>	<b>23418.24</b>	<b>(563.52)</b>
Income tax paid (net)	(22.36)	(87.05)
<b>Net cash flow from operating activities (A)</b>	<b>23395.88</b>	<b>(650.57)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment (including capital work-in-progress) and intangibles	(3827.26)	(4672.30)
Proceeds from sale/disposal of property, plant & equipment	142.98	223.23
Purchase of current and non-current investments	9.53	11.74
Movement in fixed deposits (net)	(2.30)	(24.99)
Interest received	125.45	139.55
Dividend received	160.81	86.65
<b>Net cash flows/(used) in investing activities (B)</b>	<b>(3390.79)</b>	<b>(4236.12)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	(15544.45)	2897.82
Proceeds from short-term borrowings (net)	(790.54)	6009.56
Finance cost paid	(2942.08)	(3653.78)
Dividend paid (including tax)	(413.05)	(248.07)
<b>Net cash flows/(used) in financing activities (C)</b>	<b>(19690.12)</b>	<b>5005.53</b>
<b>D. Net change in cash and cash equivalents (A+B+C)</b>	<b>314.97</b>	<b>118.84</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>153.43</b>	<b>34.59</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>468.40</b>	<b>153.43</b>

Significant non-cash movements in the borrowings during the year are as under:

Non cash changes					(₹ crore)
	As at 31.03.2020	Cash Flows	Fair Value Changes	Current/Non Current Classification	As at 31.03.2021
Borrowings- Non Current	34560.03	(15476.40)	2493.55	(1851.22)	19725.96
Current Maturities of Long Term Debt	2602.40	(2602.40)	-	1851.22	1851.22
Borrowings - Current	16640.78	(480.26)	(310.28)	-	15850.24
Finance Cost		(3047.86)	105.78		

The cash flow statement has been prepared using the Indirect Method as set out in Ind AS-7, Statement of Cash Flows. The accompanying notes are an integral part of these standalone financial statements.

**STEEL AUTHORITY OF INDIA LIMITED**

**CIN: L27109DL1973GO1006454**

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**Statement of Standalone Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2021**

₹ Crore unless stated otherwise

Sl. No.	Particulars	STANDALONE				
		Quarter ended			Year ended	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> December, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income</b>					
	(a) Revenue from operations	23286.00	19832.93	16171.79	69110.02	61660.55
	(b) Other income	320.06	216.29	457.01	1011.69	985.22
	<b>Total Income</b>	<b>23606.06</b>	<b>20049.22</b>	<b>16628.80</b>	<b>70121.71</b>	<b>62645.77</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	6496.86	6506.53	6665.75	23136.17	29212.87
	b) Changes in inventories of finished goods, work-in-progress and by-products	642.48	1009.19	(5082.72)	4268.58	(5555.82)
	c) Employee benefits expense	4070.84	2343.47	2751.80	10445.94	8781.32
	d) Finance costs	540.40	670.08	908.63	2817.14	3486.76
	e) Depreciation and amortisation expenses	1157.65	981.25	1055.21	4102.00	3755.05
	f) Other expenses	5922.93	4896.27	5377.20	18531.28	19023.17
	<b>Total Expenses</b>	<b>18831.16</b>	<b>16406.79</b>	<b>11675.87</b>	<b>63301.11</b>	<b>58703.35</b>
3	<b>Profit before Exceptional items and Tax</b>	<b>4774.90</b>	<b>3642.43</b>	<b>4952.93</b>	<b>6820.60</b>	<b>3942.42</b>
	<b>Add / (Less): Exceptional items</b>	(166.44)	2.48	(771.76)	58.43	(771.76)
4	<b>Profit before Tax</b>	<b>4608.46</b>	<b>3644.91</b>	<b>4181.17</b>	<b>6879.03</b>	<b>3170.66</b>
	<b>Less: Tax expense</b>					
	Current tax	11.57	0.48	224.14	12.05	224.14
	Deferred tax (refer note 8)	1153.09	2361.26	1231.87	3016.96	924.98
	<b>Total tax expense</b>	<b>1164.66</b>	<b>2361.74</b>	<b>1456.01</b>	<b>3029.01</b>	<b>1149.12</b>
5	<b>Net Profit for the period</b>	<b>3443.80</b>	<b>1283.17</b>	<b>2725.16</b>	<b>3850.02</b>	<b>2021.54</b>
	<b>Other Comprehensive Income (OCI)</b>					
A	(i) Items that will not be reclassified to profit or loss	357.44	12.47	(194.95)	374.16	(177.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(89.73)	(2.44)	65.65	(93.63)	61.90
6	<b>Total Comprehensive Income for the period</b>	<b>3711.51</b>	<b>1293.20</b>	<b>2595.86</b>	<b>4130.55</b>	<b>1905.83</b>
7	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53	4130.53
8	Other equity excluding revaluation reserve				39364.35	35646.85
9	Earnings per equity share (of ₹10/- each) (not annualised)					
	1. Basic (₹)	8.34	3.11	6.60	9.32	4.89
	2. Diluted (₹)	8.34	3.11	6.60	9.32	4.89
10	Debt Equity Ratio				0.87	1.36
11	Debt Service Coverage Ratio (Number of times)				0.36	0.34
12	Interest Service Coverage Ratio (Number of times)				2.86	1.83

**Note: Refer accompanying notes to the financial results.**

## 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 June, 2021. The financial results have been audited by the Statutory Auditors as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Audited Accounts are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. The figures for the quarter ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 respectively.
3. The COVID-19 pandemic outbreak and measures to curtail it had caused significant disturbances and slow down of economic activities, as a result of which the Company's operations had to be scaled down during the first quarter of financial year ended 31<sup>st</sup> March, 2021. Following the gradual normalization of economic activities, the Company is operating at normal capacity. In view of the positive economic environment seen across sectors, the management is of the belief that the trend is likely to continue in subsequent periods as well and the impact of COVID-19, if any, is not likely to be material.
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 31 <sup>st</sup> March, 2021	Financial Year ended 31 <sup>st</sup> March, 2021	Cumulative till 31 <sup>st</sup> March, 2021	Quarter ended 31 <sup>st</sup> March, 2020	Financial Year ended 31 <sup>st</sup> March, 2020	Cumulative till 31 <sup>st</sup> March, 2020
1566.75	6902.50	14952.22	2714.98	7634.55	8074.36

5. The long-term agreement for wage revision expired on 31st December, 2016. Keeping in view the affordability and financial sustainability clause in the Office Memorandums dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises in respect of Pay Revision of employees, the Company fulfils the criteria for implementation of wage revision w.e.f. 1st April, 2020. Accordingly, pending finalization/fresh agreement, an all-inclusive provision towards salaries and wages revision of ₹1145.71crore and ₹10.11crore have been charged to Statement of Profit and Loss and Expenditure during Construction respectively, on estimated basis.
6. The Company is carrying inventory of 42.60 million tonnes (previous year 42.98 million tonnes) of sub-grade iron-ore fines (SGFs) at its various mines. The low iron content of these fines has 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 inventories could neither be consumed nor sold, they had no economic value and therefore, no values were assigned to these sub-grade fines till 2018-19.

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, 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 vide opinion dated 19<sup>th</sup> May 2020, has 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 the Company 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 has opined vide their communication dated 6<sup>th</sup> June 2020 that the accumulated sub-grade fines may be regarded as a by-product and if it is determined to be an immaterial by-product, it may be valued at net realizable value as per Ind AS 2 – Inventories. The opinion of the EAC also clarified that, the increase in the carrying amount of such inventories due to the notification of the Central Government permitting sale should be recognized in the Statement of Profit and Loss in accordance with the requirements of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors being a change in accounting estimate.

The management took steps for quantitative verification of SGFs at each of the mines and carried out qualitative analysis (including gradation) for Fe content during the previous year and based on the aforesaid Order of the Central Government, Opinion of the Additional Solicitor General of India and the Opinion of the EAC of ICAI, the Company as at 31<sup>st</sup> March 2020 valued the inventory of SGFs of 42.98 million tonnes at NRV of ₹3,791.18 crore. The NRV was arrived at basis the estimates made by the management as per the average selling price (ASP) of similar SGFs declared by Indian Bureau of Mines (IBM), a Government of India organisation adjusted for royalty and other selling costs.

During the year, 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 and the same is in the advanced stages in the State of Jharkhand and which in view of the management are expected to be received soon. As a result, the management has been able to sell off such inventories in certain locations. While, on an overall basis during the current year, there has been insignificant movement (0.40 million tonnes) in the volume of such inventories, there is significant market demand for SGFs 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 a beneficiation plant in future that will consume significant volume of SGFs annually. Accordingly, in view of the management, there is no adjustment required in the carrying value of these inventories at this stage.

Considering the significant volume of such inventories, the management has during the year made a detailed assessment of volumes that are expected to be sold within 12 months from the end of the current year and has accordingly, classified a part of these inventories as non-current i.e. volumes that are expected to be sold beyond 12 months from the end of the current year. The carrying value of such inventories has also been pro-rated basis above assessment. Also, 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 cannot be adjusted for any unforeseeable

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

In line with the above accounting treatment for SGFs, the management has during the year done a quantitative verification of inventories of tailings at Barsua mines and carried out qualitative analysis (including gradation) for Fe content and valued the inventory of tailings of 3.97 million tonnes at NRV of ₹248.24 crore as at 31<sup>st</sup> March 2021 (including ₹204.47 crore classified as non-current inventories). The NRV has been arrived at basis the estimates made by the management as per the ASP of similar tailings declared by IBM adjusted for royalty and other selling costs. Further, the recent sales price trends for tailings also are indicative of considerable margins over and above the carrying value of such inventories. Accordingly, in view of the management, no further adjustment is required in the carrying value of these inventories as at 31<sup>st</sup> March 2021.

7. Pursuant to the introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, the Company has, during the year, opted for lower tax regime under the said Section for the financial year ended 31st March, 2020 and onwards. Consequently, the Company has charged off the Deferred Tax Assets arising due to MAT credit and restated the Deferred Tax Assets, based on the revised effective tax rate, resulting in one time charge of ₹1288.22 crore in the Statement of Profit and Loss, for the year ended 31st March, 2021.
8. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> November, 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 31<sup>st</sup> March, 2021, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard. During the year, the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 Scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes in the State of West Bengal and charged the same in the Statement of Profit and Loss under 'Exceptional Items'. Pending decision by the other Courts, disputed Entry Tax liabilities of ₹1373.42 crore have been treated by the Company as Contingent Liability (as on 31<sup>st</sup> March, 2020 - ₹1668.35 crore).
9. 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 28<sup>th</sup> December, 2020 to the aforesaid Application of DVC. Pending fixation of such Electricity Tariffs, disputed demands of DVC of ₹587.72 crore

upto 31<sup>st</sup> March, 2021 (upto 31st 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.

10. Exceptional items include :

- (i) Compensation on Voluntary Retirement of employees paid as per the Scheme during the current year ₹103.70 crore (during current quarter ₹ -1.10 crore)
- (ii) Deposit under the Settlement of Dispute, 2020 Scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax and sales tax disputes in the State of West Bengal during the current year ₹167.54 crore (during current quarter ₹167.54 crore).
- (iii) Reversal of write down due to Covid-19 impact on inventory of sub grade iron ore fines amounting to ₹329.67 crore recorded during the year ended 31<sup>st</sup> March, 2020 under 'Exceptional Items' (during current quarter Nil)

11. The Company has proposed a final dividend @ 18% of the paid-up equity share capital (i.e. ₹1.80 per equity share of ₹10/- each) for the Financial Year 2020-21 subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company. Earlier, the Company declared interim dividend @ 10% of the paid-up equity share capital (i.e. ₹1.00 per equity share of ₹10/- each).

12. Pursuant to notice dated 13<sup>th</sup> January, 2021 ("Notice") filed with the Stock Exchanges, President of India (Promoter), acting through the Ministry of Steel, Government of India proposed to sell up to 20,65,26,264 equity shares of the Company having face value of ₹10 each, representing 5% of the total paid-up equity share capital of the Company with an option to additionally sell up to 20,65,26,264 Equity Shares (representing 5% of the total paid-up equity share capital of the Company) (the "Oversubscription Option") through the separate designated window of BSE Limited ("BSE") and National Stock Exchange of India Limited. The promoter has exercised the Oversubscription Option, to the extent of additional 20,65,26,264 equity shares and in total sold 41,30,52,528 equity shares of the Company. Consequently, the Promoters holding in the Company has come down from 309,77,67,449 equity shares (75% of the Paid-up Equity Share Capital) to 268,47,14,921 equity shares (65% of Paid-up Equity Share Capital). The sale of equity shares was undertaken in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of shares by promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India ("SEBI").

13. The Auditors, in their Audit Report on the Standalone Financial Statements for the year ended 31st 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 31st 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 31st March, 2020.

In respect of these items the Company's position has been clarified in notes 8 and 9 above.



The disputed demands stated at (i) and (ii) above are being contested on valid and bona fide grounds and in view of the management, no provision is considered necessary in the financial results and the matters have been treated as contingent liabilities as it is not probable that present obligations exist as on 31<sup>st</sup> March, 2021.

14. Formulas used for computation of coverage ratios : Debt Service Coverage Ratio = Earnings before interest, exceptional items and tax/Interest expenses and principal repayment of long terms loans during the period; and Interest Service Coverage Ratio = Earnings before interest, exceptional items and tax/Interest expenses including transferred to Capital Work in Progress
15. 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

( Amit Sen )  
Director (Finance)

Place: New Delhi  
Dated: 10<sup>th</sup> June, 2021

# **I. Statement on Impact of Audit Qualifications for the FY ended 31<sup>st</sup> March, 2021**

**(₹ in crore)**

SL. No.	Particulars	Standalone		Consolidated	
		Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)	Audited figures* (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
1.	Turnover /Total Income (₹/crore)	70,121.71	70,121.71	69,974.28	69,974.28
2.	Total Expenditure (₹/crore)	63,301.44	65,262.58	63,294.80	65,255.94
3.	Net Profit/(Loss) (₹/crore)	3,850.02	2,382.46	4,148.13	2,680.57
4.	Earnings Per Share (In ₹)	9.32	5.77	10.04	6.49
5.	Total Assets (₹/crore)	1,17,159.66	1,17,653.24	1,19,245.87	1,19,739.45
6.	Total Liabilities (₹/crore)	73,664.78	75,625.92	73,839.64	75,800.78
7.	Net Worth (₹/crore)	43,494.88	42,027.32	45,406.23	43,938.67
8.	Any other financial item(s) (as felt appropriate by the management)	-	-	-	-

Contd../

II.	Audit Qualification (each audit qualification separately):	Standalone	Consolidated
	a. <b>Details of Audit Qualification:</b>	The Company has not provided for : i) Entry Tax amounting to ₹1092.28 crore in the State of Chhattisgarh, ₹241.00 crore in the State of Odisha, ₹40.14 crore in the State of Jharkhand. (ii) demands of ₹587.72 crore by DVC for supply of electricity.	The Company has not provided for : i) Entry Tax amounting to ₹1092.28 crore in the State of Chhattisgarh, ₹241.00 crore in the State of Odisha, ₹40.14 crore in the State of Jharkhand. (ii) demands of ₹587.72 crore by DVC for supply of electricity.
	b. <b>Type of Audit Qualification</b> : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	Qualified Opinion
	c. <b>Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing	No. (i) and (ii) repetitive and Continuing from the FY 2012-13.	No. (i) and (ii) repetitive and Continuing from the FY 2012-13.
	d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	Yes, the impact has been quantified by the Auditors.  In respect of items stated at (i) & (ii), the Company's view is that these cases are sub-judice for a long time and pending for adjudication before the various judicial authorities. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist as on 31 <sup>st</sup> March, 2021. In respect of item (i), the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes in the State of West Bengal. In respect of item (ii) DVC 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 28.12.2020 to the aforesaid Application of DVC.	Yes, the impact has been quantified by the Auditors.  In respect of items stated at (i) & (ii), the Company's view is that these cases are sub-judice for a long time and pending for adjudication before the various judicial authorities. The disputed demands, contested on valid and bonafide grounds, have been disclosed as contingent liabilities as it is not probable that present obligations exist as on 31 <sup>st</sup> March, 2021. In respect of item (i), the Company has deposited an amount of ₹160.80 crore under the Settlement of Dispute, 2020 scheme brought by Directorate of Commercial Taxes, Government of West Bengal for settling entry tax disputes in the State of West Bengal. In respect of item (ii) DVC 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 28.12.2020 to the aforesaid Application of DVC.
	e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	Not applicable	Not applicable
	(i) <b>Management's estimation on the impact of audit qualification:</b>	Not applicable	Not applicable
	(ii) <b>If management is unable to</b>	Not applicable	Not applicable

	<b>estimate the impact, reasons for the same:</b>		
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>		
<b>III.</b>	<b>Signatories:</b>		
	<ul style="list-style-type: none"> <li><b>CEO/Managing Director</b></li> </ul>	(Soma Mondal)	
	<ul style="list-style-type: none"> <li><b>CFO</b></li> </ul>	(Amit Sen)	
	<ul style="list-style-type: none"> <li><b>Audit Committee Chairman</b></li> </ul>	(Krishan Kumar Gupta)	
	<ul style="list-style-type: none"> <li><b>Statutory Auditors</b></li> </ul>	<b>For Tej Raj &amp; Pal</b>  Chartered Accountants Firm Registration No. 304124E  (CA. P. Venugopala Rao) Partner (M.No. 10905) Place : Bhubhaneswar	<b>For S. Jaykishan</b>  Chartered Accountants Firm Registration No. 309005E  (CA. Ritesh Agarwal) Partner (M.No. 062410) Place : Kolkata
		<b>For Walker Chandiok &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013  (Neeraj Sharma) Partner (M.No. 502103) Place : New Delhi	<b>For KASG &amp; Co.</b> Chartered Accountants Firm Registration No. 002228C  (Bharat Goel) Partner M.No. 060069 Place : Kolkata
	<b>Date: 10<sup>th</sup> June, 2021</b>		

<b>STEEL AUTHORITY OF INDIA LIMITED</b>					
<b>CIN: L27109DL1973GO1006454</b>					
<b>REGISTERED OFFICE: ISPAT BHAWAN, LODI ROAD, NEW DELHI - 110 003</b>					
<b>Tel: +91 11-24367481, Fax: +91- 11 24367015, E-mail: investor.relation@sail.in, Website: www.sail.co.in</b>					
<b>STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES</b>					
₹ Crore unless stated otherwise					
<b>Particulars</b>	<b>STANDALONE</b>				
	<b>Quarter ended</b>			<b>Year ended</b>	
	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> December, 2020</b>	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Segment revenue from operations</b>					
- Bhilai Steel Plant	6563.17	5672.71	5433.56	19858.68	19486.57
- Durgapur Steel Plant	2750.57	2563.85	2058.26	8788.14	7727.08
- Rourkela Steel Plant	5341.61	4575.22	3183.83	15146.23	12537.94
- Bokaro Steel Plant	5785.22	4924.20	3423.46	16443.77	13412.36
- IISCO Steel Plant	2693.05	2145.27	1996.61	8309.23	7752.11
- Alloy Steels Plant	187.93	157.39	137.46	553.15	714.40
- Salem Steel Plant	543.20	542.61	332.71	1713.27	1573.55
- Visvesvaraya Iron & Steel Plant	76.55	43.31	24.05	168.32	100.59
- Others	2199.90	1586.96	1246.62	6025.88	4733.25
Total segment revenue	26141.20	22211.52	17836.56	77006.67	68037.85
Less: Inter-segment revenue	2855.20	2378.59	1664.77	7896.65	6377.30
<b>Net revenue from operations</b>	<b>23286.00</b>	<b>19832.93</b>	<b>16171.79</b>	<b>69110.02</b>	<b>61660.55</b>
<b>Segment results (Profit / (Loss) before interest, exceptional items and tax)</b>					
- Bhilai Steel Plant	1149.03	771.20	1669.86	2301.63	3398.94
- Durgapur Steel Plant	500.16	451.58	45.78	973.19	(107.87)
- Rourkela Steel Plant	1601.64	1068.36	468.71	2598.92	321.20
- Bokaro Steel Plant	1566.90	1056.54	267.90	2487.29	468.53
- IISCO Steel Plant	848.04	147.24	(25.21)	513.30	(432.97)
- Alloy Steels Plant	(7.81)	(12.21)	(23.77)	(70.83)	(63.71)
- Salem Steel Plant	28.74	11.27	(29.72)	(54.20)	(227.93)
- Visvesvaraya Iron & Steel Plant	(1.70)	(7.01)	(11.27)	(50.06)	(73.85)
- Others	(369.70)	825.54	3499.28	938.50	4146.84
<b>Total</b>	<b>5315.30</b>	<b>4312.51</b>	<b>5861.56</b>	<b>9637.74</b>	<b>7429.18</b>
Less: Finance costs	540.40	670.08	908.63	2817.14	3486.76
Less: Exceptional items	166.44	(2.48)	771.76	(58.43)	771.76
<b>Profit before Tax</b>	<b>4608.46</b>	<b>3644.91</b>	<b>4181.17</b>	<b>6879.03</b>	<b>3170.66</b>
<b>Segment Assets</b>					
- Bhilai Steel Plant	31082.15	31409.84	32783.83	31082.15	32783.83
- Durgapur Steel Plant	6232.20	6392.58	6892.20	6232.20	6892.20
- Rourkela Steel Plant	20559.57	20805.06	21078.70	20559.57	21078.70
- Bokaro Steel Plant	15590.03	14910.60	16174.56	15590.03	16174.56
- IISCO Steel Plant	16551.10	16625.87	18106.14	16551.10	18106.14
- Alloy Steels Plant	545.00	532.56	564.29	545.00	564.29
- Salem Steel Plant	2300.83	2392.97	2485.32	2300.83	2485.32
- Visvesvaraya Iron & Steel Plant	326.76	323.85	347.12	326.76	347.12
- Others	22177.30	24461.66	22852.44	22177.30	22852.44
Unallocated Assets	1794.72	1780.50	3813.21	1794.72	3813.21
<b>Total</b>	<b>117159.66</b>	<b>119635.49</b>	<b>125097.81</b>	<b>117159.66</b>	<b>125097.81</b>
<b>Segment Liabilities</b>					
- Bhilai Steel Plant	8691.03	8424.91	8530.29	8691.03	8530.29
- Durgapur Steel Plant	2823.31	2710.80	2549.61	2823.31	2549.61
- Rourkela Steel Plant	4433.30	4589.02	4230.47	4433.30	4230.47
- Bokaro Steel Plant	3316.36	2679.01	3185.82	3316.36	3185.82
- IISCO Steel Plant	1548.56	1632.17	1512.93	1548.56	1512.93
- Alloy Steels Plant	213.34	211.28	202.62	213.34	202.62
- Salem Steel Plant	439.49	406.60	312.33	439.49	312.33
- Visvesvaraya Iron & Steel Plant	46.15	53.46	56.15	46.15	56.15
- Others	31162.06	32349.52	30000.68	31162.06	30000.68
Unallocated Liabilities	20991.18	26382.30	34739.53	20991.18	34739.53
<b>Total</b>	<b>73664.78</b>	<b>79439.07</b>	<b>85320.43</b>	<b>73664.78</b>	<b>85320.43</b>
<b>Note :</b>					
Operating Segments have been identified in line with the Ind AS 108 - Operating Segments.					