



FAX MESSAGE

No.CA-17(44)/2018

February 8, 2018

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

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

Sub: Unaudited Financial Results for the quarter/nine months ended 31st December, 2017,

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

Dear Sir,

The Board of Directors at its meeting held today i.e. 8th February, 2018, inter-alia, considered and approved the Unaudited Standalone Financial Results for the quarter/nine months ended 31st December, 2017 alongwith segment information.


Pursuant to Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Unaudited Standalone Financial Results for the quarter/nine months ended 31st December, 2017 alongwith segment information and the Limited Review Report by the Statutory Auditors thereon is enclosed herewith. A copy of Press Release is also enclosed herewith.

The meeting commenced at 1130 hrs. and concluded at 1745 hrs.

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

Thanking you,

Yours faithfully,
For Steel Authority of India Limited


(M.C. Jain)
ED(F&A) & Secretary

Encl. As above.

STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December 2017

₹ Crore unless stated otherwise

Sl. No	Particulars	Quarter ended			Nine Months ended		Year ended
		31 st Dec, 2017	30 th Sept, 2017	31 st Dec, 2016	31 st Dec, 2017	31 st Dec, 2016	31 st March, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	15323.65	13617.42	12619.65	41924.53	35532.92	49767.10
	(b) Other income	119.48	48.63	68.82	257.42	226.26	535.61
	Total Income	15443.13	13666.05	12688.47	42181.95	35759.18	50302.71
2	Expenses						
	a) Cost of Materials consumed	6718.45	6265.06	5813.61	19192.22	13896.53	21125.70
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	773.79	351.80	(331.75)	1026.37	447.43	120.63
	c) Excise duty	-	-	1321.46	1403.90	3771.05	5314.69
	d) Employee benefits expense	2187.25	2327.84	2343.27	6532.81	6866.77	8947.83
	e) Finance costs	674.51	643.47	610.83	1905.84	1807.64	2527.82
	f) Depreciation and amortisation expenses	759.55	762.22	669.94	2216.44	1936.02	2679.95
	g) Other expenses	4203.96	3758.45	3515.82	11498.66	10248.70	14220.21
	Total Expenses	15317.51	14108.84	13943.18	43776.24	38974.14	54936.83
3	Profit / (Loss) before Exceptional items and Tax	125.62	(442.79)	(1254.71)	(1594.29)	(3214.96)	(4634.12)
	Add: Exceptional items	(43.35)	(297.54)	1.14	(351.01)	(217.07)	(216.74)
4	Profit / (Loss) before Tax	82.27	(740.33)	(1253.57)	(1945.30)	(3432.03)	(4850.86)
	Less: Tax expense						
	Deferred tax	3.38	(201.27)	(473.87)	(683.75)	(1385.23)	(2032.76)
	Earlier years	35.73	-	15.14	35.73	15.14	15.14
5	Net Profit / (Loss) for the period	43.16	(539.06)	(794.84)	(1297.28)	(2061.94)	(2833.24)
	Other Comprehensive Income (OCI)						
	(i) Items that will not be reclassified to profit or loss	5.50	0.59	(262.95)	11.61	(261.12)	(542.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.18)	0.15	78.23	(2.13)	77.86	188.42
6	Total Comprehensive Income / (Loss) for the period	47.48	(538.32)	(979.56)	(1287.80)	(2245.20)	(3186.84)
7	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53	4130.53	4130.53
8	Reserves excluding Revaluation Reserve						31878.53
9	Earnings per equity Share (of ₹ 10/- each) (not annualised)						
	1. Basic (₹)	0.10	(1.31)	(1.92)	(3.14)	(4.99)	(6.86)
	2. Diluted (₹)	0.10	(1.31)	(1.92)	(3.14)	(4.99)	(6.86)

Note: Refer accompanying notes to the financial results.



STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ Crore unless stated otherwise

Particulars	STANDALONE					
	Quarter ended			Nine Months ended		Year ended
	31 st Dec, 2017	30 th Sept, 2017	31 st Dec, 2016	31 st Dec, 2017	31 st Dec, 2016	31 st March, 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue (Revenue from Operations)						
- Bhilai Steel Plant	4261.42	3765.68	3829.07	11913.46	10733.23	14926.60
- Durgapur Steel Plant	2110.31	1659.96	1723.24	5061.07	4729.31	6447.73
- Rourkela Steel Plant	3247.20	2941.57	2627.20	8850.24	7148.03	10060.90
- Bokaro Steel Plant	3693.63	3454.12	2836.49	10528.94	8675.35	12221.67
- IISCO Steel Plant	1716.61	1559.63	1195.81	4707.97	3264.39	4779.38
- Alloy Steels Plant	160.19	137.51	157.14	470.13	477.94	616.92
- Salem Steel Plant	436.15	311.29	563.58	1067.66	1524.81	2032.36
- Visvesvaraya Iron & Steel Plant	36.52	37.03	50.20	120.27	141.55	196.99
- Others	1077.91	919.88	898.61	2983.66	2539.67	3521.65
Total Segment Revenue	16739.94	14786.67	13881.34	45703.40	39234.28	54804.20
Less: Inter-Segment Revenue	1416.29	1169.25	1261.69	3778.87	3701.36	5037.10
Net Revenue from Operations	15323.65	13617.42	12619.65	41924.53	35532.92	49767.10
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)						
- Bhilai Steel Plant	179.62	303.52	(91.51)	674.91	201.99	546.87
- Durgapur Steel Plant	68.75	(50.28)	(210.65)	(206.36)	(404.06)	(724.42)
- Rourkela Steel Plant	287.57	56.79	(84.61)	(33.88)	(491.31)	(703.22)
- Bokaro Steel Plant	314.41	49.82	8.97	250.64	33.55	251.85
- IISCO Steel Plant	(158.02)	(165.34)	(323.73)	(601.14)	(878.35)	(1326.32)
- Alloy Steels Plant	(3.95)	(6.65)	(5.69)	(11.98)	(9.34)	(1.78)
- Salem Steel Plant	(7.79)	(36.50)	(20.22)	(96.44)	(83.67)	(112.45)
- Visvesvaraya Iron & Steel Plant	(31.77)	(31.28)	(29.13)	(93.31)	(89.68)	(114.88)
- Others	151.31	80.60	112.69	429.11	313.55	78.05
Total	800.13	200.68	(643.88)	311.55	(1407.32)	(2106.30)
Less: Interest Expenses	674.51	643.47	610.83	1905.84	1807.64	2527.82
Less: Exceptional items	43.35	297.54	(1.14)	351.01	217.07	216.74
Profit / (Loss) before Tax	82.27	(740.33)	(1253.57)	(1945.30)	(3432.03)	(4850.86)
Segment Assets						
- Bhilai Steel Plant	27894.95	27983.99	26095.00	27894.95	26095.00	27079.13
- Durgapur Steel Plant	6325.76	6387.19	5877.27	6325.76	5877.27	6006.72
- Rourkela Steel Plant	19348.94	18774.92	18475.72	19348.94	18475.72	18906.12
- Bokaro Steel Plant	13888.13	13856.66	14207.14	13888.13	14207.14	14437.15
- IISCO Steel Plant	18806.16	18512.67	18921.55	18806.16	18921.55	18836.19
- Alloy Steels Plant	531.05	539.96	611.89	531.05	611.89	600.26
- Salem Steel Plant	2351.58	2395.28	2558.38	2351.58	2558.38	2554.16
- Visvesvaraya Iron & Steel Plant	558.98	586.43	707.92	558.98	707.92	678.16
- Others	21110.81	21793.68	16830.25	21110.81	16830.25	17441.58
Total	110816.36	110830.78	104285.12	110816.36	104285.12	106539.47
Segment Liabilities						
- Bhilai Steel Plant	7177.30	7450.99	6938.28	7177.30	6938.28	6872.38
- Durgapur Steel Plant	2379.81	2289.17	2084.98	2379.81	2084.98	2060.83
- Rourkela Steel Plant	3864.14	3674.42	3708.42	3864.14	3708.42	3821.43
- Bokaro Steel Plant	3959.83	3802.24	3534.01	3959.83	3534.01	3284.97
- IISCO Steel Plant	2134.09	1599.60	1453.96	2134.09	1453.96	1577.12
- Alloy Steels Plant	219.48	212.18	244.33	219.48	244.33	232.30
- Salem Steel Plant	339.66	404.18	389.98	339.66	389.98	372.66
- Visvesvaraya Iron & Steel Plant	107.85	121.74	165.41	107.85	165.41	151.41
- Others	31178.65	37119.29	31208.32	31178.65	31208.32	33069.83
Unallocated Liabilities	24734.68	19483.19	17885.12	24734.68	17885.12	19087.48
Total	76095.49	76157.00	67612.81	76095.49	67612.81	70530.41

Note :

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

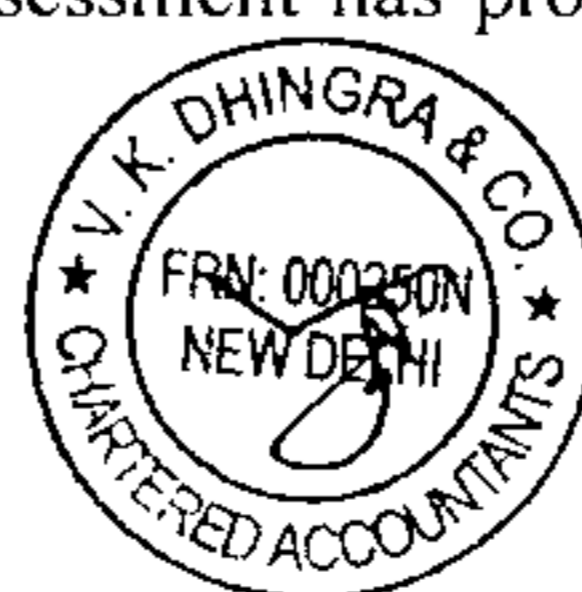
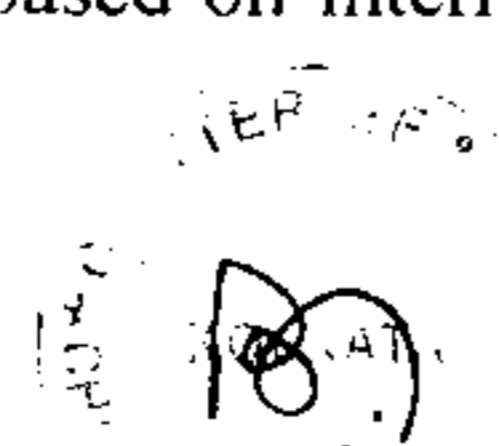


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Notes to Financial Results:

1. The results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their Meeting held on 8th February, 2018.
2. The results have been reviewed by the Statutory Auditors, as required under Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3. Revenue from operations for the periods up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST). In accordance with 'Ind AS 18- Revenue', GST is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the Quarter and Nine Months ended on 31st December, 2017 are not comparable with the previous periods.
4. Sales include sale to Government Agencies recognized on provisional contract prices during the Nine Months ended 31st December, 2017: ₹3664.62 crore (corresponding Nine Months of previous year: ₹2816.80 crore) and cumulatively up to 31st December, 2017: ₹11145.49 crore (31st December, 2016: ₹17629.45 crore).
5. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11.11.2016, has upheld the constitutional validity of Entry Tax Act enacted by various States and has laid down principles/tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 31st December, 2017, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts. Pending decisions of the said Courts, disputed entry tax liabilities of ₹1716.58 crores have been treated by the Company as contingent liabilities. (Amount of disputed entry tax liabilities as on 31st December, 2016 was ₹1766.50 crores).
6. Pending decision by various judicial Authorities in the determination of the electricity tariff, claims of ₹587.72 crore up to 31st March, 2017 made by Damodar Valley Corporation (DVC) in respect of electricity supplied to one Plant of the Company, the amount whereof has been paid to DVC, have been treated as contingent liabilities. Further, from 1st April, 2017 onwards, full invoice value has been considered in the above Financial Results.
7. Exceptional Items for the current Quarter and Nine Months include :
 - (I) Pursuant to the Hon'ble Supreme Court Judgment dated 2nd August, 2017 in the Common Cause matter regarding illegal mining:-
 - (a) Government of Odisha and Government of Jharkhand have issued demand/Show cause notices amounting to ₹1691.20 crore in respect of Iron Ore. Against the above demands, the Company based on internal assessment has provided ₹329.68 crore during



the quarter ended 30th September, 2017. Balance amount of ₹1361.52 crore has been treated as contingent liability.

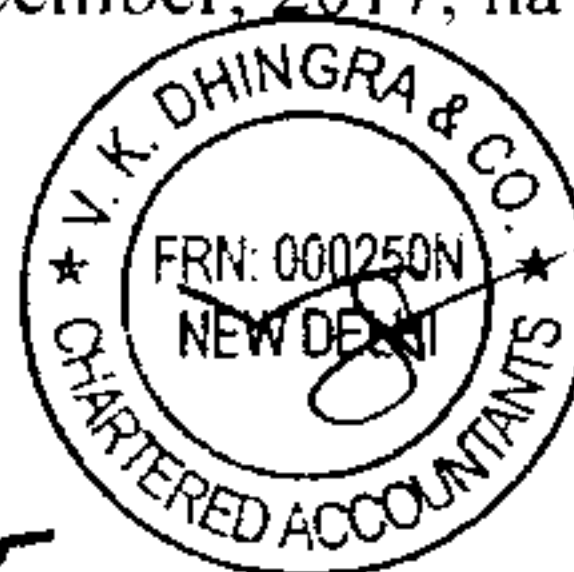
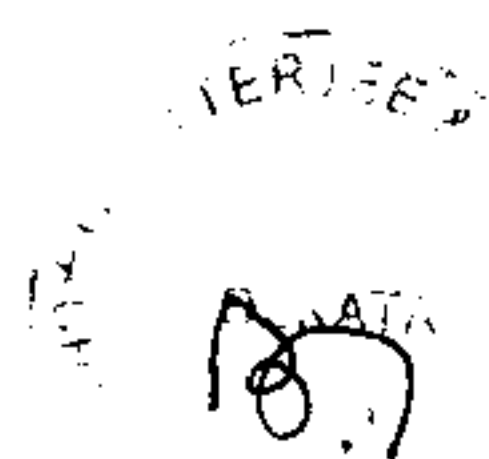
(b) Government of Jharkhand has issued demand/Show cause notices amounting to ₹19.14 crore in respect of Limestone during the current Quarter. Against the above demands, the Company based on internal assessment has provided ₹6.86 crore during the current quarter ended 31st December, 2017. Balance amount of ₹12.28 crore has been treated as contingent liability.

(c) Government of Jharkhand has issued demand/Show cause notices amounting to ₹333.42 crore during the current Quarter in respect of Coal. Revision Application has been filed under Rule 55 (5) of Mineral Concessions Rule, 1960 read with Section 30 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). The Revisional Authority, Ministry of Coal, has granted Stay on similar matter to other Parties, accordingly pending disposal the amount of ₹333.42 crore has been treated as Contingent Liability..

(II) Consequent to the judgement of Hon'ble Supreme Court dated 13th October, 2017 and further interpreted by Hon'ble High Court of Bilaspur vide order dated 24th November, 2017 (to which the Company is not a party), in the matter of establishment of District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Act, 1957 and prospective contribution required to be made to the DMF by the holder of a mining lease or a prospecting licence-cum-mining lease in addition to the payment of royalty, an amount of ₹20.85 crore has been written back during the current quarter (₹ 261.76 crore during the nine months ended 31st December, 2017), for which such levy was held not applicable.

(III) Compensation paid on Voluntary Retirement of employees as per the Scheme amounting to ₹57.33 crore and ₹276.23 crore during current Quarter and Nine Months respectively.

8. Pending finalization of Salary and Wage agreements w.e.f. 1st January 2017, an all-inclusive cumulative provision towards salary & wage revision (including consequential benefits) of ₹433.35 crore up to 31st December, 2017 (up to 31st March, 2017: ₹107.15 crore) has been charged to 'Employee benefits expense' on estimated basis.
9. In view of the various measures being implemented by the Government to uplift the Steel Industry and to boost the demand coupled with steps being taken by the Company to reduce the cost, improvement in the efficiency/productivity, the Company is certain that it will be able to improve its physical and financial performance in future. Accordingly, the Company is of the opinion that it is probable that sufficient future taxable profit would be available against which the unabsorbed tax losses can be set off. Consequent to which, Deferred Tax Assets (net) of ₹645.89 crore (including ₹nil crore on unabsorbed business losses) during the current Nine Months and ₹4651.73 crore (including ₹3374.79 crore on unabsorbed business losses) up to 31st December, 2017, have been recognised.



10. (a) Pending finalisation of domestic coal prices of Washed Medium Coking Coal (MCC) with Central Coalfields Limited (CCL) for the FY 2017-18, the same has been accounted for in line with prices settled with Bharat Coking Coal Limited (BCCL) for washed MCC, which is lower by ₹154.77 Crore as against the billed amount.

(b) Differential price as claimed by Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) for coal supplies from 13/14th January, 2017 to 31st March, 2017, amounting to ₹334.45 crore, being the amount billed over and above MoU agreed prices has not been accounted for.

(c) Pending discussion and finalisation, the above liability of ₹489.22 crore has been considered as contingent liability.

11. The Auditors, in their Audit Report on the Standalone Financial Statement for the Year ended 31st March, 2017, have brought out that the Company has not provided for:

i) Entry Tax amounting to ₹1092.28 crore, ₹352.16 crore, ₹92.23 crore, ₹5.15 crore and ₹254.21 crore in the State of Chhattisgarh, Odisha, Uttar Pradesh, Jharkhand and West Bengal respectively.;


ii) Demands of ₹587.72 crore by DVC for supply of electricity.

In respect of items stated at (i) above, the matters are pending before Hon'ble Supreme Court/ various jurisdictional High Courts as on 31st December, 2017. Pending decisions of the said Courts, disputed entry tax liabilities have been treated by the Company as contingent liabilities.

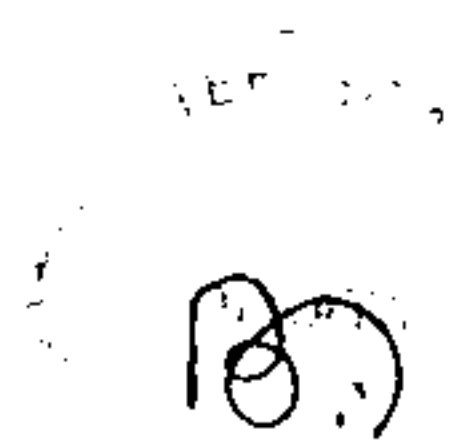
In respect of item stated at (ii) above, the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time and outcome is pending.

The above stated disputed demands, contested on valid and bonafide grounds, have been treated as contingent liabilities as it is not probable that present obligations exist as on 31st December, 2017. Therefore, there is no adverse impact on loss for the quarter/nine months.

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


(Anil Kumar Chaudhary)
Director (Finance)

Place: New Delhi
Dated: 8th February, 2018



Extract of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December 2017

₹ Crore unless stated otherwise


Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended 31 st March, 2017
		31 st Dec, 2017	30 th Sept, 2017	31 st Dec, 2016	31 st Dec, 2017	31 st Dec, 2016	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Total Income from Operations	15323.65	13617.42	12619.65	41924.53	35532.92	49767.10
2	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items)	125.62	(442.79)	(1254.71)	(1594.29)	(3214.96)	(4634.12)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and / or Extraordinary items)	82.27	(740.33)	(1253.57)	(1945.30)	(3432.03)	(4850.86)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and / or Extraordinary items)	43.16	(539.06)	(794.84)	(1297.28)	(2061.94)	(2833.24)
5	Total Comprehensive Income / (Loss) for the period [Comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	47.48	(538.32)	(979.56)	(1287.80)	(2245.20)	(3186.84)
6	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53	4130.53	4130.53
7	Reserves excluding Revaluation Reserve						31878.53
8	Earnings per Share (of ₹10/- each) (not annualised)						
	1. Basic (₹)	0.10	(1.31)	(1.92)	(3.14)	(4.99)	(6.86)
	2. Diluted (₹)	0.10	(1.31)	(1.92)	(3.14)	(4.99)	(6.86)

Note:

1) The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th February, 2018 and the same have also been subject to a limited review by the statutory Auditors of the Company.

2) The above is an extract of the detailed format of unaudited Financial Results for the Quarter and Nine months ended 31st December, 2017 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of these Financial Results are available on the Stock Exchange websites of NSE and BSE at www.nseindia.com and www.bseindia.com respectively and under the Investor Relations section on the Company's website www.sail.co.in.

For and on behalf of Board of Directors


(Anil Kumar Chaudhary)
Director (Finance)

Place: New Delhi

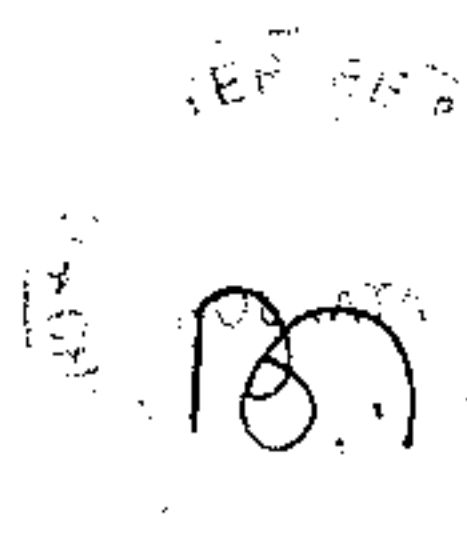
Dated: 8th February, 2018

1.	Singhi & Co., Chartered Accountants, 161, Sarat Bose Road, <u>Kolkata-700026</u>	2.	Chatterjee & Co., Chartered Accountants, 153, Rash Behari Avenue, 3 rd Floor, <u>Kolkata-700029</u>	3.	V.K. Dhingra & Co., Chartered Accountants, 1-E/15, Jhandewalan Extn., <u>New Delhi-110055</u>	4.	A.K.Sabat & Co., Chartered Accountants, A-348, Sahid Nagar, <u>Bhubaneswar 751007</u>
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Independent Auditors' Review Report

To
The Board of Directors,
Steel Authority of India Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results (the 'Statement') of **Steel Authority of India Limited** ("the Company") for the quarter and nine months ended 31st December, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard- 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We did not review the financial results of 8 branches/ units included in the Statement. The financial results of these branches/ units have been reviewed by the branch auditors whose review reports have been furnished to us, and our conclusion in so far as relates to the amounts and disclosures included in respect of these branches, is based solely on the review report of such branch auditors.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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5. Basis for Qualified Conclusion

I. The Company has not provided for :

(i) Entry tax amounting to Rs.1,716.58 crore (current nine-months Rs. NIL crore) (Refer Note No. 5);

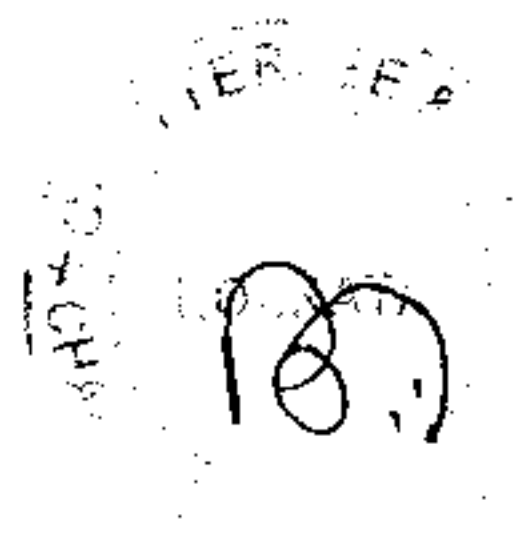
(ii) Amount paid to Damodar Valley Corporation (DVC) against bills raised for supply of power and retained as advance to DVC by one steel Plant amounting to Rs. 587.72 crore (current nine months Rs. NIL) (Refer Note No.6);

II. The Company has recognized Deferred Tax Assets ("DTA") of Rs.3,374.79 crore on carried forward unused tax losses (excluding depreciation carried forward) as on 31st December, 2017. In view of history of recent losses of the Company and in absence of convincing evidence that sufficient future taxable profit for utilizing the above referred carried forward unused tax losses will be available, in our view such DTA should have been derecognized. (Refer Note No.9).

Had the impact of all the above qualifications been considered, Loss (net of tax) for the nine months ended 31st December, 2017 would have been Rs.6,966.89 crore as against reported Loss for the nine months Rs.1,287.80 crore and Loss (net of tax) for the quarter ended 31st December, 2017 would have been Rs.5,631.61 crore as against reported Profit for the quarter Rs.47.48 crore.

6. Qualified Conclusion

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



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7. **Emphasis of Matter**

We draw attention to the following:

Sales include sales to Government agencies for Rs.3,664.62 crore for the nine months ended 31st December, 2017 (cumulative up to 31st December, 2017 Rs.11,145.49 crore) which is recognized on provisional contract prices (Refer Note No. 4).

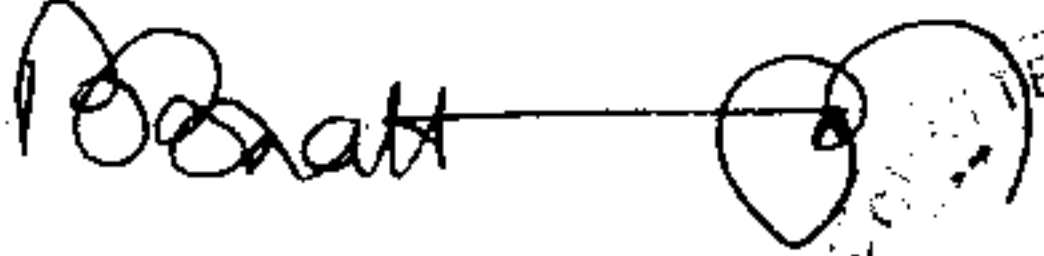
Our opinion is not qualified in respect of this matter.

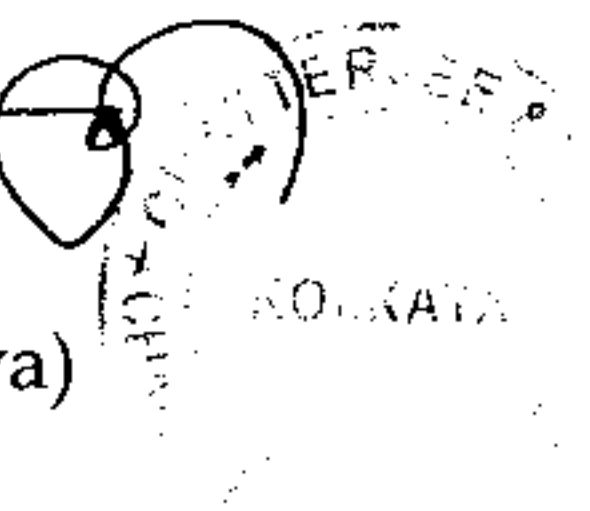
For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E


(Shrenik Mehta)
Partner
M.No.063769



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


(Bedanta Bhattacharya)
Partner
M.No.060855





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


(Vipul Girotra)
Partner
M.No. 084312



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


(A.K. Sabat)
Partner
M.No.030310



Date: 08th February, 2018
Place: New Delhi

Press Release

- **SAIL turns around with profit in Q3FY18, Recording seven consecutive operational improvements**

New Delhi, February 08, 2018: Steel Authority of India Ltd. (SAIL) has earned Profit Before Tax (PBT) of Rs 82 Crore in the third quarter of this current financial year (Q3FY18) after ten quarters. This marks an evident step in the turnaround of the Company which continually thwarted challenges and has steadily moved forward towards profitability. Maintaining strong and EBIDTA positive performance for seven consecutive quarters in Q3FY18 also SAIL has registered EBITDA of Rs 1571 Crore, which is a phenomenal jump as against EBITDA of Rs 35 Crore during CPLY. Likewise, the EBITDA per tonne of steel for the current quarter at Rs 4162 is significantly higher over CPLY, which was at Rs 107 and even sequentially, it grew more than 50% over the Q2FY18. Steadily intensifying production ramp up from its new mills, SAIL is targeting higher sales volume coupled with more value added and enriched products. Company's strategic planning on production and marketing front, including newer domestic and potential export destinations, has helped SAIL achieve the strong result and start its journey of returning to profits.

During April-December'17 (9MFY18) SAIL achieved a net turnover of Rs 40,091 Crore, which is a growth of 28% over CPLY. Company's total saleable steel sales volume of 3.77 Million Tonnes (MT) in the Q3FY18 rose 15% over CPLY and registered 7% growth in 9MFY18 over CPLY. In 9MFY18, the Company achieved highest ever saleable steel production of 10.461 MT. The energy efficient technologies installed under modernization and expansion also helped to improve the techno-economics of the entire production and in Q3FY18 best ever quarterly Coke rate with 4% reduction over CPLY, 17% improved CDI and 3% higher Blast Furnace productivity over CPLY has been achieved. Ramping up production through efficient routes, the Company successfully reduced its manpower cost per tonne of steel by 10% during 9MFY18 over CPLY.

On this occasion, Chairman, SAIL, Shri PK Singh told "The entire SAIL workforce has been dedicatedly working towards improving the Company's performance. The process of turnaround had already started where we continually registered improvement in SAIL's EBITDA through various initiatives taken by management and internalised by SAIL collective. SAIL's third quarter result of FY18 is an amalgamation of higher production, improving efficiencies, focused marketing, cost control initiatives, a massive two way company-wide communication exercise and most importantly a collective effort and active participation of our committed employees to get back to profits." Stressing on SAIL modernization he added, "As we enter into the sixtieth year of production in February, 2018, we have almost completed our balance modernization projects resulting into further capacity addition. SAIL is focussed on first production to capacity and then production to potential beyond capacity. With stabilization of downstream facilities also converging simultaneously, we are in a position to offer an array of value added products to market which are developed keeping in mind the requirement of various steel intensive sectors."