



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

FAX MESSAGE

No.CA-17(44)/2017

November 9, 2017

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/half year ended 30th September, 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. 9th November, 2017, inter-alia, considered and approved the Unaudited Standalone Financial Results for the quarter/half year ended 30th September, 2017 alongwith segment information.

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

- Unaudited Standalone Financial Results for the quarter/half year ended 30th September, 2017 alongwith segment information and the Limited Review Report by the Statutory Auditors.
- Certificate for receipt and noting of information from IDBI Trusteeship Services Ltd. under Regulation 52(5) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Half Year ended 30th September 2017

₹ Crore unless stated otherwise

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended 31 st March, 2017
		30 th Sept, 2017	30 th June, 2017	30 th Sept, 2016	30 th Sept, 2017	30 th Sept, 2016	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income						
	(a) Revenue from operations	13617.42	12983.46	12577.60	26600.88	22913.27	49767.10
	(b) Other income	48.63	89.31	68.16	137.94	157.44	535.61
	Total Income	13666.05	13072.77	12645.76	26738.82	23070.71	50302.71
2	Expenses						
	a) Cost of Materials consumed	6265.06	6208.71	4152.60	12473.77	8082.92	21125.70
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	351.80	(99.22)	1506.80	252.58	779.18	120.63
	c) Excise duty	-	1403.90	1352.00	1403.90	2449.59	5314.69
	d) Employee benefits expense	2327.84	2017.72	2134.95	4345.56	4523.50	8947.83
	e) Finance costs	643.47	587.86	602.76	1231.33	1196.81	2527.82
	f) Depreciation and amortisation expenses	762.22	694.67	665.87	1456.89	1266.08	2679.95
	g) Other expenses	3758.45	3536.25	3319.82	7294.70	6732.88	14220.21
	Total Expenses	14108.84	14349.89	13734.80	28458.73	25030.96	54936.83
3	Profit / (Loss) before Exceptional items and Tax	(442.79)	(1277.12)	(1089.04)	(1719.91)	(1960.25)	(4634.12)
	Add: Exceptional items	(297.54)	(10.12)	(164.01)	(307.66)	(218.21)	(216.74)
4	Profit / (Loss) before Tax	(740.33)	(1287.24)	(1253.05)	(2027.57)	(2178.46)	(4850.86)
	Less: Tax expense						
	Deferred tax	(201.27)	(485.86)	(521.47)	(687.13)	(911.36)	(2032.76)
	Earlier years	-	-	-	-	-	15.14
5	Net Profit / (Loss) for the period	(539.06)	(801.38)	(731.58)	(1340.44)	(1267.10)	(2833.24)
	Other Comprehensive Income (OCI)						
	(i) Items that will not be reclassified to profit or loss	0.59	5.52	1.23	6.11	1.83	(542.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.15	(1.10)	(0.37)	(0.95)	(0.37)	188.42
6	Total Comprehensive Income / (Loss) for the period	(538.32)	(796.96)	(730.72)	(1335.28)	(1265.64)	(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 (₹)	(1.31)	(1.94)	(1.77)	(3.25)	(3.07)	(6.86)
	2. Diluted (₹)	(1.31)	(1.94)	(1.77)	(3.25)	(3.07)	(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

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

Extract of Unaudited Standalone Financial Results for the Quarter and Half Year ended 30th September 2017

₹ Crore unless stated otherwise

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 th Sept, 2017	30 th June, 2017	30 th Sept, 2016	30 th Sept, 2017	30 th Sept, 2016	31 st March, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income from Operations	13617.42	12983.46	12577.60	26600.88	22913.27	49767.10
2	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items)	(442.79)	(1277.12)	(1089.04)	(1719.91)	(1960.25)	(4634.12)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and / or Extraordinary items)	(740.33)	(1287.24)	(1253.05)	(2027.57)	(2178.46)	(4850.86)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and / or Extraordinary items)	(539.06)	(801.38)	(731.58)	(1340.44)	(1267.10)	(2833.24)
5	Total Comprehensive Income / (Loss) for the period [Comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	(538.32)	(796.96)	(730.72)	(1335.28)	(1265.64)	(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 (₹)	(1.31)	(1.94)	(1.77)	(3.25)	(3.07)	(6.86)
	2. Diluted (₹)	(1.31)	(1.94)	(1.77)	(3.25)	(3.07)	(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 9th November, 2017 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 Half year ended 30th September, 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: 9th November, 2017

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

SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ Crore unless stated otherwise

Particulars	STANDALONE					
	Quarter ended			Half year ended		Year ended
	30 th Sept, 2017	30 th June, 2017	30 th Sept, 2016	30 th Sept, 2017	30 th Sept, 2016	31 st March, 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue (Revenue from Operations)						
- Bhilai Steel Plant	3765.68	3886.36	3714.25	7652.04	6904.16	14926.60
- Durgapur Steel Plant	1659.96	1290.80	1561.42	2950.76	3006.07	6447.73
- Rourkela Steel Plant	2941.57	2661.47	2471.73	5603.04	4520.83	10060.90
- Bokaro Steel Plant	3454.12	3381.19	3291.43	6835.31	5838.86	12221.67
- IISCO Steel Plant	1559.63	1431.73	1152.33	2991.36	2068.58	4779.38
- Alloy Steels Plant	137.51	172.43	157.00	309.94	320.80	616.92
- Salem Steel Plant	311.29	320.22	500.67	631.51	961.23	2032.36
- Visvesvaraya Iron & Steel Plant	37.03	46.72	50.24	83.75	91.35	196.99
- Others	919.88	985.87	805.87	1905.75	1641.06	3521.65
Total Segment Revenue	14786.67	14176.79	13704.94	28963.46	25352.94	54804.20
Less: Inter-Segment Revenue	1169.25	1193.33	1127.34	2362.58	2439.67	5037.10
Revenue from Operations	13617.42	12983.46	12577.60	26600.88	22913.27	49767.10
Segment Results (Profit / (Loss) before Interest, Exceptional Items and Tax)						
- Bhilai Steel Plant	303.52	191.77	157.28	495.29	293.50	546.87
- Durgapur Steel Plant	(50.28)	(224.83)	(154.20)	(275.11)	(193.41)	(724.42)
- Rourkela Steel Plant	56.79	(378.24)	(203.49)	(321.45)	(406.70)	(703.22)
- Bokaro Steel Plant	49.82	(113.59)	(30.18)	(63.77)	24.58	251.85
- IISCO Steel Plant	(165.34)	(277.78)	(305.29)	(443.12)	(554.62)	(1326.32)
- Alloy Steels Plant	(6.65)	(1.38)	(1.07)	(8.03)	(3.65)	(1.78)
- Salem Steel Plant	(36.50)	(52.15)	(32.39)	(88.65)	(63.45)	(112.45)
- Visvesvaraya Iron & Steel Plant	(31.28)	(30.26)	(28.06)	(61.54)	(60.55)	(114.88)
- Others	80.60	197.20	111.12	277.80	200.86	78.05
Total	200.68	(689.26)	(486.28)	(488.58)	(763.44)	(2106.30)
Less: Interest Expenses	643.47	587.86	602.76	1231.33	1196.81	2527.82
Less: Exceptional items	297.54	10.12	164.01	307.66	218.21	216.74
Profit / (Loss) before Tax	(740.33)	(1287.24)	(1253.05)	(2027.57)	(2178.46)	(4850.86)
Segment Assets						
- Bhilai Steel Plant	27983.99	27600.74	25581.35	27983.99	25581.35	27079.13
- Durgapur Steel Plant	6387.19	6259.80	5846.68	6387.19	5846.68	6006.72
- Rourkela Steel Plant	18774.92	18810.54	18224.93	18774.92	18224.93	18906.12
- Bokaro Steel Plant	13856.66	14164.91	13905.26	13856.66	13905.26	14437.15
- IISCO Steel Plant	18512.67	18713.18	18787.03	18512.67	18787.03	18836.19
- Alloy Steels Plant	539.96	537.78	616.27	539.96	616.27	600.26
- Salem Steel Plant	2395.28	2422.60	2673.11	2395.28	2673.11	2554.16
- Visvesvaraya Iron & Steel Plant	586.43	920.65	672.26	586.43	672.26	678.16
- Others	21793.68	17965.40	14631.24	21793.68	14631.24	17441.58
Total	110830.78	107395.60	100938.13	110830.78	100938.13	106539.47
Segment Liabilities						
- Bhilai Steel Plant	7450.99	7157.85	6821.90	7450.99	6821.90	6872.38
- Durgapur Steel Plant	2289.17	2118.84	2041.89	2289.17	2041.89	2060.83
- Rourkela Steel Plant	3674.42	3679.09	3486.14	3674.42	3486.14	3821.43
- Bokaro Steel Plant	3802.24	3584.96	3338.04	3802.24	3338.04	3284.97
- IISCO Steel Plant	1599.60	1528.63	1414.02	1599.60	1414.02	1577.12
- Alloy Steels Plant	212.18	204.93	229.06	212.18	229.06	232.30
- Salem Steel Plant	404.18	348.95	371.54	404.18	371.54	372.66
- Visvesvaraya Iron & Steel Plant	121.74	125.32	157.32	121.74	157.32	151.41
- Others	37119.29	34897.52	27256.66	37119.29	27256.66	33069.83
Unallocated Liabilities	19483.19	18537.44	18177.85	19483.19	18177.85	19087.48
Total	76157.00	72183.53	63294.42	76157.00	63294.42	70530.41

Note :

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

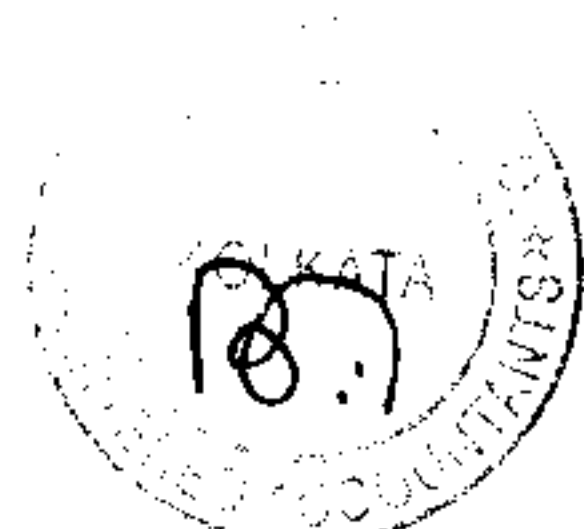




STANDALONE STATEMENT OF ASSETS AND LIABILITIES

₹ Crore

Particulars	As at 30.09.2017	As at 31.03.2017
	(Unaudited)	(Audited)
A. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	52103.59	48762.03
(b) Capital work-in-progress	21159.31	23275.39
(c) Investment property	0.84	0.86
(d) Intangible assets	1505.61	1522.58
(e) Financial Assets		
(i) Investments	1501.54	1395.48
(ii) Trade Receivables	-	-
(iii) Loans	593.28	453.52
(iv) Other Financial assets	193.73	262.42
(f) Deferred tax assets (net)	4692.02	4005.84
(g) Current tax assets (net)	236.24	235.81
(h) Other non-current assets	1085.31	1062.99
Total non-current assets	83071.47	80976.92
(2) Current assets		
(a) Inventories	14322.29	15711.35
(b) Financial Assets		
(i) Trade receivables	4508.14	2921.69
(ii) Cash and cash equivalents	205.64	120.93
(iii) Other bank balances	268.91	168.16
(iv) Loans	64.90	61.47
(v) Other financial assets	2174.78	2267.85
(c) Other current assets	6203.27	4299.16
(d) Assets classified as held for sale	11.38	11.94
Total current assets	27759.31	25562.55
TOTAL ASSETS	110830.78	106539.47
B. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	4130.53	4130.53
(b) Other equity	30543.25	31878.53
Total equity	34673.78	36009.06
(2) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	19483.19	19087.48
(ii) Trade payables	3.07	7.36
(iii) Other financial liabilities	1359.96	1365.93
(b) Provisions	3438.63	3593.94
(c) Other non-current liabilities	150.62	151.29
Total non-current liabilities	24435.47	24206.00
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	20231.79	19813.04
(ii) Trade payables	6180.92	5219.20
(iii) Other financial liabilities	14452.34	12765.62
(b) Other current liabilities	7549.58	5607.26
(c) Provisions	3302.38	2914.77
(d) Current tax liabilities (net)	4.52	4.52
Total current liabilities	51721.53	46324.41
TOTAL EQUITY AND LIABILITIES	110830.78	106539.47



Notes to Financial Results:

1. The results have been reviewed by the Audit Committee in its meeting held on 8th November, 2017 and have been approved by the Board of Directors in its meeting held on 9th November, 2017.
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 Service 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 half year ended on 30th September, 2017 is not comparable with the previous periods.
4. Sales include sale to Government Agencies recognized on provisional contract prices during the Half Year ended 30th September, 2017: ₹2396.27 crore (corresponding Half Year of previous year: ₹1820.93 crore) and cumulatively up to 30th September, 2017: ₹9865.64 crore (30th September, 2016: ₹15698.71 crore).
5. The Nine Judges Constitutional Bench of Hon'ble Supreme Court, vide its judgement dated 11.11.2016, has upheld the constitutional validity of Entry Tax Act enacted by various States and had laid down principles/ tests for consideration for deciding the specific issues related to levy of Entry Tax. As on 30th September, 2017, the matters are pending before Regular Bench of Hon'ble Supreme Court/ jurisdictional High Courts. Pending decisions of the said Courts, disputed entry tax liabilities of ₹1706.84 crores have been treated by the Company as contingent liabilities. (Amount of disputed entry tax liabilities as on 30th September 2016 was ₹1735.03 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 half year includes :
 - (a) Pursuant to the Hon'ble Supreme Court Judgement dated 2nd August, 2017 in the Common Cause matter regarding illegal mining, the Government of Odisha and Government of Jharkhand have issued demand/Show cause notices amounting to ₹204.58 Crores and ₹1486.61 Crores respectively for recovery of the price of minerals produced without and beyond the Environmental Clearances under Section 21 (5) of Mines and Mineral Development Regulation Act, 1957 and towards excess production beyond



Consent to Operate. Based on internal judgement, the Company has provided an amount of ₹.329.67 crore on estimated basis under exceptional item during the current quarter. The differential amount of ₹1361.52 crore is treated as contingent liability.



(b) Consequent to the judgement of Hon'ble Supreme Court dated 13th October, 2017, an amount of ₹240.91 crore on account of excess provision towards contribution to District Mineral Fund (DMF) is written back under exceptional item during the current quarter.

(c) Compensation paid on Voluntary Retirement of employees as per the Scheme amounting to ₹208.78 crore and ₹218.90 crore during current quarter and half year 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 ₹311.56 crore up to 30th September 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 up lift 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 ₹686.18 crore (including ₹nil crore on unabsorbed business losses) during the current half year and ₹4692.02 crore (including ₹3352.42 crore on unabsorbed business losses) up to 30th September, 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 (BCCCL) for washed MCC, which is lower by ₹90.49 Crore as against the billed amount.

(b) Differential price as claimed by Bharat Coking Coal Limited (BCCCL) 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 ₹424.94 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 30th September 2017. Pending decisions of the said Courts, disputed entry tax liabilities have been treated by the Company as contingent liabilities.

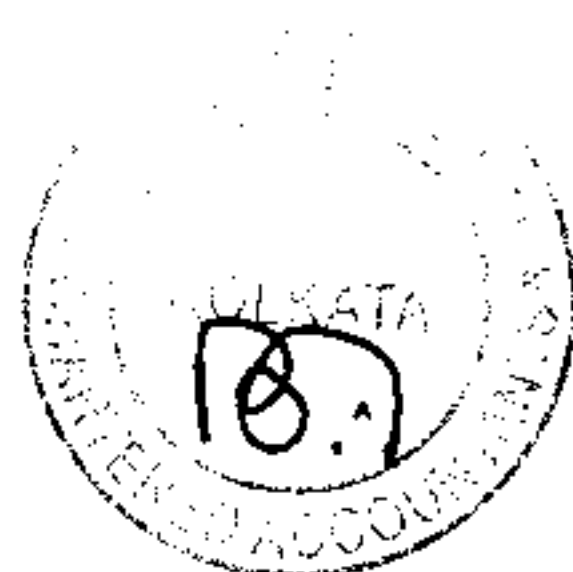
In respect of item stated at (ii) above, the Company's view is that the cases are sub-judice and pending for adjudication before the various judicial authorities for a long time and outcome is pending.

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 30th September, 2017. Therefore, there is no adverse impact on loss for the quarter/half year.

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

Place: New Delhi
Dated: 9th November, 2017


(Anil Kumar Chaudhary)
Director (Finance)



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>
----	--	----	--	----	---	----	---

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 half-year ended 30th September, 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.



1



9

5. Basis for Qualified Conclusion

I. The Company has not provided for :

- (i) Entry tax amounting to Rs.1,706.84 crore (current half-year 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 half year Rs. NIL) (Refer Note No.6);

II. The Company has recognized Deferred Tax Assets ("DTA") of Rs.3,352.42 crore on carried forward unused tax losses (excluding depreciation carried forward) as on 30th September, 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. Recognition of such DTA has resulted in understatement of Losses to the extent of Rs. 3,352.42 crore for the quarter and half year ended 30th September, 2017 (Refer note No.9).

Had the impact of all the above qualifications been considered, Loss (net of tax) for the half-year ended 30th September, 2017 would have been Rs.6,982.26 crore as against reported Loss for the half-year Rs.1,335.28 crore and Loss (net of tax) for the quarter ended 30th September, 2017 would have been Rs.6,185.30 crore as against reported Loss for the quarter Rs.538.32 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.



7. Emphasis of Matter

We draw attention to the following:

Sales include sales to Government agencies for Rs.2,396.27 crore for the half-year ended 30th September, 2017 which is recognized on provisional contract prices (refer note no. 4).

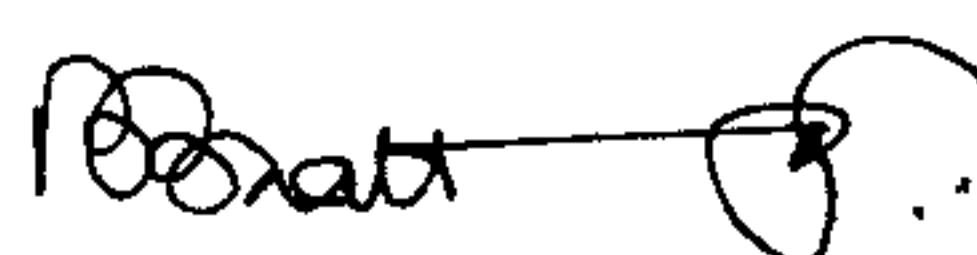
Our opinion is not qualified in respect of this matter.

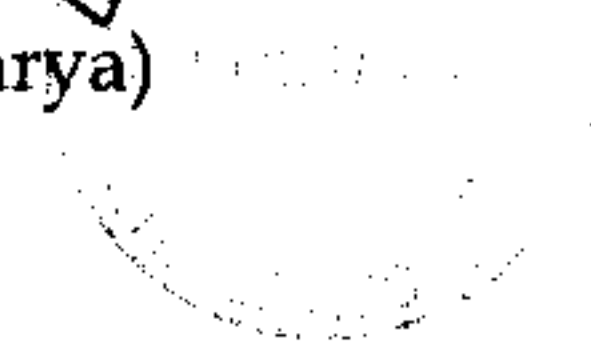
For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E


(Shrenik Mehta)
Partner
M.No.063769



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


(Bedanta Bhattacharya)
Partner
M.No.060855

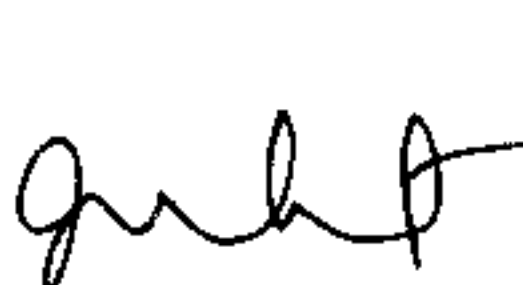


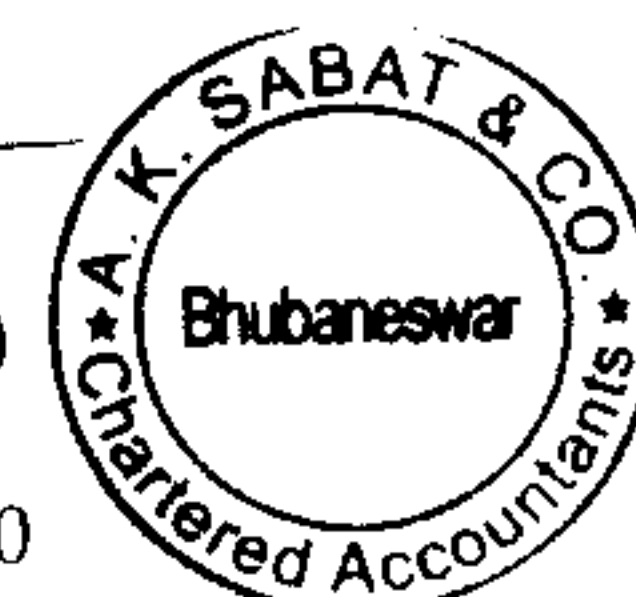
For V.K. Dhingra & Co.,
Chartered Accountants
Firm Registration No. 000250N


(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: 09th November, 2017

Place: New Delhi

No.1226 /ITSL/OPR/17-18

November 9, 2017

To,
Nayana Singh
AGM(Finance)
STEEL AUTHORITY OF INDIA LIMITED
SAIL CORP OFFICE
Ispat Bhavan, Lodi Road,
New Delhi -- 110 003

Dear Sir,

Certificate for receipt and noting of information

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, IDBI Trusteeship Service Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **STEEL AUTHORITY OF INDIA LIMITED** for the financial half year ended September 30, 2017.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For IDBI Trusteeship Services Limited



Authorised Signatory

Press Release

- **SAIL achieves 21% net sales revenue growth in Q2FY18 over CPLY**
- **SAIL earns higher EBITDA in Q2FY18 than entire FY17**
- **Improved product mix helps SAIL to better revenues**

New Delhi, 09th November, 2017: Steel Authority of India Ltd. (SAIL) registered 21% growth in net sales revenue which stood at Rs. 13,442 Crore for the second quarter of FY17-18 (Q2FY18) as against Rs. 11,080 in CPLY. SAIL's emphasis on increasing the share of high value products in its basket has begun to positively influence revenue earnings. SAIL recorded 4% growth in domestic sales in H1FY18 (Apr-Sept'17) with 21% improvement in sales of high value products like Cold Rolled and galvanized products. There has also been a sizeable 30% improvement in sales of railway products during H1 FY18.

Registering positive EBITDA for the sixth consecutive quarter, SAIL achieved EBITDA of Rs. 967 Crore before exceptional expenses in Q2FY18, recording a growth of more than 400% against an EBITDA of Rs. 192 Crore during CPLY, and posting a cash profit pre-depreciation and exceptional items of Rs. 323 Crore in Q2FY18. Notably, the EBITDA for Q2FY18 is higher than of the entire fiscal 16-17. SAIL's EBITDA margin to net sales revenue ratio stands at 7.1% in Q2FY18 as against 1.7% in CPLY, indicating higher efficiencies across the production processes and value chain.

The Company reduced its losses by registering 26% improvement in PAT which stood at Rs (-) 539 Crore in Q2FY18 as against Rs (-) 732 Crore over CPLY. Despite improved sales revenue, earnings were impacted by huge rise in imported coal price, which partially negated the higher accruals. In order to neutralise the rise in input costs, the Company is continually ramping up production from new facilities. Simultaneously, the Company is optimising the utilization of its finishing facilities to increase the high value product offerings for better market realisation. Specific branding of products from the new mills is also one of the steps towards this.

SAIL's operational performance also exhibited good numbers in Q2FY18, registering the highest ever quarterly saleable steel production at 3.659 Million Tonnes (MT) and surpassing the previous best of 3.626 MT achieved in Q4FY16-17, with growth of 5% over CPLY and 14% over preceding quarter in the current financial year. On the important techno-economic parameters, SAIL achieved the best ever quarterly Coke rate of 459 kg/thm which is lower by 5% over CPLY. Cold Dust Injection (CDI) improved by 33% over CPLY and Blast Furnace (BF) productivity was higher by 4% over CPLY.

Reiterating the need to change product mix to make way for more value added and differentiated products, Chairman, SAIL, Shri PK Singh said, "Our focus on reducing operating cost of assets, prudent finance management, efficient production process and increased share of value added and branded products is beginning to show results. The products from our modernized mills will continue to claim a large share of steel usage in several national infrastructure projects. In line with the Government's strategies for improving infrastructure, SAIL is aiming to supply large quantities of steel in prestigious projects including Sagarmala, upcoming Bharatmala project and railway expansion etc." Shri Singh added, "As part of SAIL's turnaround initiatives, our continuous large group communication exercises across units have helped embed our priorities in the Company's collective psyche, which will keep strengthening SAIL's foundations for profitable growth".