



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड

STEEL AUTHORITY OF INDIA LIMITED

FAX MESSAGE

No.CA-17(44)/2019

February 7, 2019

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 ended 31st December, 2018

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. 7th February, 2019, inter-alia, considered and approved the Unaudited Standalone Financial Results for the quarter ended 31st December, 2018 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 ended 31st December, 2018 alongwith segment information.
- Limited Review Report on Quarterly Financial Results of Steel Authority of India Limited pursuant to the Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Press Release.

The Board Meeting commenced at 1445 hours and concluded at 1925 hours.

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.

इस्पात भवन, लोदी रोड़, नई दिल्ली 110 003, दूरभाष : 011-24367481-86 फ़ैक्स : 011-2436 7015, वेबसाईट : www.sail.co.in
Ispat Bhawan, Lodi Road, New Delhi-110 003, Phone : 011-2436 7481-86, Fax : 011-2436 7015, Website : www.sail.co.in
PAN No. AAACS7062F Corporate Identity No. L27109DL1973 GOI006454

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STEEL AUTHORITY OF INDIA LIMITED

CIN: L27109DL1973GO1006454

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

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

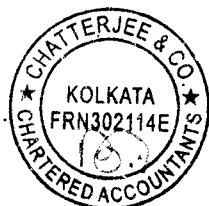
Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December, 2018

₹ Crore unless stated otherwise

Sl. No.	Particulars	STANDALONE					Year Ended 31 st March, 2018
		Quarter ended			Nine Months ended		
		31 st December, 2018	30 th September, 2018	31 st December, 2017	31 st December, 2018	31 st December, 2017	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income						
	(a) Revenue from operations	15835.79	16718.04	15323.65	48461.02	41924.53	58962.36
	(b) Other income	74.66	114.33	119.48	286.75	257.42	484.45
	Total Income	15910.45	16832.37	15443.13	48747.77	42181.95	59446.81
2	Expenses						
	a) Cost of materials consumed	8380.99	7500.90	6718.45	23584.95	19192.22	26678.81
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2127.28)	42.62	773.79	(3364.00)	1026.37	1135.49
	c) Excise duty	-	-	-	-	1403.90	1403.90
	d) Employee benefits expense	2139.70	2160.24	2187.25	6522.80	6532.81	8850.07
	e) Finance costs	825.08	771.07	674.51	2351.53	1905.84	2822.75
	f) Depreciation and amortisation expenses	854.71	826.14	759.55	2494.46	2216.44	3064.92
	g) Other expenses	4864.23	4649.24	4203.96	14197.64	11498.66	16276.24
	Total Expenses	14937.43	15950.21	15317.51	45787.38	43776.24	60232.18
3	Profit / (Loss) before Exceptional items and Tax	973.02	882.16	125.62	2960.39	(1594.29)	(785.37)
	Add: Exceptional items	(23.28)	(34.19)	(43.35)	(334.84)	(351.01)	26.43
4	Profit / (Loss) before Tax	949.74	847.97	82.27	2625.55	(1945.30)	(758.94)
	Less: Tax expense						
	Current tax (earlier years)	0.96	-	35.73	0.96	35.73	35.73
	Deferred tax	332.48	294.28	3.38	914.17	(683.75)	(312.96)
5	Net Profit / (Loss) for the period	616.30	553.69	43.16	1710.42	(1297.28)	(481.71)
	Other Comprehensive Income (OCI)						
A	(i) Items that will not be reclassified to profit or loss	(40.54)	56.08	5.50	16.04	11.61	284.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss	14.42	(13.06)	(1.18)	1.24	(2.13)	(97.80)
6	Total Comprehensive Income / (Loss) for the period	590.18	596.71	47.48	1727.70	(1287.80)	(295.39)
7	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	4130.53	4130.53	4130.53	4130.53	4130.53	4130.53
8	Other equity excluding Revaluation Reserve						31583.14
9	Earnings per equity share (of ₹10/- each) (not annualised)						
	1. Basic (₹)	1.49	1.34	0.10	4.14	(3.14)	(1.17)
	2. Diluted (₹)	1.49	1.34	0.10	4.14	(3.14)	(1.17)

Note: Refer accompanying notes to the financial results.

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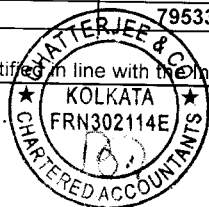
SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ Crore unless stated otherwise

Particulars	STANDALONE					
	Quarter ended			Nine Months ended		Year ended
	31 st December, 2018	30 th September, 2018	31 st December, 2017	31 st December, 2018	31 st December, 2017	31 st March, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue from operations						
- Bhilai Steel Plant	4140.98	3872.70	4261.42	12162.03	11913.46	16497.88
- Durgapur Steel Plant	2078.01	2365.02	2110.31	6590.99	5061.07	7426.79
- Rourkela Steel Plant	3777.19	4041.64	3247.20	11450.61	8850.24	12530.66
- Bokaro Steel Plant	3954.42	4287.18	3693.63	12162.09	10528.94	14468.71
- IISCO Steel Plant	1674.90	1937.09	1716.61	5392.89	4707.97	6900.29
- Alloy Steels Plant	222.91	211.36	160.19	616.97	470.13	654.60
- Salem Steel Plant	383.54	448.33	436.15	1191.44	1067.66	1363.14
- Visvesvaraya Iron & Steel Plant	44.90	57.10	36.52	155.79	120.27	164.09
- Others	1361.78	1161.96	1077.91	3714.46	2983.66	4061.44
Total segment revenue	17638.63	18382.38	16739.94	53437.27	45703.40	64067.60
Less: Inter-segment revenue	1802.84	1664.34	1416.29	4976.25	3778.87	5105.24
Net revenue from operations	15835.79	16718.04	15323.65	48461.02	41924.53	58962.36
Segment results (Profit / (Loss) before interest, exceptional items and tax)						
- Bhilai Steel Plant	441.72	312.34	179.62	1084.25	674.91	1240.52
- Durgapur Steel Plant	124.05	122.35	68.75	396.30	(206.36)	(58.57)
- Rourkela Steel Plant	514.77	572.18	287.57	1611.47	(33.88)	398.70
- Bokaro Steel Plant	483.69	665.43	314.41	1701.49	250.64	804.13
- IISCO Steel Plant	172.82	(132.05)	(158.02)	221.24	(601.14)	(329.50)
- Alloy Steels Plant	(2.49)	0.04	(3.95)	(3.62)	(11.98)	(25.84)
- Salem Steel Plant	(39.44)	(16.87)	(7.79)	(85.79)	(96.44)	(118.24)
- Visvesvaraya Iron & Steel Plant	(20.17)	(17.99)	(31.77)	(60.49)	(93.31)	(108.34)
- Others	123.15	147.80	151.31	447.07	429.11	234.52
Total	1798.10	1653.23	800.13	5311.92	311.55	2037.38
Less: Finance costs	825.08	771.07	674.51	2351.53	1905.84	2822.75
Less: Exceptional items	23.28	34.19	43.35	334.84	351.01	(26.43)
Profit / (Loss) before Tax	949.74	847.97	82.27	2625.55	(1945.30)	(758.94)
Segment Assets						
- Bhilai Steel Plant	31202.36	30066.28	27894.95	31202.36	27894.95	28756.68
- Durgapur Steel Plant	7079.54	6723.45	6325.76	7079.54	6325.76	6400.05
- Rourkela Steel Plant	19622.81	19318.90	19348.94	19622.81	19348.94	19484.61
- Bokaro Steel Plant	15302.47	15051.27	13888.13	15302.47	13888.13	14524.30
- IISCO Steel Plant	19230.62	18822.26	18806.16	19230.62	18806.16	18770.09
- Alloy Steels Plant	576.85	569.90	531.05	576.85	531.05	518.32
- Salem Steel Plant	2776.42	2599.76	2351.58	2776.42	2351.58	2459.07
- Visvesvaraya Iron & Steel Plant	423.37	439.64	558.98	423.37	558.98	533.47
- Others	20760.58	20853.10	21110.81	20760.58	21110.81	22743.21
Total	116975.02	114444.56	110816.36	116975.02	110816.36	114189.80
Segment Liabilities						
- Bhilai Steel Plant	7614.75	7454.40	7177.30	7614.75	7177.30	7409.47
- Durgapur Steel Plant	2667.73	2560.07	2379.81	2667.73	2379.81	2364.33
- Rourkela Steel Plant	4177.96	3991.72	3864.14	4177.96	3864.14	4017.17
- Bokaro Steel Plant	4025.21	3756.78	3959.83	4025.21	3959.83	3746.95
- IISCO Steel Plant	1853.55	1815.37	2134.09	1853.55	2134.09	1922.70
- Alloy Steels Plant	223.83	226.73	219.48	223.83	219.48	207.46
- Salem Steel Plant	373.31	312.93	339.66	373.31	339.66	383.28
- Visvesvaraya Iron & Steel Plant	75.17	77.22	107.85	75.17	107.85	79.88
- Others	28594.68	27204.02	31178.65	28594.68	31178.65	28567.73
Unallocated Liabilities	29927.46	30194.13	24734.68	29927.46	24734.68	29777.16
Total	79533.65	77593.37	76095.49	79533.65	76095.49	78476.13

Note :

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



Notes to Financial Results:

1. The results have been reviewed by the Audit Committee and taken on record and approved by the Board of Directors in their respective Meetings held on 7th February, 2019.
2. The results have been reviewed by the Statutory Auditors, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Revenue from operations for the period 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'/'Ind AS 115- Revenue from Contracts with Customers', GST is not included in Revenue from Operations. In view of the aforesaid change, Revenue from Operations for the Nine Months ended 31st December, 2018 is not comparable with corresponding figures of Nine Months ended 31st December, 2017.
4. The Company has adopted Ind AS 115- "Revenue from Contracts with Customers" which is mandatory for the reporting periods beginning on or after 1st April, 2018. The application of Ind AS 115 does not have any material impact on the financial results of the Company.
5. Sales include sale to Government Agencies recognised on provisional contract prices during the Quarter and Nine Months ended 31st December 2018: ₹1195.27 crore and ₹3409.59 crore respectively (corresponding Quarter and Nine Months of previous year: ₹1268.35 crore and ₹3664.62 crore respectively) and cumulatively upto 31st December, 2018: ₹15649.50 crore (upto the corresponding Nine Months of previous year: ₹11145.49 crore).
6. (a) 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, 2018, the matters are pending before Regular Benches of Hon'ble Supreme Court/Jurisdictional High Courts/assigned authorities in this regard.

(b) During the current Nine Months, Hon'ble Allahabad High Court vide its Order dated 4th May, 2018, dismissed the petition filed by the Company for levy of Entry Tax on goods entering into local areas of Uttar Pradesh. Accordingly, an amount of ₹92.23 crore has been charged in the Statement of Profit and Loss under 'Exceptional Items' during nine months (Current Quarter – Nil).

(c) Pending decision by the other Courts, disputed Entry Tax liabilities of ₹1629.79 crore have been treated by the Company as Contingent Liability (as on 31st March, 2018 - ₹1726.16 crore).
7. In respect of the civil appeal filed by DVC pertaining to tariff of FY 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 can also have effect on future tariff orders in view of consideration of certain parameters for fixation of tariff. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial

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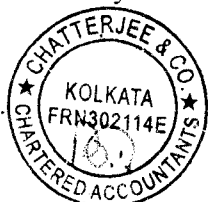
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implication of which can only be ascertained after the Tariff fixation by SERC. Pending fixation of Electricity Tariffs, disputed demands of DVC of ₹ 587.72 crore from FY 2010-11 to FY 2016-17 have been paid and treated as Contingent Liability. Further, from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.

8. Exceptional Items for the current Quarter/Nine Months include :
- (a) Compensation paid on Voluntary Retirement of employees as per the Scheme amounting to ₹23.28 crore and ₹99.07 crore during the current quarter and Nine Months respectively.
 - (b) Provision of ₹143.54 crore made during Nine months (Current Quarter – ₹ Nil crore) on account of payment against the demand of Government of Odisha claiming royalty at sized ore for iron ore fines for the period 1st August, 2009 to 23rd August, 2012 in respect of two iron ore mines of the Company located in the State of Odisha.
 - (c) Entry Tax amounting to ₹92.23 crore - refer Para 6(b) above.
9. Pending discussion and finalisation, differential price as claimed by Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) for coal supplies from 13th / 14th January, 2017 to 31st March, 2017, respectively amounting to ₹334.45 crore, being the amount billed over and above MoU agreed prices, has not been accounted for. Pending discussion and finalisation, the above liability of ₹334.45 crore has been treated as a Contingent Liability.
10. Keeping in view the affordability and financial sustainability clause in Office Memorandum (OM) dated 3rd August, 2017 and 24th November, 2017 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises in respect of Pay Revision of employees, provision towards salary revision of ₹132.30 crore and ₹308.24 crore for Executive and Non-Executive employees respectively up to 31st December, 2017 had been written back during the Quarter ended 31st March, 2018. Accordingly no liability is envisaged on this account from 1st January, 2017 onwards.
11. Based on DPE Guidelines on superannuation benefits which may include pension benefits to employees, Board of Directors of the Company, keeping in view affordability and financial sustainability to pay by the Company, revised pension benefits to 3% of Basic Pay + DA (as against 9% decided earlier) for Executives and 2% of Basic Pay + DA (as against 6% decided earlier) for Non-Executives and accordingly written back an amount of ₹170.02 crore and ₹288.14 crore respectively (for the period from 01.04.2015 to 31.12.2016) during the year ended 31st March, 2018.
12. The Auditors, in their Audit Report on the Standalone Financial Statements for the Year ended 31st March, 2018, have brought out that:
- I. As per 9th National Joint Committee on Steel (NJCS) Agreement dated 1st July, 2014 (which is valid upto 31st December, 2016) signed by the Company, contribution by the Company towards proposed Pension Fund for Non-executive employees was stipulated at 6% of Basic Pay and D.A. Pending revision of the said Agreement and against reservation of representatives of Non-executive employees, Management of the Company has unilaterally reduced the rate of contribution towards the said

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Pension Fund to 2% of Basis Pay and D.A. and accordingly the Management, in the 4th Quarter of the current year, has written back the provision towards the said Pension Fund for Non-executive employees for the period from 01.04.2015 to 31.12.2016 to the extent of ₹ 288.14 crore.

- II. Wage revision for Non-executives is due since 01.01.2017. During the 4th Quarter of the current year, Management of the Company has reversed adhoc provision already made in last year for the period from 01.01.2017 to 31.03.2017 amounting to ₹77.47 crore. Further the Management has also reversed provision created thereof for nine months ended 31st December 2017 amounting to ₹230.77 crore and also not made any provision thereof for the 4th Quarter of the year. Pending negotiation with Non-executive employees and as per the experience and past practice of earlier wage revisions for Non-executive employees, ad-hoc provisions from 01.01.2017 to 31.03.2017 of ₹77.47 crore and from 01.04.2017 to 31.12.2017 of ₹230.77 crore should not have been reversed and provision of ₹76.92 crore for the Quarter ended 31.03.2018 should have been made. The aggregate impact of this on Loss before Tax for the current year amounts to ₹ 385.16 crore.
- III. The Company has not provided for :
- (i) Demand for Entry tax in various States amounting to ₹1,726.16 crore as on 31st March, 2018 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, 2018.

In respect of (I) above, the Company's view is that the Pension Scheme was approved by the Board in its Meeting held on 9th February, 2017. with a provision that the contribution towards Pension shall be based on the affordability, sustainability and capacity of the Company, measured as a percentage of Profit Before Tax (PBT) to average Net-worth, in line with the Office Memorandum dated 21.5.2014 issued by the Department of Public Enterprises. If the percentage of PBT to average Net-worth is 8% or above, the contribution towards Pension shall be limited to 6% of Basic Pay plus DA for Non-executives. Further, if the percentage of PBT to average Net-worth is lower than 8%, the amount of contribution will be reduced proportionately. However, a minimum Pension contribution is kept at the rate of 2% of Basic Pay plus DA even in case of loss during a Financial Year. Accordingly, the Board of Directors of the Company has approved the write back of Pension contribution for the period from 1.4.2015 to 31.12.2016 in its meeting held on 30.05.2018.

In respect of (II) above, the Company's view is that SAIL is a Government Company and is required to follow Government Guidelines for revising pay scales of its employees. The Department of Public Enterprises (DPE) issued Office Memorandum dated 24.11.2017 in this regard. The Guidelines, inter-alia, state that Management of PSEs would keep in view the affordability and financial sustainability of such wage revision and further where the five year periodicity of wage revision is followed. Management has to ensure that negotiated scales of pay for two successive wage negotiations do not exceed the existing scales of pay of executives/officers and non-unionized supervisors of respective CPSEs for whom ten years periodicity is being followed. The current pay scales of Non-executive employees in SAIL for some of

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the levels after wage revision effective from 01.01.2012 for 5 years are already higher than the pay scales of certain Executive employees. Accordingly, it has been approved by the Board of Directors of the Company to withdraw the provision of wage revision for Non-executive employees for the period from 01.01.2017 to 31.03.2017 and also for the nine months ended 31st December, 2017 and not to make any provision for the 4th Quarter of Financial Year 2017-18.

In respect of item stated at III(i), the Company's view is that the Nine Judges Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016, upheld the Constitutional validity of levy of Entry Tax by the States and has laid down principles/tests on levy of Entry Tax Acts in various States. The respective regular benches of the Apex Court would hear the matters as per laid down principles. The West Bengal Finance Act, 2017 has included West Bengal Entry Tax in the jurisdiction of West Bengal Taxation Tribunal. Based on the said amendment, Hon'ble Calcutta High Court, vide its Order dated 15th June 2018, has transmitted the Writ Petition of Durgapur Steel Plant and IISCO Steel Plant on Entry Tax to the West Bengal Taxation Tribunal. Pending decision by the regular benches of the Apex Court on levy of Entry Tax in the States of Chhattisgarh, Odisha, Jharkhand and in respect of the case pertaining to West Bengal Taxation Tribunal, the Entry Tax demands under dispute have been treated as Contingent Liability.

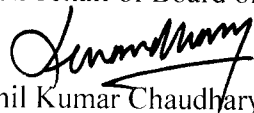
During the current Nine Months, Hon'ble Allahabad High Court vide its Order dated 4th May, 2018, dismissed the petition filed by the Company for levy of Entry Tax on goods entering into local areas of Uttar Pradesh. Accordingly, an amount of ₹92.23 crore has been charged in the Statement of Profit and Loss under 'Exceptional Items'.

In respect of item stated at III(ii), In respect of the civil appeal filed by DVC pertaining to tariff of 2004-09 against the Order of the Appellate Tribunal for Electricity (APTEL), the Hon'ble Supreme Court of India dismissed the appeal vide its Order dated 3rd December, 2018. Accordingly, State Electricity Regulatory Commission (SERC) will finalise the retail tariff as directed by APTEL, the financial implication of which can only be ascertained after the Tariff fixation by SERC. Pending fixation of Electricity Tariffs, disputed claims of DVC of ₹ 587.72 crore from FY 2010-11 to FY 2016-17 has been paid and treated as Contingent Liability. Further, from 1st April, 2017 onwards full invoice value is being paid and charged to revenue.

The above stated disputed demands, stated at III(i) and III(ii), 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, 2018. Therefore, there is no adverse impact on profit for the year.

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

For and on behalf of Board of Directors


(Anil Kumar Chaudhary)
Chairman

Place: New Delhi
Dated: 7th February, 2019







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, Bhubaneswar 751007
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Independent Auditors' Limited Review Report
For the Quarter and Nine months ended 31st December 2018
On Standalone Unaudited Financial Results of Steel Authority of India Limited
Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015

To
The Board of Directors,
STEEL AUTHORITY OF INDIA LIMITED
New Delhi

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, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 of SEBI.
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 independent branch auditors whose review reports have been furnished to us, and our conclusion in so far as relates to the amounts and disclosures included in respect of these branches, is based solely on the review reports of such branch auditors.
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) Demand for Entry tax in various states amounting to Rs.1,629.79 crore as on 31st December, 2018 (Refer Note No. 6(c));

(ii) Amount paid to Damodar Valley Corporation (DVC), during financial year 2010-11 to 2016-17, against bills raised for supply of power and retained as advance to DVC by Bokaro Steel Plant amounting to Rs.587.72 crore as on 31st December, 2018 (Refer Note No.7)

(iii) Company's contribution towards proposed Pension Fund for Non-executive employees for the period from 01.04.2015 to 31.12.2016 amounting to Rs.288.14 crore as per 9th National Joint Committee on Steel (NJCS) Agreement dated 1st July, 2014 signed by the Company (which was valid up-to 31st December, 2016) (Refer Note No. 11); and

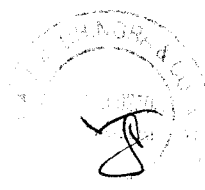
(iv) Wage revision for non-executives which is due since 01.01.2017. Pending negotiation with non-executive employees and as per the experience and past practice of earlier wage revisions for non-executive employees, provision for wage revision should have been made. Provision required for the period from 01.01.2017 to 31.03.2018 was provisionally estimated at Rs.385.16 crore. Provision required for the current quarter and nine months has not been ascertained by the Management (Refer Note No. 12(II) and 10).

Impact of quantifiable part of all the above qualifications on the result for the quarter and nine months ended 31st December 2018 is as under:

Rs. In Crore

Particulars	Quarter ended 31.12.2018		Nine months ended 31.12.2018	
	Reported Results	Results after impact of all the Qualifications which are quantified	Reported Results	Results after impact of all the Qualifications which are quantified
Profit/ (Loss) Before Tax	949.74	(1,941.07)	2625.55	(265.26)
Tax expenses - Debit/ (Credit)	333.44	(676.72)	915.13	(95.03)
Total Comprehensive Income/ (Loss)	590.18	(1,290.47)	1,727.70	(152.95)

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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.

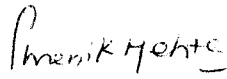
7. Emphasis of Matter

We draw attention to the following:

Revenue from operations include sales to Government agencies for Rs.3,409.59 crore for the nine months (for the quarter Rs.1,195.27 crore) ended 31st December, 2018 which is recognized on provisional contract prices (refer note no. 5).

Our opinion is not qualified in respect of this matter.

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

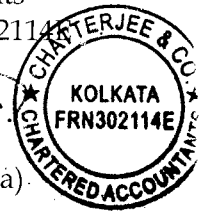


(Shrenik Mehta)
Partner
M.No.063769

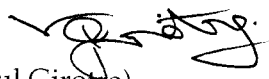
For Chatterjee & Co.
Chartered Accountants
Firm Registration No. 302114E



(Bedanta Bhattacharya)
Partner
M.No.060855

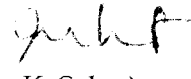


For V.K. Dhingra & Co.,
Chartered Accountants
Firm Registration No. 000250N



(Vipul Girotra)
Partner
M.No. 084312

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



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

Place: New Delhi

Date: February 7, 2019

Extract of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December, 2018


₹ Crore unless stated otherwise

Sl. No.	Particulars	STANDALONE					
		Quarter ended			Nine Months ended		Year ended
		31 st December, 2018	30 th September, 2018	31 st December, 2017	31 st December, 2018	31 st December, 2017	31 st March, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income from Operations	15835.79	16718.04	15323.65	48461.02	41924.53	58962.36
2	Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items)	973.02	882.16	125.62	2960.39	(1594.29)	(785.37)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and / or Extraordinary items)	949.74	847.97	82.27	2625.55	(1945.30)	(758.94)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and / or Extraordinary items)	616.30	553.69	43.16	1710.42	(1297.28)	(481.71)
5	Total Comprehensive Income / (Loss) for the period [comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	590.18	596.71	47.48	1727.70	(1287.80)	(295.39)
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						31583.14
8	Earnings per equity share (of ₹10/- each) (not annualised)						
	1. Basic (₹)	1.49	1.34	0.10	4.14	(3.14)	(1.17)
	2. Diluted (₹)	1.49	1.34	0.10	4.14	(3.14)	(1.17)

Note:

- The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 7th February, 2019.
- The above is an extract of the detailed format of Unaudited Financial Results for the Quarter/Nine Months ended 31st December, 2018 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)
 Chairman

Place: New Delhi
 Dated: 7th February, 2019

Press Release

SAIL posts Net Profit of Rs. 616 Crore in third quarter of FY19

New Delhi, 07 February, 2019: Declaring the results for the third quarter of this Financial Year (FY) 2018-19 for October – December 2018 quarter, Steel Authority of India Limited (SAIL) posted a profit (Profit After Tax) of Rs 616 Crore in Q3 FY'19 which stood at Rs 43 Crore during the corresponding period last year. The Company has managed to better its performance over the previous quarter as well by more than 11% when it stood at Rs. 554 crore. The turnover for Q3 FY'19 improved by 3% over CPLY and was Rs 15,660 Crore vis-à-vis Rs 15,190 Crore during Q3 FY'18. The EBITDA in Q3 FY'19 was Rs 2,653 Crore, an improvement of 70% over CPLY, which was Rs 1,560 Crore in Q3 FY'18. The improvements in these indicators over the corresponding period last year reflect overall progress on all production parameters and financial health of the Company. The Company's performance on these indicators during 9M period (April – December'18) was also higher compared to the CPLY figures pointing at a steady and sustainable growth in the overall performance.

Targeting an achievement of rated capacities at all the new units installed under modernization and expansion, the Company is focusing on ramping up production. Enhancing the volumes will also bring down the cost of production which will improve the performance as a whole. During Q3 FY'19, SAIL recorded the best ever quarterly Crude Steel production of 4.3 Million Tonnes (MT), a 10% growth over CPLY which was 3.9MT in Q3 FY'18. The third quarter of this financial year also recorded the best ever quarterly Saleable Steel production at 3.8 MT, a 5% growth over Q3 FY'18. On the techno-economic parameters, BF Productivity registered a growth of 16% in Q3 FY'19 over previous quarter. Likewise, Coke Rate and Specific Energy Consumption during the quarter also registered a growth of 3% and 2% respectively over previous quarter.

Speaking on the occasion, SAIL Chairman Shri Anil Kumar Chaudhary said “The potential of steel consumption in domestic market is huge. We are focussed on meeting requirements of all sectors while enhancing our volumes. Higher production of value added steel is another focus area and we are committed to provide end-to-end customer services.” Pointing at the current volatility in steel prices he said that despite various factors including cheap imports, the prices are expected to improve in coming days considering the high input costs.