



# Steel Exchange India Limited

Corp. Office : Block 'A', Green City, Near Apparel Export Park, Vadlapudi (Po), Visakhapatnam - 530 046. A.P.  
Phone : +91-891-2587175, 2587573 Fax : +91-891-2749215

URL : www.seil.co.in

CIN: L74100AP1999PLC031191

E-mail : info@seil.co.in

SEIL/ Un-audited Results- Q1/ 2019-20

14<sup>th</sup> August, 2019

To  
The Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400001

To  
The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051

Scrip Code: 534748

Scrip ID: STEELXIND

Dear Sir,

**Sub: Submission of Un-audited Financial Results for the quarter ended 30<sup>th</sup> June, 2019- Reg.**

This is to Inform that Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement of Unaudited Financial results of the company for the quarter ended 30<sup>th</sup> June, 2019 along with Limited Review Report as approved and taken on record by the Board of Directors at its meeting held today i.e. 14<sup>th</sup> August, 2019.

Kindly take the same on record.

The meeting of Board of Directors commenced at 11.00 a.m. and concluded at 3.00 p.m.

**For Steel Exchange India Limited**

  
**B Satish Kumar**  
Managing Director



CC to: The Calcutta Stock Exchange Limited, 7, Lyons, Range, Kolkata - 700001

Regd. Office : 303, My Home Laxminivas Apartments, Greenlands, Ameerpet, Hyderabad - 500 016. TELANGANA

Phone : +91-40-23403725 Fax : +91-40-23413267

Factory : Sreerampuram (Village), L. Kota (Mandal), Vizianagaram (District) - 535 161, A.P.



**PAVULURI & Co.**

CHARTERED ACCOUNTANTS

Plot No.48, Flat No.301,  
Sucas, Phase - I, Kavuri Hills,  
Hyderabad - 500 033.  
Ph : 040-2970 2638 / 2639 / 2640  
Email : pavuluriandco@gmail.com

**Limited Review Report on Unaudited Quarterly Standalone Financial Results of Steel Exchange India Limited for the three months ended June 30, 2019 pursuant to regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.**

**To  
The Board of Directors,  
Steel Exchange India Limited**

We have reviewed the accompanying Statement of unaudited financial results ("the Statement") of STEEL EXCHANGE INDIA LIMITED ("the Company") for the quarter ended 30<sup>th</sup> June, 2019 together with the notes thereon ("the statements") attached herewith. The statement is being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the Circular no. CIR/CFD/FAC/44/2019 dated March 29, 2019 and has been initialled by us for identification purpose.

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors in their meeting held on 14.08.2019 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 the Statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagements(SRE) 2410, " Review of Interim Financial Information performed by the Independent Auditor of the Entity" specified under Section 143 (10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Bases of qualified conclusion:**

We draw attention to Note 5 of accompanying statement with regard to non-recognition of interest expense on the borrowings of the company. The accumulated interest not provided as on June 30, 2019 is Rs.26,557.36 lakhs (including Rs.3,682.14 lakhs for F.Y. 2017-18, Rs.18,099.18 lakhs for F.Y.2018-19 and Rs.4,776.04 lakhs for the Quarter ended 30<sup>th</sup> June 2019) which is not in accordance with the requirement of Ind AS 23; 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.

Had the aforesaid interest expense been recognized, financial result for the quarter ended June 30, 2019 would have been loss of Rs.2,376.80 lakhs instead of the reported amount of profit of Rs.2,419.24 lakhs. Total expenses for the quarter ended June 30,



2019 would have been Rs.24,828.25 Lakhs instead of the reported amount of Rs.20,032.21 Net Loss after tax for the quarter ended June 30, 2019 would have been Rs.2,376.80 lakhs instead of the reported profit amount of Rs.2,419.24 lakhs. Profit/(Loss) per share for the quarter ended June 30, 2019 would have been Rs. (3.13) instead of the reported amount of Rs.3.18.

**Qualified Conclusion:**

Based on our review conducted as above, except for the matter described in the Basis of Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation, as amended, read with circular including the manner in which it is to be disclosed or that it contains any material misstatement.

We draw your attention to the following matters:

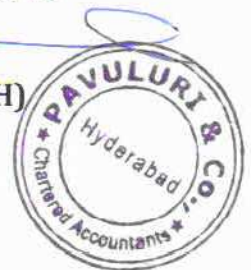
- (a) Note 6 to the statement regarding the preparation of the statement on going concern basis. The Company has reported profit for the quarter ended June 30, 2019 subject to our qualified conclusion stated above. As on date, the Company's current liabilities exceeded its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our conclusion is not qualified in respect of these matters.

Place: Malliveedu  
Date: 14.08.2019

For PAVULURI & CO  
Chartered Accountants  
Firm Regn. No. 012194S

*P A*  
(CA. P.A. RAMAIAH)  
PARTNER  
M. No. F203300



UDIN : 19203300 AAAABE8363.

**Branches :**

Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Apparel Park, Visakhapatnam - 530049.  
Flat No.: 504, Madhu Towers, Srinivasa Nagar Bank Colony, Vijayawada - 520008, Ph : 0866-2545418

STEEL EXCHANGE INDIA LIMITED  
#303, My Home Lakhmi Nivas, Green Lands, Ameerpet, Hyderabad - 500 016  
Phone: +91-40-2340 3725 Fax: +91-40-2341 3267 Web: www.sell.co.in E-mail: info@sell.co.in  
CIN: L74100AP1999PL0031191

Part I : Statement of Standalone Unaudited Results for the Quarter Ended 30th June, 2019

(₹. In Lakhs except EPS)

Particulars	Quarter ended			Year ended
	30.06.2019 (Unaudited)	31.03.2019 (Unaudited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)
<b>1. Revenue from operations</b>				
Gross sales/income from operations	22,417.00	24,811.40	25,337.70	1,02,394.13
<b>Total revenue from operations</b>	<b>22,417.00</b>	<b>24,811.40</b>	<b>25,337.70</b>	<b>1,02,394.13</b>
<b>2. Other Income</b>	34.45	277.98	38.74	533.52
<b>3. Total Income [1+2]</b>	<b>22,451.45</b>	<b>25,089.39</b>	<b>25,376.44</b>	<b>1,02,927.65</b>
<b>4. Expenses</b>				
(a) Raw materials consumed	15,218.06	15,900.69	17,072.96	67,566.87
(b) Purchases of finished, semi-finished steel & other products	1,704.10	3,487.57	3,207.13	17,998.06
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(818.20)	3,098.27	(613.69)	(1,507.86)
(d) Employee benefits expense	651.96	745.50	589.75	2,583.43
(e) Finance costs	18.38	909.43	34.49	996.55
(f) Depreciation and amortisation expense	695.54	753.37	735.75	2,962.16
(g) Other expenses	2,562.36	5,803.62	2,584.88	14,045.80
<b>Total Expenses [4(a) to 4(g)]</b>	<b>20,032.21</b>	<b>30,698.46</b>	<b>23,611.27</b>	<b>1,04,645.01</b>
<b>5. Profit / (Loss) before exceptional items and tax (3-4)</b>	<b>2,419.24</b>	<b>(5,609.07)</b>	<b>1,765.17</b>	<b>(1,717.36)</b>
6. Exceptional items	-	-	-	-
<b>7. Profit / (Loss) before tax (5-6)</b>	<b>2,419.24</b>	<b>(5,609.07)</b>	<b>1,765.17</b>	<b>(1,717.36)</b>
8. Tax expense	-	-	-	-
(a) Current Tax	-	-	-	-
(b) Deferred Tax	-	1,950.51	-	1,950.51
<b>Total tax expense [8(a)+(b)]</b>	-	<b>1,950.51</b>	-	<b>1,950.51</b>
<b>9. Net Profit / (Loss) for the period (7-8)</b>	<b>2,419.24</b>	<b>(7,559.58)</b>	<b>1,765.17</b>	<b>(3,667.87)</b>
10. Other comprehensive income	-	(16.53)	-	(16.53)
A (a) Items that will not be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	5.16	-	5.16
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income	-	(11.37)	-	(11.37)
<b>11. Total Comprehensive Income for the period (9+10)</b>	<b>2,419.24</b>	<b>(7,570.95)</b>	<b>1,765.17</b>	<b>(3,679.24)</b>
12 Paid-up equity share capital [Face Value per share ₹. 10/-]	7,598.48	7,598.48	7,598.48	7,598.48
13. Other Equity excluding revaluation reserves	-	-	-	(21,603.35)
<b>14. Earnings per equity share (of ₹. 10/- each)</b>				
(a) Basic (in ₹.)	3.18	(9.95)	2.32	(4.84)
(b) Diluted (in ₹.)	3.18	(9.95)	2.32	(4.84)



SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30th JUNE, 2019

(. In Lakhs)

Particulars	Quarter ended				Year ended
	30.06.2019 (Unaudited)	31.03.2019 (Unaudited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)	
<b>1. Revenue by Business Segment:</b>					
Steel	22,897.11	25,517.96	27,052.95	108,245.60	
Power	1,023.45	2,220.53	4,475.63	13,651.36	
<b>Total:</b>	<b>23,920.57</b>	<b>27,738.49</b>	<b>31,528.58</b>	<b>121,896.96</b>	
Less: Inter segment revenue	1,503.57	2,927.09	6,190.88	19,502.83	
<b>Total income from operations</b>	<b>22,417.00</b>	<b>24,811.40</b>	<b>25,337.70</b>	<b>102,394.13</b>	
<b>2. Segment results (Profit)/Loss (-) before finance cost, exceptional items and tax:</b>					
Steel	2,520.12	(4,622.51)	1,531.88	(265.33)	
Power	(82.51)	(77.13)	257.78	(485.47)	
<b>Segment results (Profit)/Loss (-) before finance cost, exceptional items and tax:</b>	<b>2,437.61</b>	<b>(4,699.64)</b>	<b>1,799.66</b>	<b>(720.80)</b>	
Less: Finance cost	18.38	909.43	34.49	996.55	
<b>Profit/(Loss) before exceptional items &amp; tax</b>	<b>2,419.24</b>	<b>(5,609.07)</b>	<b>1,765.17</b>	<b>(1,717.36)</b>	
Less: Exceptional items	-	-	-	-	
<b>Profit/(Loss) before tax</b>	<b>2,419.24</b>	<b>(5,609.07)</b>	<b>1,765.17</b>	<b>(1,717.36)</b>	
<b>3. Segment Assets</b>					
Steel Business	116,571.04	115,811.08	124,390.69	115,811.08	
Power Business	26,675.87	26,940.34	27,680.97	26,940.34	
<b>Total:</b>	<b>143,246.92</b>	<b>142,751.42</b>	<b>152,071.65</b>	<b>142,751.42</b>	
<b>4. Segment Liabilities</b>					
Steel Business	96,903.20	98,191.51	103,648.48	98,191.51	
Power Business	15,788.58	15,771.99	14,016.34	15,771.99	
<b>Total:</b>	<b>112,691.78</b>	<b>113,963.50</b>	<b>117,664.82</b>	<b>113,963.50</b>	

Note:

- The above results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 14.08.2019 and a limited review of the same was carried out by the Statutory Auditors of the Company.
- Considering the requirements under Indian Accounting Standard (Ind AS) 108 on "Operating Segments", the Company has identified sale of Steel and Power as primary business segments and accordingly the disclosures have been made. As per this standard the Company has reported segment information as described below: (a) The steel segment includes production and marketing operations of Rebars (RM) & Billets. (b) The power segment includes generation and marketing operations of Thermal and Gas based power.
- Other income includes interest, lease rentals received, forex gain and miscellaneous income.
- The majority of the lenders have stopped charging interest on debts since the Company has been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the lenders for a suitable debt resolution. Pending finalization of debt resolution with the lenders, the Company has stopped providing for accrued interest and unpaid effective from 1st January 2018, in its books of accounts.
- The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.4,796.04 lakhs for the quarter ended 30th June, 2019 and the same has also not been considered for compilation of results of the current quarter. The accumulated interest not provided upto 30th June, 2019 is estimated at Rs.26,577.36 lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.
- The Company continues to be in liquidity stress with the current liabilities exceeding the current assets as on 30th June, 2019. It is expected that the overall financial health of the Company would improve considerably after debt resolution. Accordingly, the Company has prepared the financial results on the basis of going concern assumption. The statutory auditors have also drawn attention to the above matter without qualifying their observation in their Review Report.
- The wholly owned subsidiary "SEIL (HONG KONG) Limited" continues to be in dormant state with no investment and no activity since inception and hence the Consolidated Financial Statements are not furnished.
- Income tax and deferred tax will be provided at the end of the financial year.
- Previous period/quarter figures have been re arranged/regrouped where ever considered necessary.

Place: Mallivreedu  
Date : 14.08.2019

For and on behalf of the Board  
E. Sathish Kumar  
Chairman cum Managing Director  
INDIA LITIA EXCHANGE