



REGD. OFFICE & WORKS: Plot No. 2, G.I.D.C. Estate, Palej, Dist. Bharuch – 392 220, Gujarat, India.
Phone : (02642) 277479 (Hunting Line) 277480, 277481, 277317, 277326, 277332, Fax : (+91-2642) 277307.
Visit us on : www.steelcogujarat.com E-mail : sgl@steelcogujarat.com CIN No.: 27110GJ1989PLC011748

SGL/PLI/CS/2018-19/150
September 17, 2018

To,
BSE Limited,
Listing Compliance,
Corporate Relationship Department,
25th Floor, P J Tower, Dalal Street,
Mumbai - 400 001.

Through: BSE Listing Center & e-mail- corp.relations@bseindia.com

Sub: Submission of Financial Results for the quarter ended 30th June, 2018.

Ref: Scrip No. 500399 & Scrip- Steelco

Dear Sir,

With reference to the above and pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and SEBI's circular (CIR/CFD/FAC/62/2016) dated 5th July, 2016, we would like to inform you that the Board of Directors at their adjourned meeting held on 17/09/2018 have:

- 1) Approved Unaudited Financial Results along with Limited Review by Auditors for the quarter ended 30th June, 2018.

We would like to add that this outcome along with necessary attachment is being sent to you by uploading through BSE listing Centre as well as through E-mail @ corp.relations@bseindia.com.

We would request to kindly take the same on record and acknowledge the receipt.

Thanking you.

Yours Faithfully
For Steelco Gujarat Limited


Anil Thakkar
Company Secretary

Corporate Office:

4th Floor, Marble Arch, Race Course Circle, Vadodara – 390 007, Gujarat. Phone: 0265-2333484, Fax: 2333483



Steelco Gujarat Limited

Registered Office: Plot No 2, G.I.D.C. Estate, National Highway No 8, Palej - 392 220
 Tel No. 91-2642-277 479 / 480 / 481 Fax No. 91-2642-277 307 Website www.steelcogujarat.com
 CIN No. L27110GJ1089PLC011748

PART I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2018

Sr. No.	Particulars	(Rupees in lakhs, unless otherwise stated)			
		Quarter ended		Year ended	
		30 June, 2018 (Unaudited)	31 March, 2018 (Unaudited) [Refer Note 13]	30 June, 2017 (Unaudited)	31 March, 2017 (Audited)
1	Income				
	a) Revenue from operations (Refer note 2)				
	(i) Gross sales (Products)	3,064.28	10,719.92	12,713.54	48,716.69
	(ii) Jobwork sales	109.07	10.55	-	131.44
	(iii) Other operating income	9.13	110.55	224.23	812.72
	Total revenue from operations	3,182.48	10,841.02	12,937.77	47,660.65
	b) Other income	26.00	190.24	0.93	260.74
	Total Income (a+b)	3,208.48	11,031.26	12,947.70	47,921.59
2	Expenses				
	a) Cost of materials consumed	1,659.65	9,050.49	9,922.31	37,986.75
	b) Changes in inventories of finished goods and work-in-progress	1,088.63	262.45	299.09	2,006.75
	c) Excise duty on sales (Refer note 2)	-	-	844.65	844.65
	d) Employee benefits expense	441.94	468.24	414.62	1,825.60
	e) Finance costs	843.48	517.02	488.98	2,123.59
	f) Depreciation and amortisation expense	135.26	481.14	69.79	716.24
	g) Other expenses	982.37	1,277.88	1,965.87	7,385.99
	Total expenses	4,952.33	12,055.22	14,004.50	52,890.67
3	Loss before exceptional items (1-2)	(1,743.85)	(1,023.96)	(1,056.80)	(4,968.98)
4	Exceptional items (Refer note 12)	(92.22)	541.78	-	(291.82)
5	Loss before tax (3-4)	(1,836.07)	(482.18)	(1,056.80)	(5,260.80)
6	Tax expense/ (benefit)				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	-	-	-	-
7	Loss after tax for the period (5-6)	(1,836.07)	(482.18)	(1,056.80)	(5,260.80)
8	Other Comprehensive Income / (Loss) (OCI):				
	a) Items that will not be reclassified to profit or loss (net of tax)	(3.51)	14.71	(0.67)	(19.02)
	b) Items that will be reclassified to profit or loss (net of tax)	-	-	-	-
	Total Other Comprehensive Income / (Loss) (net of tax)	(3.51)	14.71	(0.67)	(19.02)
9	Total Comprehensive Loss for the period, net of tax (7+8)	(1,839.58)	(467.47)	(1,057.47)	(5,279.80)
10	Paid-up equity share capital (Face value INR 10 each)	4,256.18	4,256.18	4,256.18	4,256.18
11	Other equity (excluding revaluation reserves)				(21,512.83)
12	Basic and diluted earnings per share (of INR 10 each) (not annualised) (in INR)	(4.31)	(1.13)	(2.48)	(12.38)
	See accompanying notes to the financial results				

SIGNED FOR IDENTIFICATION
 BY

[Signature]
 KEDIA & KEDIA ASSOCIATES
 AHMEDABAD



[Signature]

Notes:

1. The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on 17th September 2018. The statutory auditors of the Company have carried out a review of the aforesaid results for the quarter ended 30th June 2018.
2. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses for reporting period ending 30th June 2017. Post implementation of Goods and Services Tax (GST) effective 1st July 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.
3. The Company has only one manufacturing unit at Palej, to produce steel products i.e. cold rolled, galvanized and pre-painted steel and hence there is only one reportable operating segment as per Ind AS 108 - Operating Segment.
4. The manufacturing operations of the plant, is suspended for the majority period during the quarter ended 30th June 2018 due to shortage of Raw Material / Constrained Working Capital Funds position of the company. However, the manufacturing facilities of the company have been utilized during last fortnight of June 2018 for the out sourcing work / Job Work. The matter is disclosed under basis of disclaimer of conclusion in the Independent auditor's limited review report.
5. The Company has incurred a net loss of INR 1,836.07 Lakhs during the quarter ended 30 June 2018, and as of that date, the accumulated losses aggregating INR 24123.03 Lakhs have resulted in erosion of its net worth. Further as of 30 June 2018, the Company's current liabilities exceed its current assets by INR 20938.10 Lakhs. The financial results of the Company have been prepared on a going concern basis in view of the management's efforts of recovery and the revival of the operations of the Company. The appropriateness of the said basis is inter-alia further dependent upon the Company's ability to raise requisite long term finance and/or generate sufficient cash flows in future to meet its commitment of future revival plans and for continuing operations as well as on financial support by the holding / ultimate holding company. The matter is disclosed under basis of disclaimer of conclusion in the Independent auditor's limited review report.
6. The Company has defaulted in repayment of dues to the banks during the quarter ended 30 June 2018 aggregating INR 506.78 Lakhs, including accrued interest thereon. The cumulative amount of arrears, including accrued interest, aggregate to INR 3010.70 Lakhs as at 30 June 2018. Further, these loans from banks are secured by way of joint mortgage of immovable properties of the Company situated at Plot No.2, GIDC Estate, Palej, Dist. Bharuch, Gujarat (India), both present and future, and by way of hypothecation of whole of immovable property of the Company, including plant and machinery and other

SIGNED FOR IDENTIFICATION
BY 
KEDIA & KEDIA ASSOCIATES
AHMEDABAD



movables, both present and future (save and except inventories and book debts) whether installed or not, or in the course of transit by way of first charge to the lenders subject to the first charge on specified movable assets created in favour of banks providing working capital finance) to rank on pari-passu basis. The secured borrowings are further secured by way of pledge of 31,921,366 Equity Shares held by the promoters in favour of the consortium of Bankers and corporate guarantee of Spica Business Corp., Panama, the Ultimate Holding Company.

The Company has received a notice dated 10.07.2018 from State Bank of India (SBI) (Consortium Leader), under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, recalling all the facilities including amount sacrificed during CDR package (INR 630.00 Lakhs + interest) and demanding repayment of dues aggregating INR 11512.10 Lakhs within 60 days of the notice. The notice also states that if the Company does not pay the amount as mentioned in the notice, the Bank will exercise all or any of the rights detailed under Sub-Section (4) of Section 13 and other applicable provisions of the said Act. Such right includes, right to take possession of the secured assets etc. The Company has not provided for the demand of SBI of recalling of sacrifice made by the bank under CDR package mentioned above.

The Company has appointed a financial advisor for devising a suitable debt resolution plan for the Company, which will enable the Company to come out of the present stressed liquidity situation and honour the bank liabilities either by way of negotiated settlement or deep restructuring over the years. The Company has submitted proposal on 7 September 2018, for One Time Settlement (OTS) of the entire outstanding debt exposure amounting to INR 13752 Lakhs as on 31st March 2018.

The matter is disclosed under basis of disclaimer of conclusion in the Independent auditor's limited review report.

7. The trade receivables include balances aggregating INR 8,787.35 Lakhs in respect of which the Company has not made any assessment for expected credit loss, in accordance with the requirements of Ind AS 109: Financial Instruments, as the management considers such balances as good and recoverable in future. The matter is disclosed under basis of disclaimer of conclusion in the Independent auditor's limited review report.
8. The trade receivables include balances aggregating INR 6,995.99 Lakhs in foreign currency, which are pending for settlement and have resulted in delays in receipt beyond the timeline stipulated by the FED Master Direction under the Foreign Exchange Management Act, 1999. Further, there are balances payable to the same parties and aggregating INR 5,106.51 Lakhs. The Company has filed necessary applications with the appropriate authority for condonation of such delays, except for the amount

SIGNED FOR IDENTIFICATION
BY

KEDIA & KEDIA ASSOCIATES
AHMEDABAD



aggregating INR 127.70 Lakhs. The management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulatory authorities. This has been emphasized in the independent auditor's limited review report.

9. The trade payables include balances aggregating INR 4,535.36 Lakhs in foreign currency, which are pending for settlement and have resulted in delays in payment beyond the timeline stipulated by the FED Master Direction under the Foreign Exchange Management Act, 1999. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulatory authorities. This has been emphasized in the independent auditor's limited review report.
10. The Company has paid managerial remuneration of INR 151.60 Lakhs during the year ended 31 March, 2018 and INR 32.40 Lakhs during the quarter ended 30 June, 2018, respectively, which is subject to no objection certificate to be received from certain bankers of the Company. The management is of the view that such an approval is under process and likely to be obtained. The matter is disclosed under basis of disclaimer of conclusion in the Independent auditor's limited review report.
11. The Company has paid excess managerial remuneration to the managing director, amounting to INR 43.16 Lakhs, which was recognized as an expense in the financial year 2016-17. The Company has filed an application for seeking approval of the Central Government as required under the relevant provisions of the Companies Act, 2013 (Act) and rules made there under. The Company has currently not shown such payment as recoverable from the Managing Director. The management is of the view that such an approval is under process and likely to be obtained. This has been emphasized in the independent auditor's limited review report.

12. Exceptional items represent the following:

Particulars	Quarter ended 30 June 2018	Quarter ended 31 March 2018	Quarter ended 30 June 2017	Year ended 31 March 2018
Forfeiture of advance money on sale of land	-	(519.00)	-	(519.00)
Impairment of plant and machinery held for sale	-	(88.54)	-	695.85
Impairment of software licence and implementation expenses	92.22	-	-	-
Loss due to fire	-	65.76	-	114.97
Total (gain) / loss	92.22	(541.78)	-	291.82

SIGNED FOR IDENTIFICATION
BY


KEDIA & KEDIA ASSOCIATES
AHMEDABAD



13. The figures of the quarter ended 31 March 2018 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures up to third quarter of the relevant financial year.
14. Effective April 1, 2018, the company has adopted Ind AS 115 "Revenue from contracts with customer". The application of Ind AS 115 did not have any material impact on the financial results of the company.
15. Previous period/year figures have been re-grouped/ re-classified wherever necessary.

For and on behalf of the Board of Directors

Mitesh H. Shah

Mitesh H. Shah
Managing Director



Place: Palej, Bharuch
Date: September 17, 2018

SIGNED FOR IDENTIFICATION
BY

[Signature]
KEDIA & KEDIA ASSOCIATES
AHMEDABAD



Pramod Kedia - Bcom LLB FCA ACS
Subodh Kedia - Bcom LLB FCA AICWA DISA (ICAI)
CISA (ISACA, usa) CIPFA (AIFI, uk)
Kunal Kedia - Bcom FCA DISA (ICAI)

Independent Auditors' Limited Review Report on Quarterly Standalone Financial Results of Steelco Gujarat Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,
The Board of Directors
Steelco Gujarat Limited

1. We have reviewed the accompanying statement of unaudited financial results ['the Statement'] of Steelco Gujarat Limited ['the Company'], for the quarter ended on 30 June 2018, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting [Ind AS 34] specified under section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express conclusion on the Statement based on our review.
3. We conducted our review in accordance with Standards 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 Statement is free of material misstatement. A review is limited primarily to inquire of company personnel and analytical procedures applied to financial date and thus provide less assurance than an audit. We have not performed an audit and accordingly, do not express an audit opinion.
4. Because of the matters described in the Basis for Disclaimer of the Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.



5. Basis for Disclaimer of the Conclusion

a. As stated in Note 4 to the Statement, which indicates that the manufacturing operations of the plant, is suspended for the majority period during the quarter ended 30 June, 2018 due to shortage of Raw Material / Constrained Working Capital Funds position of the company. However, the manufacturing facilities of the company have been utilized during last fortnight of June 2018 for the out sourcing work / Job Work.

b. (i) As stated in Note 5 to the Statement, which indicates that The Company has incurred a net loss of INR 1836.07 Lakhs during the quarter ended 30 June 2018, and as of that date, the accumulated losses aggregating INR 24123.03 Lakhs have resulted in erosion of its net worth. Further, as of 30 June 2018, the Company's current liabilities exceed its current assets by INR 20938.10 Lakhs.

(ii) As stated in Note 6 to the Statement, The Company has defaulted in repayment of dues to the banks during the quarter ended 30 June 2018 aggregating INR 506.78 Lakhs, including accrued interest thereon. The cumulative amount of arrears, including accrued interest, aggregate to INR 3010.70 Lakhs as at 30 June 2018.

(iii) Further The Company has received a notice dated 10.07.2018 from State Bank of India (SBI) (Consortium Leader), under section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, recalling all the facilities including amount sacrificed during CDR package (INR 630.00 Lakhs + interest) and demanding repayment of dues aggregating INR 11512.10 Lakhs within 60 days of the notice. The notice also states that if the Company does not pay the amount as mentioned in the notice, the Bank will exercise all or any of the rights detailed under Sub-Section (4) of Section 13 and other applicable provisions of the said Act. Such right includes, right to take possession of the secured assets etc. The Company has not provided for the demand of SBI of recalling of sacrifice made by the bank under CDR package mentioned above. We have been informed that the Company has appointed a financial advisor for devising a suitable debt resolution plan for the Company, which will enable the Company to come out of the present stressed liquidity situation and honour the bank liabilities either by way of negotiated settlement or deep restructuring over the years. The Company has submitted proposal on 7 September 2018, for One Time Settlement (OTS) of the entire outstanding debt exposure amounting to INR 13752 Lakhs as on 31st March 2018.



The above conditions described in paragraph 5(a) and 5(b) above, create multiple material uncertainties that lead to a significant doubt on the Company's ability to continue as a going concern. In the absence of necessary and adequate evidence with respect to company's assessment of going concern, we are unable to comment on the ability of the Company to continue as a going concern.

c. As stated in Note 7 to the Statement, the Company's trade receivables aggregating INR 8787.35 Lakhs, in respect of which the Company has not made assessment for expected credit loss, in accordance with the requirements of Ind AS 109 'Financial Instruments', as the Management believes that they are good and recoverable in the future, which is not in accordance with the principles of recognition and measurement of Ind AS 109. In the absence of such assessment for expected credit loss by the management and any other evidence to corroborate the management's assessment, we were unable to comment on the recoverability of these balances and the consequent impact, if any, on the provision thereon and the loss for the quarter ended on 30 June 2018.

d. As stated in Note 10 to the financial results, the Company has paid managerial remuneration of INR 32.40 Lakhs and INR 151.60 Lakhs during the quarter ended 30 June 2018 and for the year ended 31 March 2018, respectively, without obtaining prior approval from lenders for such remuneration in excess of limits prescribed in Schedule V of the Companies Act, 2013 which is not in accordance with the provisions of Schedule V. The Company is yet to obtain approval from lenders and hence we are unable to comment on the possible impact, if any, on the accompanying Statement.

6. Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion, as to whether anything has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 and SEBI Circulars No. CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognized accounting practices and policies, has not disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.



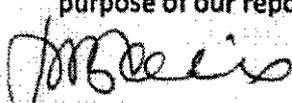
7. Emphasis of Matter:

We draw attention to:

- a. Note 8 and note 9 to the Statement, regarding the delays in receipt of foreign currency receivables aggregating INR 6995.99 Lakhs and payment of foreign currency payables aggregating INR 4535.36 Lakhs, against the export sales and import of goods and services respectively that are outstanding for a period beyond the timelines stipulated vide FED Master Direction under the Foreign Exchange Management Act, 1999. Management of the Company has represented that the Company is in process of regularizing these defaults and has filed necessary applications with the appropriate authority for condonation of delays in the receipt and payment of foreign currency receivables and payables. The Management is of the view that the possible penalties etc. which may be levied for this contravention are likely to be condoned by the regulatory authorities.
- b. Note 11 to the Statement, regarding excess managerial remuneration paid to the managing director of the Company and aggregating INR 43.16 Lakhs, in excess of the limits specified under the relevant provisions of the Companies Act, 2013, which was recognized as an expense in the financial results for the year ended 31 March 2017. The Company has filed an application for seeking approval of the Central Government, as required by the relevant provisions of the Act and rules there under, and which is yet to be approved.

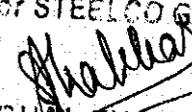
Our report is not modified in respect of the above matters.

8. The audited financial results for the year/quarter ended 31 March 2018, included in the Statement were audited by Walker Chandok & Co LLP who expressed modified conclusion (Disclaimer of Conclusion) vide their report dated 5 July 2018. The comparative unaudited financial results for the quarter ended 30 June 2017, included in the Statement were reviewed by Mukesh M Shah & Co., who expressed unmodified conclusion vide their report dated 30 August 2017. Above reports have been furnished to us and which has been relied upon by us for the purpose of our report.



PRAMOD KEDIA
(M. No.: 042309), Partner
for and on behalf of
KEDIA & KEDIA ASSOCIATES
Chartered Accountants
FRN: 104954W
AHMEDABAD; September 17, 2018



For STEELCO GUJARAT LIMITED

ANIL CHAKKAR
Company Secretary