



# Steel Exchange India Limited

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SEIL/ Un-audited Results- Q3/ 2017-18

09<sup>th</sup> February, 2018

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 and Nine Months ended 31<sup>st</sup> December, 2017- 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 and Nine months ended 31<sup>st</sup> December, 2017 along with Limited Review Report as approved and taken on record by the Board of Directors at its meeting held today i.e. 09<sup>th</sup> February, 2018.

Kindly take the same on record.

The meeting of Board of Directors commenced at 3.30 p.m. and concluded at 5.15 p.m.

**For Steel Exchange India Limited**

  
**Raveendra Babu M**  
**Company Secretary**



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

## WORKS

<b>Integrated Steel Plant</b>	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
<b>Power Plant &amp; SMS</b>	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
<b>Re-Rolling Unit</b>	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685

**Part I : Statement of Standalone Un-Audited Results for the Quarter and Nine months period ended 31.12.2017**

(₹. In Lakhs)

Particulars	Quarter ended			Nine months period ended			Year ended
	31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (un Audited)	31.12.2016 (Unaudited)	31.03.2017 (Audited)	
<b>1. Revenue from operations</b>							
Gross sales/income from operations	28,475.15	18,104.86	23,419.05	59,580.25	1,01,978.02	1,33,040.74	
<b>Total revenue from operations</b>	<b>28,475.15</b>	<b>18,104.86</b>	<b>23,419.05</b>	<b>59,580.25</b>	<b>1,01,978.02</b>	<b>1,33,040.74</b>	
2. Other Income	168.89	262.66	362.98	493.51	600.12	757.70	
<b>3. Total Income [1+2]</b>	<b>28,644.04</b>	<b>18,367.51</b>	<b>23,782.03</b>	<b>60,073.76</b>	<b>1,02,578.14</b>	<b>1,33,798.44</b>	
<b>4. Expenses</b>							
(a) Raw materials consumed	12,191.80	9,815.36	4,972.62	27,912.96	27,357.33	36,797.78	
(b) Purchases of finished, semi-finished steel & other products	10,986.21	6,593.29	12,846.51	22,000.24	56,983.25	68,107.97	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,495.55	(1,786.90)	234.81	238.73	(2,263.87)	3,023.76	
(d) Employee benefits expense	569.55	595.22	568.40	1,733.46	1,736.19	2,357.01	
(e) Finance costs	4,646.33	4,661.96	3,385.86	13,258.04	11,081.91	15,744.23	
(f) Depreciation and amortisation expense	742.65	733.61	737.39	2,181.09	2,244.19	2,975.59	
(g) Excise duty	-	-	869.33	905.89	4,109.12	5,946.42	
(h) Other expenses	1,344.60	2,537.50	2,009.43	5,808.76	7,827.65	9,393.82	
<b>Total Expenses [4(a) to 4(h)]</b>	<b>32,976.68</b>	<b>23,150.04</b>	<b>25,624.34</b>	<b>74,039.16</b>	<b>1,09,075.75</b>	<b>1,44,346.59</b>	
<b>5. Profit / (Loss) before exceptional items and tax (3-4)</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(10,548.14)</b>	
6. Exceptional items	-	-	-	-	-	5,330.31	
<b>7. Profit / (Loss) before tax (5-6)</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(15,878.45)</b>	
8. Tax expense						23.49	
(a) Current Tax	-	-	-	-	-	-	
(b) Deferred Tax	-	-	-	-	-	(191.88)	
<b>Total tax expense [8(a)+(b)]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(168.39)</b>	
<b>9. Net Profit / (Loss) for the period (7-8)</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(15,710.07)</b>	
10. Other comprehensive income							
A (i) 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	-	-	-	-	-	-	
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	-	-	-	-	-	-	
<b>11. Total Comprehensive Income for the period [9+10]</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(15,710.07)</b>	
12. Paid-up equity share capital [Face Value per share: ₹.10/-]	7,598.48	7,598.48	7,598.48	7,598.48	7,598.48	7,598.48	
13. Reserve excluding revaluation reserves	-	-	-	-	-	(896.16)	
<b>14. Earnings per equity share (of ₹.10/- each)</b>							
(a) Basic (in ₹.)	(5.70)	(6.29)	(2.42)	(18.38)	(8.55)	(20.68)	
(b) Diluted (in ₹.)	(5.70)	(6.29)	(2.42)	(18.38)	(8.55)	(20.68)	

\* See accompanying note to the Financial Results





SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31.12.2017

(₹. In Lakhs)

Particulars	Quarter ended				Nine months period ended		Year ended
	31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	31.03.2017 (Audited)	
<b>1.Revenue by Business Segment:</b>							
Steel	45,925.39	30,319.98	23,505.34	1,00,404.63	1,01,580.20	1,93,863.10	
Power	3,713.79	3,223.38	2,080.09	9,333.86	11,276.47	14,993.03	
<b>Total:</b>	<b>49,639.18</b>	<b>33,543.35</b>	<b>25,585.42</b>	<b>1,09,738.49</b>	<b>1,12,856.67</b>	<b>2,08,856.13</b>	
Less: Inter segment revenue	21,164.03	15,438.49	3,035.70	50,158.25	14,987.77	75,815.39	
<b>Total income from operations</b>	<b>28,475.15</b>	<b>18,104.86</b>	<b>22,549.72</b>	<b>59,580.25</b>	<b>97,868.90</b>	<b>1,33,040.74</b>	
<b>2.Segment results (Profit)/ Loss (-) before finance cost , exceptional items and tax :</b>							
Steel	1,568.29	2,031.42	1,530.07	4,131.68	4,046.03	4,869.83	
Power	(1,254.60)	(2,151.99)	13.47	(4,839.04)	538.27	326.26	
<b>Segment results (Profit)/ Loss (-) before finance cost , exceptional items and tax :</b>	<b>313.69</b>	<b>(120.57)</b>	<b>1,543.55</b>	<b>(707.36)</b>	<b>4,584.30</b>	<b>5,196.09</b>	
Less: Finance cost	4,646.33	4,661.96	3,385.86	13,238.04	11,081.91	15,744.23	
<b>Profit/(Loss) before exceptional items &amp; tax</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(10,548.14)</b>	
less: Exceptional items	-	-	-	-	-	5,330.31	
<b>Profit / (Loss) before tax</b>	<b>(4,332.64)</b>	<b>(4,782.53)</b>	<b>(1,842.31)</b>	<b>(13,965.40)</b>	<b>(6,497.61)</b>	<b>(15,878.45)</b>	
<b>3.Segment Assets</b>							
Steel Business	1,37,781.59	1,43,516.64	1,60,828.48	1,37,781.59	1,60,828.48	1,39,019.04	
Power Business	30,680.19	30,944.05	35,302.69	30,680.19	35,302.69	32,597.89	
<b>Total:</b>	<b>1,68,461.78</b>	<b>1,74,460.69</b>	<b>1,96,131.17</b>	<b>1,68,461.78</b>	<b>1,96,131.17</b>	<b>1,71,616.93</b>	
<b>4.Segment Liabilities</b>							
Steel Business	1,09,467.23	1,09,130.43	1,18,130.01	1,09,467.23	1,18,130.01	1,03,439.55	
Power Business	13,514.98	11,567.59	6,752.49	13,514.98	6,752.49	9,995.47	
<b>Total:</b>	<b>1,22,982.21</b>	<b>1,20,698.02</b>	<b>1,24,882.50</b>	<b>1,22,982.21</b>	<b>1,24,882.50</b>	<b>1,13,435.02</b>	

Note:

1. Results for the quarter/nine months period ended 31st December 2017 are in compliance with Indian Accounting Standards notified by the Ministry of Corporate Affairs. Consequently results for the quarter ended 31st December 2016, nine months period ended 31st December 2016 and previous year ended 31st March 2017, have been restated to comply with Ind AS to make them comparable.
2. The above results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 09.02.2018 and a limited review of the same was carried out by the Statutory Auditors of the Company.
3. 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.
4. Other income includes interest, lease rentals received, foreign exchange gain and miscellaneous income.
5. The loss in current quarter is mainly due to low margins in steel division on account of increase in input costs and low power sales due to lack of demand.
6. The company has initiated alternative debt resolution by way of Corporate Debt Restructuring (CDR) under CDR guidelines of RBI with the lenders.
7. Effective from 1st July 2017 with the implementation of GST, taxes paid on sale of goods and services (GST) is netted off against the gross revenue. Hence, revenue from operations for the quarter and nine months period ended 31st December 2017 is not strictly comparable with revenue from operations for the 1st quarter of current year and previous year periods presented.
8. Transition to Ind AS:

The Company has adopted Ind AS with effect from April 1, 2017, with comparatives being restated. Accordingly the impact of transition has been provided in the opening results as at April 1, 2016 and all the periods presented have been restated accordingly.



9. Reconciliation of profit and reserve between Ind AS and previous Indian GAAP for earlier periods and as at March 31, 2017

Nature of Adjustments	Note ref.	Profit reconciliation			Reserve Reconciliation As at
		Quarter ended 31.12.2016	Nine months period ended 31.12.2016	Year ended 31.03.2017	
<b>Net Profit/Reserves as per Previous Indian GAAP</b>					<b>31.03.2017</b>
1. Fair valuation as deemed cost for Property, Plant and Equipment	I	(1,772.75)	(6,289.48)	(15,713.12)	13,102.87
2. Fair valuation/Amortised cost of financial assets/Liabilities	II	-	-	-	12,638.27
3. Deferred Tax	III	-	-	-	(1,252.69)
4. Others	IV	(69.56)	(208.14)	(181.53)	(2,056.13)
<b>Total</b>		<b>(1,842.30)</b>	<b>(6,497.62)</b>	<b>(15,710.07)</b>	<b>9,139.43</b>
<b>Net profit before OCI/Reserves as per Ind AS</b>					<b>22,242.30</b>

Notes:

**I. Fair valuation as deemed cost for Property, Plant and Equipment:**

The Company has considered fair value of Property, viz land admeasuring over 433.95 acres and buildings situated in Andhra Pradesh, in India, with impact of Rs.59.84 crore and Rs.68.98 crore respectively in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

**II. Fair valuation for Financial Assets:**

The Company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

**III. Deferred Tax:**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the statement of Profit and Loss for the subsequent periods.

**IV. Others**

Other adjustments primarily comprises of depreciation and expected credit losses on trade receivables.

10. Previous period/quarter figures have been re arranged/regrouped where ever considered necessary.

Place: Visakhapatnam  
Date : 09.02.2018

For and on behalf of the Board  
  
B. Senthil Kumar  
Chairman & Managing Director







## PAVULURI & Co.

CHARTERED ACCOUNTANTS

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### LIMITED REVIEW REPORT

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 31<sup>st</sup> December, 2017 and year to date result for the period 01<sup>st</sup> April, 2017 to 31<sup>st</sup> December, 2017 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. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 09.02.2018. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements(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 inquiries of the Company personnel and analytical procedures 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.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 05th July, 2016 and other recognized accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad  
Date: 09.02.2018

For PAVULURI & CO  
Chartered Accountants  
Firm Regn. No. 0121945

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

