



# Steel Exchange India Limited

Corp. Office : Block 'A', Green City, Near Apparel Export Park, Vadlapudi (Po), Visakhapatnam - 530 046. A.P.

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URL : www.seil.co.in

CIN: L74100AP1999PLC031191

E-mail : info@seil.co.in

SEIL/ Un-audited Results- Q2/ 2018-19

26<sup>th</sup> October, 2018

To  
The Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Port, Mumabi - 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: Outcome of Board Meeting held on 26<sup>th</sup> October, 2018 - Reg.**

**Ref: Pursuant to Reg.30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Reg.30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held on Friday the 26<sup>th</sup> day of October, 2018 had inter-alia:

1. Approved the Un-audited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2018. The Same together with Limited Review Report of the Statutory Auditors are attached;

The Financial Results will be published in the newspapers and the same would be available on the Company's website.

The meeting commenced at 11.30 a.m. and concluded at 3.00 p.m.

You are requested to take the same on record.

**For Steel Exchange India Limited**

  
**B. Satish Kumar**  
**Chairman and Managing Director**

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



**STEEL EXCHANGE INDIA LIMITED**  
**#303, My Home Lakshmi Nivas, Green Lands, Ameerpet, Hyderabad - 500 016**  
**Phone: +91-40-2341 3267 Web: www.sell.co.in E-mail: info@sell.co.in**  
**Fax: +91-40-2341 3267 Web: www.sell.co.in E-mail: info@sell.co.in**  
**CIN: L74100AP1999PLC031191**

**Part 1 : Statement of Standalone Un-Audited Results for the Quarter and Half Year ended 30th September, 2018**

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Revenue from operations</b>						
Gross sales/income from operations	23,178.58	25,337.70	18,104.86	48,516.28	31,105.10	93,114.83
<b>Total revenue from operations</b>	<b>23,178.58</b>	<b>25,337.70</b>	<b>18,104.86</b>	<b>48,516.28</b>	<b>31,105.10</b>	<b>93,114.83</b>
2. Other Income	200.44	38.74	262.56	239.19	324.62	836.54
<b>3. Total Income [1+2]</b>	<b>23,379.02</b>	<b>25,376.44</b>	<b>18,367.51</b>	<b>48,755.46</b>	<b>31,429.72</b>	<b>93,951.37</b>
<b>4. Expenses</b>						
(a) Raw materials consumed	15,908.27	17,072.96	9,815.36	32,981.23	15,721.16	42,832.97
(b) Purchases of finished, semi-finished steel & other products	4,591.67	3,207.13	6,593.29	7,798.80	11,014.03	34,477.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,741.65)	(613.69)	(1,786.90)	(2,355.34)	(2,256.82)	1,710.51
(d) Employee benefits expense	505.49	589.75	595.22	1,195.24	1,163.91	2,416.46
(e) Finance costs	7.51	34.49	4,661.96	41.99	8,611.72	13,552.06
(f) Depreciation and amortisation expense	738.36	735.75	733.61	1,474.11	1,438.44	2,899.87
(g) Excise duty	-	-	-	-	905.89	905.89
(h) Other expenses	3,088.82	2,584.88	2,537.50	5,673.71	4,464.16	11,866.76
<b>Total Expenses [(a) to (h)]</b>	<b>23,198.47</b>	<b>23,611.27</b>	<b>23,150.04</b>	<b>46,809.74</b>	<b>41,062.48</b>	<b>1,10,661.91</b>
<b>5. Profit / (Loss) before exceptional items and tax (3-4)</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(9,632.76)</b>	<b>(16,710.54)</b>
6. Exceptional items	-	-	-	-	-	4,758.89
<b>7. Profit / (Loss) before tax (5-6)</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(9,632.76)</b>	<b>(21,469.44)</b>
8. Tax expense	-	-	-	-	-	-
(a) Current Tax	-	-	-	-	-	-
(b) Deferred Tax	-	-	-	-	-	(4,456.23)
<b>Total tax expense [(a)+(b)]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,456.23)</b>	<b>(4,456.23)</b>
<b>9. Net Profit / (Loss) for the period (7-8)</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(9,632.76)</b>	<b>(17,013.21)</b>
10. Other comprehensive income	-	-	-	-	-	0.80
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	-	-	-	-	-	0.80
<b>11. Total Comprehensive Income for the period [9+10]</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(9,632.76)</b>	<b>(17,012.41)</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. Other Equity excluding revaluation reserves	-	-	-	-	-	(17,924.11)
<b>14. Earnings per equity share (of ₹. 10/- each)</b>						
(a) Basic (in ₹.)	0.02	0.23	(6.29)	0.26	(12.68)	(22.39)
(b) Diluted (in ₹.)	0.02	0.23	(6.29)	0.26	(12.68)	(22.39)

\*See accompanying note to the Financial Results



**SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTERLY AND HALF YEAR ENDED 30TH SEPTEMBER, 2018**

Particulars	₹. In Lakhs)					
	Quarter ended		Half Year ended		Year ended	
	30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	31.03.2018 (Audited)	
<b>1. Revenue by Business Segment:</b>						
Steel	44,865.91	51,005.43	30,319.98	95,871.35	54,479.24	
Power	4,013.02	4,475.63	3,223.38	8,488.65	5,620.08	
<b>Total:</b>	<b>48,878.94</b>	<b>55,481.06</b>	<b>33,543.35</b>	<b>1,04,360.00</b>	<b>60,099.31</b>	
Less: Inter segment revenue	25,700.36	30,143.36	15,438.49	55,843.72	28,994.22	
<b>Total income from operations</b>	<b>23,178.58</b>	<b>25,337.70</b>	<b>18,104.86</b>	<b>48,516.28</b>	<b>31,105.10</b>	
<b>2. Segment results (Profit)/Loss (-) before finance cost, exceptional items and tax</b>						
Steel	(43.35)	1,531.88	2,031.42	1,488.53	2,563.39	
Power	231.41	267.78	(2,151.99)	499.19	(3,584.44)	
<b>Segment results (Profit)/Loss (-) before finance cost, exceptional items and tax:</b>	<b>188.06</b>	<b>1,799.66</b>	<b>(120.57)</b>	<b>1,987.72</b>	<b>(3,158.48)</b>	
Less: Finance cost	7.51	34.49	4,661.96	41.99	8,611.72	
<b>Profit/(Loss) before exceptional items &amp; tax</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(16,710.54)</b>	
Less: Exceptional items	-	-	-	-	-	
<b>Profit/(Loss) before tax</b>	<b>180.55</b>	<b>1,765.17</b>	<b>(4,782.53)</b>	<b>1,945.72</b>	<b>(16,710.54)</b>	
<b>3. Segment Assets</b>						
Steel Business	1,27,077.91	1,24,390.69	1,43,516.64	1,27,077.91	1,43,516.64	
Power Business	27,417.27	27,680.97	30,944.05	27,417.27	30,944.05	
<b>Total:</b>	<b>1,54,495.18</b>	<b>1,52,071.65</b>	<b>1,74,460.69</b>	<b>1,54,495.18</b>	<b>1,74,460.69</b>	
<b>4. Segment Liabilities</b>						
Steel Business	1,06,600.00	1,03,648.48	1,09,130.43	1,06,600.00	1,04,716.80	
Power Business	14,236.98	14,016.34	11,567.59	14,236.98	11,567.59	
<b>Total:</b>	<b>1,20,836.99</b>	<b>1,17,664.82</b>	<b>1,20,698.02</b>	<b>1,20,836.99</b>	<b>1,19,769.48</b>	

Note

- The above results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 26.10.2018 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 (TMT) & Billets.
- The power segment includes generation and marketing operations of Thermal and Gas based power.
- Other income includes interest, lease rentals received 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 by way of debt restructuring at a sustainable level. Pending finalization of debt resolution, the Company has stopped providing for accrued interest and unpaid effective from 1st January 2018, in its books of accounts pending finalisation of any debt resolution with the Lenders.
- The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs. 4,518.60 lakhs for the quarter ended 30th September, 2018 and the same has also not been considered for compilation of results of the current quarter. The accumulated interest not provided for is estimated at Rs. 12,509.44 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 September, 2018. 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.
- The figures of the quarter ended 30th September 2018 are the balancing figure between un-audited figures in respect of 6 months period ended 30th September 2018 & published year to date figures for the first quarter ended 30th June 2018.
- Previous period/quarter figures have been re-arranged/regrouped wherever considered necessary.

  
 For and on behalf of the Board  
  
 E. Seshish Kumar  
 Chairman cum Managing Director

Place: Visakhapatnam  
 Date: 26.10.2018

**STEEL EXCHANGE INDIA LIMITED**

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CIN:L74100AP1999PLC031191

(₹. In Lakhs)

<b>Standalone Statement of Assets and Liabilities</b>		
Particulars	As at 30th September 2018	As at 31st March 2018
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
a) Property, Plant and Equipment	70,583.94	71,724.75
b) Capital work-in-progress	484.92	487.16
c) Other non-current assets	1,036.82	803.52
<b>Sub total - Non-current Assets</b>	<b>72,105.68</b>	<b>73,015.44</b>
<b>Current Assets:</b>		
a) Inventories	61,780.49	57,933.36
b) Financial assets	-	-
i) Other investments	29.94	29.94
ii) Trade receivables	8,325.07	9,790.08
iii) Cash and cash equivalents	202.74	146.05
iv) Other bank balances	206.92	680.87
v) Other financial assets	6,159.84	6,794.92
c) Other current assets	5,684.49	4,950.31
<b>Sub total - Current Assets</b>	<b>82,389.49</b>	<b>80,325.53</b>
<b>Total Assets</b>	<b>1,54,495.18</b>	<b>1,53,340.97</b>
<b>EQUITY AND LIABILITIES:</b>		
<b>Equity:</b>		
a) Equity share capital	7,598.48	7,598.48
b) Other equity	7,160.08	5,214.35
<b>Sub total - Equity</b>	<b>14,758.56</b>	<b>12,812.84</b>
<b>Liabilities:</b>		
<b>Non-Current Liabilities:</b>		
a) Financial Liabilities		
i) Borrowings	13,526.13	15,385.15
ii) Other financial liabilities	1,860.88	1,860.88
b) Deferred tax liabilities (net)	3,441.10	3,441.10
c) Provisions	71.52	71.52
<b>Sub total - Non-current Liabilities</b>	<b>18,899.63</b>	<b>20,758.65</b>
<b>Current Liabilities:</b>		
a) Financial Liabilities		
i) Borrowings	75,858.64	77,370.18
ii) Trade payables	11,104.75	9,661.12
iii) Other financial liabilities	23,708.30	22,341.48
b) Other current liabilities	10,154.66	10,386.06
c) Provisions	10.63	10.63
<b>Sub total - Current Liabilities</b>	<b>1,20,836.99</b>	<b>1,19,769.48</b>
<b>Total Equity and Liabilities</b>	<b>1,54,495.18</b>	<b>1,53,340.97</b>

For and on Behalf of Board

**B. SATISH KUMAR**

Chairman cum Managing Director

Place: Visakhapatnam

Date : 26.10.2018





## PAVULURI & Co.

CHARTERED ACCOUNTANTS

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Sucasa, Phase - I, Kavuri Hills,

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**Independent Auditor's Limited Review Report on Unaudited Quarterly Standalone Financial Results of Steel Exchange India Limited for the quarter and Six Months ended 30<sup>th</sup> September, 2018 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

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

1. 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> September 2018 and year-to-date results for the period from 1<sup>st</sup> April, 2018 to 30<sup>th</sup> June, 2018 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/62/2016 dated July 5, 2016, and has been initialled by us for identification purpose. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our Responsibility is to issue a report on the Statement based on our Review.
2. 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.
3. 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:**

4. 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 September 30, 2018 is Rs.12,509.44 Lakhs (including Rs.3,682.14 Lakhs for Quarter 4 of F.Y.2017-18 and Rs.4,308.70 Lakhs for the Quarter 1 of F.Y.2018-19) which is not in accordance with the requirement of Ind AS 23; 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.





## PAVULURI & Co.

CHARTERED ACCOUNTANTS

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Had the aforesaid interest expense been recognized, finance costs for the quarter ended September 30, 2018 would have been Rs.4,560.59 Lakhs instead of the reported amount of Rs.7.51 Lakhs; Total Expenses for the quarter ended September 30, 2018 would have been Rs.27,717.07 Lakhs instead of the reported amount of Rs.23,198.47 Lakhs; Loss before exceptional items and Tax for the quarter ended September 30, 2018 would have been Rs.4,338.05 Lakhs instead of thereported profit Rs.180.55 Lakhs; Loss before the tax for the quarter ended September 30, 2018 would have been Rs.4,338.05 Lakhs instead of the Profit reported of Rs.180.55 Lakhs; Loss for the quarter ended September 30, 2018 would have been Rs.4,338.05 Lakhs instead of the Profit reportedof Rs.180.55 Lakhs; Total Comprehensive Loss for the quarter ended September 30, 2018 would have been Rs.4,338.05 Lakhs instead of the Profit reported of Rs.180.55 Lakhs and Loss per share (EPS) for the quarter ended September 30, 2018 would have been Rs.0.57 instead of Profit per sharereportedof Rs.0.02. Other Equity and Other Current Financial Liabilities as at September 30, 2018 would have been Rs.2,641.48 Lakhs and Rs.1,45,046.73 Lakhs instead of the reported amount of Rs.7,160.08 Lakhs and Rs.1,40,528.13 Lakhs respectively.

5. We draw your attention to the following matters:

Note 6 to the statement regarding the preparation of the statement on going concern basis. The Company has reported profit for the quarter ended September 30, 2018 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 the above matter.

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

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

**Place:** Visakhapatnam  
**Date:** 26.10.2018