CIN : L27109TG1989PLC010654

SATHAVAHANA ISPAT LIMITED

H.O. : 505, Block 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016.
Phones : 23730812,3,4 Fax : +91-40-23730566 E-mail : sathavahana@eth.net
web : www.sathavahana.com

REF: SIL/SEC/ 1745 /2018 Date: 13.02.2018

To
The National Stock Exchange of India Limited
Regd. Office: "Exchange Plaza"
Bandra Kurla Complex,
Bandra (East),
MUMBAI – 400 051.
Ph. No. 022-26598237/38.

Dear Sir,

SUB: 1) SUBMISSION OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2017.
2) SUBMISSION OF LIMITED REVIEW REPORT.

REF: COMPANY CODE NO. **SATHAISPAT**.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are herewith filing a statement of Unaudited Financial Results of the Company for the quarter ended 31st December, 2017 as approved and taken on record by the Board of Directors of the Company at its meeting held on 13th February, 2018.

Also please find enclosed herewith a copy of the "Limited Review" report dated 13th February, 2018, issued by the Statutory Auditors of the Company.

Please take the above on record.

Thanking you,

Yours faithfully
For SATHAVAHANA ISPAT LIMITED

(K V KRISHNA RAO)
CFO & COMPANY SECRETARY

Encl: As above.

SATHAVAHANA ISPAT LIMITED

CIN :L27109TG1989PLC010654
Regd.Office: 314, Sri Rama Krishna Towers, Nagarjuna Nagar, Hyderabad - 500 073
Email: sathavahana@eth.net. www.sathavahana.com

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2017

(Rs. In Lakhs)

S.NO.	PARTICULARS	Quarter Ended			Nine Months Ended	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	**INCOME:**					
	a) Revenue From Operations	3949.01	4323.28	23471.03	19866.54	82089.21
	b) Other Income	133.60	47.52	174.10	554.41	587.13
	c) Total Income	**4082.61**	**4370.80**	**23645.13**	**20420.95**	**82676.34**
2	**EXPENSES:**					
	a) Cost of Materials Consumed	3438.15	2.17	11417.72	9526.59	38685.86
	b) Purchase of Stock in Trade	242.52	225.46	7691.14	467.98	26620.00
	c) Changes in inventory of Finished goods, Work in progress and Stock in trade	1390.55	4519.25	(2688.92)	10982.38	(8374.85)
	d) Excise duty	-	-	800.64	494.34	2794.71
	e) Employee Benefits Expense	780.91	809.31	997.54	2458.04	3012.27
	f) Finance Costs	3649.92	3521.76	3573.15	9863.32	9605.07
	g) Depreciation and Amortisation expense	1286.90	1287.54	1268.96	3837.13	3571.40
	h) Other Expenses	1717.36	927.59	2914.14	4684.18	8508.75
	i) Total Expenses	**12506.31**	**11293.08**	**25974.37**	**42313.96**	**84423.21**
3	**Profit/ (Loss) before Exceptional items and tax (1-2)**	**(8423.70)**	**(6922.28)**	**(2329.24)**	**(21893.01)**	**(1746.87)**
4	Exceptional Items	-	-	-	-	-
5	**Profit/ (Loss) before tax (3-4)**	**(8423.70)**	**(6922.28)**	**(2329.24)**	**(21893.01)**	**(1746.87)**
6	Tax Expense					
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
	Total Tax Expense	-	-	-	-	-
7	**Profit/ (Loss) for the period from continuing operations (5±6)**	**(8423.70)**	**(6922.28)**	**(2329.24)**	**(21893.01)**	**(1746.87)**
8	**Profit from discontinued operations**	-	-	-	-	-
9	**Tax expenses of discontinued operations**	-	-	-	-	-
10	**Profit/(Loss) from discontinued operations after tax (8±9)**	-	-	-	-	-
11	**Profit/ (Loss) for the Period (7+10)**	(8423.70)	(6922.28)	(2329.24)	(21893.01)	(1746.87)
12	**Other Comprehensive Income / (Expense)**					
A	(i) Items that will not be reclassified to profit or loss	14.13	43.25	7.06	42.38	21.19
	(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 / (Expense)	**14.13**	**43.25**	**7.06**	**42.38**	**21.19**
13	Total Comprehensive Income for the period (11+12) (Comprising Profit / (Loss) and other comprehensive Income for the period)	(8409.57)	(6879.03)	(2322.18)	(21850.63)	(1725.68)
14	Paid Up Equity Share Capital (Ordinary shares of Rs 10/- each)	5090.00	5090.00	5090.00	5090.00	5090.00
15.i.	**Earnings / (Loss) Per Equity Share for continuing operations (Not Annualised) in Rs.**					
	Basic	(16.55)	(13.60)	(4.58)	(43.01)	(3.43)
	Diluted	(16.55)	(13.60)	(4.58)	(43.01)	(3.43)
15.ii.	**Earnings Per Equity Share for discontinued operations (Not Annualised) in Rs.**					
	Basic	-	-	-	-	-
	Diluted	-	-	-	-	-
15.iii.	**Earnings/ (Loss) Per Equity Share for discontinued and continuing operations (Not Annualised) in Rs.**					
	Basic	(16.55)	(13.60)	(4.58)	(43.01)	(3.43)
	Diluted	(16.55)	(13.60)	(4.58)	(43.01)	(3.43)



Segment Revenue, Results, Segment Assets And Segment Liabilities

(Rs. in lakhs)

		Quarter Ended			Nine Months Ended	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	**Segment Revenue**					
	Ferrous Products	1447.86	5458.07	12798.05	17473.68	42945.76
	Metallurgical Coke with Co-generation Power	2525.23	720.34	16738.16	6431.36	57276.36
	Total	**3973.09**	**6178.41**	**29536.21**	**23905.04**	**100222.12**
	Less: Inter Segment Revenue	24.08	1855.13	6065.18	4038.50	18132.91
	Sales/Revenue From Operations	**3949.01**	**4323.28**	**23471.03**	**19866.54**	**82089.21**
2	**Segment Results**					
	Ferrous Products	(3144.46)	(2476.72)	1113.37	(7590.24)	5892.11
	Metallurgical Coke with Co-generation Power	(1614.95)	(922.84)	1882.90	(4420.63)	2020.06
	Total	**(4759.41)**	**(3399.56)**	**2996.27**	**(12010.87)**	**7912.17**
	Less : Other un-allocable expenditure	14.38	0.97	22.84	18.83	53.97
	Total Segment results before interest and tax	**(4773.79)**	**(3400.53)**	**2973.43**	**(12029.70)**	**7858.20**
	Finance Costs	3649.92	3521.75	5302.67	9863.32	9605.07
	Profit/(Loss) before tax	**(8423.70)**	**(6922.28)**	**(2329.24)**	**(21893.01)**	**(1746.87)**
	Tax	-	-	-	-	-
	Net Profit/(Loss) after tax	**(8423.70)**	**(6922.28)**	**(2329.24)**	**(21893.01)**	**(1746.87)**
	Other Comprehensive Income (Net of Tax)	14.13	43.25	7.06	42.38	21.19
	Total Other Comprehensive Income	**(8409.57)**	**(6879.03)**	**(2322.18)**	**(21850.63)**	**(1725.68)**
3	**Segment Assets**					
	Ferrous Products	44996.32	61122.16	89624.76	44996.32	89624.76
	Metallurgical Coke with Co-generation Power	63703.30	54467.00	55610.44	63703.30	55610.44
	Total	**108699.62**	**115589.16**	**145235.20**	**108699.62**	**145235.20**
	Segment Liabilities					
	Ferrous Products	63378.98	59247.52	72120.91	63378.98	72120.91
	Metallurgical Coke with Co-generation Power	51922.13	54591.88	52906.72	51922.13	52906.72
	Total	**115301.11**	**113839.40**	**125027.63**	**115301.11**	**125027.63**
	Unallocated	383.03	441.35	353.17	383.03	353.17
	Total	**(6218.45)**	**2191.11**	**20560.74**	**(6218.45)**	**20560.74**

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th February 2018 and also have been subjected to Limited Review by the Statutory Auditors of the Company. The Limited Review Report of the Auditors on these financial statements is an unqualified report.

2. The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Effective from April 1, 2017, the Company has, for the first time, adopted Ind AS with a transition date of April 1, 2016.

3. As Scheme for Sustainable Structuring of Stressed Assets (S4A) cannot be implemented due to cash flow constraints, the company's request for restructuring of the debt is under active consideration of the JLF and the JLF at its meeting held on 09-02-2018 in principally agreeable to consider the request of the company subject to approval of the sanctioning and other regulatory authorities. Meanwhile debt of company stands classified as non-performing asset (NPA) by the Banks. The company views that the deep restructuring of the debt will help to restart and establish profitable operations of the company and it would be able to meet commitments and reduce stress.

4. As at 31st December 2017, the company had accumulated losses and the company has incurred losses during the preceding two years. The company has delayed payment of loans and interest and loan accounts have been classified as non-performing by banks. Due to tight cash flows and non availability of working capital limits the operations at ferrous division have been impacted and the plant was under shut down since 12th June 2017. The operations at Kudithini works too were impacted where Metallurgical Coke facility is running on job work basis and power generation is partially operated. This impact is likely to continue until the restructuring of the loans are done by the financing institutions and banks. Notwithstanding the above, the financial results of the company have been prepared on going concern basis as management believes that the Shortage of working capital funds will be temporary and lenders will consider the request for deep restructuring of the debt and arrive at the resolution plan at the earliest. The Company views that the deep restructuring will help to restart and establish profitable operations of the company and it would be able to meet commitments and reduce debts. The auditors of the company had drawn an emphasis of matter paragraph in their limited review report for the quarter in this regard.

5. The Company's business consists of two reportable segments viz., Ferrous Products and Metallurgical coke with co-generation of Power.



6 The Ind AS compliant financial results, pertaining to the quarter and nine months ended 31st December, 2016 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

7 The Statement does not include Ind AS compliant result of previous year ended March 31, 2017 as the same is not mandatory as per SEBI's Circular dated July, 5 2016.

8 The Government of India introduced Goods and Services Tax (GST) with effect from 1st July 2017. Revenue from operations for the quarter ended 30th September 2017 and 31st December 2017 is presented net of GST. Accordingly revenue for operations for the nine months ended 31st December 2017 includes excise duty up to 30th June 2017 of Rs.494.34 lakhs. Revenue from operations of earlier periods includes excise duty which is now subsumed in GST.

9 The Company have considered fair value for property, viz land admeasuring over 271.51 acres, situated in India, with impact of Rs. 5,535.92 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

10 In the opinion of the management , sundry debtors and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. Certain balances of the sundry creditors, sundry debtors and advances are subject to confirmation and reconciliation.

11 The Company along with some other buyers of Iron Ore contested before the Hon'ble High Court of Karnataka (HC) the levy of Forest Development Tax (FDT) by the miners on their sale of Iron Ore. The Hon'ble HC vide its judgement dated 15.02.2016 has granted partial relief to the Company and directed the Government of Karnataka (GOK) to refund the FDT collected earlier. Following the judgement the Company has vide its letter dated 09.03.2016 filed an application for refund of Rs.2325.73 lakhs towards FDT collected in the earlier years. However Government of Karnataka and some mining companies have since gone on appeal before the Hon'ble Supreme Court against the above judgement. Company has also filed a petition before the Hon'ble High Court of Karnataka against collection of Forest Development Fee (FDF) on purchase of Iron Ore and the petition has been held in favour of the Company where an amount of Rs.264.11 lakhs was ordered to be refunded to the company. The Government of Karnataka has appealed before the Hon'ble Supreme Court against the Order of High Court of Karnataka. Pending disposal of the appeals, the Company has not recognised the said refund claim in its books of account.

12 The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	(Rs. In Lakhs) For the quarter ended 31-12-2016	For Nine months ended 31-12-2016
Net Profit/ (Loss) as per Previous GAAP (India GAAP)	(2,304.10)	(1,826.12)
Ind AS adjustments Add/ (Less) :		
Actuarial Loss / (Gain) on post employee defined benefit plan	(7.06)	(21.19)
Loans recognised using effective rate of interest	(25.30)	(79.08)
Prior period Adjustments (net)	1.37	157.71
Others	5.85	21.81
Net Profit/ (Loss) as per In AS	**(2,329.24)**	**(1,746.87)**
Items that will not be reclassified to Profit or Loss	7.06	21.19
Total Comprehensive income for the period	**(2,322.18)**	**(1,725.68)**

13 Figures of the previous period have been rearranged/ regrouped wherever necessary.

MAJETI & CO HYDERABAD Chartered Accountants

HYDERABAD
13/02/2018

For and on behalf of the Board of Directors
Sathavahana Ispat Limited

SATHAVAHANA ISPAT LIMITED HYD

(A. Naresh Kumar)
Managing Director

MAJETI & CO
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

TO
THE BOARD OF DIRECTORS OF
SATHAVAHANA ISPAT LIMITED

We have reviewed the Standalone Unaudited financial results of **SATHAVAHANA ISPAT LIMITED** ("the company") for the quarter ended December 30, 2017 which are included in the accompanying 'Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2017' together with the relevant notes thereon ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 which has been initialed by us for identification purpose. The Statement is responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in the preparation of this Statement are consistent with those used in the preparation of Company's opening unaudited Balance Sheet as at April 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. 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', 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 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.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the Ind AS and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to

a) Note no 4 to the statement, regarding the losses incurred by the company and accumulated losses of Rs.30629.08 lakhs as at December 31, 2017 has eroded the entire net worth of the company, defaults in repayment of loan and interest payments and shutdown of the operations since June 12, 2017 due to non-availability of working capital funds. 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. However, the statement has been prepared based on going concern basis for the reasons described in the said note.

b) Substantial amount of statutory dues amounting to 272.41 lakhs have become overdue and remain unpaid, Interest, penalty, if any in respect of the same has remained unascertained and unaccounted for.

MAJETI & CO HYDERABAD Chartered Accountants

101, Ganesh Siri Sampada Apts., | 6-3-347/17, Dwarakapuri Colony Sai Baba Temple Road,| Punjagutta, Hyderabad - 500 082.
✆ Off. : +91-40-2335 8055, +91-40-97015 54499 | E-mail : kiranmajeti@outlook.com

c) As referred in note no 10, the balance of sundry debtors, advances, creditors include balances remaining outstanding for a substantial period. The balances are subject to confirmations and consequential adjustments, if any. The Management is confident that such receivables and advances are fully recoverable, and no provision is considered necessary in respect of such receivables and advances.

Our Conclusion is not qualified in respect of these matters.

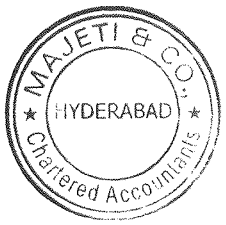
d) Note no 2 to the statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2017 with transition date April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

We were neither engaged to review, nor we have reviewed the comparative figures including reconciliation to the Total Comprehensive Income for the quarter and nine months ended on December 31, 2016 and accordingly we do not express any conclusion on the results in the statement for the quarter and nine months ended December 31, 2016. As set out in Note no 6 to the statement, these figures have been furnished by the management.

The Financial Statements of the Company for the year ended March 31,2017 was audited by another firm of Chartered Accountants who issued their unmodified conclusion vide their report dated May 30,2017.

Our Conclusion is not qualified in respect of these matters.

For MAJETI & Co.,
Chartered Accountants
Firm's Registration Number: 015975S



Kiran Kumar Majeti
Partner
Membership Number: 220354

Hyderabad
February 13, 2018