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/1791/2019 February 14, 2019

To, Bombay Stock Exchange Limited, Corporate Relationship Department, P J Towers, New Trading Ring Rotunda Building, Dalal Street, **MUMBAI – 400 001.**	To, National Stock Exchange of India Limited, Listing Department, Regd. Office: "Exchange Plaza", Bandra Kurla Complex, **MUMBAI -400 051.**
STOCK CODE: 526093	**STOCK CODE: SATHAISPAT**

Dear Sir,

SUB: 1) SUBMISSION OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2018.
2) SUBMISSION OF LIMITED REVIEW REPORT.

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, 2018 as approved and taken on record by the Board of Directors of the Company at its meeting held on 14th February, 2019.

Also please find enclosed herewith a copy of the "Limited Review" report dated 14th February, 2019, issued by the Statutory Auditors of the Company.

The Meeting started at 3:00 PM and concluded at 5:52 PM

Please take the above on record.

Thanking you,

Yours faithfully
For SATHAVAHANA ISPAT LIMITED

SATHAVAHANA ISPAT LIMITED * HYD *

(A NARESH KUMAR)
MANAGING DIRECTOR
DIN - 00112566

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 unaudited financial results for the Quarter and Nine Months ended December 31, 2018

(Rs. in lakhs, except as stated)

S.No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1	**INCOME:**						
	Revenue from operations	15343.19	13211.47	3949.01	36046.35	19866.54	24873.08
	Other income	374.92	53.17	133.60	507.09	554.41	810.27
	Total income	**15718.11**	**13264.64**	**4082.61**	**36553.44**	**20420.95**	**25683.35**
2	**EXPENSES:**						
	a) Cost of raw materials consumed	12377.40	11860.39	3438.15	30115.09	9526.59	14012.67
	b) Purchase of stock -in- trade	-	-	242.52	-	467.98	502.60
	c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	(185.97)	(1307.95)	1390.55	(841.30)	10982.38	10316.26
	d) Excise duty	-	-	-	-	494.34	494.34
	e) Employee benefits expense	631.09	695.03	780.91	2041.92	2458.04	3112.70
	f) Finance costs	4461.01	4449.80	3649.92	12803.25	9863.32	14055.98
	g) Depreciation and amortisation expense	1100.20	1279.64	1286.90	3630.85	3837.13	5053.10
	h) Other expenses	786.70	959.91	1717.36	2415.75	4684.18	8772.13
	Total expenses	**19170.43**	**17936.82**	**12506.31**	**50165.56**	**42313.96**	**56319.78**
3	**Profit/ (Loss) before Exceptional items and tax (1-2)**	**(3452.32)**	**(4672.18)**	**(8423.70)**	**(13612.12)**	**(21893.01)**	**(30636.43)**
4	Exceptional items	-	-	-	-	-	-
5	**Profit/ (Loss) before tax (3-4)**	**(3452.32)**	**(4672.18)**	**(8423.70)**	**(13612.12)**	**(21893.01)**	**(30636.43)**
6	**Tax expense**						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
7	**Profit/ (Loss) for the period from continuing operations (5-6)**	(3452.32)	(4672.18)	(8423.70)	(13612.12)	(21893.01)	(30636.43)
8	**Profit / (Loss) from discontinued operations**	-	-	-	-	-	-
9	**Tax expenses of discontinued operations**	-	-	-	-	-	-
10	**Profit/(Loss) from discontinued operations after tax (8±9)**	-	-	-	-	-	-
11	**Profit/ (Loss) for the year (7+10)**	**(3,452.32)**	**(4,672.18)**	**(8,423.70)**	**(13,612.12)**	**(21,893.01)**	**(30636.43)**
12	**Other Comprehensive Income / (Expense)**						
	a) (i) Items that will not be reclassified to profit or loss	32.46	32.45	14.13	97.37	42.38	129.83
	(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 for the period	32.46	32.45	14.13	97.37	42.38	129.83
13	**Total Comprehensive Income for the year (11+12)** (Comprising Profit / (Loss) and other comprehensive Income for the year)	**(3419.86)**	**(4639.73)**	**(8409.57)**	**(13514.75)**	**(21850.63)**	**(30506.60)**
14	Paid Up Equity Share Capital (Ordinary shares of Rs 10/- each)	5090.00	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	(6.78)	(9.18)	(16.55)	(26.74)	(43.01)	(60.19)
	Diluted	(6.78)	(9.18)	(16.55)	(26.74)	(43.01)	(60.19)
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	(6.78)	(9.18)	(16.55)	(26.74)	(43.01)	(60.19)
	Diluted	(6.78)	(9.18)	(16.55)	(26.74)	(43.01)	(60.19)

SEGMENT REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES

(Rs. In lakhs, except as stated)

S.No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1	**Segment Revenue**						
	Ferrous Products	201.28	430.23	1447.86	1003.22	17473.68	15439.39
	Metallurgical Coke with Co-generation Power	15209.52	12888.17	2525.23	35299.60	6431.36	11991.86
	Total	15410.80	13318.40	3973.09	36302.82	23905.04	27431.25
	Less: Inter/Intra Segment Revenue	67.61	106.93	24.08	256.47	4038.50	2558.17
	Sales/ Revenue from Operations	**15343.19**	**13211.47**	**3949.01**	**36046.35**	**19866.54**	**24873.08**
2	**Segment Results**						
	Ferrous Products	(1009.80)	(1544.85)	(3140.38)	(4015.78)	(7595.69)	(11350.12)
	Metallurgical Coke with Co-generation Power	1902.82	1281.47	(1619.02)	2994.30	(4415.17)	(5537.37)
	Total	893.02	(263.38)	(4759.40)	(1021.48)	(12010.86)	(16887.49)
	Less: Other un-allocable expenditure	16.37	9.84	14.38	39.64	18.83	61.01
	Total segment results before interest and tax	**876.65**	**(273.22)**	**(4773.78)**	**(1061.12)**	**(12029.69)**	**(16948.50)**
	Finance Costs (Net of interest income)	4328.97	4398.96	3649.92	12551.00	9863.32	13687.93
	Profit/(Loss) before tax	**(3452.32)**	**(4672.18)**	**(8423.70)**	**(13612.12)**	**(21893.01)**	**(30636.43)**
	Tax	-	-	-	-	-	-
	Net Profit/ (Loss) after tax	(3452.32)	(4672.18)	(8423.70)	(13612.12)	(21893.01)	(30636.43)
	Other Comprehensive Income (Net of Tax)	32.46	32.45	14.13	97.37	42.38	129.83
	Total Comprehensive Income	**(3419.86)**	**(4639.73)**	**(8409.57)**	**(13514.75)**	**(21850.63)**	**(30506.60)**

MAJETI & CO HYDERABAD Chartered Accountants

S.No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
3	**Segment Assets**						
	Ferrous Products	58355.58	59669.22	44996.32	58355.58	44996.32	59297.16
	Metallurgical Coke with Co-generation Power	47372.15	46103.96	63703.30	47372.15	63703.30	41764.60
	Total (A)	**105727.73**	**105773.18**	**108699.62**	**105727.73**	**108699.62**	**101061.76**
	Segment Liabilities						
	Ferrous Products	81694.58	78162.40	63378.98	81694.58	63378.98	64891.37
	Metallurgical Coke with Co-generation Power	52778.08	52920.58	51922.13	52778.08	51922.13	51376.46
	Total (B)	**134472.66**	**131082.98**	**115301.11**	**134472.66**	**115301.11**	**116267.83**
	Unallocated (Net) **(C)**	388.31	373.05	383.03	388.31	383.03	364.20
	Total (A-B-C)	**(28356.62)**	**(24936.75)**	**(6218.46)**	**(28356.62)**	**(6218.46)**	**(14841.87)**

Notes :

1 This Statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2019 and also been subjected to 'limited review' by the Statutory Auditors of the Company. A qualified report of the company on this statement has been issued by the auditors.

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.

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

4 As at December 31, 2018, the company had negative other equity of Rs. 33446.62 lakhs and the company 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 assets 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 at sixty percent capacity and power generation is also partially operated. This impact is likely to continue until the restructuring of the debt is done by the financing institution 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 request of the company with the secured lenders is under process. 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 debt. The auditors of the company had drawn an emphasis of matter in their limited review report for the quarter in this regard.

5 In response to Qualification of limited review report:
Trade receivables as at December 31, 2018 include Rs 4850.39 lakhs due for a period of more than one year for which no provision has been made in the books of account, as the management considers these receivables as good and recoverable. The management assess the recoverability of trade receivables on regular basis and there is no uncertainty at present on recoverability of these receivables. legal cases were preferred where required to ensure recoverability. with regard to other long outstanding capital advances Rs. 216.68 Lakhs and supplier advances Rs. 429.53 lakhs, management is confident of recoverability and no provision at present is required to be made. (This is a subject matter of qualification in the audit report for the year ended March 31, 2018)

6 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 claims in its books of account.

7 The Government of India introduced Goods and Services Tax (GST) with effect from July 01, 2017. Revenue from operations for the quarter and nine months ended December 31, 2018 and year ended March 31, 2018 is presented net of GST. Accordingly revenue for operations for the Nine months ended December 31, 2017 and year ended March 31, 2018 includes excise duty up to June 30, 2017 of Rs.494.34 lakhs. Revenue from operations of nine months ended December 31, 2017 includes excise duty which is now subsumed in GST.

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

For and on behalf of Board of Directors
SATHAVAHANA ISPAT LIMITED

(NARESH KUMAR A)
MANAGING DIRECTOR

HYDERABAD
February 14, 2019

MAJETI & CO., HYDERABAD, Chartered Accountants

MAJETI & CO
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

TO
THE BOARD OF DIRECTORS OF
SATHAVAHANA ISPAT LIMITED

1. We have reviewed the Unaudited financial results of **SATHAVAHANA ISPAT LIMITED** ("the company") for the quarter ended December 31, 2018 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2018' 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"), which has been initialed by us for identification purpose. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company. 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', 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.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for qualified conclusion

3. *Basis for Qualified Conclusion:*
   We draw attention to Note 5 of the accompanying statement, where in management has considered outstanding trade receivables, supplier advances and capital advances Rs.4850.39 lakhs, Rs. 429.53 lakhs and Rs. 216.68 lakhs respectively due for a period of more than one year as good and recoverable as at December 31, 2018, for which no provision has been made in the books of account. For reasons said in the aforesaid note, and due to confirmations being not available and pending reconciliation adjustments we are unable to comment on the recoverability of these receivables and its consequential effect on these financial statements.
   Our audit report was also qualified for the year ended March 31, 2018 in respect of the matter stated above.

4. 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 prepared in accordance with applicable Accounting Standards i.e. Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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5. We draw attention to

i) Substantial amount of statutory dues amounting to Rs. 415.75 Lakhs have become overdue and remain unpaid, interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

ii) We draw attention to Note 4 to the accompanied statement, which indicates that the Company has incurred a net loss of Rs. 3452.32 lakhs during the quarter (Rs 13612.12 lakhs during the nine months period) and the company had negative other equity of Rs. 33446.62 lakhs as at December 31, 2018, has eroded entire net worth of the company and, as of that date, the Company's current liabilities exceeded its current assets by Rs.87927.46 lakhs. Defaults in repayment of loans and interest payments and shut down of the operations at Ferrous division since June 12, 2017 due to non-availability of working capital funds. These events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the Ind AS financial results of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

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 14, 2019