CIN : L27109TG1989PLC010654

# SATHAVAHANA ISPAT LIMITED

Regd. Off. : 505, Block 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016.
Phone : 23730812,3,4 | E-mail : info@sathavahana.com
Web : www.sathavahana.com

14th February, 2022

| | |
|---|---|
| To<br>BSE Limited,<br>Corporate Relationship Department,<br>P.J Towers, Dalal Street,<br>Mumbai – 400001 | To<br>National Stock Exchange of India Limited,<br>Listing Department,<br>Regd. Office: "Exchange Plaza",<br>Bandra Kurla Complex,<br>Mumbai – 400051 |
| **SCRIP CODE:526093** | **SCRIP CODE: SATHAISPAT** |

Dear Sir/Madam,

**Sub: Un-audited Financial Results for the Quarter ended December 31, 2021,**

This is in continuation to our intimation dated February 5, 2022 regarding declaration of results on February 14, 2022. The Unaudited Financial Results of the Company for the quarter ended December 31, 2021 along with the Limited Review Report issued by Majeti & Co., the Statutory Auditors, pursuant to Regulation 33 of the Listing Regulations. The said results along with Limited Review Report thereon are attached herewith.

As you are aware that the company is under Corporate Insolvency Resolution Process (CIRP) in terms of the Order of Hon'ble NCLT Hyderabad Bench dated 8th September, 2021. The powers of Board of Directors are suspended and are vested in the Resolution Professional and Company's affairs, business and assets are being managed by the Resolution Professional. The results were signed by Mr. V.S.R.K Hanuman, Chief financial officer, Mr. A. Naresh Kumar, Managing Director and Mr. Bhuvan Madan, Resolution Professional at 6:30 P.m.

Thanking You,

Yours faithfully,
**For SATHAVAHANA ISPAT LIMITED**

V.S.R.K

**V.S.R.K Hanuman**
**Chief Financial Officer**

SATHAVAHANA ISPAT LIMITED
CIN :L27109TG1989PLC010654
Regd.Office: Flat No. 505, 5th Floor, Block-I, Divyashakthi Complex, Ameerpet, Hyderabad - 500 016
Email: cfo@sathavahana.com www.sathavahana.com

Statement of Unaudited Financial results for the Quarter and Nine Months Ended December 31, 2021

(Rs. In Lakhs, except as stated)

| S.No | Particulars | Quarter ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2021 | 30.09.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.03.2021 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | INCOME | | | | | | |
| | Revenue from operations | 739.70 | 679.84 | 547.41 | 2504.93 | 2259.08 | 2676.09 |
| | Other income | 63.82 | 298.71 | 17.23 | 371.38 | 54.41 | 1063.89 |
| | Total income | 803.52 | 978.55 | 564.64 | 2876.31 | 2713.49 | 3739.98 |
| 2 | EXPENSES: | | | | | | |
| | a) Cost of raw materials consumed | 117.08 | 93.62 | 395.20 | 210.70 | 743.95 | 861.46 |
| | b) Changes in inventories of finished goods and work-in- progress | - | - | (4.56) | 38.61 | 680.94 | 657.97 |
| | c) Employee benefits expense | 126.85 | 282.86 | 210.76 | 639.21 | 637.92 | 1105.19 |
| | d) Finance costs | 7944.37 | 7591.26 | 5379.54 | 21858.27 | 15664.81 | 20123.17 |
| | e) Depreciation and amortisation expense | 1014.14 | 1026.06 | 1048.87 | 3061.15 | 3220.58 | 4230.53 |
| | f) Other expenses | 271.35 | 470.62 | 287.62 | 986.24 | 843.09 | 1417.19 |
| | Total expenses | 9473.79 | 9464.42 | 7317.52 | 26794.18 | 21791.29 | 30340.34 |
| 3 | Loss before Exceptional items and tax (1-2) | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| 4 | Exceptional item | - | - | - | - | - | - |
| 5 | Loss before tax (3-4) | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| 6 | Tax expense | | | | | | |
| | Current tax | - | - | - | - | - | - |
| | Deferred tax | - | - | - | - | - | - |
| | Total tax expense | - | - | - | - | - | - |
| 7 | Loss for the period from continuing operations (5-6) | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| 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 Period (7+10) | (8,670.27) | (8,485.87) | (6,752.88) | (23,917.87) | (19,477.80) | (32,600.36) |
| 12 | Other Comprehensive Income / (Expense) | | | | | | |
| A | a) (i) Items that will not be reclassified to profit or loss | 15.29 | 15.28 | 60.64 | 45.85 | 181.93 | 61.13 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| B | 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 | 15.29 | 15.28 | 60.64 | 45.85 | 181.93 | 61.13 |
| 13 | Total Comprehensive Income for the year (11+12) (Comprising Profit / (Loss) and other comprehensive income for the year) | (8654.98) | (8470.59) | (6692.24) | (23872.02) | (19295.87) | (32539.23) |
| 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 | Other Equity Excluding Revaluation Reserve | | | | (129868.23) | | (105996.20) |
| 16 | Loss Per Equity Share(Not Annualised) in Rs. (from discontinued operations and Continuing Operations | | | | | | |
| | Basic | (17.03) | (16.67) | (13.27) | (46.99) | (38.27) | (64.05) |
| | Diluted | (17.03) | (16.67) | (13.27) | (46.99) | (38.27) | (64.05) |

SEGMENT REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES

| S.No | Particulars | Quarter ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2021 | 30.09.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.03.2021 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Segment Revenue | | | | | | |
| | Ferrous Products | 39.46 | 185.82 | - | 225.28 | - | - |
| | Metallurgical Coke with Co-generation Power | 700.24 | 494.02 | 556.79 | 2288.86 | 2289.53 | 2,715.61 |
| | Total | 739.70 | 679.84 | 556.79 | 2514.14 | 2289.53 | 2715.61 |
| | Less: Inter/Intra Segment Revenue | - | - | 9.38 | 9.21 | 30.45 | 39.52 |
| | Sales/ Revenue from Operations | 739.70 | 679.84 | 547.41 | 2504.93 | 2259.08 | 2676.09 |
| 2 | Segment Results | | | | 2504.93 | | |
| | Ferrous Products | (658.69) | (564.60) | (772.31) | (1956.24) | (2569.94) | (2778.18) |
| | Metallurgical Coke with Co-generation Power | (74.01) | (369.75) | (616.23) | (157.93) | (1302.33) | (1766.44) |
| | Total | (732.70) | (934.35) | (1388.54) | (2114.17) | (3872.27) | (4544.62) |
| | Less: Other un-allocable expenditure | (5.73) | (39.74) | (14.69) | (53.50) | (57.79) | (57.28) |
| | Total segment results before interest and tax | (726.97) | (894.61) | (1373.85) | (2060.67) | (3814.48) | (4486.84) |
| | Finance Costs (Net of interest income) | 7,943.30 | 7591.26 | 5379.03 | 21857.20 | 15663.32 | 28,113.52 |
| | Loss before exceptional item and tax | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| | Exceptional item | - | - | - | - | - | - |
| | Loss before tax | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| | Tax | - | - | - | - | - | - |
| | Loss after tax | (8670.27) | (8485.87) | (6752.88) | (23917.87) | (19477.80) | (32600.36) |
| | Other Comprehensive Income (Net of Tax) | 15.29 | 15.28 | 60.64 | 45.85 | 181.93 | 61.13 |
| | Total Comprehensive Income | (8654.98) | (8470.59) | (6692.24) | (23872.02) | (19295.87) | (32539.23) |

| S.No | Particulars | Quarter ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2021 (Unaudited) | 30.09.2021 (Unaudited) | 31.12.2020 (Unaudited) | 31.12.2021 (Unaudited) | 31.12.2020 (Unaudited) | 31.03.2021 (Audited) |
| 3 | **Segment Assets** | | | | | | |
| | Ferrous Products | 31593.54 | 32143.49 | 51804.92 | 31593.54 | 51804.92 | 50195.90 |
| | Metallurgical Coke with Co-generation Power | 42624.50 | 42810.09 | 26935.76 | 42624.50 | 26935.76 | 26460.53 |
| | **Total (A)** | **74218.04** | **74953.49** | **78240.68** | **74218.04** | **78240.68** | **76656.43** |
| | **Segment Liabilities** | | | | | | |
| | Ferrous Products | 153154.43 | 145238.16 | 118347.13 | 153154.43 | 118347.13 | 129756.20 |
| | Metallurgical Coke with Co-generation Power | 46135.48 | 46118.31 | 47809.09 | 46135.48 | 47809.09 | 48082.07 |
| | **Total (B)** | **199289.91** | **191356.47** | **166156.22** | **199289.91** | **166156.22** | **177838.27** |
| | Unallocated (Net) (C) | 293.63 | 279.73 | 252.71 | 293.63 | 252.71 | 275.64 |
| | **Total (A-B+C)** | **(124778.24)** | **(116123.25)** | **(87662.83)** | **(124778.24)** | **(87662.83)** | **(100906.20)** |

**Notes :**

1 As Per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (the 'Regulation') the financial results of a company submitted to the stock exchange shall signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any director of the company who is duly authorized by the Board of Directors.
In view of the ongoing Corporate Insolvency Resolution Process ("CIRP") as Board has been suspended and these powers are now vested with Mr. Bhuvan Madan in the capacity as the Resolution Professional ("RP") from September 08,2021 forstwhile Mr. Golla Ramakantha Rao, IRP from July 28, 2021 to September 07, 2021) as per the Provisions of the Code. Accordingly, based upon review , Authorisation and Signing by CFO & Managing Director Unaudited financial results of the company for the quarter and nine months ended December 31, 2021, were reviewed and authorised by the Resolution Professional at its meeting held on February 14, 2022. The Statutory Auditors have given disclaimer conclusion for the quarter and nine months ended December 31, 2021 .
The Unaudited Financial Results have been signed by Mr. Naresh, Managing Director and Mr. Hanuman, Chief Financial Officer of the company confirming truthfulness, fairness, accuracy and completeness of the unaudited financial results. Basis this confirmation , these financial statements have been taken on record by the Resolution Professional on February 14, 2022 for filing with the stock exchanges in accordance with the Regulations.

During the period, a operational creditor has filed a petition against the Company for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its order dated July 28, 2021 declaring moratorium inter- alia for recovery proceedings against the Company. The order of moratorium shall have effect from July 28, 2021 in accordance with section 31 (1) of of the Insolvency and bankruptcy Code, 2016 ("the Code"). Further, pursuant to the order of NCLT, committee of creditors ("CoC")were formed and First COC meeting was held on August 31, 2021 and appointed Mr. Bhuvan Madan as Resolution Professional in place of Mr Golla Ramakantha Rao. The same has been confirmed by the NCLT.

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 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

4 Based on the letter dated June 23, 2021 by the Canara Bank ( lead banker of Consortium ), Three lender Banks (Out of Four (4) in consortium) of the Company namely, Canara Bank ('CB'), State Bank of India ('SBI') and Union Bank of India [(earlier Andhra Bank) ('UBI')] (collectively hereinafter referred as 'Banks') and IFCI non banking financial company have assigned their debt provided to the Company to J C Flower Asset Reconstruction Company Limited ("JCFARC"), the anchor bidder in swiss challenge process. Therefore, J C Flower ARC shall now have all the rights and privileges on the debt earlier owed by the Company to the Banks. The Company has obligations towards JCFARC aggregating to Rs.1,36,410.20 lakhs (Including Interest Accrued )as at December 31, 2021.

5 **In response to Disclaimer conclusion in Review report:**

a) Since the Company continues to incur loss, current liabilities exceed current assets and the company has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. As mentioned in note no (1) RP having taken over the management and control of the company inter alia with the objective of running it as going concern, the financial results continue to be prepared on going concern basis.

b) The Company's current level of operations in Metallurgical Coke division at Twenty Eight percent capacity and no operations at Ferrous division, may not be an indication of the future performance of the Company. As mentioned in note no (1), the company into CIRP process and pending determination of obligations and liabilities with regard to various claims submitted by the Operational creditors, financial creditors (including interest payable on Borrowings), employees and other creditors during CIRP, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment and capital work in Progress cannot be determined at this stage. Accordingly impairment testing under Ind AS has not been performed while presenting these results.

c) Trade receivables as at December 31, 2021 include Rs.3,491.95 lakhs (March 31, 2021 Rs. Rs.3481.82 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 was no uncertainty at present on recoverability of these receivables and legal cases were preferred where required to ensure recoverability. With regard to other long outstanding capital advances of Rs. 174.01 Lakhs (March 31, 2021 Rs. 174.01 Lakhs) , supplier advances of Rs.618.13 lakhs (March 31, 2021 Rs. 595.22 Lakhs) and other financial assets of Rs.157.02 Lakhs (March 31, 2021 Rs. 157.02 Lakhs), management is confident of recoverability and no provision at present is required to be made. This was also subject matter of qualification in the audit report for the year ended March 31, 2021.)

d) Statutory liabilities as at December 31, 2021 amounting to Rs. 2735.23 Lakhs (March 31, 2021 Rs. 1105.80 Lakhs) related to Income tax, Employee's provident fund, Employee state insurance act, Gratuity and professional tax, have become overdue and remaining unpaid. This is because of the tight working capital situation faced by the company. This was also subject matter of qualification in the audit report for the year ended March 31, 2021.

e) Since shut down of the operations Haresamudram plant from 12th June 2017, no major movement have happened in Inventories amounting to Rs. 1889.36 Lakhs (As at 31.3 March 2021: Rs.1985.98 Lakhs) . Management regularly monitored, maintained and ensured same in usable/ saleable condition and assessed the stated value was fully recoverable and no provision is required as on the date of balance sheet. This was also subject matter of qualification in the audit report for the year ended March 31, 2021.

f) Creditors for capital works as at December 31,2021 includes overdue payables of Rs.224.15 lakhs (March 31, 2021: Rs.222.45 lakhs) which is owed by the Company to a non-resident company for more than three years. The Company is required to obtain approvals from consent authorities to condone such delay in payment of foreign currencies, which is presently not obtained and the Company intends to take the necessary approvals in this regard, pending which any penalties that may be levied by consent authorities and impact in the aforesaid liabilities in the financial statements are not presently ascertainable. This was also subject matter of qualification in the audit report for the year ended March 31, 2021.

g) Pursuant to the commencement of Corporate Insolvency Resolution Process(CIRP) of the Company under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the operational creditors, the financial creditor, employees and other creditors against the Company. These claims are under further verification/validation and the same may be updated as per any additional information which may be received in future.

6 The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at December 31,2021.
The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

7 The figures for the corresponding previous period have been reclassified / regrouped wherever necessary to conform to current period classification.

**By Order of the Resolution Professional**
**For Sathavahana Ispat Limited**

| | | |
|---|---|---|
| V.S.R.K Hanuman | A. Naresh Kumar | (BHUVAN MADAN ) |
| Chief Financial Officer | Managing Director | Resolution Professional |
| | | IBBI/IPA-001/IP-P01004/2017-18/11655 |

**HYDERABAD**
**14 February 2022**