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/ 1676/2017

Dated: 30th May,2017

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.

REF: COMPANY CODE – **SATHAISPAT**

Dear Sir,

SUB: 1) SUBMISSION OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017.
2) SUBMISSION OF INDEPENDENT AUDITORS' REPORT

* * *

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015,, we submit herewith a statement of Annual Audited Financial Results of the Company for the year ended 31st March, 2017 as reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at its meeting held on 30th May, 2017 and also a copy of the "Independent Auditors' Report dated 30th May, 2017 issued by the Statutory Auditors of the Company on the Audited Financial Results for the year ended 31st March, 2017 duly certified. The Company declares that Auditor's Report of even date is of unmodified opinion.

This may please be noted and taken on record and relay the same to the esteemed members of the stock exchange.

Thanking you,

Yours faithfully
For SATHAVAHANA ISPAT LIMITED

(K.V. KRISHNA RAO)
COMPANY SECRETARY

Encl: As above

Note : Please address all the correspondence to head office

SATHAVAHANA ISPAT LIMITED

Regd.Office: 314, Sri Rama Krishna Towers, Nagarjuna Nagar, Hyderabad - 500 073
CIN :L27109TG1989PLC010654
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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2017

PART I

(Rs. in Lakhs)

	PARTICULARS	Quarter ended			Current Year ended	Previous year ended
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income from operations					
	(a) Sales / Income from operations	31048.62	23459.31	35121.55	113097.75	123118.71
	(b) Other Operating Income	21.93	11.72	14.29	62.01	105.75
	(c) Gross Sales / Income from operations	31070.55	23471.03	35135.84	113159.76	123224.46
	(d) Less: Excise Duty	804.93	800.64	916.42	3599.64	5193.65
	(e) Net Sales / Income from operations'	30265.62	22670.39	34219.42	109560.12	118030.81
2	Expenses					
	a) Cost of Materials consumed	11817.87	11417.72	12491.08	50503.73	56170.06
	b) Purchase of stock-in-trade	11330.68	7691.14	6814.00	37950.68	35250.04
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.	4939.55	(2688.92)	8429.46	(3435.30)	943.99
	d) Employee benefits expense	924.85	990.48	1167.64	3915.93	4005.02
	e) Depreciation and amortisation expense	1254.14	1274.49	(128.25)	4841.82	4598.08
	f) Foreign exchange fluctuations (other than considered as finance cost)	(689.81)	408.32	148.76	0.00	2285.01
	g) Other expenses	3170.65	2915.51	4353.92	11837.11	11238.19
	h) Total expenses	32747.93	22008.74	33276.61	105613.97	114490.39
3	Profit / (Loss) from Operations before Other Income, finance costs & Exceptional Items (1-2)	(2482.31)	661.65	942.81	3946.15	3540.42
4	Other Income	601.45	173.78	290.14	1183.05	908.62
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1880.86)	835.43	1232.95	5129.20	4449.04
6	Finance costs:					
	a) Interest and other borrowing costs	2960.12	3021.75	2357.87	11606.15	9411.41
	b) Net loss on foreign currency transaction and translation	(190.15)	117.78	176.50	0.00	1018.23
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(4650.83)	(2304.10)	(1301.42)	(6476.95)	(5980.60)
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00
9	**Profit / (Loss) from Ordinary activities before tax (7+8)**	**(4650.83)**	**(2304.10)**	**(1301.42)**	**(6476.95)**	**(5980.60)**
10	Tax expense	0.00	0.00	(2537.84)	0.00	(2545.70)
11	**Net Profit / (Loss) from Ordinary activities after Tax (9-10)**	(4650.83)	(2304.10)	1236.42	(6476.95)	(3434.90)
12	Extraordinary items (net of tax expense Rs.Nil)	0.00	0.00	0.00	0.00	0.00
13	**Net Profit / (Loss) for the period/ year (11-12)**	**(4650.83)**	**(2304.10)**	**1236.42**	**(6476.95)**	**(3434.90)**
14	Paid-up equity share capital (Face value of the share Rs.10/- each)	5090.00	5090.00	5090.00	5090.00	5090.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	--	--	--	5284.01	11760.95
16	Earnings / (Loss) Per Share before extraordinary items of Rs.10/- each (not annualised) in Rs.					
	(a) Basic	(9.14)	(4.53)	2.43	(12.72)	(6.75)
	(b) Diluted	(9.14)	(4.53)	2.43	(12.72)	(6.75)
17	Earnings / (Loss) Per Share after extraordinary items of Rs.10/- each (not annualised) in Rs.					
	(a) Basic	(9.14)	(4.53)	2.43	(12.72)	(6.75)
	(b) Diluted	(9.14)	(4.53)	2.43	(12.72)	(6.75)
	Please see accompanying notes to the financial results					

P.V.R.K. NAGESWARA RAO & Co., HYDERABAD, Chartered Accountants

SEGMENT REPORTING:

(Rs. In lakhs)

PARTICULARS	Quarter ended				Previous year ended
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1 Segment Revenue:					
(a) Ferrous Products	17274.47	12381.74	22518.79	58924.91	55502.90
(b) Metallurgical Coke with Co-generation Power	17770.52	16353.84	15623.81	73547.49	81848.06
Total	35044.99	28735.58	38142.60	132472.40	137350.96
Less: Inter /Intra Segment Revenue	4779.37	6065.19	3923.18	22912.28	19320.15
Net Sales / Income from Operations	30265.62	22670.39	34219.42	109560.12	118030.81
2 Segment Results (Profit / (Loss) before Tax and interest:					
(a) Ferrous Products	(1553.11)	171.03	1354.64	3355.92	3330.79
(b) Metallurgical Coke with Co-generation Power	(706.62)	40.53	(724.70)	(592.58)	(1552.49)
Total	(2259.73)	211.56	629.94	2763.34	1778.30
Less: (i) Interest (net)	2366.97	2492.81	1923.62	9162.19	7737.75
(ii) Other Un-allocable Expenditure (net)	24.13	22.85	7.74	78.10	21.15
Total Profit / (Loss) before Tax	(4650.83)	(2304.10)	(1301.42)	(6476.95)	(5980.60)
3 Capital Employed (Segment assets - Segment liabilities)					
(a) Ferrous Products					
Segment Assets	80197.35	87483.21	83600.91	80197.35	83600.91
Segment Liabilities	71072.86	72120.91	66840.28	71072.86	66840.28
Segment capital employed	9124.49	15362.30	16760.63	9124.49	16760.63
(b) Metallurgical Coke with Co-generation Power					
Segment Assets	48683.13	52216.08	49315.43	48683.13	49315.43
Segment Liabilities	47851.07	52906.72	49673.72	47851.07	49673.72
Segment capital employed	832.06	(690.64)	(358.29)	832.06	(358.29)
(c) Unallocated	417.45	353.17	448.61	417.45	448.61
Total	10374.00	15024.83	16850.95	10374.00	16850.95

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	5090.00	5090.00
(b) Reserves and surplus	5284.01	11760.95
Sub-total - Shareholders funds	10374.01	16850.95
2 Non-current liabilities		
(a) Long-term borrowings	28299.29	36840.55
(b) Deferred tax liabilities (net)	0.00	0.00
(c) Long-term provisions	577.36	218.20
Sub-total - Non-current liabilities	28876.65	37058.75
3 Current liabilities		
(a) Short-term borrowings	26275.28	21227.10
(b) Trade payables	43766.90	44771.57
(c) Other current liabilities	19996.19	13211.85
(d) Short-term provisions	48.39	303.20
Sub-total - Current liabilities	90086.76	79513.72
TOTAL - EQUITY AND LIABILITIES	**129337.42**	**133423.42**
B ASSETS		
1 Non-current assets		
(a) Fixed Assets	80557.46	83716.51
(b) Non-current investments	62.98	62.47
(c) Long-term loans and advances	1141.65	1097.11
(d) Other non-current assets	305.45	332.56
Sub-total - Non-current assets	82067.54	85208.65
2 Current Assets		
(a) Inventories	21973.90	16779.24
(b) Trade receivables	11484.62	18909.61
(c) Cash and bank balances	8782.74	8248.03
(d) Short-term loans and advances	4834.45	4044.27
(e) other current assets	194.17	233.62
Sub-total - Current assets	47269.88	48214.77
TOTAL - ASSETS	**129337.42**	**133423.42**

P.V.R.K. NAGESWARA RAO & Co., HYDERABAD * Chartered Accountants *

NOTES:

1. Company's business consists of two Reportable segments viz., Ferrous Products and Metallurgical Coke with Co-generation Power.
2. The above financial results for the quarter / year ended 31st March 2017 were reviewed by the Audit Committee and approved and taken on record at the meeting of the Board of Directors held on 30th May 2017.
3. The Audited financial results for the year ended 31st March 2017 were audited by the Statutory Auditors of the Company and the company declares that the Statutory Auditors' Report of even date is of unmodified opinion.
4. The figures of last quarter ended 31st March 2017 and corresponding quarter ended 31st March 2016 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the third quarter of the respective financial years.
5. The company along with some other buyers contested before the Hon'ble High Court of Karnataka (HC) the levy of Forest Development Tax (FDT) by the mining companies 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 ₹2325.73 lakhs towards FDT collected earlier. However some of the miners have since gone on appeal before the Hon'ble Supreme Court against the above judgement. Pending disposal of the appeal, the company has not recognised the said refund claim in its books of account .
6. The company has approached the consortium of lenders with a request to refinance and restructure the existing secured loans so as to improve the cash flows and operations of the company.
7. The Board of Directors has not recommended any dividend for the financial year 2016-17 in view of the current and past losses which are required to be fully set off before declaring any dividend as mandated in the Companies Act 2013.
8. The figures have been regrouped / rearranged wherever necessary so as to conform to the quarter / year ended results.

For and on behalf of Board of Directors
SATHAVAHANA ISPAT LIMITED

(NARESH KUMAR.A)
MANAGING DIRECTOR

Place: Hyderabad,
Date :30.05.2017

P.V.R.K. NAGESWARA RAO & Co., HYDERABAD, Chartered Accountants

P.V.R.K. Nageswara Rao & Co.,
Chartered Accountants

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
SATHAVAHANA ISPAT LIMITED

1. We have audited the quarterly financial results of SATHAVAHANA ISPAT LIMITED ("the Company"), for the quarter ended March 31, 2017 and the financial results for the year ended March 31, 2017, attached herewith, being submitted by the company pursuant to requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2017 have been prepared on the basis of the financial results of nine-month period ended December, 2016, the audited annual financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the company's management and have been approved by Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results of nine-month period ended December, 2016 which was prepared in accordance with Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of annual financial statements as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

P.V.R.K. NAGESWARA RAO & Co., HYDERABAD, Chartered Accountants

109, Metro Residency | 6-3-1247, Rajbhavan Road | Khairatabad, Hyderabad - 500 082 | Telangana, India.
✆ Off. : +91-40-23311609, +91-40-23312269 (Dir) | E-mail : pvrk@pvrk.com

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

    i. are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

    ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.

4. The Company incurred a net loss of Rs.6476.95 lakhs during the year ended March 31, 2017 resulting into accumulated losses of Rs.14036.62 lakhs and substantial erosion of its networth as at March 31, 2017. The Company's current liabilities exceeded its current assets. In view of the above, unless the Company raises further finances and improve the operations, there would be an impact on the Company's ability to continue as a going concern.

    The balances of trade receivables and other receivables, loans and advances and trade payables and other payables of the company are subject to confirmation 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 opinion is not modified in respect of these matters.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For P V R K NAGESWARA RAO & CO.,
Chartered Accountants
Firm's Registration Number: 002283S

P.V.R.K. NAGESWARA RAO & CO., HYDERABAD, Chartered Accountants

P.V.R.K. NAGESWARA RAO
Partner
Membership Number: 18840

HYDERABAD
30.05.2017