



Steel Exchange India Limited

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Corp. Office : Block-A, Green City Towers, Green City, Near Apparel Export Park,

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Phone: +91-891-2587175, 2587573, Fax : +91-891-2749215, 2749218

www.seil.co.in

GST NO: 37AABCP9362L1ZV

CIN No. : L74100AP1999PLC031191

E-mail : info@seil.co.in

SEIL/ Audited Results - 2019-20

29th July, 2020

To
The Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Mumbai - 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: Submission of Audited Standalone Financial Results for the quarter and Year ended 31st March, 2020 - Reg.

This is to Inform that Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement of Audited Standalone Financial results of the company for the quarter and year ended 31st, March, 2020 along with Audit Report as approved and taken on record by the Board of Directors at its meeting held today i.e. 29th July, 2020.

Kindly take the same on record.

The meeting of Board of Directors commenced at 11.30 a.m. and concluded at 2.15 pm

For Steel Exchange India Limited

Raveendra Babu M
Company Secretary
M.No: A34409



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

WORKS

Integrated Steel Plant	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
Power Plant & SMS	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
Re-Rolling Unit	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685



**INDEPENDENT AUDITORS REPORT
TO THE BOARD OF DIRECTORS OF
STEEL EXCHANGE INDIA LIMITED**

1. We have audited the accompanying Statement of Financial Results of STEEL EXCHANGE INDIA LIMITED ("the Company") for the quarter and year ended 31st March 2020 (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirement 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.

Management's Responsibility for the standalone financials results

2. The Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited standalone financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement.

Auditor's Responsibility

3. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered accountants of India Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the Statement .The procedures selected depend on the auditor judgment , including the assessment of the risk of material misstatement of the statement , whether due to fraud or error . in making those risk assessment , the auditor consider internal control relevant to the company's preparation and fair presentation of the statements in order to design audit procedure that are appropriate in the circumstances , but not for the purpose of Expressing an opinion on the effectiveness of the Company's internal control.

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An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion

Basis for Qualified Opinion

We draw your attention to note 3.26 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 203.48 crores on the borrowings of the company for the year ended 31st March 2020 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments.

Had the aforesaid interest expenses been recognized, finance costs for the year ended 31st March 2020 would have been Rs 206.95 crores instead of reported amount of Rs 3.47 crores. Total expenses for the year ended 31st March, 2020 would have been Rs 944.25 crores instead of Rs 740.76 crores. Loss before exceptional items and tax for the year ended 31st March 2020 would have been Rs 152.82 crores instead of the reported amount of profit Rs 50.66 crores, Loss before Tax for the year ended 31st March 2020 would have been Rs 164.31 crores instead of the reported amount of profit Rs 39.17 crores, Net Loss after Tax for the year ended 31st March 2020 would have been Rs 139.18 crores instead of reported amount of profit Rs 64.29 crores. Total comprehensive loss for the year ended 31st March 2020 would have been Rs 139.32 crores instead of reported amount of profit Rs 64.16 crores and loss per share for the year ended 31st March 2020 would have been Rs 18.33 instead reported amount of profit Rs 8.44 , other equity and other financial liabilities as at 31st March 2020 would have been Rs -123.96 crores and Rs 1114.53 crores instead of reported amount of Rs 79.52 crores and Rs 911.05 crores respectively.

The above reported interest has been calculated using simple interest rate.

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Qualified Opinion

4. In our opinion and to the best of our information and according to the explanation given to us, except for the matter as described in the Basis of Qualified opinion paragraph above, these year to date results:

a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

b) give true and fair view of the financial performance including other comprehensive income and other financial information for the year ended March 31, 2020 in accordance with the accounting principles generally accepted in India.

5. The statement includes the result for the quarter ended 31st March, 2020 being the balancing figure between audited figures in respect of the full financial year to date and published year figures up to the third quarter of the current financial year which were subject to limited review by us.

Place : Hyderabad
Date : 29-07-2020

For BHAVANI & Co.
Chartered Accountants
Firm Reg. No:012139S

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(CA S KAVITHA PADMINI)
PARTNER
M.No : 229966

UDIN : 20229966AAAACF9482

STEEL EXCHANGE INDIA LIMITED
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Phone: +91-40-2340 3725 Fax: +91-40-2341 3267 Web: www.seil.co.in E-mail: info@seil.co.in
CIN: L74100AP1999PLC031191

Part I : Statement of Standalone Audited Results for the Quarter and Year ended 31st March, 2020

(. In Lakhs except EPS)

Particulars	Quarter ended			Year ended	Year ended
	31.03.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1. Revenue from operations					
Gross sales/income from operations	18,205.78	20,148.07	24,811.40	78,081.94	102,394.13
Total revenue from operations	18,205.78	20,148.07	24,811.40	78,081.94	102,394.13
2. Other Income	891.96	27.59	277.98	1,060.21	533.52
3. Total Income [1+2]	19,097.74	20,175.66	25,089.39	79,142.15	102,927.65
4. Expenses					
(a) Raw materials consumed	11,259.54	12,749.45	15,900.69	49,705.64	67,566.87
(b) Purchases of finished, semi-finished steel & other products	2,346.00	2,816.59	3,487.57	8,470.76	17,998.06
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,856.43	265.10	3,098.27	3,002.10	(1,507.86)
(d) Employee benefits expense	700.84	632.63	745.50	2,644.56	2,573.81
(e) Finance costs	210.39	117.42	909.43	347.06	996.55
(f) Depreciation and amortisation expense	659.22	680.77	753.37	2,723.66	2,962.16
(g) Other expenses	1,555.90	1,607.57	5,803.62	7,182.79	13,386.14
Total Expenses [4(a) to 4(g)]	18,588.31	18,869.53	30,698.46	74,076.57	103,975.73
5. Profit / (Loss) before exceptional items and tax (3-4)	509.43	1,306.13	(5,609.07)	5,065.58	(1,048.08)
6. Exceptional items	1,148.60	-	-	1,148.60	669.28
7. Profit / (Loss) before tax (5-6)	(639.17)	1,306.13	(5,609.07)	3,916.99	(1,717.36)
8. Tax expense					
(a) Current Tax	-	-	-	-	-
(b) Deferred Tax	(2,512.51)		1,950.51	(2,512.51)	1,950.51
Total tax expense [8(a)+(b)]	(2,512.51)		1,950.51	(2,512.51)	1,950.51
9. Net Profit / (Loss) for the period (7-8)	1,873.35	1,306.13	(7,559.58)	6,429.50	(3,667.87)
10. Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	(18.98)		(16.53)	(18.98)	(16.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.92		5.16	5.92	5.16
Total other comprehensive income	(13.06)		(11.37)	(13.06)	(11.37)
11. Total Comprehensive Income for the period [9+10]	1,860.29	1,306.13	(7,570.95)	6,416.44	(3,679.24)
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
13. Other Equity excluding revaluation reserves	-			(15,186.91)	(21,603.35)
14. Earnings per equity share (of ₹.10/- each)					
(a) Basic (in ₹.)	2.47	1.72	(9.96)	8.44	(4.84)
(b) Diluted (in ₹.)	2.47	1.72	(9.96)	8.44	(4.84)



SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(. In Lakhs)

Particulars	Quarter ended			Year ended	Year ended
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1.Revenue by Business Segment:					
Steel	19,348.49	20,903.17	25,517.96	80,688.47	108,245.60
Power	349.95	641.29	2,220.53	2,957.95	13,651.36
Total:	19,698.44	21,544.46	27,738.49	83,646.42	121,896.96
Less: Inter segment revenue	1,492.66	1,396.38	2,927.09	5,564.48	19,502.83
Total income from operations	18,205.78	20,148.07	24,811.40	78,081.94	102,394.13
2.Segment results (Profit)+/Loss (-) before finance cost , exceptional items and tax :					
Steel	975.14	1,565.36	(4,622.51)	6,253.84	403.95
Power	(255.32)	(141.81)	(77.13)	(841.20)	(455.47)
Segment results (Profit)+/Loss (-) before finance cost , exceptional items and tax :	719.82	1,423.55	(4,699.64)	5,412.64	(51.53)
Less: Finance cost	210.39	117.42	909.43	347.06	996.55
Profit/(Loss) before exceptional items & tax	509.43	1,306.13	(5,609.07)	5,065.58	(1,048.08)
less: Exceptional items	1,148.60			1,148.60	669.28
Profit /(Loss) before tax	(639.17)	1,306.13	(5,609.07)	3,916.99	(1,717.36)
3.Segment Assets					
Steel Business	112,833.04	118,480.62	115,811.08	112,833.04	115,811.08
Power Business	25,882.27	26,099.68	26,940.34	25,882.27	26,940.34
Total:	138,715.31	144,580.30	142,751.42	138,715.31	142,751.42
4.Segment Liabilities					
Steel Business	90,640.14	96,094.06	98,191.51	90,640.14	98,191.51
Power Business	17,289.51	17,098.20	15,771.99	17,289.51	15,771.99
Total:	107,929.64	113,192.26	113,963.50	107,929.64	113,963.50

Note:

1. The above results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 29.07.2020 and a limited review of the same was carried out by the Statutory Auditors of the Company.

2. 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.

(b) The power segment includes generation and marketing operations of Thermal and Gas based power.

3. Other income includes interest, lease rentals received and miscellaneous income.

4. As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. Lenders have stopped charging interest on debts since accounts of the company have been identified as Non-Performing Asset.

5. The majority of the lenders have stopped charging interest on debts since the Company has been categorized as Non-performing Asset. Pending finalization of debt resolution with the Lenders, the Company has stopped providing for accrued interest and unpaid effective from 1st January 2018, in its books of accounts.

6. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.5,334.36 lakhs for the quarter ended 31st March, 2020 and the same has also not been considered for compilation of results of the current quarter. The accumulated interest not provided upto 31st March, 2020 is estimated at Rs.36,794.55 lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.

7. 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.

8. "Effective April 1, 2019, Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all lease with a term of more than twelve months, unless the underlying asset is of a low value. As the company is engaged in short term lease contracts the new INDAS 116 has not been adopted.

9. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. In view of the unabsorbed depreciation and MAT Credits, the Company has determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company.



10. The Manufacturing facilities and all offices of the Company were closed on 22 March 2020 on account of Janta Curfew followed by curfew in the State of Andhra Pradesh and countrywide lockdown due to outbreak of COVID-19 pandemic. The Company had on 03.07.2020 made disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risks because of COVID-19. The Company is in the business of manufacturing of steel and power, which are connected with activities that are fundamental to the Indian Economy. The demand for the Company products are expected to be lower in the short term. The same is not likely to have a continuing impact on the business of the Company. Further, the management believes that there may not be significant impact of COVID-19 pandemic on the financial position and performance of the Company, in the long term.

The impact of the global health 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.

11. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial years, which were subjected to limited review by the statutory auditors.

12. These standalone results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.

13. Previous period/quarter figures have been re arranged/regrouped where ever considered necessary.

Place: Visakhapatnam

Date : 29.07.2020

For and on behalf of the Board

B. Satish Kumar

Chairman-cum-Managing Director



STEEL EXCHANGE INDIA LIMITED

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CIN: L74100AP1999PLC031191

(₹. In Lakhs)

Statement of Standalone Assets and Liabilities		
Particulars	As at 31st March 2020	As at 31st March 2019
ASSETS:		
Non-Current Assets:		
a) Property, Plant and Equipment	66,563.38	69,070.53
b) Capital work-in-progress	444.97	450.20
c) Other non-current assets	1,931.80	3,322.33
Sub total - Non-current Assets	68,940.14	72,843.05
Current Assets:		
a) Inventories	57,712.37	59,278.60
b) Financial assets		
i) Other investments	-	30.93
ii) Trade receivables	3,799.22	3,902.32
iii) Cash and cash equivalents	2,555.91	90.20
iv) Other bank balances	82.17	343.11
v) Other financial assets	3,578.85	4,149.10
c) Other current assets	2,046.64	2,114.09
Sub total - Current Assets	69,775.17	69,908.36
Total Assets	138,715.31	142,751.42
EQUITY AND LIABILITIES:		
Equity:		
a) Equity share capital	7,598.48	7,598.48
b) Other equity	7,951.56	1,535.12
Sub total - Equity	15,550.04	9,133.60
Liabilities:		
Non-Current Liabilities:		
a) Financial Liabilities		
i) Borrowings	10,323.00	12,281.04
ii) Other financial liabilities	1,860.88	1,860.88
b) Deferred tax liabilities (net)	2,879.10	5,391.61
c) Provisions	172.65	120.79
Sub total - Non-current Liabilities	15,235.63	19,654.32
Current Liabilities:		
a) Financial Liabilities		
i) Borrowings	73,894.97	74,478.65
ii) Trade payables	10,893.00	13,582.82
iii) Other financial liabilities	20,067.11	20,528.32
b) Other current liabilities	3,062.58	5,368.36
c) Provisions	11.99	5.36
Sub total - Current Liabilities	107,929.64	113,963.50
Total Equity and Liabilities	138,715.31	142,751.42

For and on Behalf of Board

B. Satish Kumar

Chairman-cum-Managing Director

Place: Visakhapatnam

Date : 29.07.2020



Standalone Cash Flow Statement for the year ended 31.03.2020

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax for the year	3,916.99	(1,717.36)
Adjustment for non cash/ non operational expenses:		
a) Depreciation	2,723.66	2,962.16
b) Bad debts written off and other write offs	1,859.62	5,651.37
c) Finance costs recognised in profit or loss	347.06	996.55
d) Loss/ (gain) on disposal of property, plant and equipment	9.77	2.97
e) Un realised gain on financial assets	-	(0.99)
Operating profit before working capital changes	8,857.09	7,894.70
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	(422.14)	905.67
b) Decrease/(Increase) in Inventories	1,566.23	(1,345.24)
c) (Increase)/Decrease in Other non Current Assets	290.39	208.02
d) (Increase)/Decrease in Other Financial Assets	570.25	2,464.79
e) (Increase)/Decrease in Other Current Assets	73.37	(35.94)
f) Increase/ (Decrease) in Trade Payables	(2,689.82)	3,921.69
g) Increase/ (Decrease) in Other financial liabilities	(2,313.55)	(2,991.67)
h) Increase/ (Decrease) in Other current liabilities	(2,299.15)	(5,068.26)
i) Increase/ (Decrease) in Other non current liabilities	32.89	32.74
Cash generated from operations	3,665.57	5,986.50
Less: Income taxes paid	-	-
Net Cash Flow from operating activities	3,665.57	5,986.50
B CASH FLOW FROM INVESTING ACTIVITIES:		
a) Payments for property, plant and equipment	(237.41)	(315.93)
b) Proceeds from disposal of property, plant and equipment	11.13	5.02
c) Realisation of mutual funds	30.93	
c) (Increase)/Decrease in Capital Work in Progress	5.23	36.96
Net Cash Flow from investing activities	(190.11)	(273.94)
C CASH FLOW FROM FINANCING ACTIVITIES:		
a) Repayment of borrowings	(647.37)	(4,739.23)
b) Increase/(Decrease) in Unsecured Loans	(15.31)	(32.62)
c) Payment of Finance costs	(347.06)	(996.55)
Net Cash Flow from financing activities	(1,009.75)	(5,768.40)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	2,465.72	(55.85)
Cash and cash equivalents at the beginning of the year	90.20	146.05
Cash and cash equivalents at the end of the year	2,555.91	90.20

For and on Behalf of Board


B. Satish Kumar
Chairman-cum-Managing Director

Place: Visakhapatnam
Date : 29.07.2020



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GST NO: 37AABCP9362L1ZV

CIN No. : L74100AP1999PLC031191

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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

Dear Sirs,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

DECLARATION FOR MODIFIED OPINION

I, B. Satish Kumar, Chairman and Managing Director of Steel Exchange India Limited, on behalf of the Company, hereby declare that the Company is submitting the Audited Financial Results for the Quarter and year ended 31st March, 2020 along with Audit Report with modified Opinion.

The declaration is given along with Audited Financial Results, pursuant to Reg. 33 (3) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Kindly take this declaration on your record.

Thanking you

Yours faithfully,
For **STEEL EXCHANGE INDIA LIMITED**

B. Satish Kumar
Managing Director



Date: 29.07.2020

WORKS

Integrated Steel Plant	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
Power Plant & SMS	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
Re-Rolling Unit	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results-(Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(₹. In lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for Qualifications)
	1.	Turnover / Total income	79,142.15	79,142.15
	2.	Total Expenditure	74,076.57	94,424.57
	3.	Net Profit/(Loss)	6,416.44	(13,931.56)
	4.	Earnings Per Share(in Rs)	8.44	(18.33)
	5.	Total Assets	1,38,715.31	1,38,715.31
	6.	Total Liabilities	1,23,165.27	1,43,513.27
	7.	Net Worth	15,550.04	(4797.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	Audit Qualification (each audit qualification separately):			
	<p>a. Details of Audit Qualification:</p> <p>Basis for Qualified Opinion</p> <p>We draw your attention to note 3.26 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 203.48 crores on the borrowings of the company for the year ended 31st March 2020 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments.</p> <p>Had the aforesaid interest expenses been recognized, finance costs for the year ended 31st March 2020 would have been Rs 206.95 crores instead of reported amount of Rs 3.47 crores. Total expenses for the year ended 31st March, 2020 would have been Rs 944.25 crores instead of Rs 740.76 crores. Loss before exceptional items and tax for the year ended 31st March 2020 would have been Rs 152.82 crores instead of the reported amount of profit Rs 50.66 crores, Loss before Tax for the year ended 31st March 2020 would have been Rs 164.31 crores instead of the reported amount of profit Rs 39.17 crores, Net Loss after Tax for the year ended 31st March 2020 would have been Rs 139.18 crores instead of reported amount of profit Rs 64.29 crores. Total comprehensive loss for the year ended 31st March 2020 would have been Rs 139.32 crores instead of reported amount of profit Rs 64.16 crores and loss per share for the year ended 31st March 2020 would have been Rs 18.33 instead reported amount of profit Rs 8.44, other equity and other financial liabilities as at 31st March 2020 would have been Rs 123.96 crores and Rs 1114.53 crores instead of reported amount of Rs 79.52 crores and Rs 911.05 crores respectively.</p> <p>The above reported interest has been calculated using simple interest rate.</p>			



SATISH
KUMAR BANDI

Digitally signed by
SATISH KUMAR BANDI
Date: 2020.07.29
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	Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and except the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.	
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
	c. Frequency of qualification: third time / repetitive / since how long continuing.	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company has received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. Lenders have stopped charging interest on debts since accounts of the company have been identified as Non-Performing Asset. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.421,28,90,502 upto the year ended 31st March, 2020.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	(iii) Auditors' Comments on (i) or (ii) above:	
III	Signatories:	
	• Managing Director	SATISH KUMAR BANDI Digitally signed by SATISH KUMAR BANDI Date: 2020.07.29 13:44:54 +05'30'
	• CFO	BANDI RAMESH KUMAR Digitally signed by BANDI RAMESH KUMAR DN: cn = BANDI RAMESH KUMAR, c = IN, o = Andhra Pradesh, ou = Revenue Reason: I am the author of this document Date: 2020.07.29 13:22:36 +05'30'
	• Audit Committee Chairman	SIVA PRASAD CHIVUKULA Digitally signed by SIVA PRASAD CHIVUKULA Date: 2020.07.29 13:53:17 +05'30'
	• Statutory Auditor	KAVITHA PADMINI SIRIGINA Digitally signed by KAVITHA PADMINI SIRIGINA Date: 2020.07.29 13:31:37 +05'30'
Place: Visakhapatnam Date: 29.07.2020		

