



Steelco Gujarat Limited
Registered Office : Plot No.2, G.I.D.C. Estate, National Highway No.8, Palej - 392 220.
Tel No. : 91-2642-277 479 / 480 / 481 Fax No. :91-2642-277 307 Website : www.steelcogujarat.com
CIN No.: L27110GJ1989PLC011748

PART I

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

Sr. No.	Particulars	(INR in Lakhs, unless otherwise stated)				
		Quarter ended			Year ended	
		31.03.2019	31.12.2018	31.03.2018*	31.03.2019	31.03.2018*
		(Unaudited) [Refer note 2]	(Unaudited)	(Unaudited) [Refer note 2]	(Audited)	(Audited)
1	Income					
	a) Revenue from operations (Refer note 3)					
	(i) Gross sales (Products)	12.19	247.55	10,060.47	4,627.69	46,880.30
	(ii) Jobwork revenue	863.74	904.16	120.89	2,625.56	120.89
	(iii) Other operating income	(20.67)	-	309.01	4.06	309.01
	Total Revenue from operations	855.26	1,151.71	10,490.37	7,257.31	47,310.20
	b) Other income	23.25	84.11	191.11	144.65	261.61
	Total Income (a+b)	878.51	1,235.82	10,681.48	7,401.96	47,571.81
2	Expenses					
	a) Cost of materials consumed	142.47	686.31	8,476.48	3,706.50	37,412.73
	b) Changes in inventories of finished goods and work-in-progress	(38.30)	203.93	262.45	1,289.19	2,006.75
	c) Excise duty on sales (Refer note 3)	-	-	-	-	844.65
	d) Employee benefits expense	385.07	426.95	425.17	1,656.10	1,784.53
	e) Finance costs	473.17	796.48	657.88	2,646.01	2,264.45
	f) Depreciation and amortisation expense	124.51	182.60	482.68	614.44	717.78
	g) Provision for doubtful debts	2,038.62	102.72	-	2,038.62	-
	h) Other expenses	820.91	526.61	1,846.23	4,132.81	7,955.32
	Total expenses	3,946.45	2,925.60	12,150.89	16,083.67	52,986.21
3	Loss before exceptional items (1-2)	(3,067.94)	(1,689.78)	(1,469.41)	(8,681.71)	(5,414.40)
4	Exceptional items (Refer note 18)	-	-	541.78	(1,059.63)	(291.82)
5	Loss before Tax (3-4)	(3,067.94)	(1,689.78)	(927.63)	(9,741.34)	(5,706.22)
6	Tax expense/ (benefit)					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-
7	Loss after tax for the period (5-6)	(3,067.94)	(1,689.78)	(927.63)	(9,741.34)	(5,706.22)
8	Other Comprehensive Income/ (Loss) (OCI):					
	a) Items that will not be reclassified to profit or loss (net of tax)	(8.42)	(7.66)	14.71	(32.07)	(19.00)
	b) Items that will be reclassified to profit or loss (net of tax)	-	-	-	-	-
	Total Other Comprehensive Income/ (Loss) (net of tax)	(8.42)	(7.66)	14.71	(32.07)	(19.00)
9	Total Comprehensive Loss for the period, net of tax (7+8)	(3,076.36)	(1,697.44)	(912.92)	(9,773.41)	(5,725.22)
10	Paid-up equity share capital (Face value INR 10 each)	4,256.18	4,256.18	4,256.18	4,256.18	4,256.18
11	Other Equity (excluding revaluation reserves)					
12	Basic and diluted earnings per share (of INR 10 each) (not annualised) (in INR)	(7.21)	(3.97)	(2.18)	(22.89)	(13.41)
	See accompanying notes to the financial results					
	* Restated					

**SIGNED FOR IDENTIFICATION
BY**

**KEDIA & KEDIA ASSOCIATES
AHMEDABAD**



Steelco Gujarat Limited		
PART II		
STATEMENT OF ASSETS AND LIABILITIES		
Particulars	(INR in lakhs, unless otherwise stated)	
	As at 31 March 2019	As at 31 March 2018*
	(Audited)	(Audited)
I ASSETS		
1 Non-current assets		
a) Property, plant and equipment	5,883.99	6,225.98
b) Capital work-in-progress	171.23	623.49
c) Investment property	56.46	57.52
d) Intangible assets	16.10	20.70
e) Financial assets		
(i) Loan	45.80	31.13
(ii) Deferred tax Assets	-	-
f) Income tax assets (net)	208.15	230.06
g) Other non current assets	360.65	370.14
	6,742.38	7,559.02
2 Current assets		
a) Inventories	1,571.30	3,170.12
b) Financial assets		
(i) Trade receivables	6,720.96	9,143.69
(ii) Cash and cash equivalents	71.33	72.04
(iii) Other bank balances	69.81	440.20
(iv) Loan	177.61	134.76
(v) Other financial assets	37.79	664.82
c) Other current assets	286.50	1,581.47
d) Assets classified as held for sale	350.00	350.00
	9,285.30	15,557.10
TOTAL ASSETS	16,027.68	23,116.12
II EQUITY AND LIABILITIES		
1 Equity		
a) Equity share capital	4,256.18	4,256.18
b) Other equity	(32,616.56)	(22,843.14)
Total equity	(28,360.38)	(18,586.96)
2 Liabilities		
2.1 Non-current liabilities		
a) Financial liabilities		
(i) Borrowings	4,264.96	4,653.73
(ii) Others financial liabilities	3.60	4.41
b) Provisions	429.13	377.20
c) Other non-current liabilities	0.17	0.35
	4,697.86	5,035.69
2.2 Current liabilities		
a) Financial liabilities		
(i) Borrowings	8,265.13	7,631.25
(ii) Trade payables	15,458.57	16,640.70
(iii) Other financial liabilities	12,805.10	10,031.46
b) Other current liabilities	953.64	1,050.19
c) Provisions	1,332.08	351.26
d) Current tax liabilities (net)	-	86.85
e) Liabilities assigned to assets held for sale	875.68	875.68
	39,690.20	36,667.39
Total Liabilities	44,388.06	41,703.08
TOTAL EQUITY AND LIABILITIES	16,027.68	23,116.12

The disclosure of the statement of assets and liabilities form as per Regulation 33(3)(f) of SEBI (LODR) Regulations, 2015 is an integral part of these results.

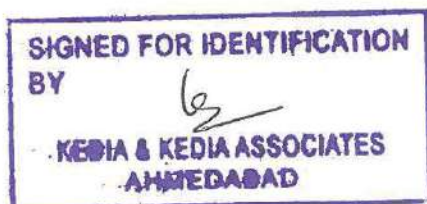
See accompanying notes to the financial results

* Restated



Notes:

1. The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on 19 July 2019.
2. The figures for the quarters ended 31 March 2019 and 31 March 2018 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.
3. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses for the period of three months (1 April 2017 to 30 June 2017). Post implementation of Goods and Service Tax (GST) effective 1 July 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.
4. The Company has identified manufacture of steel products (including on jobwork basis) as its sole business segment.
5. The manufacturing operations of the plant were adversely affected during the year ended 31 March 2019 due to constrained working capital funds position of the Company. During the current year, the business operations mainly comprised of manufacturing on the jobwork basis as against own manufacturing and sale of manufactured goods.
6. The Company has incurred a net loss of INR 9,741.34 Lakhs during the year ended 31 March 2019, and the accumulated losses aggregating INR 33,390.70 Lakhs have resulted in erosion of its net worth in entirety. Further, as of 31 March 2019, the Company's current liabilities exceed its current assets by INR 30,404.90 Lakhs. The financial results of the Company have been prepared on a going concern basis in view of the management's efforts of recovery and the revival of the operations of the Company. The appropriateness of the said basis is inter-alia further dependent upon the acceptance of the company's OTS proposal pending with the bankers, Company's ability to raise requisite long term finance and/ or generate sufficient cash flows in future to meet its commitment of future revival plans and for continuing operations as well as on financial support by the holding/ ultimate holding company. The matter is disclosed under basis of disclaimer of conclusion in the independent auditor's audit report.
7. (a) The aggregate amount outstanding to all consortium member banks as per the books of accounts of the company (including accrued interest) is INR 14,762.93 Lakhs. The Company has defaulted in repayment of dues including interest to all of its consortium member banks, who have issued notices under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESIA). These bankers have classified the accounts as NPAs and recalled entire facilities granted to the company including interest/ penal interest, etc. Virtually the entire properties/assets of the companies and the promoters holding are charged / pledged to the bankers for the due repayment of the bankers' dues. Non-compliance of the notice may entitle bankers to take possession of the secured assets, etc. The Company has responded to the notices under SARFAESIA and has submitted OTS proposal of the entire outstanding liabilities of all the banks and has requested them to keep such notice in abeyance and not to take any further action in the matter. SBI, the lead bank, on 31 December 2018 has



issued a letter to the company to deposit 5% Initial deposit of OTS offer in No Lien Account of SBI SAM Branch Ahmedabad, so that all lenders bank can send their proposal to competent authority for the consideration of OTS proposal. Subsequent to the balance sheet date, the initial deposit has been deposited with SBI by Spica Business Corp., Panama (the ultimate holding company).

(b) CDR package dated 27 June 2012 stipulates that the lenders have right to reverse waivers amounting to INR 1,273 Lakhs in the event of non-compliance of the terms of CDR package. SBI, one of the lenders, has demanded (vide SARFAESIA notice) repayment of CDR sacrifice of INR 630 Lakhs (included in INR 1,273 Lakhs) and additional interest thereon of INR 548 Lakhs. As the company is negotiating the OTS proposal, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities by way of note.

(c) The Company has appointed a financial advisor for devising a suitable debt resolution plan for the Company, which will enable the Company to come out of the present stressed liquidity situation.

(d) Due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval of State Bank of India (Consortium leader) is required for each individual payment to be made from the current accounts.

(e) Except in case of Canara Bank, the company has not provided for the penal interest on outstanding due of the bankers, the amount of which is not ascertained.

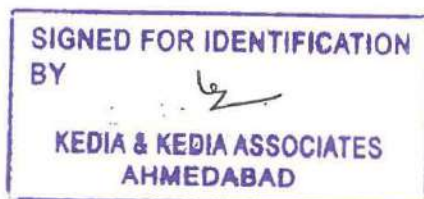
The above matters are disclosed under basis of disclaimer of conclusion in the independent auditor's audit report.

8. The trade receivables of INR 6,720.96 lakhs include trade receivables of INR 6,372.39 lakhs, which have significant increase in credit risk, in respect of which the Company has not made any assessment for expected credit loss, in accordance with the requirements of 'Ind AS 109: Financial instruments', as the management considers such balances as good and recoverable in future. The matter is disclosed under basis of disclaimer of conclusion in the independent auditor's audit report.

9. The Company has not ascertained and capitalized the borrowing costs in accordance with the requirements of 'Ind AS 23: Borrowing Costs' with respect to ERP (Oracle) System shown under capital work in progress. The matter is disclosed under basis of disclaimer of conclusion in the independent auditor's audit report.

10. In accordance with 'Ind AS 8: Accounting Policies, Changes In Accounting Estimates And Errors', prior period errors / omissions aggregating INR 1,330.33 lakhs (net) are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. The matter is disclosed under basis of disclaimer of conclusion in the independent auditor's audit report. (Details are given at note 17).

11. The trade receivables include balances aggregating INR 8,326.67 lakhs in foreign currency, which are pending for settlement and have resulted in delays in receipt beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 under the Foreign



Management Act, 1999. Further, there are balances payable to the same parties aggregating INR 5,193.35 lakhs. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the possible penalties etc., which may be levied for such irregularities are likely to be condoned by the regulatory authorities. The matter is emphasized in the independent auditor's audit report.

12. The trade payables include balances aggregating INR 14,695.93 lakhs in foreign currency which are pending for settlement and have resulted in delays in payment beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulatory authorities. The matter is emphasized in the independent auditor's audit report.

13. The Company has paid / provided for excess remuneration to the managing director during FY: 2016-17, 2017-18 and 2018-19 without obtaining the approvals in accordance with Section 197 of the Act. The detail is given below.

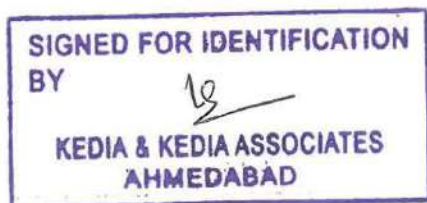
Financial Year	Managerial Remuneration Paid /Provided in the books (INR in Lakhs)	As per limit prescribed u/s 197 of the Act (INR in Lakhs)	Excess Remuneration (INR in Lakhs)	Remarks
2016-17	127.16	84.00	43.16	Reversed in accordance with Ind AS 8 retrospectively
2017-18	151.59	60.00	91.59	Reversed in accordance with Ind AS 8 retrospectively
2018-19	102.86	60.00	42.86	Reversed to Statement of Profit & Loss
TOTAL			177.61	

The excess remuneration reversed is shown as recoverable from the Managing Director. This has been emphasized in the independent auditor's audit report.

14. The company has recognised probable estimated liability (net of input tax credit receivable) of INR 967.41 lakhs towards import duty on materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence, which is shown as exceptional items. This has been emphasized in the independent auditor's audit report.

15. Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

16. Confirmation letters have not been obtained from all the parties in respect of Trade Payable. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.



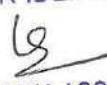
17. Prior period errors / omissions corrected retrospectively in accordance with Ind AS 8.

Particulars	(₹ lakhs)	
(a) Previously reported Retained earnings as at 1 April 2017	(17,007.16)	
Reversal of Income	(273.47)	
Reversal of expenses / provision	63.70	
Expenses / provisions relating to period before 1 April 2017	(675.14)	
Restated Retained earnings as at 1 April 2017	(17,892.07)	
(b) Previously reported Loss for FY: 2017-18	(5260.80)	
Reversal of Income	(350.64)	
Reversal of expenses / provision	192.92	
Income recognised relating to FY: 2017-18	0.87	
Expenses / provisions relating to FY: 2017-18	(288.57)	
Restated Loss for FY: 2017-18	(5,706.22)	
(c) Consequential effect of matters disclosed at (a) and (b) above on previously reported balance sheet items as at 31 March 2018		
	Debit adjustments (₹ lakhs)	Credit adjustments (₹ lakhs)
Other Equity	1,330.33	-
Property Plant & Equipment	27.63	-
Capital Work in Progress	-	(29.17)
Financial Assets – Loans	134.76	-
Income Tax Assets (Net)	20.53	-
Other Non Current Assets	-	(257.58)
Other Current Assets	-	(6.68)
Trade Receivables	-	(29.37)
Other Financial Assets – Current	-	(546.63)
Current Liabilities - Other Financial Liabilities	-	(267.10)
Current Liabilities - Provisions	-	(339.93)
Current Liabilities - Other Current Liabilities	-	(99.60)
Trade Payable	62.81	-

Note: Effect of regrouping / reclassification is not included above.

18. Exceptional items represent the following:

Particulars	Quarter Ended			Year Ended	
	31/03/19	31/12/18	31/03/18	31/03/19	31/03/18
Forfeiture of advance money on sale of land	-	-	(519.00)	-	(519.00)
Impairment of plant and machinery held for sale	-	-	(88.54)	-	695.85
Loss due to fire	-	-	65.76	-	114.97
Impairment of software license and implementation expenses	-	-	-	92.22	-
Probable estimated liability (net of input tax credit receivable) towards import duty - Refer note 14	-	-	-	967.41	-
Total (gain)/ loss	-	-	(541.78)	1059.63	291.82

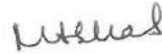
SIGNED FOR IDENTIFICATION
BY 
KEDIA & KEDIA ASSOCIATES
AHMEDABAD



19. Effective 1 April 2018, the company has adopted Ind AS 115 "Revenue from contracts with customer". The application of Ind AS 115 did not have any material impact on the financial results of the Company.

20. Previous period/year figures have been re-grouped/ re-classified wherever necessary.

For and on behalf of the Board of Directors of
Steelco Gujarat Limited



Mitesh H. Shah
Managing Director



Place: Mumbai
Date: 19 July 2019

