



SAL STEEL LIMITED

Admn. Office : Shah Alloys Corporate House, Sola - Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar- 382721
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M.J.Library, Ashram Road, Ahmedabad- 6. India
Phone : 02764 - 661100

February 10, 2018

To,
The Department of Corporate Services
Bombay Stock Exchange Ltd.
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

BSE Scrip Code: 532604

To,
The Manager [Listing]
National Stock Exchange of India Ltd
"Exchange Plaza", C-1, Block-G,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

NSE Symbol: SALSTEEL

Sub: Board Meeting for considering Unaudited Financial Results for the Quarter & Nine Months Ended on 31.12.2017

With reference to above, kindly be informed that the Board of Directors of the company in its meeting held today have considered the Unaudited Quarterly Results along with Limited Review Report for the quarter & nine months ended on 31.12.2017, copy of approved results along with Limited Review Report is enclosed for ready reference. [Board Meeting commenced on 05:30 p.m. and concluded on 05:45 p.m.]

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For, **S.A.L. Steel Ltd**


Company Secretary

Encl: a/a

CIN-L 29199GJ2003PLC043148

Regd. Office: 5/1, Shreeji House, 5th Floor, Behind M. J. Library, Ashram Road, Ahmedabad - 380006.

UnAudited Financial Results for the Quarter and Nine Months Ended as on 31st Dec 2017

₹ in Lacs

| | Particulars | Quarter Ended | | | Nine Months Ended | | |
|------|---|------------------|------------------|-----------------|-------------------|------------------|------------------|
| | | 31-Dec-17 | 30-Sep-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 | 31-Mar-17 |
| | | (UnAudited) | (UnAudited) | (UnAudited) | (UnAudited) | (UnAudited) | (Audited) |
| I | Revenue from operations | 15,296.11 | 10,552.29 | 9,712.41 | 36,640.74 | 27,442.09 | 39,702.93 |
| II | Other Operating Income | 22.87 | 146.75 | 34.85 | 195.64 | 106.11 | 236.97 |
| III | Total Revenue (I + II) | 15,318.98 | 10,699.04 | 9,747.26 | 36,836.38 | 27,548.20 | 39,939.90 |
| IV | Expenses | | | | | | |
| | a) Cost of Materials consumed | 13,479.58 | 6,190.28 | 6,667.71 | 27,472.76 | 18,747.64 | 24,029.98 |
| | b) Purchase of stock-in-trade | 271.37 | 0.00 | 0.00 | 271.37 | 0.00 | 0.00 |
| | c) Changes in inventories of finished goods, work-in-progress | (3,988.98) | 341.07 | (1,108.06) | (3,770.38) | (1,004.15) | (274.48) |
| | d) Employee benefits expense | 369.56 | 348.15 | 303.94 | 1,029.44 | 898.61 | 1,286.21 |
| | e) Excise Duty on Sales | 0.00 | 0.00 | 0.00 | 963.00 | 0.00 | 3,641.77 |
| | f) Finance Costs | 5.62 | 3.79 | 15.37 | 41.24 | 18.60 | 73.06 |
| | g) Depreciation and amortisation expenses | 191.66 | 190.04 | 192.63 | 550.09 | 592.40 | 764.23 |
| | h) Consumption of stores & Spares | 313.68 | 378.09 | 311.90 | 944.89 | 885.54 | 1,192.02 |
| | i) Power Cost and cost of power generation | 1,744.74 | 1,529.34 | 1,679.51 | 4,381.76 | 3,868.73 | 4,849.63 |
| | j) Other Expenses | 2,661.03 | 1,776.16 | 1,129.33 | 5,517.53 | 2,765.89 | 3,703.11 |
| | Total Expenses | 15,048.26 | 10,756.92 | 9,192.33 | 37,401.70 | 26,773.26 | 39,265.53 |
| V | Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV) | 270.72 | (57.88) | 554.93 | (565.32) | 774.94 | 674.37 |
| VI | Tax Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VII | Profit/ (Loss) for the period from continuing operations (V-VI) | 270.72 | (57.88) | 554.93 | (565.32) | 774.94 | 674.37 |
| VIII | Profit / (Loss) from discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IX | Tax expense of discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| X | Profit/(Loss) from Discontinuing operations (after tax) (VIII-IX) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| XI | Net (Loss) profit for the period (VII + X) | 270.72 | (57.88) | 554.93 | (565.32) | 774.94 | 674.37 |
| | Other Comprehensive income | 3.72 | 3.72 | 2.43 | 11.17 | 7.29 | 14.88 |
| XII | Total Comprehensive income | 274.44 | (54.16) | 557.36 | (554.14) | 782.23 | 689.25 |
| XIII | Earnings per equity share : | | | | | | |
| | (1) Basic | 0.32 | (0.07) | 0.65 | (0.67) | 0.91 | 0.79 |
| | (2) Diluted | 0.32 | (0.07) | 0.65 | (0.67) | 0.91 | 0.79 |

Notes:

- Hon'ble Supreme Court of India vide order dated 10.01.2018 has set aside the order of Hon'ble NCLT, Ahmedabad dated 06.09.2017 and Corporate Insolvency Resolution Process against the company is closed.
- The above results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 10th February 2018.
- The un-audited financial results of the Company for the Quarter and Nine Months ended on 31st Dec, 2017 have been Limited Reviewed by the Statutory Auditors of the Company.

- 4 Results for the quarter and half year ended as on September 30, 2017 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) notified by the Ministry of Corporate Affairs. The results for the quarters and half year have been restated as per IND AS and are comparable on like to like basis.
- 5 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- 6 The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Ind As 108, Operating Segment. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, the management has not made disclosure of Primary Reportable segment as per Ind As 108, Operating Segment. Further, in view of the fact that the Company has its business within the geographical territory of India, Company has considered "INDIAN GEOGRAPHY" as the only secondary reportable business segment, as per the Ind As 108, Operating Segment. Accordingly, company is not require to submit segment reporting.
- 7 Company has accumulated losses. However, company has entered into in-principle settlement with Invent Assets Securitization and Reconstruction Pvt. Ltd.who had been assigned debts of Union Bank of India, State Bank of India and State Bank of Hyderabad.
- 8 The Company has paid the capital advances in earlier years for total amounting of ₹.9,12,32,084/- which are currently shown under Long term loans and advances to the suppliers for the supply of customized equipments based of our specific design and requirements. The machines are manufactured and ready for dispatch but company does not have further fund to pay balance amount to lift the machines. However, the management is trying to recover such advances from the suppliers fully subject to provision made in the books of accounts of ₹ 2,37,83,523/- .
- 9 The above result does not include ind As compliance results for the preceding quarter and previous year ended March 31, 2017 as it is not mandatory as per SEBI circular dated July 5,2016
- 10 The format for above results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, IND AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- 11 The Ind-AS compliant financial results, pertaining to the relevant periods of the previous year as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 12 Reconciliation of results between previously reported (referred to as "Previous GAAP" and IND AS for the quarters / Nine Months are presented as under :

| Particulars | Nine Months ended 31st Dec, 2016 |
|---|----------------------------------|
| Net Profit under Previous GAAP | 774.94 |
| Employee benefits - Actuarial Gain / (loss) recognized in OCI | 7.29 |
| Total comprehensive income under IND AS | 782.23 |

- 13 Consequent to the introduction of GST w.e.f July 1, 2017 the Excise duty is subsumed under GST. There is NIL amount in Excise Duty for the quarter ended December 2017.
- 14 The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be significant enough in the Half Year ended Dec 31, 2017 and hence, the Management has not given effect of the same in the financial results .

for and on behalf of the Board of Director of SAL Steel Ltd.

x



Rajendra V. Shah
Chairman (DIN : 00020904)

Place : Santej
Date : 10-02-2018

LIMITED REVIEW REPORT

To,
The Board of Directors
SAL Steel Limited,
Ahmedabad

We have reviewed the accompanying statement of Unaudited Financial Results of SAL Steel Limited (the Company) for the quarter ended December 31, 2017 being submitted by the Management pursuant to the requirement of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This statement is the responsibility of the Management and has been approved by the Management. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (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 financial results are 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.



Without qualifying our opinion, we draw your attention to

1. Note 1 to the financial results which mentions about the Order of Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench dated 6th Sep 2017 [C P (IB) no. 94/9/NCLT/AHM/2017] which had admitted the company under Corporate Insolvency Resolution Process (CIRP) under section 9(5)(i) of the Insolvency and Bankruptcy Code, 2016 and accordingly appointed Interim Resolution Professional (IRP). However, on the basis of the records produced before us, and as explained to us, the promoters of the company have entered in to a settlement with operational creditor who had filed application before Hon'ble NCLT, Ahmedabad and obtained no objection from other operational creditors as well as financial creditors and moved a petition under Article 142 of the constitution before the Hon'ble Supreme Court of India, New Delhi. As per the order dated 10th January 2018 of the Hon'ble Supreme court of India, the order passed by the Hon'ble NCLT, Ahmedabad dated 06th September, 2017 has been set aside and accordingly the CIRP proceedings have been effectively discontinued and powers of the Board of Directors of the Company have been reinstated.
2. Note 7 to the financial results of the Company with respect to accumulated losses and its net worth . The Financial results Indicate that the Company has Incurred a net loss during the previous quarter(s) and, the Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company in the quarter ended on 31st December 2017 and considering the management view, the financial results of the Company have been prepared on a going concern basis.



3. Note 6 to the financial results which describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard — 108 'Operating Segments'. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the financial results due to non disclosure.
4. Note 7 to the financial results which states the company has in principally settled/ settled its dues with Asset Reconstruction Company (ARC) of its dues which have been assigned by the Banks to ARC.
5. Attention is drawn to the fact that figures for the quarter ended on 31st December 2016 are based on the previously issued results that were reviewed by predecessor auditors vide their report dated 11TH February 2017. Further, we have not audited or reviewed the accompanying results and other financial information for the quarter ended 31st December , 2016 which has been prepared solely based on the information compiled by the Management and on the basis of limited review made by predecessor auditors.

Basis for Qualified opinion

1. *Management is of the view that they do not anticipate execution of its ongoing capital projects. However, the Company has not made adequate provision towards recovery of advances for the said capital projects for the amount of Rs.9,12,32,064/- which are currently shown under Long term loans and advances. The consequential impact of adjustment, if any, on the actual realization of said advances on the financial results is currently not ascertainable. Therefore, we are unable to comment on its consequential financial impact, if any, on the financial results.*



2. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give effect of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 "Financial Instruments" and hence, the effect of the same if any on the Financial Results is not identifiable therefore, We are unable to comment upon its impact on the Quarterly results for the period ended December 31, 2017.

Qualified Conclusion

Except for the adjustment as stated above to the interim financial results that we might have become aware of had it not been for the situation described above, based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards and other recognized accounting practices and principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular No.CIR/CFD/FAC/62/2016 dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 10/02/18

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

C.A Dr Hiten Parikh
PARTNER
M.No. 40230