

SAL**S.A.L. STEEL LIMITED**

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

Unaudited Financial Results for the Quarter and Year Ended as on 30th June 2017

₹ in Lacs

	Particulars	Quarter Ended	
		30-Jun-17	30-Jun-16
		(UnAudited)	(UnAudited)
I	Revenue from operations	10,792.34	9,584.48
II	Other Operating Income	26.02	46.41
III	Total Revenue (I + II)	10,818.36	9,630.89
IV	Expenses		
	a) Cost of Materials consumed	7,802.90	6,362.04
	b) Purchase of stock-in-trade	0.00	0.00
	c) Changes in inventories of finished goods, work-in-progress	(122.47)	(468.79)
	d) Employee benefits expense	311.72	291.35
	e) Excise Duty on Sales	963.00	889.21
	f) Finance Costs	31.83	10.27
	g) Depreciation and amortisation expenses	168.39	201.80
	h) Consumption of stores & Spares	253.12	351.49
	i) Power Cost and cost of power generation	1,107.68	1,083.36
	j) Other Expenses	1,080.34	858.17
	Total Expenses	11,596.51	9,578.90
V	Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)	(778.15)	51.99
VI	Tax Expense	0.00	0.00
VII	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(778.15)	51.99
VIII	Profit / (Loss) from discontinuing operations	0.00	0.00
IX	Tax expense of discontinuing operations	0.00	0.00
X	Profit/(Loss) from Discontinuing operations (after tax) (VIII-IX)	0.00	0.00
XI	Net (Loss) profit for the period (VII + X)	(778.15)	51.99
	Other Comprehensive income	3.72	2.43
XII	Total Comprehensive income	(774.43)	54.42
XIII	Earnings per equity share :		
	(1) Basic	(0.92)	0.06
	(2) Diluted	(0.92)	0.06

Notes:

- On September 6, 2017, the National Company Law Tribunal (NCLT), Ahmedabad vide its order admitted the Corporate Insolvency Resolution (CIR) Process under the Insolvency and Bankruptcy Code, 2016 (IBC) and has appointed Mr. Parag Sheth as the Interim Resolution Professional (IRP) in terms of the IBC.
- Under the CIR Process, a resolution plan needs to be prepared and approved by the Committee of Creditors (CoC). The CoC is yet to be formed. The resolution plan which would be approved by the CoC will need to be further approved by the NCLT to keep the Company, a going concern. As the Company is under resolution, the financial statements have been presented on a 'going concern' basis.
- The above financial results have been prepared in accordance with the Regulation 33 of the SEBI (LODR) Regulations, 2015 read with SEBI Circular dated July 5, 2016. The above Un-audited financial results have been subjected to Limited Review by the Statutory Auditors. Since the powers of the Board of Directors has been suspended after commencement of the CIR process and are exercisable by Shri Parag Sheth, the IRP appointed by the NCLT, Ahmedabad, the above financial results have been certified by the CFO and the then Chairman of the company Shri Rajendra V Shah and thereafter provided to the IRP. Statements for the quarter ended 30th June, 2017 pertains to period before the commencement of the Corporate Insolvency Resolution Process. The IRP has relied on the certifications, representations and statements made by Shri Babulal Singhal, CFO and Shri Rajendra V Shah, the then Chairman and have approved the unaudited financial results for the quarter ended June 30, 2017.



- 4 Results for the quarter ended June 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 quarter ended June 30, 2016 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.
- 7 The Company has accumulated losses and its net worth has been fully eroded. The Financial results indicates that the Company has a net loss during the previous year and the Company's current liabilities exceeded its current assets as at the current and 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, the financial results of the Company have been prepared on a going concern basis based on the facts that during the quarter under review and thereafter company had been actively negotiating for settlement.
- 8 Secured Borrowings from the below mentioned banks have been transferred / assigned to Invent Assets Securitization and Reconstruction Pvt Ltd (Financial Institution) together with all their rights, title and interest in the financial documents and any underline security interest / pledged and / or guarantees in respect of such loans.

Name of Bank	Date of Assignment
State Bank of Hyderabad	07-01-2015
Union Bank of India	07-03-2015
State Bank of India	30-10-2015

The Company has stopped making provision for interest on such borrowing from the date of transfer due to pending settlement with Invent Assets Securitization and Reconstruction Pvt Ltd and hence due to non availability of documents, the company has taken last sanction letter as a base for classification of current / non-current liability and default of the borrowings.

- 9 The Company has paid the advances for capital assets 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/- .
- 10 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



- 11 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.
- 12 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, necessary diligence has been exercised to ensure that the financial results provide a true and fair view of its affairs.
- 13 Reconciliation of results between previously reported (referred to as "Previous GAAP" and IND AS for the quarters are presented as under :

(₹ in lacs)

Particulars	Quarter ended 30th June, 2016
Net Profit under Previous GAAP	51.99
Employee benefits - Actuarial Gain / (loss)	2.43
Total comprehensive income under IND AS	54.42

- 14 The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough in the quarter ended June 30, 2017 and hence, the Management has not given effect of the same in the financial results .



For S.A.L. Steel Limited

Parag Sheth

Parag Sheth

Interim Resolution Professional

(IP Registration no. IBBI/IPA-002/IP-N00142/2017-18/10381)

Place : Santej

Date : 09.09.2017



CFD
C.B.L. Singh