

S.A.L. STEEL LIMITED

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

Audited Financial Results for the year ended on 31st March, 2016

Sr. No.	Particulars	(Amount in ₹ Lakhs)				
		Quarter Ended			Year ended	
		31-Mar-16 (Audited)	31-Dec-15 (Unaudited)	31-Mar-15 (Audited)	31-Mar-16 (Audited)	31-Mar-15 (Audited)
1	Income from Operations					
a.	Net Sales/ Income from operations	7,473.40	9,156.99	9,377.21	33,761.29	36,538.93
b.	Other Operating Income	19.37	21.22	23.74	58.07	65.16
	Total Income from Operations (net)	7,492.77	9,178.21	9,400.95	33,819.36	36,604.09
2	Expenses					
a.	Cost of Materials consumed	4,653.38	6,397.04	6,100.41	22,586.99	25,995.64
b.	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	301.13
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(88.52)	(79.11)	146.89	(218.77)	621.02
d.	Employee benefits expense	304.22	269.84	292.86	1,101.86	1,026.90
e.	Depreciation and amortisation expenses	226.94	195.18	20.37	846.86	874.02
f.	Consumption of stores & Spares	225.91	230.72	401.66	1,502.23	972.10
g.	Power Cost and cost of power generation	991.15	1,030.29	1,109.21	3,824.72	3,455.70
h.	Other Expenses	920.08	522.84	258.17	2,642.07	1,556.87
	Total Expenses	7,233.16	8,566.80	8,329.57	32,285.96	34,803.38
3	Profit/ (Loss) from operations before other income, finance costs and exceptional items(1-2)	259.61	611.41	1,071.38	1,533.40	1,800.71
4	Other Income	0.00	0.00	0.00	0.00	0.00
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	259.61	611.41	1,071.38	1,533.40	1,800.71
6	Finance Costs	1.62	81.51	729.38	1,240.00	2,991.74
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	257.99	529.90	342.00	293.40	(1,191.03)
8	Exceptional items	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	257.99	529.90	342.00	293.40	(1,191.03)
10	Tax Expenses (Deferred Tax)	0.00	0.00	1,867.21	0.00	1,643.88
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	257.99	529.90	(1,525.21)	293.40	(2,834.91)
12	Extraordinary items	1,829.36	0.00	4,748.71	3,170.24	4,748.71
13	Net Profit/ (Loss) for the period (11-12)	(1,571.37)	529.90	(6,273.92)	(2,876.84)	(7,583.62)
14	Paid-up Equity Share Capital (Face Value of ₹.10/- each per share)	8,496.67	8,496.67	8,496.67	8,496.67	8,496.67
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(12,006.37)	(9,129.54)
16	Earnings per share					
i	(a) Basic and Diluted EPS before extraordinary items (not annualised)	0.30	0.62	(1.80)	0.35	(3.34)
ii	b) Basic and Diluted EPS after extraordinary items (not annualised)	(1.85)	0.62	(7.38)	(3.39)	(8.93)

Notes:

- The above Audited results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 30th May 2016.
- Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- The figures pertaining to last quarter are the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter of the current financial year.
- 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 Accounting Standard -17, Segment Reporting issued by The Institute of Chartered Accountants of India. 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 Accounting Standard -17. 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 Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

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As at the yearend 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 current and 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 that the Company is actively negotiating for settlement. As a result, not only the Company's net worth will improve but also improve productivity on account of morale booster of the employees. Further, post settlement, the Company will reduce interest burden drastically and will be optimistic about vanishing of accumulated losses gradually.

- 6 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 Transferred
State Bank of Hyderabad	1/7/2015
Union Bank of India	3/7/2015
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.

- 7 The Company has obtained technical valuation of their Capital work In Progress from the approved valuer and booked impairment loss of ₹ 18,29,36,000/- and ₹ 31,70,24,474/- respectively for the quarter ended on 31st March 2016 and for the year ended on 31st March 2016 in the to the statement of Profit and Loss and shown as Extra Ordinary items.
- 8 The Company has paid the capital advances in earlier years for total amounting of ₹.9,41,22,080/- 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 lender's did not disburse the sanctioned term loan fully. Thus, the company was not able to make the balance payment to lift the machines. However, the management is trying to recover such advances from the suppliers fully. However, provision made in the books of accounts of ₹ 1,69,32,523/-.
- 9 The Company had filed a reference with BIFR u/s 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985. The Honorable BIFR vide its letter reference no 3(S-10)/BC/2015 dated 24th August 2015 had registered the reference filed by the company vide case no 109/2015.

10 **The Statement of Assets and Liabilities as at 31st March, 2016**
Statement of Assets and Liabilities

Sr. No.	Particulars	(Amount in ₹ Lakhs)	
		Year Ended	Year Ended
		31.03.2016	31.03.2015
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	8,496.67	8,496.67
	(b) Reserves and Surplus	(12,006.39)	(9,129.54)
	Sub-total - Shareholders' funds	(3,509.72)	(632.87)
2	Non- Current Liabilities		
	(a) Long-term borrowings	424.92	1,513.55
	(b) Other Long-term liabilities	44.05	700.00
	(c) Long Term provisions	77.44	66.08
	Sub-total - Non- Current Liabilities (I)	546.41	2,279.63
3	Current Liabilities		
	(a) Short term borrowings	7,116.57	7,675.15
	(b) Trade payables	2,307.33	2,535.99
	(c) Other current liabilities	18,483.58	16,739.35
	(d) Short term provisions	81.63	67.09
	Sub-total - Current Liabilities (II)	27,989.11	27,017.58
	TOTAL - EQUITY AND LIABILITIES (I + II)	25,025.80	28,664.34
B	ASSETS		
1	Non- Current Assets		
	(a) Fixed Assets	16,450.62	20,322.68
	(b) Long Term loans and advances	938.86	2,686.87
	Sub-total - Non- Current Assets (III)	17,389.48	23,009.55
2	Current Assets		
	(a) Inventories	2,920.15	3,166.21
	(b) Trade receivables	4,038.42	1,295.77
	(c) Cash and cash equivalents	111.23	130.62
	(d) Short-term loans and advances	566.52	1,062.19
	Sub-total - Current Assets (IV)	7,636.32	5,654.79
	TOTAL- ASSETS (III + IV)	25,025.80	28,664.34

for and on behalf of the Board of
Directors of SAL Steel Ltd

Rajendra V. Shah
Chairman

Place: Santej

Date: 30/05/2016