



talati & talati
Chartered Accountants

LIMITED REVIEW REPORT

Report on the financial statements of **S.A.L. STEEL LIMITED**, Ahmedabad

We have reviewed the accompanying statement of unaudited financial results of **S.A.L. STEEL LIMITED** for the period ended 31st December, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the "Review Engagement (SPE) ~~Standard~~ to Review Financial Statements" 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 statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, subject to non disclosure of Reportable Segments as required under AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, we draw attention to our unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For TALATI & TALATI
Chartered Accountants
(Firm Reg No:110758W)



(Signature)

(UMESH H. TALATI)
Partner

Mem. No. 034834

Place : Ahmedabad


Date : February 03, 2012

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| Particulars | | Quarter Ended | | | Nine Months Ended | | Year Ended (Audited) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------|----------------|-------------------|-----------------|----------------------|
| | | Dec-31 | Sep-30 | Dec-31 | Dec-31 | Dec-31 | Mar-31 |
| | | 2011 | 2011 | 2010 | 2011 | 2010 | 2011 |
| S.A.L. STEEL LIMITED | | | | | | | |
| Registered Office: 5/1, Shikha House, 3rd Floor, Behind M.L. Library, Ashwari Road, Annapurna, Bangalore - 560006 | | | | | | | |
| Unaudited Financial Results for the Quarter and Nine Months ended on 31st December 2011 | | | | | | | |
| (Amount in Rs. Lakhs) | | | | | | | |
| 1 | a) Income From Operations | | | | | | |
| | Gross Sales | 2117.56 | 2805.95 | 2525.01 | 23515.31 | 26462.90 | 34120.75 |
| | Loss - Excise Duty | 515.06 | 546.69 | 558.04 | 1479.55 | 1615.14 | 2111.65 |
| | Net Sales / Income From Operations | 8501.51 | 8262.25 | 7936.03 | 22435.76 | 24847.76 | 32009.10 |
| | b) Other Operating Income | 43.17 | 65.51 | 25.74 | 256.56 | 58.63 | 237.79 |
| | Total Income (a+b) | 8544.68 | 8328.17 | 7963.78 | 22692.62 | 24904.29 | 32246.89 |
| 2 | Expenditure | | | | | | |
| | a) (Increase) / Decrease in Stock In Trade | 1506.12 | (1811.43) | 570.43 | 477.25 | 307.54 | 372.37 |
| | (b) Consumption of Raw Materials | 3355.06 | 5675.71 | 5325.51 | 12626.55 | 12184.25 | 20254.89 |
| | (c) Purchase of Trading Goods | 204.33 | 0.00 | 0.00 | 304.33 | 0.00 | 0.00 |
| | (d) Staff cost | 230.05 | 222.17 | 174.35 | 857.56 | 584.82 | 752.37 |
| | (e) Depreciation | 487.05 | 470.50 | 455.33 | 1363.47 | 1432.74 | 1890.72 |
| | (f) Power Cost: India Cost of Power Generation | 544.45 | 1353.27 | 1154.55 | 2800.05 | 2507.69 | 4495.98 |
| | (g) Other Expenditure | 1571.02 | 525.84 | 743.88 | 2353.57 | 1665.28 | 2070.58 |
| | Total Expenditure (a to g) | 7911.09 | 7578.49 | 7314.79 | 20783.45 | 22863.93 | 28836.89 |
| 3 | Profit from Operations before Other Income, Interest and Exceptional Items (1-2) | 733.59 | 649.68 | 648.98 | 1909.16 | 2040.37 | 2410.00 |
| 4 | Other Income / (Loss) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Profit before Interest & Exceptional Items (3+4) | 733.59 | 649.68 | 648.98 | 1909.16 | 2040.37 | 2410.00 |
| 6 | Interest & Financial Charges | 543.22 | 570.43 | 516.47 | 1637.88 | 1703.83 | 2213.81 |
| 7 | Profit after interest but before exceptional items (5-6) | 185.38 | 79.25 | 133.51 | 271.30 | 336.54 | 196.19 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit / (Loss) from ordinary activities before tax (7 + 8) | 185.38 | 79.25 | 133.51 | 271.30 | 336.54 | 196.19 |
| 10 | Tax Expense | | | | | | |
| | a) Income Tax (including income tax of earlier years) | 4.87 | 4.21 | 67.55 | 10.67 | 102.35 | 99.84 |
| | b) Deferred Tax | 17.31 | 3.90 | 52.35 | 28.75 | 107.65 | 47.48 |
| | c) Total | 22.18 | 13.11 | 120.54 | 39.38 | 210.20 | 147.32 |
| 11 | Net Profit / (Loss) from ordinary activities after tax (9 - 10) | 163.19 | 66.14 | 13.57 | 231.94 | 126.34 | 48.87 |
| 12 | Extraordinary Items | 152.46 | 59.55 | 0.00 | 224.04 | 5.57 | 21.59 |
| 13 | Net Profit / (Loss) for the period (11 - 12) | 0.73 | 6.59 | 0.63 | 9.90 | 132.91 | 27.28 |
| 14 | Paid-Up Equity Share Capital of Rs. 10 Sec | 5496.57 | 5496.57 | 5496.57 | 5496.57 | 5496.67 | 5496.67 |
| 15 | Reserves Excluding Revaluation Reserve as per Balance sheet of Previous accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,058.22 |
| 16 | Basic EPS (Rs) | 0.00 | 0.01 | 0.00 | 0.01 | 0.16 | 0.03 |
| | Diluted EPS (Rs) | 0.00 | 0.01 | 0.00 | 0.01 | 0.15 | 0.03 |
| 17 | Public Share Holding | | | | | | |
| | Number of Shares | 4,20,06,811 | 4,20,06,811 | 4,20,06,811 | 4,20,06,811 | 4,20,06,811 | 4,20,06,811 |
| | % of Shareholding | 49.44% | 49.44% | 49.44% | 49.44% | 49.44% | 49.44% |
| 18 | Promoter and Promoters Group shareholding | | | | | | |
| | a. Pledge/Encumbered | | | | | | |
| | Number of shares | 3,02,56,665 | 4,29,59,885 | 4,29,59,885 | 3,02,56,665 | 4,29,59,885 | 4,29,59,885 |
| | Percentage of shares (as a % of total shareholding of Promoter and Promoter Group) | 70.43% | 100.00% | 100.00% | 70.43% | 100.00% | 100.00% |
| | Percentage of shares (as a % of total share capital of the Company) | 35.51% | 50.56% | 50.56% | 35.51% | 50.56% | 50.56% |
| | b. Non encumbered | | | | | | |
| | Number of shares | 1,27,02,900 | - | - | 1,27,02,900 | - | - |
| | Percentage of shares (as a % of total shareholding of Promoter and Promoter Group) | 29.57% | 0.00% | 0.00% | 29.57% | 0.00% | 0.00% |
| | Percentage of shares (as a % of total share capital of the Company) | 14.95% | 0.00% | 0.00% | 14.95% | 0.00% | 0.00% |
| Notes : | | | | | | | |
| (1) The above results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 02nd February 2012. | | | | | | | |
| (2) The statutory auditors have conducted a limited review on above results. | | | | | | | |
| (3) Investors Complaint pending at the beginning of the Quarter - Nil, received during the quarter - Nil, resolved during the quarter - Nil, pending at the end of quarter - Nil. | | | | | | | |
| (4) The Company is manufacturing Ferro Alloys & Sponge iron which is basically used in Iron & Steel industry. Further power generated in the company is 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 Standards - 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 Standards - 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 Standards - 17 issued by the Institute of Chartered Accountants of India. | | | | | | | |
| (5) Previous periods figures have been reproduced, wherever necessary. | | | | | | | |
| Place : Santé; | | For S.A.L. Steel Limited | | | | | |
| Date : 03.02.2012 | |  | | | | | |
| | | Rajendra V. Shah CHAIRMAN | | | | | |